**U.s. Department of Energy**

**Federal Energy Management Program**

**ESPC ENABLE With Energy Sales Agreement (ESA)**

***Request for
Quote/*Notice of Opportunity**

**Template**

FEBRuary 2019, ESA version 1.0

***PLEASE READ THIS GUIDE BEFORE USING TEMPLATE***

**ESPC ENABLE w/ESA Request for Quote/Notice of Opportunity Guide**

**Introduction:** This template is a tool to assist you in forming and issuing your agency’s Request for Quote/Notice of Opportunity (subsequently referred to as NOO) for an ESPC ENABLE project. The NOO is the formal initiation of the ESPC ENABLE project, notifying the energy service companies (ESCOs) of a specific project opportunity and inviting responses from those ESCOs that wish to be considered for selection.

*For PV ESA ECM:*

This template is specifically tailored for projects that intend to incorporate a photovoltaic (PV) Energy Sales Agreement (ESA) as one of the energy conservation measures (ECM) in an ESPC ENABLE project. This template assumes that the ESA will be bundled with other ECMs. The ESCO will develop detailed PV project-specifics (project size, etc.) during the IGA. Contact your [Federal Project Executive](https://www.energy.gov/eere/femp/energy-savings-performance-contract-federal-project-executives-0) (FPE) for NOO edit recommendations if the project will be ESA-only or if federal agency would like to specify the PV project size and other technical parameters.

The NOO provides ESCOs with information about your prospective project and requires them to submit a response (see **02 Attachment 2 - ESCO Expression of Interest Form**) within a specified timeframe. You will evaluate these proposals based on the criteria outlined in your NOO using the **03 ESCO Evaluation Worksheet** to select an ESCO to perform an Investment Grade Audit (IGA).

**Instructions:** The ESPC ENABLE w/ESA NOO will be developed and issued by the agency Contracting Officer (CO). The NOO Template begins on page 3. Please remove these pages before completing your NOO.

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 when using it in your NOO. [Text that requires you to insert agency- or project-specific information, or requires you to edit for your purposes, will appear in red font. PV ESA ECM-specific information is indicated with “*For PV ESA ECM:*”. *PV ESA ECM notes are in blue italics.*] You may choose to reformat this document to fit your particular agency’s formatting requirements for procurement documents. See NOO Best Practices for additional suggestions (<https://www.energy.gov/sites/prod/files/2018/06/f53/noo_best_practices_180625.pdf>).

**ESPC ENABLE w/ESA Request for Quote/Notice of Opportunity Template**

TO: All GSA Supply Schedule 84, Special Item Number (SIN) 246-53 Contractors

FROM: (Insert Contracting Officers name and address)

DATE: (Insert date NOO is issued)

SUBJECT Request for Quote/Notice of Opportunity (NOO) for an ESPC ENABLE Energy Project

The (Agency/Sub-agency/Location/Site) invites GSA Supply Schedule 84 contract holders under Special Item Number (SIN) 246-53 to submit a written response using the provided template (**Attachment 2 – Energy Services Company (ESCO) Expression of Interest Form**) for the opportunity to be considered for this potential project. The (Agency/Sub-agency/Location/Site) is interested in working with an ESCO to explore upgrading/installing equipment related to the following systems: (insert applicable standard ENABLE ECMs such as solar photovoltaic (PV) Energy Sales Agreement (ESA); lighting; water; heating, ventilation, and cooling (HVAC); simple HVAC controls and any applicable hybrid ECMs.)

*For PV ESA ECM:*

The *(Agency/Sub-agency/Location/Site)* is also interested in pursuing a photovoltaic (PV) Energy Sales Agreement (ESA) as part of the ESPC ENABLE project. An ESPC ESA is a project structure that allows federal agencies to utilize the ESPC long-term multiyear contracting authority to implement cost-saving renewable ECMs on federal buildings and land where the ECM is initially privately owned, and the agency purchases the electricity produced, with payment based on electricity generation (cents/kWh). The selected ESCO is responsible for all operation & maintenance, repair & replacement.

