



OVERVIEW

Upon execution of a Memorandum of Understanding between a public jurisdiction and the Colorado Energy Office (CEO), CEO provides its new client technical assistance throughout the lifecycle of its project, at no charge to the jurisdiction. CEO's only other requirement for receiving this EPC Program benefit is that the client select an energy service company (ESCO) from CEO's pre-qualified list of ESCOs. Contact information for each pre-qualified ESCO is maintained on CEO's public sector EPC webpage.

How the pool of pre-qualified ESCOs is created and maintained

One key element contributing to the success of the Colorado Energy Performance Contracting (EPC) Program is pre-qualifying energy service companies (ESCOs) to provide a pool from which state agencies and offices, institutions of higher education and all types of local government can develop an energy performance contracting project.

The Colorado Energy Office (CEO) teams with the Colorado Office of the State Architect (OSA) to conduct an open and transparent competitive selection process, following state procurement guidelines, to maintain a pool of pre-qualified ESCOs. These pre-qualified ESCOs provide as-needed energy performance contracting (EPC) services for any Colorado public jurisdiction within the standards for success of the Colorado EPC Program.

CEO and OSA pre-qualify an ESCO based upon its energy engineering expertise, company profile and depth and breadth of available services. Each pre-qualified ESCO executes a non-monetary, annually renewable contract with CEO that identifies expectations for ESCO performance. These expectations include adherence to federal and state statutory and regulatory requirements, industry standards and the Colorado EPC Program's own standards for success. The most recent solicitation for ESCO pre-qualification and the current ESCO Base Contract are provided on CEO's webpage.

While quality assurances and controls are identified in the ESCO Base Contract with CEO, CEO does not dictate ESCO business models or geographic focus or vertical market interests. CEO hopes clients find diversity within the pool of pre-qualified ESCOs.

This ESCO pre-qualification process, along with standardized contracts, protocols, and guidance documents, and other toolkits, and technical assistance available to public jurisdictions signing the Memorandum of Understanding with CEO, helps provide Clients with a smooth, approachable and safe EPC process.

Selecting the pre-qualified ESCO most suited to client needs

The client's own procurement and contracting policies direct its selection process. For clients with procurement requirements that drive a competitive selection, CEO provides this **Secondary ESCO Selection Process Toolkit**. State agencies and institutions of higher education are required to use the process described in the Toolkit. Some local jurisdictions have procurement and contracting policies that dictate a secondary selection process; others do not. As a state office in a home rule state, CEO supports its clients either way. That being said, public jurisdictions are encouraged to leverage these well-vetted guidelines to select the ESCO best suited to meet their needs.

The Toolkit includes the following documents:

- **Selection Process Guidance**, starting on page 3 of this .pdf document, for client's reference during the solicitation process.
- **Request for Proposal Template**, a Word document, to be customized by the client before issuance;
- **Cost and Pricing Tool**, an Excel spreadsheet, to be included as Attachment B to the Request for Proposal;
- **List of Potential Interview Questions**, a Word document, to aid Selection Committee discussion; and
- **ESCO Proposal Scoring Tool**, an Excel spreadsheet, for customization and use by client's Selection Committee members in assessing proposals.

A client's assigned CEO project consultant is available to support selection of the pre-qualified ESCO that best fit project goals and objectives. Please be aware that the CEO EPC project consultant cannot participate as a voting member of the Public Facility Owner's Selection Committee. He or she cannot provide anything more than clarification during interviews or subsequent deliberations and decision-making. However, he or she can provide technical assistance by asking or answering clarifying questions during the interviews or selection committee deliberations afterwards.

SELECTION PROCESS GUIDANCE

CEO recommends the following activities in support of a successful solicitation.

1. Consider the CEO's list of pre-qualified ESCOs.

The CEO EPC Program's free technical assistance throughout the lifecycle of a client's EPC project is contingent upon (1) execution of a Memorandum of Understanding with the CEO, and (2) selection of one of the EPC Program's list of pre-qualified ESCOs. A current list of all pre-qualified ESCOs appears on the CEO's EPC webpage: <https://www.colorado.gov/pacific/energyoffice/public-energy-performance-contracting>.

Colorado's pool of pre-qualified ESCOs offers robust diversity in business models and geographic and vertical market interests. The CEO EPC Program's public sector clients may wish to simply solicit responses from all pre-qualified ESCOs, so as not to overlook any potentially qualified ESCO. Otherwise, select at least three pre-qualified ESCOs. If an ESCO declines to respond, it is not necessary to identify another ESCO to take its place.

