**U.s. DEPARTMENT OF ENERGY**

**Federal Energy Management Program**

**ESPC ENABLE Acquisition plan Template**

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***PLEASE READ THIS GUIDE BEFORE USING THE ACQUISITION PLAN TEMPLATE***

**ESPC ENABLE Acquisition Plan Guide**

**Introduction** - This template is a tool to assist you in forming your agency’s Acquisition Plan. The Acquisition Plan is the first formal step in the ESPC ENABLE procurement process and your completed plan will serve as a guide the rest of the way. Please review agency procurement requirements to determine whether an acquisition plan is required.

The Acquisition Plan defines an organizational structure for the procurement of the ESPC ENABLE project. This template is based on information that would commonly be required in an Acquisition Plan for an ESPC ENABLE project based on Federal Acquisition Regulation (FAR) Part 7.105. Please be sure to refer to FAR 7.105 and agency-specific procurement guidance as you use this template to be sure you have met any applicable requirements.

**Instructions –** The ESPC ENABLE Project Manager and Contracting Officer (CO) are responsible for developing the Acquisition Plan unless another arrangement has been made in your agency. The Acquisition Plan template begins on page 3 of this document. Please remove this guide, pages 1-2, from the final version of your Acquisition Plan and renumber accordingly.

This template ***cannot be used without editing***. In the template, you will find two types of text. [Sample text will appear in black font.] Please review the [sample text] to ensure that it meets your agency specific requirements and project goals. [Text that requires you to insert agency- or project-specific information, or requires you to edit for your purposes, will appear in red font.] You should reformat this document to fit your agency’s requirements for procurement documents. If your agency has already established a procurement template, this template may be used as a guide.

**Acquisition Plan Components -** Federal Acquisition Regulation Part 7.105 states that an Acquisition Plan will consist of two primary sections:

1. Acquisition Background and Objectives
2. Plan of Action

Within each of the sections above, there are a number of sub-sections to address specific procurement requirements. A full outline of a FAR Part 7.105-prescribed Acquisition Plan is shown in the table below. Some of these sections will not be necessary for your purposes, and some may be adequately addressed by the sample text provided.

To assist you in building your Acquisition Plan, we have tailored the FAR guidance to the ESPC ENABLE procurement process and inserted sample text for your use. The use of this template should not detract from the actual internal planning and coordination that must take place within your agency during an ESPC ENABLE project.

|  |  |
| --- | --- |
| **A.** **Acquisition background and objectives** | **B. Plan of action** |
| (1) Statement of need | (1) Sources |
| (2) Applicable conditions | (2) Competition |
| (3) Cost | (3) Contract Type Selection |
| (4) Capability or performance | (4) Source-selection procedures |
| (5) Delivery or performance-based requirements | (5) Acquisition considerations |
| (6) Trade-offs | (6) Budgeting and funding |
| (7) Risks | (7) Product or service description |
| (8) Acquisition streamlining | (8) Priorities, allocations, and allotments |
|  | (9) Contractor versus Government performance |
|  | (10) Inherently governmental functions |
|  | (11) Management information requirements |
|  | (12) Make or buy |
|  | (13) Test and evaluation |
|  | (14) Logistics considerations |
|  | (15) Government-furnished property |
|  | (16) Government-furnished information |
|  | (17) Environmental and energy conservation objectives |
|  | (18) Security considerations |
|  | (19) Contract administration |
|  | (20) Other considerations |
|  | (21) Milestones for the acquisition cycle |
|  | (22) Identification of participants in acquisition plan preparation |

**ESPC ENABLE Acquisition Plan Template**

(Acquisition Plan Cover Page – Format to meet your Agency Requirments)

Agency/Sub-agency

Department/Division

Office, Region, or Site/Facility

ACQUISITION PLAN

Project Number: (Internal project identification number, if applicable)

Project Title: (Site/Facility/Region) ESPC ENABLE Energy Improvements Project

(or name of your choosing)