ESPC ESA projects must meet all ESPC legal requirements (see, *e.g.*, 42 U.S.C. § 8287, *et seq.*), including the requirement that the agency pay for the cost of the ESPC ESA from energy savings generated each year over the life of the contract.

In order for the ESPC ESA contract to be scored annually, it must be consistent with the requirements under the Office of Management and Budget (OMB) “[Addendum to OMB Memorandum M-98-13 on Federal Use of Energy Savings Performance Contracts (ESPCs) and Utility Energy Service Contracts (UESCs)](https://www.gsa.gov/cdnstatic/Environmental_Programs_Addendum_to_OMB_Memo_m-12-21.pdf)” (M-12-21, dated September 28, 2012), including the requirement that the federal government retain title to the onsite renewable energy generation system by the end of the contract.

The ESCO may be eligible for tax incentives such as the federal Investment Tax Credit (ITC) and the Modified Accelerated Cost Recovery System (MACRS). Internal Revenue Service (IRS) Revenue Procedure 2017-19[[1]](#footnote-1) provides a safe harbor (related to ITC eligibility) under which the IRS will not challenge the treatment of an ESPC ESA as a service contract under 26 U.S.C. § 7701(e)(3). Section 4 of the Revenue Procedure specifies safe harbor requirements, including a maximum contract length of 20 years. This contract length limitation applies to the ESPC ESA ECM only. The ESCO may determine that the contract length for the other ECMs can be longer than 20 years and not jeopardize the ITC or other federal tax incentives. Tax incentive eligibility due diligence is the responsibility of the ESCO, not the government.

The OMB Memo title retention requirement will be satisfied through a PV ESA ECM title transfer by the end of the contract term at FMV, as appraised at the time of the title transfer. The Contractor will transfer a portion of the payments it receives from agency each year into a reserve account held by the Contractor and these funds will be used for the FMV title transfer. The amount transferred to the reserve account will be based on an estimated FMV and will be adjusted periodically as needed during the contract term based on updated FMV estimates.

*(Include narrative on PV ESA ECM project goals and project description (including PV ESA ECM estimated size if known)).*

Information and data for the facilities considered is available in **Attachment 1 – Facilities and Energy Data**.

To respond to this NOO, you must be qualified under GSA Schedule 84, SIN 246-53 **and** be on the Department of Energy’s Qualified ESCO list. Additionally, ESCOs should have experience implementing upgrades to/installing (insert applicable standard ENABLE ECMs such as solar photovoltaic (PV) ESA; lighting, water fixtures, simple HVAC controls, HVAC equipment and any applicable hybrid ECMs.) The response is not to exceed ten (10) pages including attachments.

The (Agency/Sub-agency/Site) will select one ESCO from responses to this NOO to conduct an Investment Grade Audit (IGA) of the facility using the standard tools provided by the Department of Energy’s Federal Energy Management Program (FEMP). The cost of the IGA will be included in the final price of the ESPC ENABLE project. Using the results of the IGA, the ESCO will prepare a Final Proposal (FP) based on the FEMP ESPC ENABLE **Final Proposal Requirements** (see attachment 3). The selected ESCO must adhere to the general conditions of the GSA Schedule 84, SIN 246-53, and the ESPC ENABLE **06 Scope of Work (SOW)**. The SOW will be provided to the selected contractor prior to the IGA.

Based on the IGA, (agency) will determine whether to award an ESPC ENABLE Task Order (TO) to the selected ESCO and what ECMs will be included. The agency will not be responsible for any costs incurred, such as proposal preparation costs or the costs incurred in conducting the IGA, unless a TO is awarded or is otherwise authorized by the agency CO.

If a TO is awarded, the ESCO shall be required to report final project data to FEMP including, but not limited to, implemented ECMs, total project investment, contract price, contract term, award date, completion date, guaranteed cost savings, and total energy savings.

