
ATTACHMENT C

SECONDARY ESCO SELECTION PROCESS



The Energy Services Coalition offers a collection of model procurement and contracting documents that represent Best Practices for state energy offices (SEOs) to launch and administer programs to increase energy efficiency through energy performance contracting. The documents draw from successful programs in various states and are continually updated to incorporate the latest strategies. They can be easily customized to meet the needs of any SEO or similar government department.

DESCRIPTION – Secondary ESCO Selection Process:

Where ESCOs were pre-qualified to provide performance contracting services to facility owners, this secondary selection process establishes how a facility owner can conduct a second phase of the competitive procurement process to select an ESCO to meet the needs of the specific project. The process can easily be customized to add more rigor or to increase the flexibility, but it must meet procurement requirements of the facility owner.

It will likely meet a state’s minimal procurement requirements and retains flexibility and simplicity to streamline the ESCO selection process for facility owners.

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Secondary ESCO Selection Process

ESCOs selected from this RFP that have an active contract to participate in the SEO/EPCP are eligible to provide performance contracting services to SEO/EPCP participants (Facility Owners). Each Facility Owner participating in the SEO/EPCP will use a secondary ESCO selection process to select a specific ESCO to implement a performance contracting project at the Facility Owner's facilities.

The secondary selection process will vary with the Facility Owner's procurement policies. The following process is recommended:

Facility Owner Guidelines for Selecting an ESCO from the As-Needed List

- Identify at least three ESCOs for consideration that have capability to meet the needs of the project.
 - Review the 5-page overview of each currently eligible ESCO (overviews were provided by ESCOs in response to the RFP for As-Needed Performance Contracting Services). As a first-level screening, consider the ESCO's involvement in the similar types of facilities. (Links to the overviews are posted on the SEO website.)
 - Review the more detailed submittal from ESCOs of interest, also on-line at the same site and provided on the ESCO's website.
- Further consider at least three ESCOs to identify the best candidate to suit your project needs.
 - Develop a Technical Facility Profile to provide information on your buildings to the prospective ESCOs, as suggested below.
 - Invite these ESCOs to provide additional information specific to your project. (If an ESCO declines to respond, it is not necessary to identify another ESCO to take its place.) The recommended submittal request is provided below.
 - Review the additional information specific to your project and determine which ESCOs to invite to an interview.
 - Interview one or more ESCOs. (It is acceptable to only interview the top candidate.)
- Invite the top-ranked ESCO to enter into the audit contract. If a contract cannot be finalized, negotiate with the second-ranked ESCO.

TECHNICAL FACILITY PROFILE

Note: The energy service companies (Contractors will need a description of the facilities in order to decide whether to respond to the RFP. Use any format you wish. Only include information that is readily available in order to expedite the RFP process. At the minimum,

include “Building List” and the minimum recommended portions of the “Energy and Water Consumption and Cost Information” section.

The information in this technical facility profile is provided to inform the CONTRACTOR about the condition of the facilities. The information was prepared with diligence. The CONTRACTOR is responsible for verifying the accuracy, as necessary.

Note: Provide as a separate file to avoid word-processing errors. Include this page as a cover sheet.

Building List

- *List of Buildings (include **all** buildings that could be potential candidates either now or in the future; you can always scale-back the project scope during contract negotiations if desired). List only those buildings where you pay the utility bills and have responsibility for upgrades. Include:*
 - Name of building
 - Total square footage of conditioned space.
 - Primary use of building (school, office, etc.)
 - Year constructed
 - Year of any major modifications, additions or renovations (briefly describe)
 - General location of buildings if not all are in one city or one “campus”

Energy and Water Cost & Consumption Information

Only provide information that is readily available.

- List the present utility companies that provide electricity, gas, water, etc.
- Is natural gas or propane used? If propane, is natural gas available in the area?
- Provide energy use information as available: At a minimum, include *annual costs* for each of the main buildings (preferably itemized by electricity, natural gas, water, etc.). *If available*, include *monthly* consumption and cost information for electricity (kW, kWh, \$), gas (ccf/therms/gal, \$), water (gal, \$), etc. for the past one-year period for each of the major buildings. If monthly information is not readily available, attach copies of utility rate schedules that apply to the facilities or include a sample utility bill for electricity, gas, etc. for each facility or meter from a winter month and summer month. If under contract for natural gas, provide the fuel purchase agreement and a monthly price history, if available.