Facilities Involved: (List facilities/sites to be affected)

Estimated Value:

Contract Type: Firm, fixed-price

**APPROVALS** – Please ensure all internal approval processes are followed.

In accordance with FAR Subpart 7.105, subject Acquisition Plan is approved.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Project Manager or other, if applicable)

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Contracting Officer or other, if applicable)

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Regional/Departmental/HQs approval, if applicable)

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Site Specific Management approval, if applicable)

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. **Acquisition Background and Objectives**

The (project name) Acquisition Plan was prepared by (Project Originating Division/Site/Facility) for the procurement of an Energy Savings Performance Contract (ESPC). The plan was prepared in accordance with Federal Acquisition Regulation (FAR) Part 7.105, and (state internal procurement/contracting regulation or guidance, if applicable). This plan also follows ESPC ENABLE procurement process guidance issued by the Energy Department’s Federal Energy Management Program (FEMP).

See FAR 7.105(a)

* 1. **Statement of Need:**

The (Agency/Sub-agency/Divisional Office or applicable) is interested in improving efficiency and upgrading performance of outdated energy and water equipment at (Sites/Facilities involved). (Agency/Sub-agency/Divisional Office or applicable) seeks to enter in to an ESPC ENABLE performance contract with an energy service company (ESCO) to retrofit facility lighting systems; water consuming equipment; simple controls related to heating, ventilating, and air conditioning (HVAC); HVAC equipment; and solar photovoltaic (PV) energy conservation measures (ECMs). These upgrades will result in a number of sustainable improvements to the affected facilities, including utility cost-savings, safer working environments, and reduced environmental footprint.

Prior to the formation of this Acquisition Plan, the (Agency/Sub-agency/Divisional Office or applicable) looked at other funding options and procurement processes. The ESPC ENABLE procurement vehicle was chosen (due to a lack of appropriated funds/budget, because of the streamlined and standardized contracting process, because the contract guarantees performance of the installed equipment, or other applicable reason).

(List any additional needs or goals the agency hopes to fulfill with this project. See FAR 7.105(a)(1))

* 1. **Applicable Conditions:**

The (Agency/Sub-agency) is held to a number of executive orders and mandates that require all federal agencies to reduce their energy and water use. Energy-and water-consuming equipment including lighting, water fixtures, simple HVAC controls, HVAC equipment, and solar PV require upgrades to meet these mandates. Upgrades to this equipment shall not meaningfully affect the performance of any related systems.

The ESPC ENABLE procurement process will allow upgrades to be completed without upfront capital spending on the part of the (Sites/Facilities involved). The full cost of the project will be rolled into a multi-year contract with a fixed interest rate and payments will be made using the energy savings from the newly installed equipment. The performance of the new equipment will be guaranteed by the ESCO within the contract and verified by annual measurement and verification (M&V) over the life of the contract.

(Identify any additional conditions applicable to this procurement. Reference FAR 7.105(a)(2))

* 1. **Cost:**

(Agency/sub-agency) will be entering into a firm, fixed-price agreement with the award of the Task Order (TO). The ESPC ENABLE project will require no up-front capital costs to the (Agency/sub-agency) or (Sites/Facilities involved). All costs related to project implementation will be paid from energy cost savings produced by the new equipment.

The ESCO will guarantee and be responsible for the performance of the installed ECMs over the life of the contract. The ESCO will receive payments from (Agency/Sub-agency/Facility) not to exceed the savings realized during the performance period.

See FAR 7.105(a)(3)

* 1. **Capability and Performance:**

The ESCO selected to perform this work must be capable of managing all aspects of the project throughout the life of contract. Additionally, the contractor-installed ECMs shall not negatively interfere with the performance of existing systems. The standards of performance for all installed and affected equipment will be determined in the Final Proposal and guaranteed by the ESCO in the terms of the contract.