**Each ESCO response must address the following***:*

* ESCO Qualifications and Past Performance

* Price Component
* Other (Insert any additional information required of respondents you deem necessary. Some examples are experience meeting environmental rules and regulations, experience working with small businesses and/or local sub-contractors, experience dealing with hazardous materials, etc. Please remember the 10-page maximum above. Also, if you add additional items to this list, they should be reflected in your evaluation criteria [below]. See NOO Best Practices available at <https://www.energy.gov/sites/prod/files/2018/06/f53/noo_best_practices_180625.pdf> for additional recommendations).
* *(Add additional PV ESA ECM information, as well as agency and/or project specific requirements.)*

The selection process will be based on the ESCO’s qualifications and a price component in accordance with the best value criteria defined by FAR 2.101. The criteria will be weighted (equally/of descending importance/based on the following values *[Insert specific weights. Weigh the price component more heavily for projects with the PV ESA as the single or predominant ECM.])*:

* **ESCO Qualifications and Past Performance:** To what extent did the offeror demonstrate experience with similar work and scope? Also, what was the offeror’s performance with prior contract requirements (e.g., accurate reporting, timely delivery, on-cost delivery and technical excellence)?

*For PV ESA ECM (Recommend including some or all of the following.):*

**Qualifications and Experience**: The offeror shall provide qualifications and experience designing, constructing, commissioning, owning, operating, maintaining, and repairing PV systems. *(Insert other Qualification and Experience requests, as applicable.)*

**Technical Knowledge:** The offeror shall provide an initial estimate of the amount of solar PV (in kW DC) that can be installed cost-effectively within the constraints given in this NOO and the potential performance contract. The PV size estimate will be refined during the IGA. This element will demonstrate the offeror’s knowledge of the costs and efficiencies of the latest solar technologies, as well as the financial elements of performance contracting.

**Past Performance:** The offeror shall provide a list of the last three (3) completed ESPCs or similar projects awarded to your firm with similar work and scope. Projects that are of similar size, privately owned and/or are with the federal government are preferred. Include the following for each: customer name and type (private company, federal government, other), address, and primary point of contact withphone number and e-mail address. Additionally, please include the applicable contract number, type of work performed, PV system ownership (ESCO, third-party or customer owned), PV system size, contract amount, contract term, contract status (in progress or paid off), and applicable project dates such as contract award date, commercial operation date. For each identified contract, provide evidence of your firm’s successful performance, including that of accurate reporting, timely delivery, on-cost delivery, and technical excellence.)

* **Price Component:**
	+ The offeror shall demonstrate its ability to obtain low cost financing through one or more of the following: the interest rate index and spread of their past three projects, and the term and size of the loan; information such as credit ratings, parent company guarantees, the number of master purchase agreements with financiers *(see NOO Best Practices for additional recommendations)*.
	+ *For PV ESA ECM recommend:*
		- The offeror shall provide PV ESA pricing information for their last three ESPC or similar projects awarded, including the following element(s): PV system price per installed kW (DC) and/or cents/kWh.
		- Explain how the offeror will finance and structure this project to maximize the benefits of federal tax incentives and applicable state/local incentives to the government.
		- The offeror shall provide a description of the economic structure by which the offeror will provide an ESA. For example, will the offeror own the PV system and charge the government a mark-up, or will a third party own the system and add its mark-up to the offeror’s mark-up.
		- Provide plans, if any, to sell the project solar renewable energy certificates (SRECs) and how SREC price risk will be managed.
		- *(This item assumes the agency has sufficient information regarding the desired PV project(s). Include guidelines regarding how the ESCO needs to document and justify price increases proposed during the IGA.)* The offeror shall provide PV ESA pricing in cents/kWh and a description of variables that will impact final pricing determined through the IGA, including an estimate of how each item will impact pricing. (For the purposes of this NOO, the offeror should assume a reserve account payment of *(Agency add estimated reserve account payment. Contact your* [*Federal Project Executive (FPE)*](https://www.energy.gov/eere/femp/energy-savings-performance-contract-federal-project-executives-0) *for assistance.)*
* (Insert additional evaluation criteria as appropriate)