Past Energy Improvement Efforts

Only provide information that is readily available.

- Describe any major energy-related changes made during the past ten years (boiler/chiller replacements, other heating/cooling modifications, cooling additions, energy management control installation/upgrade, T8/electronic ballast lighting upgrades, ventilation improvements, etc.).

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- State if any energy audits were conducted in the past 5 years and if the information is available.

Future Plans

Only provide information that is readily available. If not readily available, the ESCO can work with you to collect needed information during the audit phase.

- Describe any major change planned to occur (additions or renovations; lighting upgrade, major equipment replacement; decommissioning, demolition or sale; significant change in function or hours of operation in the next 10 years; change in function of building such as from classrooms to offices, change in hours of use such as year-round to seasonal operation).
- Describe funding available, planned or anticipated for these improvements.
- Describe any building improvements that you would like to investigate during this project.

Energy-Using Systems Description

Only provide information that is readily available. If not available, the ESCO can work with you to collect needed information during the audit phases.

- Heating System: Briefly describe the types of heating systems serving your buildings (boiler, furnace, rooftop unit, etc.). Also describe the distribution system that delivers heated/cooled air to the rooms (forced air, water, etc.) Describe the age and condition.
- Cooling System: Briefly describe the type of cooling system serving your building (chiller, roof-tops, etc.). Describe the age and condition.
- Controls System: If you have a controls system to control space temperatures and heating and cooling equipment, please describe its capability (what is controlled), type (pneumatic compressed air system, direct digital control system), condition, manufacturer name and model, and approximate year installed.
- Lighting System, Interior: Describe extent of replacement of fluorescent systems to T8 lamps and electronic ballasts.
- Water Heating System: Describe your domestic water heating system. Is it part of the space heating system?
- Other Energy-Using Systems (laundry, kitchen, laboratory, solar system, swimming pool, spa, ice rink, etc.)
- List any added water use such as showers, laundry, irrigation, etc.

Operating Information

Only provide information that is readily available. If not available, the ESCO can work with you to collect needed information during the audit phases.

- Describe the typical hours of operation for each facility (weekday, weekend, seasonal). In other words, when are the lights on and when is the heating/cooling system operated?
- Describe the janitorial hours (during occupied hours or after hours?)
- Describe when cooling systems are used and in which buildings

Maintenance Practices

Only provide information that is readily available.

- Describe the general maintenance practices (preventive maintenance plan used, skilled or low-skilled maintenance staff, good or poor funding for maintenance, much or little deferred maintenance, etc.)
- Describe any known maintenance problems and/or needs associated with deferred maintenance. Include comfort problems.

Request for Additional Information

In addition to the information provided in the submittal to become eligible for the As-Needed List for Performance Contracting Services, a Facility Owner may want the following information specific to the proposed project.

1.0 MANAGEMENT APPROACH

1.1 Project Management and Coordination

Show the organization chart (by name as available) for implementing and managing the proposed project, including the responsibilities of each individual shown and the lines of authority within the overall organization. Identify portions of the effort, if any, that are proposed to be subcontracted and provide the same information for subcontractor organization and personnel.

1.2 Appropriate Market Sector Experience/Expertise

Provide information that emphasizes your company's experience and expertise in the types of buildings related to this project.

1.3 Project Personnel and Staffing

1.3.1 *Qualifications and Experience of Personnel*

Complete the table below to list each individual who will have primary responsibility for key tasks and phase of the proposed project.

| Name | Title | Staff or Subcontractor | Potential Role | Academic/Professional Qualifications; Level of Expertise; Experience | Project List with Project type, Cost, Role | Base Location |
|------|-------|------------------------|----------------|--|--|---------------|
| | | | | | | |

Potential role in the project: technical analysis, engineering design, construction management, construction, training, post-construction measurement and verification, support, and other services; note supervisory responsibilities, if any.

