

5 Steps to Success

Performance Contracts for Operating Cost-Savings

Your Alternative Funding Source



Stop paying high utility bills



Reinvest wasted utility dollars



Pay for building improvements through operating cost savings

Round up the Savings.....

Free technical assistance to
get started now!

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Step 1 Get Started

Free Technical Assistance from NGOE

Make sure that performance contracting is right for you.

NGOE will:

- *Conduct a telephone consultation to determine if your facilities are a good candidate for a performance contracting project, and if so take the next steps;*
- *Meet with you and your decision-making team (representatives from top administration, facilities, finance, legal and procurement divisions) to discuss the potential for a performance contracting project, describe the process and address your questions;*
- *Tour 1-2 facilities with lead facilities/maintenance staff to discuss needs;*
- *Assess the feasibility and potential scope of a performance contracting project.*

You will:

- *Provide available information about your facilities and three years of utility data;*
- *Assemble your decision-making team and host the site tour.*

Get the “Go” Decision

NGOE will:

- *Give a presentation to the Board (or decision-making group) to explain the benefits of using Energy Performance Contracting as a way to fund energy efficiency, alternative and renewable energy, and capital improvements, and to describe NGOE’s services.*
- *Provide follow-up consultation as needed.*

You will:

- *Facilitate involvement of the Board (or decision-making group) to consider performance contracting and get the decision to implement a project.*



Step 2 Select an ESCO

Free Technical Assistance from NGOE

Set the stage for your project

NGOE will:

- *Provide a model procurement process to select an ESCO from a pre-qualified pool;*
- *Customize the model RFP to represent your project and to elicit quality responses from prospective ESCOs;*
- *Establish a broad scope and specific requirements for your project; Help communicate your facility needs.*

You will:

- *Provide facility details, needs and any specific requirements;*
- *Provide utility data and Portfolio Manager information (if available);*
- *Provide electronic plans – mechanical, electrical, plumbing;*
- *Provide any energy audit reports completed;*
- *Interact with NGOE to develop a solicitation compatible with your procurement process.*

Competitively select your energy service company (ESCO)

NGOE will:

- *Meet with your staff to educate your ESCO selection committee;*
- *Provide a list of ESCOs to receive the RFP;*
- *Provide a process for ESCO selection and help you customize it for compatibility with your process.*

You will:

- *Facilitate the RFP process.*

Select the ESCO that's right for you.

NGOE will:

- *Serve as an advisor throughout the selection process;*
- *Remain neutral and unbiased on ESCO selection;*

You will:

- *Select a qualified ESCO that best fits your needs and interests.*



Step 3 Get an Investment Grade Audit



Provide for payment

Project Facilitator will:

- *Explain how the audit cost is paid for through savings once the performance contract is executed.*

You will:

- *Coordinate internal review of the contract.*

Before getting started, ensure you and your ESCO are “on the same page”

Project Facilitator will:

- *Meet with you and your ESCO to begin to develop the project so there is clear agreement on intent, requirements and ESCO’s proposed services.*

You will:

- *Facilitate the meeting and ensure knowledgeable staff attend.*

Use the NGOE Investment Grade Audit document

Project Facilitator will:

- *Provide a model contract;*
- *Assist in developing and negotiating the final contract terms;*
- *Ensure that terms and expectations are incorporated in the contract.*

You will:

- *Execute the Investment Grade Audit Contract with your ESCO.*

Get ongoing independent reviews during the audit process

Project Facilitator will:

- *Attend progress meetings with the ESCO;*
- *Review and comment on the audit as it progresses at the 30%, 60%, 90% and 100% stages to ensure that the technical and legal requirements are followed accurately, that savings and cost projections are reasonable, and that the proposed project meets your needs;*
- *Provide ongoing technical and contractual support throughout the audit phase and recommend the final audit report for approval.*

You will:

- *Facilitate progress meetings, involve appropriate facilities and maintenance staff, review and approve or comment on results at each stage;*
- *Provide facility information to aid the analysis.*

Develop a measurement and verification plan for each measure to establish how savings will be verified

Project Facilitator will:

- *Review and help develop the measurement and verification plan; Advise on your final acceptance of the plan.*

Step 4 Implement and Finance the Project

Use NGOE'S model document

Project Facilitator will:

- *Provide a model contract document;*
- *Help you customize a model document with details from the RFP, the ESCO's response and the Investment Grade Audit*

You will:

- *Facilitate review and approval of you legal department as well as facilities/maintenance staff and others.*

Arrange financing

Project Facilitator will:

- *Provide a model solicitation for the ESCO to competitively select a financing company on your behalf, or advise on other financing approaches with the ESCO's input.*

Get trained on the energy performance contract prior to signing.

Project Facilitator will:

- *Meet with your team to advise on the overall contract to ensure understanding and oversight capability.*

You will:

- *Engage your team of facilities/maintenance, legal, finance and others.*

Develop a contract that will stand the test of time

Project Facilitator will:

- *Ensure thorough documentation so it serves as a how-to manual in overseeing the project over the long-term contract;*
- *Assist you in negotiating a contract that meets your needs; Ensure future "what-if" scenarios are addressed.*

You will:

- *Review and approve the contract so you fully understand how to oversee the project;*
- *Engage your team to consider "what-if" scenarios and ensure they are addressed in the contract.*



Develop a final measurement & verification and commissioning plan

Project Facilitator will:

- *Provide measurement and verification guidelines as well as commissioning guidelines;*
- *Review the final measurement and verification plan and a commissioning plan.*

You will:

- *Execute the Performance Contract.*

Oversee the ESCO's installation

Project Facilitator will:

- *Provide on-going support during the construction phase as necessary.*

You will:

- *Hold regular progress meetings with your ESCO;*
- *Ensure contract requirements are implemented; Ensure project acceptance.*



Step 5 Verify Results

Review annual energy savings reports

Project Facilitator will:

- *Provide annual independent review of energy savings reports.*
- *Advise you on accepting the results.*

You will:

- *Review annual reports.*
- *Provide supporting operating information.*

Get ongoing trouble-shooting expertise

Project Facilitator will:

- *Provide technical and performance contracting expertise on an on-call basis when questions arise.*

