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[FIRM NAME]

[ADDRESS]

[CITY, STATE, ZIP]

[DATE]

[ESCO]

[ADDRESS]

[CITY, STATE, ZIP]

RE: Invitation to Present Qualifications and Preliminary Opportunity Assessment

Dear Mr. XXX:

xxx is working with the xxx to undertake a xxx building energy efficiency retrofit program to help [xxx achieve its internal energy efficiency and broader objectives, as more fully set forth in this letter. To that end xxx] will select the energy service company or companies (ESCO) that in xxx]'s judgment can most effectively assist [xxx] in developing and implementing an energy and operational improvement program ("Program") that meets [xxx]'s financial and environmental goals. xxx is initiating the Program with a program involving a [group of] building[s] representing, in its estimation, the best opportunity[s] for energy and operational savings. If such pilot program is successful, the overall Program will be expanded to include as significant portion of [xxx]'s building portfolio as feasible. Please accept this letter as our invitation to [ESCO] to present your company's qualifications as well as a Preliminary Opportunity Assessment of the building[s] described in Appendix 1.

Based on the attached Project Background (Appendix 1), the information contained in the attached Property Information Summary (Appendix 2), observations gathered during a technical walkthrough of the facility, and conversations with [FIRM NAME] operations staff, we ask [ESCO] to provide a Preliminary Opportunity Assessment Report outlining potential Energy Conservation Measures at the selected building[s]. This report will help xxx evaluate the business case for the proposed project and better understand

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[ESCO]'s specific approach. Please keep responses as brief as possible, and respond only to the specific requirements set forth in Appendix 5.

Technical walk-throughs of the selected site[s] are scheduled to take place between [DATE 1 and DATE 2]. [xxx] operations staff will accompany the [ESCO] representatives on the walk-through to answer site-specific questions. Subsequent interviews to discuss [ESCO]'s qualifications and the results of the Preliminary Opportunity Assessment will take place between [DATE 1 and DATE 2].

The [ESCO] representatives present at the interview should include the individuals who will have responsibility for the project's development and execution, and who will be the primary points of contact for [ESCO]. In order to make the most efficient use of the allotted time, please transmit a copy of the Report and the requested qualifications information as far in advance of the scheduled interview date as possible.

To schedule the technical walk-through and subsequent interview, submit written responses, or to clarify [FIRM NAME] expectations for the project, please contact:

[CONTACT NAME]

[TITLE]

[ADDRESS]

[EMAIL]

[PHONE]

Assuming that [ESCO]'s Preliminary Opportunity Assessment Report and presentation is evaluated favorably by [xxx. [xxxx] would be prepared to discuss an Investment Grade Audit to be conducted by your Company as soon as possible following the presentation of the Preliminary Opportunity Assessment. It is our hope and expectation that a formal BOMA Energy Performance Contract would be negotiated and executed with all deliberate speed after the IGAs are completed and evaluated. Thank you in

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advance for your efforts. We look forward to developing and continuing a rewarding relationship with your Company.

Sincerely,

Appendices

1. Project Background
2. Facility Details and Operational Information
3. [xxx]'s Expectations for the Project
4. ESCO Qualification Questions
5. Preliminary Opportunity Assessment Report Content

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APPENDIX 1 - PROJECT BACKGROUND

Facilities

[FACILITY ADDRESS]

[FIRM NAME] may choose additional or different buildings for the final project.

Project Goals

[FIRM NAME] wishes to achieve several financial, environmental and other goals through this project, including:

[LIST FINANCIAL AND NON-FINANCIAL GOALS HERE – SOME EXAMPLES INCLUDE]

- Achieve at least 20% reduction in energy and water use
- Increase facilities Energy Star rating or obtain the Energy Star Label
- Incur no initial capital costs (with option for Customer to provide initial capital if desired)
- Ascertain cost savings with an ESCO guarantee (with option to eliminate part or all of the guarantee after a number of years)
- Other

Financing Strategy

[FIRM NAME] intends to fund the cost of the EPC project by:

- Self-funding
- Financing from bank, ESCO, utility or other provider
- Other: _____

Contracting Process and Schedule

[FIRM NAME] intends to use an expedited selection process to choose an ESCO and begin the technical audit process.