Level of expertise: specific qualifications related to role and responsibilities for the project; past relevant experience; years in industry or other brief description

Base Location: Permanent office in the state; On assignment from other state; Out-of-state support.

Project List: List projects, with project type and project cost, that the person was associated with during the last five years.

Also provide resumes in a clearly marked appendix to the company's response to this secondary selection RFP.

1.3.2 Added Qualifications and Experience

Complete an additional table to include any added expertise and capability of staff available through other branch offices, subcontracts, etc., that can provide back-up strengths.

| Name | Title | Staff or Subcontractor | Potential Role | Academic/Professional Qualifications; Level of Expertise; Experience | Project List with Project type, Cost, Role | Base Location |
|------|-------|------------------------|----------------|--|--|---------------|
| | | | | | | |

2.0 COST AND PRICING

Responses to this section only will remain proprietary.

Maximum rates were established for your company in your initial response and later negotiations in contracting with the SEO/EPCP. Propose rates for this specific project that are equal to or less than your company's stated maximum rates, in recognition that rates can vary with the project size, scope and location of the specific project. All other guidelines presented in the initial RFP for presenting markups and fees shall apply.

2.1 Markups

Markups shall be calculated as a percentage added to the base cost for the project. The use of margins in lieu of markups is not acceptable. Use only the categories shown. Ranges for markups are not acceptable.

| MARK-UPS | | |
|----------------------------|----------------------------|------------------|
| <i>CATEGORY OF MARK-UP</i> | <i>MARK-UP APPLICATION</i> | <i>% MARK-UP</i> |
| Overhead | | |
| Profit | | |
| Labor – Internal | | |
| Equipment Purchased | | |
| Materials Purchased | | |
| Subcontract Labor | | |
| Subcontract Material | | |

2.2 Fees

Use only the categories shown. Ranges for fees are not acceptable.

| FEES | | |
|--|--------------------------------|---|
| <i>CATEGORY OF FEE</i> | <i>HOW DETERMINED AND USED</i> | <i>YEARS APPLIED (One-time, Annual, etc.)</i> |
| Technical Energy Audit and Project Development | \$ _____ per Square Foot | One time |
| Solicit & Evaluate Project Financing Proposals | | |
| Design | (Example) ___% of _____ | |
| Contingency | | |

| | | |
|-----------------------------------|--|--|
| Permits | | |
| Performance Bond | | |
| Project Management | | |
| Commissioning | | |
| Training | | |
| Monitoring and Verification | | |
| Warranty Service | | |
| Maintenance on Installed Measures | | |

2.3 Application of Markups and Fees (Hypothetical Example)

Provide a sample of your pricing model using a two-measure performance contracting project. Show the complete detail of what will be provided to the Institution in the actual project using the markups and fees you will commit to in the actual project, as identified above, for all categories, fees and services that will be seen in the actual project.

Include a sample project proforma and clearly indicate all fees required for monitoring & verification, project management and all services that may be included in the actual project. All markups and fees used in this example must be representative of what will be used in the actual project.

Additional markups, fees, or service category costs not shown in this example will NOT be allowed in the final contract.

Incomplete information will be considered an incomplete response and cause the response to be rejected.

- a) Provide an example lighting measure that relates to this project in size and scope. Provide all pricing documentation as you will provide it for open book pricing in the final contract. Clearly differentiate the subcontracted portion of the project and break out labor, materials and other categories as you will for open book pricing.
- b) Provide same information for an example boiler measure (or other heating/cooling equipment if a boiler replacement is not relevant for this project)
- c) Show the two measures above in a complete two-measure performance contracting project. Provide a proforma to clearly indicate all costs and fees represented as they will be applied in the final contract. Use the format and structure you will use in the final contract.

2.4 Best Value

Briefly describe how the company's approach to performance contracting delivers best value for the investment. The responding company shall also describe any utility rebates or other financial incentives or grants it can potentially provide and/or facilitate.