The timeline for this selection process is as follows:

* Closing date for expression of interest:  Two weeks from today (or another timeline specified in your acquisition plan)
* Last day for questions on NOO: One week from today
* Agency’s review process: (Indicate end date for review process, recommend no more than two weeks)
* Date for notification to unsuccessful offerors: Two weeks from Expression of Interest Submission
* Unsuccessful offeror debrief opportunity: 5 business days from notification to the unsuccessful offerors
* Date for notification and discussions with successful offeror:  Two weeks from Expression of ESCO Interest Submission

**Attachments:**

1 - Facilities and Energy Data

2 - ESCO Expression of Interest form

3 - Final Proposal Requirements

4 - ESPC ENABLE Financial Data Template

# 02 Attachment 1 – FACILITIES AND ENERGY DATA

The facilities and data represent the potential project and known energy consumption. The location and data do not represent the final project that may be identified as the result of the selected ESCO’s Investment Grade Audit.

(Provide facility and energy data in the tables below for all sites considered. Or, if you have your own tables or format for the information below please attach it. The facility information is just for example please remove it prior to use.)

## Facility Data

| [**Location**](#Instruct_Buildings) |  [**Number of buildings**](#Instruct_NumberofBuildings) | **Building Size** | [**Mission/Comment**](#Instruct_buildingmission) | [**Existing Facility Conditions**](#Instruct_buildingmission) |
| --- | --- | --- | --- | --- |
| List the major project site  | Identify the total number of buildings | List the estimated total building size (in square feet) for each project site.  | Indicate facility type, use and/or mission and any useful information to assist the ESCOs in responding to the NOO. | Describe current condition and age of facilities. Include a list of existing equipment. |
| XYZ Park, San Francisco, CA | 10 | 10 buildings ranging from 100 sq. ft. to 20,000 sq. ft. in size. Approx. 45,000 sq. ft. in total. | The buildings are a mixture of administrative offices, warehouses and a visitor’s center. | All buildings circa 1960 with very limited upgrades since. Possible asbestos. |

*For PV ESA ECM:*

## PV System Data *(Government to provide this information if known.)*

| [**Location**](#Instruct_Buildings) | [**PV**](#Instruct_NumberofBuildings) **System Type**  | **PV System Estimated Size** | [**Existing Facility Conditions**](#Instruct_buildingmission) |
| --- | --- | --- | --- |
| List each proposed PV system |   | List the estimated PV system size and how it was estimated  | Describe the land, roof or carport condition |
| *Land location, building name or parking lot and available area (in acres or square feet)* | *Ground-mount, roof-top or carport* | *1 MW assuming 5 acres/MW (acres/MW depends upon PV system type, row spacing and configuration)* | *Land is flat with no trees.**Roof is 5 years old and in good condition, there is no warranty.**Parking lot contains trees, # of parking spaces* |

##

## Energy Data (May use Agency Annual Report as a data source \*\* Please use the most recent year’s data whenever possible)

|  | **Energy Rate $** | [**Energy Units**](#Instruct_EnergyUnits) | [**Annual Total Use**](#Instruct_AnnualEnergyUse) | [**Annual Unit of Measure**](#Instruct_AnnualUnits) | [**Total Annual Cost**](#Instruct_AnnualEnergyCost) |
| --- | --- | --- | --- | --- | --- |
| **Electricity** |  | Choose units |  | Choose units |  |
| **Natural Gas** |  | Choose units |  | Choose units |  |
| **Water** |  | Choose units |  | Choose units |  |
| **Other**  |  | Choose units |  | Choose units |  |
| **Total Annual Cost** |  |  |
| **Average monthly peak electricity demand (kW):** |