	_____	Written Qualifications due
	_____	Qualifications review meetings
[optional]	_____	Written Opportunity Assessment Proposals due
[optional]	_____	Proposal review meetings and ESCO interviews
	_____	ESCO selection
[optional]	_____	Investment Grade Audit contract negotiation
[optional]	_____	IGA commences
[optional]	_____	IGA final results presentation
[optional]	_____	Performance contract negotiation
[optional]	_____	Performance contract execution
[optional]	_____	Begin installation
[optional]	_____	Commissioning/Monitoring commences

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APPENDIX 2 – PROPERT INFORMATION SUMMARY

[INSERT]

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APPENDIX 3 - [FIRM NAME]'s Expectations for the Project

[FIRM NAME] expects to use the BOMA model documents, including the Investment Grade Audit contract and BEPC for this project. [FIRM NAME] expects ESCO to work under CCI EPC Best Practices Terms and Conditions, and will be using these as one of the bases for selection. These terms and conditions are summarized below.

Guaranteed Savings

At the end of the audit process, the ESCO will provide the owner with a *fixed minimum guaranteed* annual energy savings, measured in kWh or other units of energy consumption and converted to dollars (or other currency) based on a cost per unit of energy at the time the contract is completed. These savings amounts should also be expressed as a percentage reduction from the baseline. If the savings is not realized, the ESCO will make the owner whole by paying for any savings shortfall.

Guaranteed Maximum Price (GMP)

At the end of the audit process, the ESCO will provide a GMP for the recommended project. The owner and the ESCO will sign a contract to implement a project with a *known, fixed maximum cost*.

Transparent Pricing

ESCOs will be as transparent in pricing the project as the building owner requests. Some examples of transparent pricing methodologies include:

- Total cost and savings by type of measures, with savings broken down by fuel type, and other (non-guaranteed) savings, such as labor and capital savings
- Total materials costs, labor costs, and margins for the whole project or breakdown of total labor costs, total material costs, labor margin and materials margin by ECM
- Breakdown of total soft costs (including such items as design, project management, profit, etc.) for project, in percentages or fixed amounts
- Breakdown of final cost for each intervention, as well as total amount of soft costs and ESCO overhead and profit
- Additional information to ascertain that competitive bidding and CCI Purchasing Alliance requirements have been met

Standard M&V protocol

ESCOs will use one of four standards provided in the International Performance Measurement and Verification Protocol (IPMVP) protocols to measure and verify energy savings.

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APPENDIX 4 - CONTENT OF RFQ RESPONSE

Respondents' Statements of Qualifications for this project shall not exceed X Pages. Submissions should, at a minimum, describe the following:

TECHNICAL QUALIFICATIONS AND PERSONNEL EXPERIENCE

1. Complete overview of the firm including, but not limited to:

- Name and address of firm.
- Telephone number, fax number, and e-mail address for project procurement related inquiries.
- Name of principal contact at ESCO.
- Proof of ability to conduct business in State.
- Summation of audited financial statement.
- Number of years experience in performance contracting and guaranteed savings.
- Number of years of firm and local project team's experience in identifying, designing and managing the construction of energy and utility conservation projects, especially at similar facilities to this project.
- The range of project sizes (in \$) and project payback periods your firm has undertaken in the past and/or would be willing to undertake today.
- A list and resume of individual experience for key personnel within ESCO (including expected key points of contact for this project) and for key sub-consultants.

SUMMARIES OF SIMILAR PAST PROJECTS

1. Provide a minimum of # summaries of similar projects where your firm has provided a performance contract in the range of \$_____ to \$_____.
2. For each project, provide an executive summary. Information given in the executive summaries should include but not be limited to the following information:
 - Name of client.
 - Total cost of the project – total contract amount and capital project amount.

