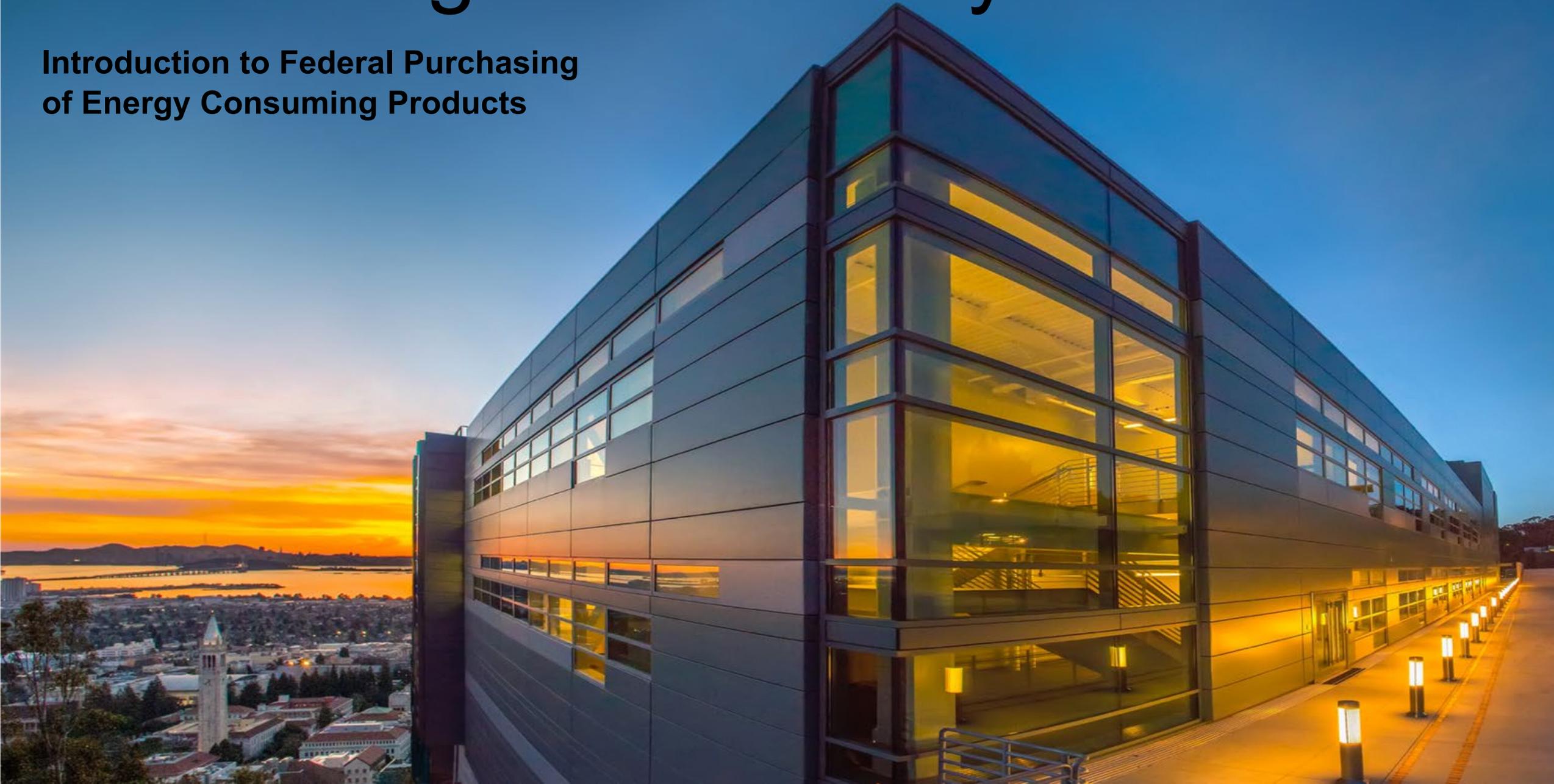


Contracting for Efficiency

**Introduction to Federal Purchasing
of Energy Consuming Products**



Meet the Sustainable Federal Procurement Team



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Overview

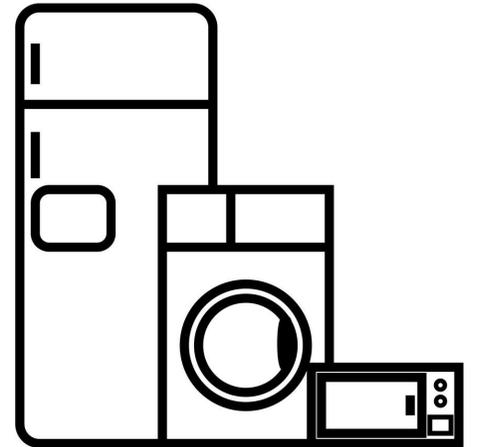
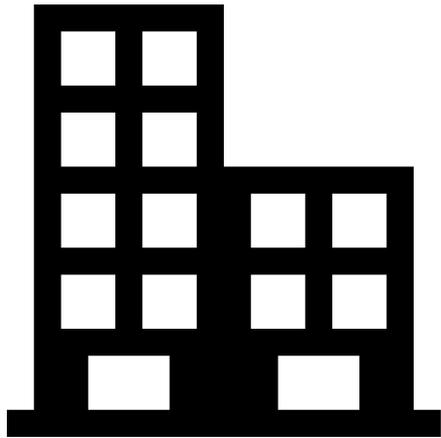
By completing this course, you will learn to:

- Understand the benefits of energy-efficient product procurement
- Understand the requirements to purchase energy-efficient products
- Identify covered product categories
- Write compliant contracts
- Verify the delivery of energy-efficient products
- Utilize FEMP and EnergyStar web resources to support these activities

Why Energy Efficiency Matters

Defining Energy Efficiency

Energy efficiency means using less energy to provide the same amount of service. Energy efficiency can extend to buildings, vehicles, and products.



Requirements to Purchase Energy-Efficient Products

Federal Agencies are required to buy efficient products by statute and Executive Order:

- Energy Policy Act of 2005
- Energy Independence and Security Act of 2007
- Executive Orders

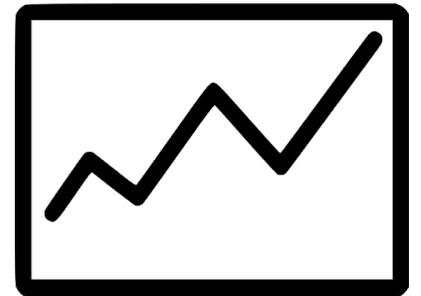
All have been embedded in the Federal Acquisition Regulations (FAR) Parts 23 & 52

Included in this guidance is a reference to purchase EnergyStar or FEMP-Designated



Other Reasons to Buy Energy-Efficient

- **Saves Money**
- **Reduces Greenhouse Gas Emissions**
- **Supports Market Transformation**



FEMP's EEPP Program

FEMP's Energy-Efficient Product Procurement (EEPP) program offers a wide variety of resources to help federal buyers purchase compliant efficient products.

EEPP Facts:

- Over 60 covered product categories
- Majority of products are covered by EPA's EnergyStar Program
- FEMP-Designated list covers commercial products not covered by EnergyStar
- FEMP conducts market analysis to determine the required efficiency levels for each covered product category
- In most cases, FEMP-Designated and EnergyStar approved products meet the requirements for federal agency compliance

FEMP's EEPP Program Contd.

