



• August 15-18, 2010 • Dallas, Texas •
• Dallas Convention Center •



The Energy Contracting Journey

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17 August 2010

AGENDA

“...take a journey through the utility energy services contract process and learn how to issue a contract vehicle for meeting your project needs.”

ELEMENTS OF A JOURNEY

- Must have a plan
- Take someone along with you
- Take some luggage or food (sustainment)
- Know what you are going to do when you get there

HAVE A PLAN...

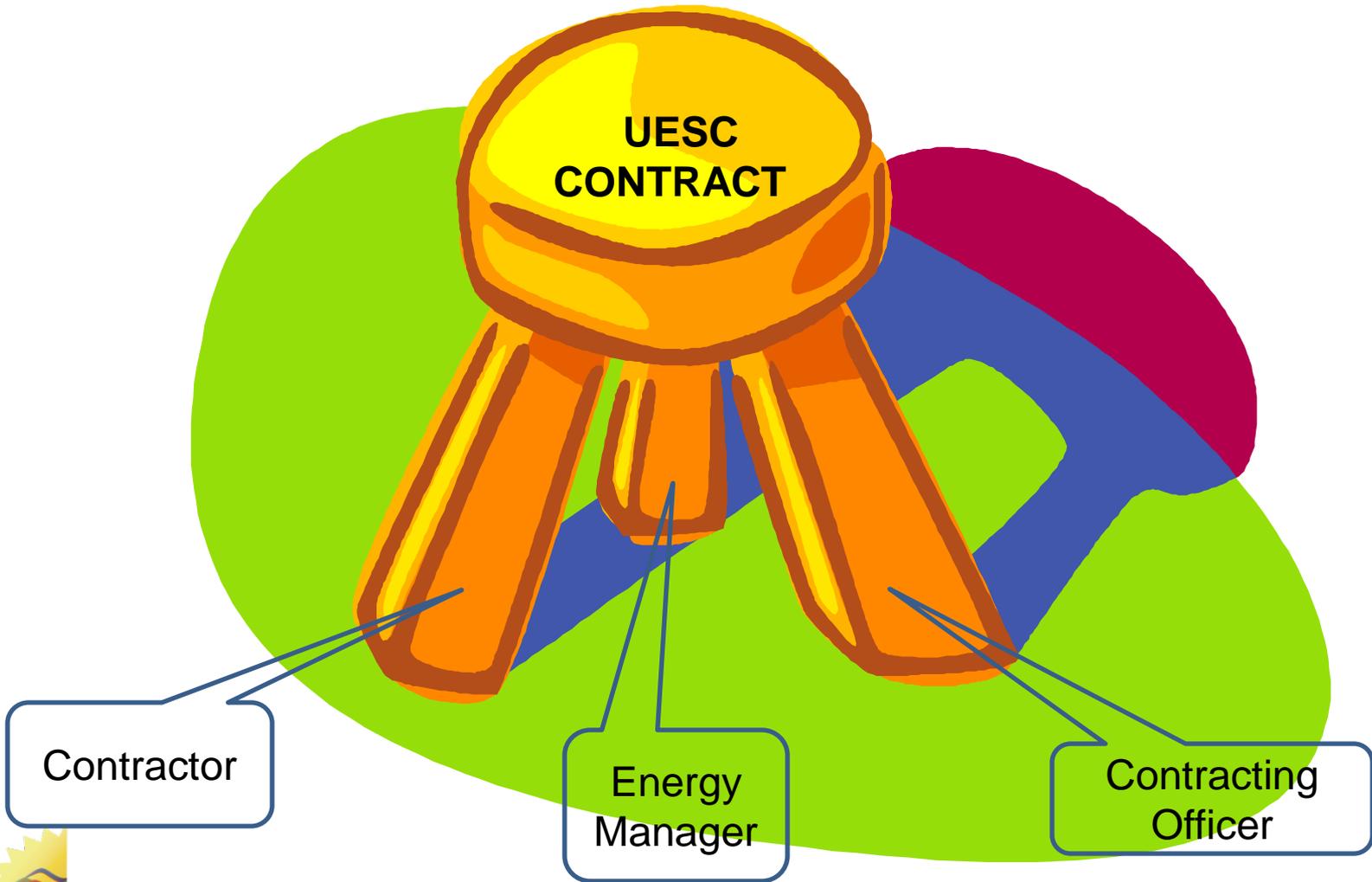
- FAR 1.602-2 states Contracting Officer is responsible for:
 - *Ensuring performance of all necessary action for effective contracting*
 - *Ensuring compliance with the terms of the contract*
 - *Safeguarding the interests of the United States in its contractual relationships*

CONTRACTING MISSION

- Execute Energy Manager's energy conservation objectives
 - He brings the requirement to contracting
- Separate and distinct functions between requirements folks and contracting folks
- Contracting Officers

Turn requirements into reality!

