



The Premier Energy Training Workshop
and Trade Show for Federal Agencies

A River of Energy Solutions

GSA's role in negotiating the best deal

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GSA's Role

- (a) Statutory authority.
 - The General Services Administration (GSA) is authorized by 40 U.S.C. 501 to prescribe policies and methods governing the acquisition and supply of utility services for Federal agencies. This authority includes related functions such as managing public utility services and representing Federal agencies in proceedings before Federal and state regulatory bodies. GSA is authorized by 40 U.S.C. 501 to contract for utility services for periods not exceeding ten years.

Statutory and Delegated Authority

- GSA's Federal Property and Administrative Services Act of 1949
 - Manage Federal Government's utility services
 - Represent Federal Agencies in Regulatory Proceedings
 - Negotiate long term (excess of 1 year) utility contracts for periods not to exceed 10 years
 - Provide Areawide Contracts for utility services

Applicability

- Subpart 41 applies to...
 - Regulated electricity, natural gas, water and sewage service.
 - The transportation component of a competitive electricity or natural gas contract.
 - Utility energy service contracts negotiated pursuant to Energy Policy Act of 1992.
 - Contract for connecting government facilities to the nearest source of supply (connection charges).

Applicability Continued

- Subpart 41 does not apply to...
 - Utility services sold by another Federal Agency.
 - Routine maintenance of Government-owned facilities unless a part of a UESC contract.
 - Electricity or Natural Gas supply contract purchased as a supply.
 - Conversion of Government-owned facilities to utility-owned regulatory assets.

Procurement Policy – 41.201

- As long as not inconsistent with State law, Federal Agencies may negotiate special rates with regulated utilities for such things as shared energy savings, special standards for service reliability, and other service as deemed appropriate & necessary by the head of the Agency.

GSA Areawide Contracts – 41.204

- Agencies are permitted to separately negotiate other rates and terms and conditions of service with the regulated supplier. Rates other than those published may require the approval of the regulatory body. Can still be done using an Exhibit Authorization under a GSA Areawide.

Single Point (Separate) Contract – 41.205

- Agencies may negotiate rates and terms and conditions of service with the supplier.
- In order to obtain the most favorable negotiating position for the long-term, it may be desirable that the Agency obtain a 10 year delegation of contracting authority from GSA.
- In the event a new Areawide is executed, existing special rates and services of a special nature currently provided under a separate written contract may be continued under an Exhibit Authorization if requested by the Ordering Agency and agreed upon by the Contractor.

Delegated Authority

- Department of Defense is authorized to acquire utility services for military facilities.
- Department of Energy is authorized to acquire utility services for its facilities.
- Department of Justice (BOP) and Department of Veteran Affairs (VA) have been delegated the authority to negotiate contracts for connection charges.

Procurement Procedures

- Comply with the Competition in Contracting Act requirements as required by FAR Parts 6 and 7. If competition exists, proceed to Part 12 procedures.
- If procurement is sole source determine type of contract to use.
 - Areawide Contract
 - Separate single point contract
 - Interagency Agreement

Areawide Contracts

- If an Areawide contract exists with an utility, you need an extraordinary reason to use some other procurement mechanism.
- Read the contract. Most of the frequently asked questions are included in the contract.
- Verify that the service is acquired using the proper rate and complete the authorization form.
- Authorization form must be bilaterally executed.

Delegation of Authority

- Long-term contracting authority delegated to other agencies on a case-by-case basis.
- Agencies must have contracting officials have the technical experience that is necessary for the specialized problems encountered in the utility industry.
- Request for delegation must include a description of the project, cost, and other miscellaneous information that is necessary to determine the propriety of delegating the contracting authority.

Volume of utility acquisition authorities delegated by GSA

- There are a total of 69 from 1997 to the present.
- Master list can be provided of utility delegations administered by the GSA Energy

Non Regulated Utility Services

- **Energy Division complies with GSA's FAR responsibilities by pursuing a strategy which attempts to provide utility services to the Federal Government in cost efficient manner.**
- **Administer Public Utility Areawide Contracts with the largest utility companies in the nation, namely with investor owned utility companies servicing America's largest metropolitan areas.**
- **By analyzing energy consumption and cost data in our Energy Usage and Analysis System, the Energy Center is able to determine where the majority of our utility consumption occurs.**
- **We focus our resources on negotiating and awarding Public Utility Areawides with those companies. Currently, GSA maintains 120 of these contracts which provide utility acquisition coverage for any Federal building in these targeted utility service territories. It is our belief that we reach a majority of federal customers in this most efficient manner.**

Non Regulated Price Competition

- GSAS provides competitive electricity, transportation natural gas and renewable energy contract services by aggregating large segments of the federal requirement in States that have enacted retail access programs.

Delegation Approval Decision Process

- In response to requests for delegations of authorities from agencies for service locations where no Public Utility Areawide contract is in place, we analyze the potential federal requirement in that area for consideration of negotiating a new Public Utility Areawide.
- If, as in most cases, the agency request is the only federal location within the utility service area, we determine it is most cost effective for the agency to receive its own delegation of authority.
- If it determined in our analysis there is sufficient federal buildings in the service territory to warrant a new areawide contract, the Energy Center immediately begins negotiations with the utility companies to sign a federal contract.

Rate Intervention

- GSA Energy Division maintains an extensive regulatory review program in partnership with DoD and DOE to ensure agencies are appropriately represented before State Public Utility Commissions as rate changes are proposed by utilities.
- Agencies with delegations for utility acquisition are otherwise assured that they will only be charged the published tariff rate for their customer class as required under State law.

GSA Contacts

- Areawide Contracts: linda.koman@gsa.gov
- Competitive Electricity: ken.shutika@gsa.gov
- Competitive Natural Gas: linda.collins@gsa.gov
- Delegation of Authority for utility acquisition: jerard.butler@gsa.gov
- **Rate Intervention (including delegation of authority): lariza.sepulveda@gsa.gov**