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- Length of contract term and payback period, with starting and ending dates. Indicate whether the project was completed on original schedule. If not, please explain.
 - Type of financing arranged for the project – indicating whether it was arranged by your firm or by the client.
 - Identify any financial resources contributed by a third party – e.g. utility rebates, state grants, tax incentives, etc.
 - Description of the building(s) and plants retrofitted, including systems.
 - Description of all energy and water conservation measures implemented.
 - Identify all prime contractors or subcontractors and any other pertinent information relating to the project.
 - Building’s annual energy use (kWh or BTUs) and utility expenses (in \$) before project initiation.
 - Projected annual energy savings and demand reduction (in kWh or BTUs); and project annual energy cost savings (in \$).
 - Actual annual energy savings and demand reduction achieved (in kWh or BTUs); and actual annual energy cost savings.
 - Indicate whether on-site renewable energy generation was part of the project. If so, describe the system, its total installed and annual operating costs, its annual power generation, and explain how it was financed.
3. List the XX most recent occurrences where the respondent has financially reimbursed an entity for non-performance on energy savings. Include contact information, shortfall amount, and financial reimbursement on yearly basis.
4. Provide a list and project summary of all entities over the last 5 years of the company that:
- Have canceled or non-appropriated a performance contract with the respondent (list reason).
 - Have past or pending lawsuits or litigation regarding a performance contract with the respondent (list reasons).
 - Have past “out of court” settlements regarding a performance contract (list reasons).

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- In addition to litigation, provide a complete list of all projects nationwide where there was either a criminal indictment or a conviction relating to the conduct of a performance contract. This includes officers and representatives of the company as well as public officials connected with the project.

Provide an acknowledgement letter stating all the statements/responses to item #4 are true and accurate, signed by an officer of the respondent company (Please include title of company officer). Failure to provide accurate and complete information will be viewed as unresponsive.

□ APPROACH TO PROJECT DEVELOPMENT AND MANAGEMENT

1. Explain your company's organizational structure and management approach to projects in this region, and include the following information:

- All local and national personnel in your firm that you are intending to use on this potential project. Information should include but not be limited to:
 - Title
 - Years experience in energy management and energy conservation services
 - Years of experience working in this particular region
 - Examples of energy conservation measures executed on projects in the past (can overlap with the "references" section above.)
 - Educational background
 - Number of years with firm
 - Professional licenses held
- Generally explain your method for contracting and sub-contracting the installation of the measures, and maintaining cost competitive pricing.
- Describe your audit, design engineering, and construction management approach and quality control procedures.
- Explain whether your company manufactures or maintains contractual agreements to sell or otherwise represent specific brands of facility systems or equipment and your approach to maintaining product independence.
- Explain your company's flexibility in terms of assignment of Operation and Maintenance responsibilities to ESCO or customer facility personnel.
- The Clinton Climate Initiative's MOU requests that ESCOs working with CCI partners provide "transparent" pricing for costs imposed by the ESCO on the

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building owner throughout project implementation. Please indicate whether ESCO commonly uses “transparent” pricing, and how you interpret the term.

- Indicate whether your ESCO has ever conducted a project with “gain sharing” or “cost-reduction incentives.” Provide information about how your company prefers to execute such an arrangement and indicate the preferred percentage split in implementation cost-savings if the project is brought below the Guaranteed Maximum Price.
- Please explain how potential hazardous materials encountered in the installation of energy conservation measures will be managed.
- Please explain your firm’s and major sub consultants’ policies and practices for education and training of their staff to assure the staff is current on development of new technologies or enhancements to existing technologies.
- (Other.)¹

EXPERIENCE WITH LOCAL PROGRAM SUPPORT AND INCENTIVES

1. Describe your firm’s experience with local, state, and national grant programs and energy and utility conservation incentive programs. Explain which programs in particular you may seek to use for this project, and the process you would follow for accessing them.
2. In addition to the personnel profiles offered in the section above, please describe local project personnel experience in working with these local, state, or national programs and incentives that can be used to provide technical assistance or financial support to EPC projects.

COMPUTATION OF BASELINE

1. Describe in detail the methodology your firm uses to determine energy and utility use for the calculation of baseline energy use in a facility. Provide examples of how a make-whole payment would be calculated in the event that energy savings are not realized. Please provide examples showing clearly how the baseline would be adjusted and how a make-whole payment would be calculated in the event that building occupancy, use, or intensity of use were to change in the future (up or down). Also explain how this methodology differs between buildings with individual tenant metering and buildings which do not employ individual tenant metering.

¹ If there are additional Terms and Conditions, bidding requirements, etc. that the ESCO should discuss, describe them here.