TAKE SOMEONE WITH YOU



TAKE SOMEONE WITH YOU

- FAR 1.602-2 states:

...request and consider the advice of specialists in audit, law, engineering, information security, transportation, and other fields, as appropriate.

- Contract decision is your responsibility
 - Based on a plethora of advice from specialists
 - Based on a lot of regulations

TAKE ALONG SUSTAINMENT

- Energy Policy Act of 1992 - 42 U.S.C. 8256
- National Defense Authorization Act of 2007
 - Section 2913 – Energy Savings Contracts
- FAR regulations
- Support agencies - policy, legal, audit, etc
- Technical advisors - engineers, operators, mechanics, plumbers
- Every person at this conference and those that did not get to come!

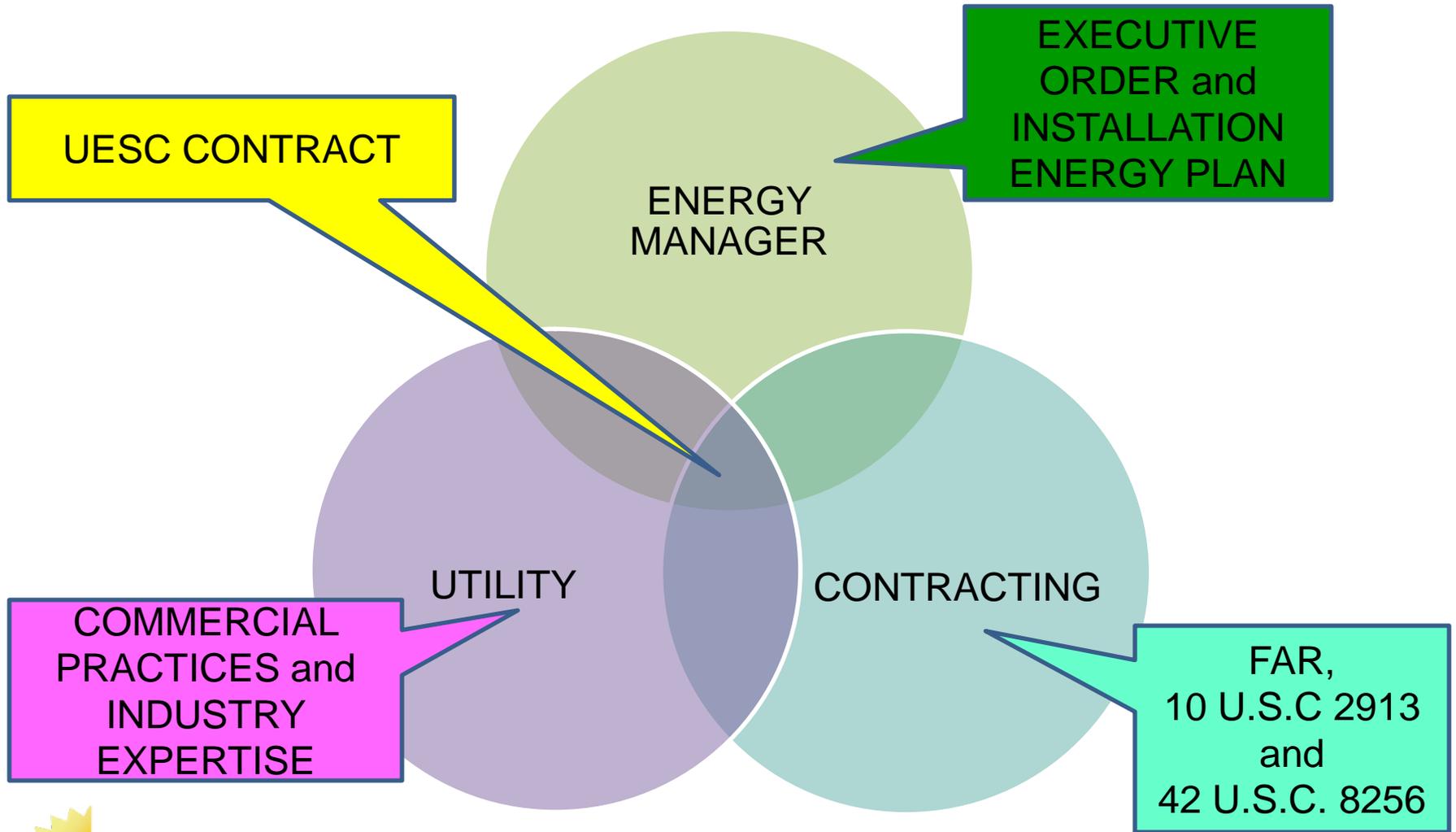
WHAT MAKES A CONTRACT

- Definition of a contract according to FAR 2.1:
 - *A mutually binding relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them*
 - *It includes all types of commitments that obligate the government to an expenditure of appropriated funds and that, except as otherwise authorize, are in writing.*