The ESPC ENABLE procurement process uses the General Services Administration (GSA) Multiple Award Schedule (MAS) Special Identification Number (SIN) 334512. To be eligible for selection, the ESCO must be a qualified offeror on the GSA MAS and be on the Energy Department (DOE) Qualified List of ESCOs. These qualifications, along with information gathered during the competitive selection process, indicate that the ESCO has been found to meet the technical and financial requirements to provide ESCO services under the ENABLE program.

(List any additional site-specific capability or performance requirements, if applicable. See FAR 7.105(a)(4))

* 1. **Delivery or Performance Period Requirements:**

The delivery and performance period requirements for this agreement will be based on fulfilling the required needs described above, ensuring long-term value for the government, and in accordance with the FEMP ESPC ENABLE procurement process, the GSA MAS, and (Agency/Sub-agency) procurement policy. (State any applicable internal procurement requirements)

See FAR 7.105(a)(5)

* 1. **Trade-offs:**

(Agency/Sub-agency) has considered (insert considered trade-offs to ESPC ENABLE such as: appropriations, not completing the upgrades, performing the work in-house, etc.) as potential trade-offs to executing this project.

Other third-party financing and performance contracting options are not feasible due to the relatively (small/dispersed/remote/other applicable) nature of the project and involved facilities.

Considering the limited funding, staffing, and time available to (Agency/Sub-agency), there are few alternatives. If (Agency/Sub-agency) did not enter into an ESPC ENABLE contract to procure energy- and water-efficient equipment, it is unlikely that the ECMs would be installed through any other manner. Without the upgrades, the facilities in question would not meet the various related mandates described in section **A.2**.

Additionally, if these upgrades are not completed, the affected sites will have a larger exposure to volatile energy prices. Installing efficient ECMs will reduce the facilities’ energy and water consumption relative to what it would be with the current equipment.

(List any additional trade-offs considered, if applicable. See FAR 7.105(a)(6))

* 1. **Risks:**
		1. Technical: The ESCO will be required to assume a majority of the technical risk in this ESPC ENABLE project as part of the standards of performance and performance guarantee to be outlined in the contract. (Agency/Sub-agency) may take ownership of certain performance period technical risk related to operation and maintenance (O&M) of the ECMs, if they feel it provides value to the government. Technical risks and responsibility related to O&M will be delegated in accordance with the FEMP-prescribed ESPC ENABLE Guidelines and (Agency/Sub-agency) policy.

To mitigate the likelihood of any technical issues arising during installation, (Agency/sub-agency) may request the ESCO pay particular attention to any areas of concern during the IGA. (If applicable, list any technical areas of concern such as: wiring or plumbing meeting modern standards, hazmat handling and disposal, environmental concerns, etc.)

* + 1. Cost: As stated in sections **A.2.** and **A.3.**, this will be a firm, fixed-price contract and (Agency/sub-agency) is not to submit payments to the ESCO in excess of the verified savings generated by the installed ECMs.

(Agency/sub-agency) can expect to incur personnel expenses related to supporting the project from the formation of this Acquisition Plan through the performance period. The roles and responsibilities of internal personnel are outlined in **01 Appendix A.**

There is a risk that the Investment Grade Audit (IGA) will uncover additional facility needs outside of the scope of this project and Acquisition Plan. Should this occur, (Agency/sub-agency) will have to prioritize between the needs presented in **A.1.** and those uncovered by the ESCO.

* + 1. Schedule: The ESPC ENABLE procurement process is a streamlined and standardized approach to performance contracting for energy savings. These tools are meant to offer a relatively short but comprehensive procurement process. Large deviations from the suggested schedule may pose a risk to the project. See Milestones for the Acquisition Cycle in **01 Appendix B** for additional information.

Any installation delays caused by (Agency/sub-agency) after the TO award has been signed may require payments to be made to the ESCO in remediation. These delays will be mitigated through adequate planning and coordination between the parties involved in the ESPC ENABLE procurement process.