FEMP provides guidance for purchasing efficient products on their website:
www.energy.gov/eere/femp/energy-efficient-products-and-energy-saving-technologies

Here you can find:

- List of covered product categories
- Product overview documents
- Legislative language
- Efficiency information
- Cost-effectiveness examples
- Buying and operating tips
- Sample contract language
- Cost-savings calculators



FEMP's EEPP Program Contd.

Agencies may claim an exemption to purchasing an efficient product if:

- There is no EnergyStar or FEMP-Designated product that meets the functional requirements for the agency
- The EnergyStar or FEMP-Designated product would not be lifecycle cost-effective in the agency's particular context

Applying Energy-Efficient Purchasing Requirements

When to Apply Efficiency Requirements to Solicitations

Federal Acquisition Regulation (FAR) clause 52 states that agencies are required to purchase efficient products if a covered product will be:

- Delivered
- Acquired by the contractor for use in a federal facility
- Furnished by a contractor for use by the government
- Specified in the design of a building, and/or incorporated into construction, renovation, or maintenance

These apply when the government is purchasing a product directly or when a contractor is buying a product on behalf of the government.

Common Procurement Pathways

Here we'll cover common procurement pathways that might include the purchase of energy-consuming products:

- GSA Advantage! and DOD EMALL
- Blanket Purchase Agreements
- Product and Service Contracts



Product and Service Contracts

Product contracts typically include covered products in two ways:

- Large volume purchases that typically include products like electronics or appliances
- The purchase of expensive products like chillers, boilers, or large imaging equipment

Service contracts typically include covered products in two ways:

- Direct contracts: Agency still specifies the product to be purchased by contractor
- Indirect contracts: The vendor or contractor chooses the product on behalf of the government, e.g. building maintenance contracts.