KNOW WHAT WE ARE GOING TO DO WHEN WE GET THERE

- Turn a requirement into reality!
- Write an energy conservation contract
 - UESC – utility energy services contract

ENERGY PLAN



STEP 1: MEETING OF THE MINDS

- Kick Off Meeting:
 - Government only meeting
 - Identify objective, define process, roles and responsibilities of team members
 - Meeting with the utility and his subcontractor(s)
 - Entertain proposed energy savings concept
 - Establish project viability
- Accomplished along the way:
 - Acquisition strategy
 - Acquisition planning

STEP 2: PRELIMINARY AUDIT

- Based on results of kickoff meeting
 - Walk away **-OR-**
 - Initiate an action to conduct the preliminary assessment
 - Provide installation operating data
 - Provide utility rates
- Contractor builds the picture
 - Current conditions
 - Expected renovations/retrofits
 - Projected outcome at completion of construction

PHASE I – INITIAL PROPOSAL

SUBJECT: Phase I Authorization for Energy Management Systems

Contract #: F34650-74-0035, Delivery Order

1. The Contractor shall conduct a Phase I Preliminary Site Survey to identify cost effective energy conservation opportunities by the investigation of installing energy management systems in various Government buildings. The energy management systems shall seek to conserve energy (kWh), reduce electrical demand (kW) and reduce maintenance and operation costs by monitoring and controlling lights and HVAC equipment and other major energy consuming equipment/components in several different types of buildings. The projected implementation time and costs must take into account the ability for the using agency to concurrently perform the required mission. This Survey shall be in accordance with their terms and conditions of Contract F34650-74-D-0035-P0015, Attachment C.
2. Deliverables: Contractor shall provide one (1) unbound original written report and twelve (12) copies detailing the findings and recommendations. Contractor shall provide one copy of the report in electronic format readable by Microsoft Word. Contractor shall provide fully functional copies of any spreadsheet, database, or other format files used for analysis.
3. The Contractor shall provide all labor, equipment, tools, materials, supplies and transportation required to provide a complete preliminary assessment.
4. The completion date for the Phase I report is due on or before 1 October 06.

STEP 3: INITIAL PROPOSAL SUBMISSION

- Is the contractor responsive and responsible?
- If yes, distribute for review at 30,000 ft view
- Obtain comments/recommendations
 - Culminate to one set through the Energy Manager
- Determine if revisions to the proposal are mandatory
- Make a go/no go decision
- Focus is on the technical aspect of the project

PHASE II – FEASIBILITY STUDY

SUBJECT: Contract : F34650-74-C-0035-5013

1. You are hereby directed to proceed to completion of the Phase II for the subject delivery order. This study shall be in accordance with their terms and conditions of Contract F34650-74-D-0035-P0015, Attachment C. Be sure to convert to the newly published Tinker Air Force Base utility rates for all calculations in preparing this economic analysis and feasibility study. The only ECPs that are to proceed forward from Phase I are the lighting improvements for Buildings 2280, 3225, 3228, 3102, 282, and 296. All other work attempted or discussed prior to this date is to be deleted while accomplishing the Phase II study.
2. The contractor shall deliver one (1) unbound written hard copy and two (2) electronic discs of the same, detailing the findings and recommendations. The electronic discs shall contain all word documents, spreadsheet/database and any drawings. All data shall be in fully functional electronic Microsoft Office format.
3. The completion date for the Phase II report is due on or before 15 Jan 07.
4. Any questions shall be referred to the undersigned.