2. Get organized for the solicitation process.

Before developing and issuing a solicitation for proposals:

- Have a conversation with the purchasing office to determine its requirements.
- Identify members of the selection committee. Consider facilities, finance, sustainability, and administrative office representatives. Each of these functional areas will be engaged in and important to successful project development and execution.
- Identify a timeline for the selection process. Consider the following:

Activity	Potential Timeline
Issue RFP	Day 1
Hold pre-proposal and walk-thru meeting	Day 14
Proposals due	Day 28 at time
Review proposals. Selection Committee meets to develop shortlist. Arrange interview times.	Days 29- 42
Interview ESCOs	Day 43
Select ESCO	Day 43-44
Make recommendation to governing body	ASAP
Develop and execute TEA and Project Proposal Contract	14 days after approval
ESCO commences TEA	Upon execution

- Identify criteria for review of proposals and selection of candidates for interviewing. Customize the **ESCO Proposal Scoring Tool** included in this **Secondary ESCO Selection Toolkit**, accordingly.

- Identify questions to ask during the interviews. See the **List of Potential Interview Questions** included in this **Secondary ESCO Selection Toolkit**.
- Confirm the RFP selection procedure/methodology with the purchasing office.
- Identify scoring criteria/method to determine which ESCO to select.

3. Develop the ESCO solicitation

- Familiarize the Selection Committee with the **Request for Proposals Template** included in this **Secondary ESCO Selection Toolkit**.
- Examples of RFPs issued by other Colorado public jurisdictions may be available from the CEO EPC project consultant.
- Collect or develop the following information:
 - Procurement requirements.
 - Information about the buildings and other facilities you wish your ESCO to include in the Investment Grade Audit (IGA). Include name, unique building number (if applicable), occupancy type, square footage, prior improvements, and age if available.
 - Annual utility use and cost, in the form of monthly utility bills for the previous 12 (or more) months. Three years of utility data is preferred, but 12 months is the minimum. This information is to help interested ESCOs determine what level of savings opportunity there may be.
 - Information about any special interests, such as evaluating solar or other renewable technologies, water and wastewater treatment plants, pools, recreation centers, occupant behavior programs, etc.
 - Information on any federal, state, local or owner mandate/sustainability requirements.
 - Time constraints or other scheduling constraints that may impact construction.
 - Pre-proposal meeting/walk-through date, at which time interested ESCOs will meet on location to hear more about program goals, ask and answer questions. Show them a few priority buildings for examples. Indicate whether the pre-proposal/site visit meeting is mandatory. CEO recommends mandatory pre-proposal meeting/site visit attendance.
 - Proposal due date and tentative interview date(s).
 - Contact information.
 - Other specific information that supports scoring and selection criteria.
- Customize the **Request for Proposals Template** with the above information.
- The CEO EPC project consultant can support these efforts, to ensure the content serves the client's need for a productive selection process.
- Provide the Selection Committee members and the CEO EPC project consultant with an opportunity to review and comment before issuing the RFP.
- Issue the RFP according to the procurement office's requirements.

4. Select the ESCO that best fits the proposed project.

After the proposal submittal deadline has passed:

- Open the proposals received by the deadline in accordance with procurement office requirements.
- Provide Selection Committee members and the CEO EPC project consultant with copies of all proposals.
 - Selection Committee members review and evaluate proposals independently.
 - The CEO EPC project consultant will assist in the review of proposals, but will remain neutral in ESCO selection. His or her review includes assessment of the project-specific percentages quoted in the Cost and Pricing Tool submitted by each ESCO with its proposal, against the current ESCO Base Contract maximum percentages on file at CEO.
- Selection Committee and CEO EPC project consultant meet to discuss proposal scoring results and determine if and how many ESCOs to interview.
- Notify “short-listed” ESCOs.
- Schedule interviews.
- Conduct interviews. Your CEO project consultant will attend interviews, but must be a neutral, non-voting participant. He/she can provide clarifying information.
- Make final ESCO selection.
- Negotiate, customize, and finalize the CEO’s **Investment Grade Audit and Project Proposal Contract** template. The template is available from the client’s CEO EPC project consultant or the EPC Program webpage. The CEO EPC project consultant will assist in its finalization.