How to know if a specific product is subject to efficiency requirements

It's easy! Just visit the FEMP website! Here you can find:

- If the product is listed under one of the 60+ covered product categories
- Next, determine if the specific product is subject to the requirements. This may be determined by product size or technology type.

Still have questions? Contact FEMP to receive direct technical assistance.

www.femp.energy.gov

Pre-Award: Specifying Energy-Efficient Products

Pre-Award

General Guidelines for specifying energy-efficient products:

- Solicitations should clearly communicate the energy efficiency requirements
- Buyers should educate offerors on the product categories and requirements
- Solicitations should include specific references in multiple locations to energy efficiency requirements

In this section we'll cover:

- Product and direct service contracts (agencies specify products)
- Indirect service contracts (contractors specify products)

Product Contracts & Direct Service Contracts

In this section we'll cover considerations for:

- Market Research
- Presolicitation
- Solicitations

Reminder: Product contracts and direct service contracts are grouped because they are both cases where agencies are specifying the products to be purchased

Market Research

Potential for market impact:

- By making it known that you will be buying efficient products during the market research phase, you are likely to get stronger responses from more qualified offerors

Action Steps:

- Confirm with vendors during market research that they can deliver efficient products
- Include the energy efficiency requirements in sources sought notices
- Describe how you will verify that bid packages meet the requirements

Presolicitation

Presolicitation notices make vendors aware of efficiency requirements that will apply to the bid.

Action Steps:

- Include the energy efficiency requirements in the presolicitation phase to give vendors time to identify supply sources and ensure they have adequate efficient products in stock
- Highlight the specific covered product categories you will be purchasing, or include the full list of covered product categories

Solicitations

Solicitations are the most effective way to specify energy efficiency requirements and communicate these requirements to potential vendors.

There are five key section where energy efficiency requirements should be included:

- Statement of Work/Description
- Technical Specifications
- Contract Clauses
- Instructions to Offerors
- Evaluation Factors

Next, we'll walk through each of these in detail.

Statement of Work/Description

The Statement of Work/Description section is your first opportunity in the solicitation to inform offerors of the energy efficiency requirements.

Actions Steps:

- State that energy efficiency is important in product performance
- Specify what is meant by energy efficiency
- Clearly detail specific energy efficiency requirements

Technical Specifications

This is arguably the most important place to include the efficiency requirements, because vendors look here for key product information.

Actions Steps:

- Prominently feature specific energy efficiency requirements in this section
- For EnergyStar product categories require the product to be EnergyStar-certified
- For FEMP-designated product categories require that the product meet FEMP-designated efficiency requirements

Contract Clauses

Including FAR clause 52.223-15 by reference is an excellent contracting practice; however, it does *not* ensure that you will receive the desired energy-efficient product

Actions Steps:

- Include the ***full text*** of FAR clause 52.223-15 in the contract clauses section for any solicitations that may include covered product categories
- Include language in multiple contract sections specifying delivery of efficient products or services

Instruction to Offerors

This section gives vendors instructions for providing information to help you review their offer. Use this section to request materials that will allow confirmation that their offer meets energy efficiency requirements.

Actions Steps:

- For EnergyStar categories, require offerors to submit documentation confirming that the specific model is currently listed on the EnergyStar-certified product list.
- For FEMP-Designated categories, require offerors to submit manufacturer cut sheets confirming that individual products meet FEMP-Designated levels.
- Provide energy cost information to allow offerors to demonstrate cost savings. This allows identification of offerors with the lowest lifecycle cost.
- Allow offerors to bid multiple models to allow comparison of energy savings potential among models

Evaluation Factors

This section is an opportunity to indicate how offers will be evaluated, and allows emphasis of the weight of delivering energy-efficient products.

Actions Steps:

- Emphasize that “technical acceptability” requires covered products to have earned the EnergyStar label or meet FEMP-Designated efficiency levels for technical evaluation factors.
- Evaluate offers based on the lowest lifecycle cost, especially for large equipment with long lifetimes or high energy use.

Indirect Service Contract Considerations

Indirect service contracts are similar to product and direct service contracts in many ways, *but* with a few key distinctions.

Potential for impact:

- Indirect service contracts are often in place for several years and may include the purchase of several energy consuming products over the life of the contract.
- Therefore, there is a potential for high impact by ensuring indirect service contracts are compliant.