(List any additional technical, cost, or schedule risks, if applicable. See FAR 7.105(a)(7))

* 1. **Acquisition Streamlining:**

This section is only required if this procurement process is subject to Acquisition Streamlining within your agency. This section is omitted in this template. See FAR 7.105(a)(8))

1. **PLAN OF ACTION**

The (Agency/Sub-agency) will competitively select an ESCO and develop the project using the GSA MAS procurement process. This process is described in greater detail in sections **B.2.**  and **B.3.**

* 1. **Sources:**

Contractor eligibility and qualifications are discussed in section **A.4.** Only eligible contractors can provide this service under the ESPC ENABLE program and the GSA MAS.

The products used in the ESPC ENABLE project (which may include lighting, water fixtures, simple HVAC controls, HVAC equipment, and solar PV) will be listed on the selected ESCO’s contract with GSA MAS. These products will be offered at prices competitively negotiated by GSA.

(In this section you should also include any applicable considerations for small business, veteran-owned small business, service-disabled veteran-owned small business, HUB Zone small business, small disadvantaged business, and women-owned small business (See FAR Part 19) See FAR 7.105(b)(1))

* 1. **Competition:**

The proposed acquisition will be offered on a competitive basis.

See FAR 7.105(b)(2)

* 1. **Contract Type Selection:**

Federal Acquisition Regulation (FAR) Part 23.205 Energy Savings Performance Contract – Firm Fixed Price

See FAR 7.105(b)(3)

* 1. **Source Selection Procedures:**

The ESPC ENABLE process uses the GSA MAS as a contracting vehicle and proceeds as follows:

* (Agency/Sub-agency) will issue the Request for Quotation/Notice of Opportunity (NOO) directly to all ESCOs meeting the eligibility criteria described in sections **A.2.** and **B.1.**
* (Agency/Sub-agency) will use the best-value criteria described in the NOO and section **B.3.b.** to evaluate contractor proposals.
* (Agency/Sub-agency) will issue a Notice of Intent to Award (NOITA) to the selected contractor, once a best-value decision has been made, allowing the contractor to begin project development.

See Milestones for the Acquisition Cycle in **01 Appendix B** for additional information.

* + 1. Evaluation Procedures: Members of the (Agency/Sub-agency) ESPC ENABLE acquisition team will evaluate the submissions for the criteria in section **B.3.b.**, using the FEMP-provided ESCO Evaluation Forms.
		2. Evaluation Factors: The following evaluation criteria will be used and are considered to be of (ascending/ descending/ other weighting/ equal) importance:
* Qualifications
* Past Performance
* Price Proposal
* (Insert additional evaluation factors, if applicable)

See FAR 7.105(b)(4)

* 1. **Acquisition Considerations:**

(Agency/Sub-agency) will be entering into a firm, fixed-price performance contract as described in sections **A.1.** through **A.5.** This multi-year performance-based contract will provide the best value to (Agency/Sub-agency) for the following reasons:

* Does not require up-front capital expenditures
* Performance is guaranteed by the ESCO
* Savings are verified on an annual basis
* Streamlined and standardized procurement process
* Access to FEMP and GSA resources and pre-qualified contractors
* (List any additional reasons, If applicable)

In accordance with FAR 6.401(b) it has been determined that use of negotiation procedures for the proposed acquisition is most conducive to the government’s needs. The flexibility to hold discussions with potential offerors significantly enhances the government’s ability to maximize competition and obtain quality services at fair and reasonable pricing.

See FAR 7.105(b)(5)

* 1. **Budgeting and Funding:**

The funding of all project-related costs outside (Agency/Sub-agency) staff requirements will be financed by the ESCO or a third-party lender (serving as subcontractor to the ESCO) as described in section **A.2.** and **A.3.** Potential funding needs are addressed in section **A.7. – Risks**.