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# 02 Attachment 2 - ESCO EXPRESSION OF INTEREST

(This form must be included as an attachment to 02 Notice of Opportunity Template, along with 02 Attachment 1- Facilities and Energy Data. ESCOs are required to submit their responses to the NOO within time specified using this form. The response is not to exceed 10 pages including attachments. **Please ensure that the roman numerals below match the submission requirements you outlined in the NOO**)

**ESCO EXPRESSION OF INTEREST Template**

(Insert company name)

Address 1

Address 2

City, State Zip Code

Dear (Insert Agency name):

In response to your Request for Quote/Notice of Opportunity (NOO), (insert ESCO name) would like to execute an Investment Grade Audit (IGA) and develop an ESPC ENABLE project at the (Insert project location[s]).

| **Facilities & Locations**  | **Site Point of Contact** | **ECMs**  | **Project Investment** | **Guaranteed Savings** |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

1. **ESCO Qualifications & Past Performance**

*For PV ESA ECM:*

## PV ESA ECM: Qualifications and Experience

*(Agency insert table or other submittal requirements based on desired information.)*

## PV ESA ECM: Technical Knowledge

|  |  |  |  |
| --- | --- | --- | --- |
| **Location** | **PV Type** | **PV Estimated Size (MW, DC)** | **Comments** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

## PV ESA ECM: ESCO Past Performance

## ESCO to provide the following information for each of the 3 required projects.

Customer Name:

Customer Type (private company, federal government, other):

Address:

Project Point of Contact:

POC Phone:

POC Email Address:

Contract Type and Description of Work Performed:

Contract Number:

PV Ownership (ESCO, third-party or customer owned):

PV Type and Size:

Contract Amount:

Contract Term:

Contract Status (in progress or paid off):

Project Dates (contract award date, commercial operation date, other):

Evidence of successful performance (accurate reporting, timely delivery, on-cost delivery, and technical excellence):

1. **Price Component**

 **Financing**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Project Name** | **Loan Interest Rate Index** | **Loan Interest Rate Spread** | **Loan Size** | **Loan Term** | **Notes** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

Other Financing information such as credit ratings, parent company guarantees, the number of master purchase agreements with financiers:

**PV ESA ECM - Pricing for Last 3 Projects**

|  |  |  |
| --- | --- | --- |
| **Project Name** | **Installed Price ($/kW DC)** | **Electricity Price (cents/kWh)** |
|  |  |  |
|  |  |  |
|  |  |  |

**PV ESA ECM - Financing Approach to Maximize Tax Incentives**

Provide information regarding how the PV ESA ECM will be financed and structured to maximize the benefits of tax incentives.

**PV ESA ECM – Economic Structure**

Provide a description of the economic structure of the PV ESA ECM, including ownership and mark-ups.

**PV ESA ECM - SREC Plans**

Will project SRECs be sold: *(yes/no)*

If yes, how will SREC price risk will be managed? How will this risk be allocated between the ESCO and the agency?

**PV ESA ECM – Pricing**

PV ESA ECM Price: \_\_\_\_\_\_\_\_\_\_ cents/kWh

Description of variables that will impact final price offered during the IGA and an estimate of how each item will impact price:

1. Other (if applicable)

Primary and Secondary Company Contacts

|  |  |
| --- | --- |
| Name of primary contact LocationMailing addressPhone numberEmail address | Name of Secondary contact LocationMailing addressPhone numberEmail address |

# 02 Attachment 3 – Final proposal requirements *(provided for information only)*

**A. Project Overview (length: 2 pages maximum)**

1. Executive Summary - As a minimum, a narrative description of the project summarizing the ECMs *(including the PV ESA ECM),* the energy, water, and related cost and unit savings, implementation price and financial summary.