Indirect Service Contract Considerations Contd.

... *but* with a few key distinctions.

- If you are providing guide specifications, include energy efficiency requirements
- **Market Research Action Step:** In sources sought notices, describe how you will verify that a contractor will incorporate energy efficiency into services provided.
- **Presolicitation Action Step:** Document how the contractor will demonstrate plans for including energy-efficient products over the life of the contract.
- **Solicitation Action Steps:**
 - Emphasize the efficiency requirements throughout the solicitation
 - Instructions to Offerors: Require offerors to demonstrate how they will meet purchasing requirements throughout the contract. (Consider customizing)

Post Award: Verifying the Delivery of Efficient Products

Steps for Verifying Delivery of Efficient Products

In this section we'll cover:

- Verifying EnergyStar Products
- Verifying FEMP-Designated Products
- Federal Procurement Data System

General Recommendations:

- Match the cut sheet provided by the vendor to the product on the invoice
- Verify that those products meet or exceed the efficiency requirements specified

Verifying EnergyStar Products

Steps for verifying the delivery of EnergyStar products:

- Look for the EnergyStar label on the products materials
 - Product, cut sheet, packaging, and/or manual
 - Still unsure? Check the EnergyStar Certified Product List on their website where you can find exact performance data for all certified products



www.energystar.gov/products

Verifying FEMP-Designated Products

Steps for verifying the delivery of FEMP-Designated products:

- No FEMP label, so you must look for the product's energy performance level to verify
 - Refer to the product cut sheet or ask your vendor
- Compare the product efficiency levels with FEMP's product overview documents on the FEMP EEP website
- FEMP staff are available to provide direct technical assistance on these matters. Visit their website to submit a request.

www.femp.energy.gov

Final Step! Federal Procurement Data System

The last step in completing the energy efficient procurement process is to record the purchase in the Federal Procurement Data System - Next Generation FPDS-NG

- Be sure to mark the contract as containing energy-efficient products in the sustainability field - 8L
- This helps with your agency's procurement tracking and reporting

www.fdps.gov



Review & Additional Resources

Recap: Why Energy-Efficient Purchasing Matters

Why buy efficient products?

- Energy Efficient Products - products that deliver the same services but use less energy
- Federal agencies are required to buy efficient products
- Focusing on lifecycle costs saves agencies money in the long run
- Buying efficient products reduces greenhouse gas emissions and spurs broader efficiency market development

Applying Efficient Purchasing Requirements

Two types of circumstances where energy-efficient purchasing requirements apply:

- When agencies buy energy-consuming products
- When contractors buy energy-consuming products on an agency's behalf

Two types of contracts to consider:

- Product contracts - agencies directly buying large volumes or expensive products
- Service contracts - both direct and indirect, are when contractors purchase products on the government's behalf.
 - Direct service contracts - government still specifies products
 - Indirect service contracts - contractor specifies products

Pre-Award: Specifying Efficient Products

Action Step: Communicate efficiency requirements throughout procurement process

- **Market Research:** Identify contractors that can meet efficiency requirements
- **Presolicitation:** Alert contractors that you will be buying efficient products
- **Solicitation:** Clearly list product-level efficiency requirements in the technical specifications section, and tie efficiency requirements to other specifications, like product size, technology, etc.

Post-Award: Verifying Procurement

Ensure delivered products meet efficiency requirements outlined in the solicitation

- Compare vendor invoices to product cut sheets received in the bid
- Ensure that delivered products meet current EnergyStar or FEMP-designated efficiency levels
- Mark solicitation containing efficient products in the federal procurement data system (FDPS-NG)

Other Resources

- **FEMP's EEP Website**

- List of covered product categories
- Product overview documents
- Cost-savings calculators
- Best practice guides
- Consolidated efficiency tables
- UNSPSC and ENAC Product Codes

- **EnergyStar's Website**

- Certified product finder tool
- Product specifications documents
- Rebate finder tool
- Quantity quotes

- **GSA's Green Procurement Compilation**

- Comprehensive federal green purchasing resource
- Covers more than efficiency, e.g. bio preferred, recycled content, etc
- Provides green procurement requirements, model contract language, and buying guidance

- **FedCenter - Acquisitions**

- Comprehensive list of federal acquisition-related resources
- Resources on regulations, guidance and policy

The federal procurement community plays a key role in promoting government leadership on energy efficiency and sustainability!

Questions?

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Join our mailing list for quarterly updates!