

CHANGE REQUEST COVER SHEET

Change Request Number: 13-84

Date Received: 5/14/2013

Title: Administrative Change to UESC Guidance

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Policy OR Guidance: Guidance

Section/Text Location Affected: T3.6.3A.11

Summary of Change: Correction of wording in Utility Energy Service Contract (UESC) Guidance

Reason for Change: Consistency with FAA Order 1053.1B

Development, Review, and/or Concurrence: Office of Environment and Energy (AEE-400) and Acquisition Policy Division

Target Audience: Contracting workforce and program offices

Potential Links within FAST for the Change: None

Briefing Planned: No

ASAG Responsibilities: None

Potential Links within FAST for the Change: None

Links for New/Modified Forms (or) Documents (LINK 1) [null](#)

Links for New/Modified Forms (or) Documents (LINK 2) [null](#)

Links for New/Modified Forms (or) Documents (LINK 3) [null](#)

SECTIONS EDITED:

Procurement Guidance:

T3.6.3 Environment, Conservation, Occupational Safety, and Drug Free Workplace

Environment, Conservation, Occupational Safety, and Drug Free Workplace

Section 11 : Utility Energy Service Contracts [\[Old Content\]](#)[\[New Content\]](#) [\[RedLine Content\]](#)

SECTIONS EDITED:

Section 11 : Utility Energy Savings Contracts

Old Content: Procurement Guidance:

T3.6.3 Environment, Conservation, Occupational Safety, and Drug Free Workplace

Environment, Conservation, Occupational Safety, and Drug Free Workplace

Section 11 : Utility Energy Savings Contracts

a. Under a Utility Energy Service Contract (UESC), FAA may contract with a local servicing utility for technical services and/or up-front project financing for energy efficiency, water conservation, and renewable energy investments at one or more FAA facilities. The utility finances the capital costs of the project with little or no up-front capital costs to the FAA, and the utility is then repaid over the contract term from the cost savings generated by the project. If sufficient appropriated funding to cover the entire project is not available, or not expected to be available in a reasonable time frame, FAA may award UESCs at FAA facilities. Unlike a Energy Savings Performance Contract, a UESC is not required to include performance guarantees. Because of this, it is highly recommended that performance guarantees or assurances be incorporated into these contracts to reduce FAA risk. Performance assurances do not guarantee energy savings; however, they provide assurance that equipment installed will perform as expected. A UESC should also include measurement and verification of savings through equipment commissioning and recommissioning.

b. *Planning.* Acquisition planning for a UESC should include the following:

- (1) Inclusion of applicable performance assurance criteria in the SIR and contract;
- (2) Analysis that shows that the planned energy conservation measures are cost effective; and
- (3) A competition or alternatives analysis as part of the selection process.

c. *Procedures.* To solicit and award a [UESC](#), the CO must use the procedures, selection method, and terms and conditions provided on the Department of Energy Federal Energy Management Program (FEMP) website.

d. All UESCs must comply with the Energy Policy Act of 1992 (42 USC 8256).

New Content: Procurement Guidance:

*T3.6.3 Environment, Conservation, Occupational Safety, and Drug Free Workplace
Environment, Conservation, Occupational Safety, and Drug Free Workplace*

Section 11 : Utility Energy Service Contracts

a. Under a Utility Energy Service Contract (UESC), FAA may contract with a local servicing utility for technical services and/or up-front project financing for energy efficiency, water conservation, and renewable energy investments at one or more FAA facilities. The utility finances the capital costs of the project with little or no up-front capital costs to the FAA, and the utility is then repaid over the contract term from the cost savings generated by the project. If sufficient appropriated funding to cover the entire project is not available, or not expected to be available in a reasonable time frame, FAA may award UESCs at FAA facilities. Unlike a Energy Savings Performance Contract, a UESC is not required to include performance guarantees. Because of this, it is highly recommended that performance guarantees or assurances be incorporated into these contracts to reduce FAA risk. Performance assurances do not guarantee energy savings; however, they provide assurance that equipment installed will perform as expected. A UESC should also include measurement and verification of savings through equipment commissioning, recommissioning or retro-commissioning.

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Red Line Content: Procurement Guidance:

*T3.6.3 Environment, Conservation, Occupational Safety, and Drug Free Workplace
Environment, Conservation, Occupational Safety, and Drug Free Workplace*

Section 11 : Utility Energy ~~Savings~~Service Contracts

a. Under a Utility Energy Service Contract (UESC), FAA may contract with a local servicing utility for technical services and/or up-front project financing for energy efficiency, water conservation, and renewable energy investments at one or more FAA facilities. The utility finances the capital costs of the project with little or no up-front capital costs to the FAA, and the utility is then repaid over the contract term from the cost savings generated by the project. If sufficient appropriated funding to cover the entire project is not available, or not expected to be available in a reasonable time frame, FAA may award UESCs at FAA facilities. Unlike a

Energy Savings Performance Contract, a UESC is not required to include performance guarantees. Because of this, it is highly recommended that performance guarantees or assurances be incorporated into these contracts to reduce FAA risk. Performance assurances do not guarantee energy savings; however, they provide assurance that equipment installed will perform as expected. A UESC should also include measurement and verification of savings through equipment commissioning ~~and~~, recommissioning or retro-commissioning.

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- (1) Inclusion of applicable performance assurance criteria in the SIR and contract;
- (2) Analysis that shows that the planned energy conservation measures are cost effective; and
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