STEP 4: GO TO FEASIBILITY STUDY

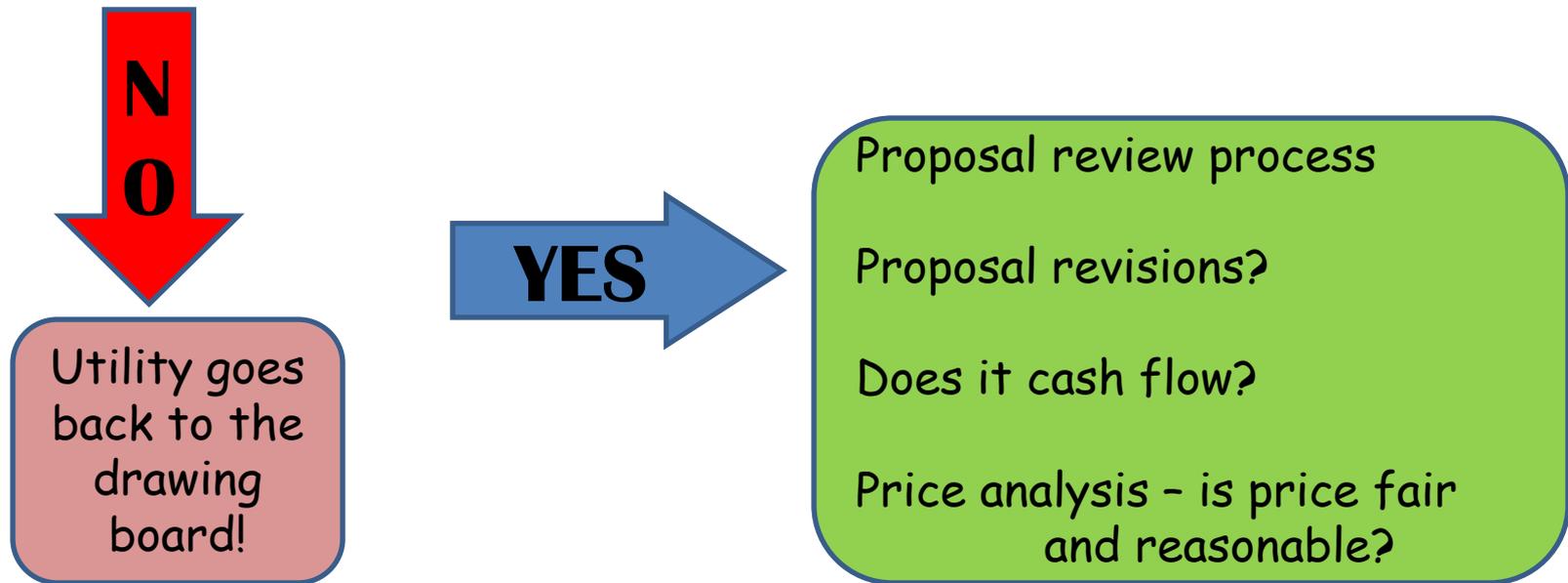
- Components and requirements of feasibility study already defined in basic contract vehicle
- Set a period of performance
- Set up a site visit and site access
 - Arrange escorts as necessary
- Arrange meetings with facility/building managers
- Track and respond to requests for information
- Set up requirement for and approval of materials and equipment

REQUEST FOR INFORMATION LOG

RFI NUMBER	RFI DESCRIPTION	DATE REC	DATE FWD TO CE	DATE RTND FROM CE	ACTION REQUIRED	DATE OF RESPONSE TO KTR
1	RMV Insulation DA Tank	9-Mar-01	19-Mar-01	17-May-01	contractor recommendation approved; information supplied	23-May-01
2	Plate and Fram Shop; ECP 6	22-May-01	23-May-01	6-Aug-01	accepted 2a; declined rest	13-Aug-01
3	Infrared Radiant Heat; ECP 12	22-Jun-01	23-May-01	27-Jul-01	more information requested from Energy Mgr	30-Jul-01
4	Pipe Insulation B/3001; ECP 2	21-Jun-01	22-Jun-01	27-Jul-01	Government accepts; modification to contract required	30-Jul-01
5	Duct Insulation; ECP 3	21-Jun-01	21-Jul-01	27-Jul-01	Government declines; ktr continue with 100% design efforts	30-Jul-01
6	EMCS B/230, ECP 5	21-Jun-01	21-Jul-01	27-Jul-01	further information needed; ktr to submit	30-Jul-01
7	Summer Decentralization B/208; ECP 7	21-Jun-01	21-Jul-01	27-Jul-01	Govt must address B/210 boiler issue; ktr sending more information	30-Jul-01

STEP 5: REVIEW OF FEASIBILITY STUDY

- Two prong approach
 - Is the report technically sound and correct?
 - Is the proposal reasonably priced?



PROPOSAL REVIEW

- Normal 'widget' price analysis and cost analysis procedures apply
- Normal 'widget' clearance review process for authority to negotiate
- Final technical considerations will affect price
- Final price will affect payback term

Final clean feasibility proposal = statement of work for resultant contract

STEP 6: Simply Do It

- Execute! Execute! Execute!
- Award the UESC contract
 - Attach the final revised proposal as it is the statement of work for the contract
- Congratulations – *You did it!*