(If you are planning an ESPC ENABLE project that includes multiple sites or facilities with their own utility budgets, you should begin to address how the project and payments will be bundled. See FAR 7.105(b)(6))

* 1. **Product or Service Descriptions:**

(Agency/Sub-agency) will be selecting a contractor to perform an ESPC ENABLE project at (affected facilities). The details of services to be procured from the contractor are listed in sections **A.1.** through **A.5**. The products to be installed at the facilities in question are limited to the ECMs described in **B.1.**

(Insert additional products or services required, if applicable. See FAR 7.105(b)(7))

* 1. **Priorities, Allocations, and Allotments:**

Section **B.7.** is not applicable

See FAR 7.105(b)(8)

* 1. **Contractor versus Government Performance:**

(If applicable, identify the key areas as described in OMB Circular No. A-76 and See FAR 7.105(b)(9) and FAR 7.3.)

* 1. **Inherently Governmental Functions:**

 (See Office of Federal Procurement Policy (OFPP) Letter 92-1, FAR 7.105(b)(10), and FAR 7.5.)

* 1. **Management Information Requirements:**

The ESPC ENABLE process includes numerous checks to verify the contractor’s performance. These measures include standardized contract templates, performance guarantees, and a fixed-price contract, and annual measurement and verification (M&V) to verify performance and savings.

(Insert additional monitoring efforts/systems as necessary. See FAR 7.105(B)(11))

* 1. **Make or Buy:**

(If you would like to give consideration to make or buy programs, [see subpart 15.407-1] this section would be the appropriate location. This section has been omitted in this template. See FAR 7.105(B)(12))

* 1. **Test and Evaluation:**

The selected contractor will be evaluated through the selection process and is already qualified by both GSA and DOE-FEMP to perform these services. The ESCO will make use of the FEMP-provided IGA tool and standardized templates for the final proposal. (Agency/Sub-agency) staff will participate in the ESCO’s site visit to perform the IGA to verify accuracy.

Installation, commissioning, and annual M&V will take place according to the ESPC ENABLE guidelines established for those processes and are included in final the contract documents.

See FAR 7.105(B)(13)

* 1. **Logistics Considerations:**

Contract support and service over the life of the contract shall take place in accordance with the contract documents. The ESCO shall perform O&M services and annual M&V if stated in the final agreement and will guarantee the performance of the installed equipment. A Post-Installation M&V and Commissioning (Cx) Report and Annual M&V Report will be provided to (Agency/Sub-agency) in a timely manner and in the format prescribed by FEMP.

See FAR 7.105(B)(14)

* 1. **Government Furnished Property/Equipment:**

(Agency/Sub-agency) will supply the selected contractor with (insert a list of equipment, if applicable)

(It is unlikely that anything will need to be listed in this section, but it is a placeholder in case there is any particular equipment you would like to provide to the contractor. See FAR 7.105(B)(15))

* 1. **Government Furnished Information:**

The (Agency/Sub-agency) will provide the following information with the NOO:

* Facility location
* Table with information on the affected buildings (location, sq. ft., primary use, recent upgrades to energy or water consuming equipment)
* Utility data for affected buildings (one year)
* Other, if applicable

Once the ESCO has been selected, (Agency/Sub-agency) will grant access to the facilities to conduct the IGA. The ESCO shall perform the IGA in accordance with FEMP’s ESPC ENABLE guidelines.

(Insert any additional relevant facility information that will be provided to the ESCOs in this section. See FAR 7.105(B)(16))

* 1. **Environmental and Energy Conservation Objectives:**

The overall goal of this project is to reduce energy and water use in support of the mandates discussed in section **A.2.**

(Insert information on the applicability of environmental hazards and the proposed resolution of any environmental issues. See FAR 7.105(B)(17))

* 1. **Safety and Security Considerations:**

(Insert any site- or facility- specific security considerations, if applicable. Ex: [X] is a secure facility that will require any contractors and sub-contractors to check in and out of the facility at each visit.)