2. Site Description and Utility Summary - For the site, the contractor shall submit narrative information for items, as applicable, in the format specified below:

a. Site Description *may* include:

i. Overview, size, location, etc.

ii. Description of for example, mission, commands, agencies on the site, general operations, occupancy.

iii. Map of site showing major areas/designations.

iv. Building/facility list, name/number, type of facility, square footage, hours of operation.

vii. Facility descriptions (for those buildings included in the ESPC). General description of building condition and operations including overview of energy and water consuming systems.

b. Utility Summary

i. Overview/description of current utility systems on site: electrical, natural gas, fuel oils, water, sewer, etc. Include site diagrams/maps, as available.

ii. Description of metering systems for each utility.

* Utility/revenue meters.
* Sub-meters, advanced metering systems, as applicable.

**B. Volume I - Technical Proposal (length: see sub-sections)**

1. ECM description (length: 3 pages max per ECM) - For each ECM proposed, the contractor shall submit narrative information for items as applicable, in the format specified below:

a. ECM description (existing conditions, proposed upgrades), *including PV ESA ECM description that should include location, size (DC and AC), etc.*

b Location affected

c. Energy baseline

d. ECM projected energy use and applicable cost(s)

e. Proposed equipment identification including manufacturer, model number and optional equipment proposed for each ECM component. (may be presented as appendices and excluded from page limit). *(For PV ESA ECM include module and inverter efficiency.)*

f. ECM project schedule – Provide a detailed project schedule to include the duration of the following key phases:

i. Equipment procurement lead time (i.e., date required to place order for equipment to ensure delivery on-site by a specified date.)

ii. Installation, commissioning, post-installation M&V and post installation report dates.

iii. Project acceptance date.

2. ECM Performance Measurement

1. The M&V plan shall be completed using the provided FEMP ENABLE **08\_M&V Plan Template**. *The PV ESA ECM shall use M&V Option B.*

b. ECM Commissioning Approach – The contractor shall prepare an ECM Commissioning Approach for each of the proposed ECMs based on the FEMP ENABLE **09\_Project Commissioning & Acceptance Guide and Checklist**.

3. Management Approach (length: 2 pages maximum)

1. Organization -Show the organization for implementing and managing the TO project through the use of an organizational chart. The proposed organization shall contain the responsibilities of each element shown on the organization chart. Identify personnel integral to the performance of the ESPC project, by name within each element. Show the lines of authority within the organization. If portions of the project are to be subcontracted (e.g., installation of an energy conservation system), identify the subcontracted function, and which element of the contractor’s organization will manage the subcontract(s).
2. Risk Responsibility and Performance Matrix

**C. Volume II - Price Proposal** - The selected contractor shall complete financial Schedules 1, 2, 3, 4 (populated by results from FEMP ENABLE IGA Audit Tool when possible) and 5 and shall provide supporting documentation listed below. The Schedules can be found in **Attachment 4 – ESPC ENABLE Financial Data Template** of this document. The contractor is required to submit project-level financial and energy-savings information into the eProject Builder (ePB) online system, which will then generate the full set of Task Order financial schedules. The data requirements are specified in **Attachment 4 – ESPC ENABLE Financial Data Template**[[2]](#footnote-2) and on the ePB website and may be amended from time-to-time. Please see: <https://eprojectbuilder.lbl.gov>

1. In addition to the submission of TO schedules and supporting documents, the contractor shall provide information on how financing was competitively selected (desire is for ESCO to solicit a minimum of 3 bids).

**D. Individual Small Business Subcontracting Plan** – In the event the selected contractor meets the prescription of FAR 52.219-9, the selected contractor shall prepare and submit the required document.

1. Published in the Internal Revenue Bulletin on February 13, 2017, see https://www.irs.gov/pub/irs-irbs/irb17-07.pdf. [↑](#footnote-ref-1)
2. *Guidance regarding use of ePB for the PV ESA ECM will be provided in the SOW.* [↑](#footnote-ref-2)