OSHA and all Agency safety regulations will apply at all times. (Insert any additional safety considerations)

See FAR 7.105(B)(18)

* 1. **Contract Administration:**

(Agency/Sub-agency) will enter into an energy savings performance contract for both product installation and performance guarantee. This contract will be administered in accordance to the ESPC ENABLE guidelines. The roles and responsibilities of the (Agency/Sub-agency) procurement team can be found in **01 Appendix A**.

See FAR 7.105(B)(19)

* 1. **Other Considerations:**

(Discuss other considerations to this acquisition, if applicable. See FAR 7.105(B)(20))

* 1. **Milestones for the Acquisition Cycle:**

See **01 Appendix B** – Milestones for the Acquisition Cycle.

* 1. **Identification of Participants in Acquisition Plan Preparation:**

See **01 Appendix A** – Participants in Acquisition Plan Preparation Template

**01 Appendix A:
participants in acquisition plan preparation**

(Insert applicable information into this Template)

|  |  |  |
| --- | --- | --- |
| **Responsibility** | **Name** | **Contact** **Information** |
| *Core Agency Team* |
| Contracting Officer (CO)*Legally warranted individual that enters into, administers, and/or terminates contracts on behalf of the agency.* |  |  |
| Contracting Officer’s Technical Representative (COTR)*Serves as the Technical Lead and communications liaison between the federal agency and the energy service company (ESCO).* |  |  |
| Project Manager or Champion*Individual that plans, organizes, and tracks the progress of the project.*  |  |  |
| Financial Analyst*Provides sign-off that this Acquisition Plan meets agency goals and requirements from a financial and budgeting perspective.* |  |  |
| Legal Support*Provides sign-off that this Acquisition Plan meets agency goals and requirements from a legal and contracting perspective.* |  |  |
| Agency/Sub-agency Management*Provides sign-off that this Acquisition Plan meets agency goals and requirements from a management perspective.* |  |  |
| Installation Manager *Provides sign off that there are onsite resources (staff) available to facilitate the implementation of this Acquisition Plan.* |  |  |

**01 Appendix B: milestones for the acquisition cycle**

(USE the template below with your **ESPC ENABLE Project Checklist** to develop your Acquisition cycle Milestone schedule)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **MILESTONE** | **ACTION** | **FEMP-provided Template** | **START DATE** | **FINISH DATE** |
| **Phase I: Project Planning (2-4 Weeks)** |
| Assemble Project Team/Identify Project Lead  |  | N/A |  |  |
| Conduct Training |  | N/A |  |  |
| Develop an Acquisition Plan  |  | - Acquisition Plan |  |  |
| Host Kickoff Meeting  |  | N/A |  |  |
| Develop a Notice of Opportunity |  | - RFQ/NOO Template |  |  |
| **Phase II: ESCO Selection (3-4 Weeks)** |
| Release the Notice of Opportunity.  |  | - RFQ/NOO Template |  |  |
| Evaluate Contractor Responses and notify unsuccessful offerors. |  | -ESCO Selection Guide -Letter to Unsuccessful ESCO  |  |  |
| Issue a Notice of Intent to Award.  | . | - NOITA  |  |  |
| **Phase III: IGA and Award (2-4 months)** |
| Draft Scope of Work  |  | - SOW Template |  |  |
| Hold IGA Kickoff Meeting and Present Scope of Work  |   | - IGA Tool - SOW Template |  |  |
| Conduct IGA and Develop draft Final Proposal |  | * IGA Tool
 |  |  |
| Review the Final Proposal |   | - TO Schedules  |  |  |
| Execute final negotiations and issue a task order. | . | N/A |  |  |
| **Phase IV: Installation/Project Acceptance/M&V (8-16 Weeks)** |
| Contractor Installs Equipment |  | N/A |  |  |
| Contractor performs Commissioning and M&V |  | - M&V Plan Guide- Post Installation M&V and Cx Report |  |  |
| Accept Installation |  | - Project Acceptance Guide  |  |  |
| **Phase V: Performance Period (+/-12 Years)** |
| Begin Performance Period |  | - Post Installation and Annual M&V Report |  |  |