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2. Provide a comprehensive energy audit that your firm has completed on a describe type of facility facility (this document may be attached as an appendix in your response.)

PERFORMANCE GUARANTEES

1. Describe your firm's energy and cost savings guarantee policies and procedures.
2. Describe your firm's contractual documents for an energy savings guarantee.
3. Briefly describe your approach to measurement and verification to calculate and confirm post-installation savings. Please describe whether and how your firm has used IPMVP to guide this process in the past.
4. Describe your firm's capacity to monitor the energy usage (both pre and post retrofit) and verify energy savings, providing information on equipment capabilities and personnel to analyze data.

RANGE OF SERVICES

1. Briefly list the range of energy and utility management services provided by respondent.
2. Describe your firm's ability to retro-commission existing building systems and the process for doing so.
2. Describe your experience with installing and utilizing metering on buildings, equipment or systems to facilitate the measurement of energy use and energy savings.
4. Describe your firm's approach to and experience with on-site facility staff training. Particular attention should be paid to the training of on-site facility staff to provide ongoing operations and maintenance of equipment beyond the term of the EPC contract.
5. Describe your firm's policies for commissioning systems that are upgraded or installed during the course of the EPC term. ___Name___ requests that such services be incorporated as part of the project scope for the EPC.
6. Address standard tenant and O&M staff energy education packages incorporated into the implementation of energy efficient retrofits in previous projects. Include

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occupant education, O&M staff training, and any continuing education that occurs after the commissioning process is complete.

□ FINANCIAL APPROACH

1. To demonstrate financial soundness and stability of your firm, in addition to the summary of an audited financial statement requested above, provide most recent annual report appendix or other documentation establishing the firm's financial stability and credit-worthiness.
2. Demonstrate your firm's ability to provide or arrange project financing with sample financing arrangement proposed for this project.²
3. Provide specific examples of projects where your firm has directly financed or procured financing on a customer's behalf, including tax exempt leases, bonds and other financing mechanisms, for EPC projects with terms up to # years.
4. Also provide information to assure that your firm, or the financial partner your company would propose to work with on this project, can provide the financial strength to guarantee at least \$_____ dollars of capital investment during the term of the contract. _____ reserves the right to internally fund the capital costs of any or all projects.
5. Explain how your company addresses issues of liability, property damage, and worker's compensation insurance.

² If an "off balance sheet" approach is of particular interest to an institution, indicate that you would like to know whether the ESCO has ever assisted in the arrangement of financing under such a structure, and how it would go about doing so for this project. However, keep in mind, that some "off-balance sheet" arrangements, such as an operating lease, may have limited lengths of term.

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APPENDIX 5: PRELIMINARY ASSESSMENT REPORT CONTENT

- 1) A list of all potential ECMs ranked by order of payback and IRR, including both estimated investments and cost savings. We ask that your estimates be within XX% accuracy. We understand that an Investment Grade Audit would be the next step to verify terms and a final proposal, but [FIRM NAME] wants to have a high degree of confidence in your initial assessment. Please list ECM opportunities by category such as HVAC, lighting, water.
- 2) Recommend a combination of ECMs (“Project”) that meets or exceeds [FIRM NAME]’s financial and other requirements set forth in Appendix 1. If there are synergies between certain ECMs, please briefly explain what they are. When appropriate identify base cost, utility cost and maintenance cost and life cycle analysis.
- 3) Please also describe a “short payback” project and a “longer payback” project so that [FIRM NAME] can evaluate investment choices.
- 4) Suggestions for operating and maintenance improvements along with an estimate of the potential impact on energy savings. Please specify which improvements are required to support recommended material and equipment installations, and which are dependent only on management practices.
- 5) Describe possible changes in tenant behavior that could create energy savings.
- 6) Describe opportunities for retro-commissioning that would benefit the energy profile of this project and recommendation of the best approach to achieve these.
- 7) Outline your staffing and schedule for your recommendations. Because we understand this will vary depending on what ECMs [FIRM NAME] would implement, please describe a typical scenario for this response.
- 8) A brief description of how [ESCO] structures a performance guarantee.
- 9) A brief description of performance measurement and verification methodologies (or protocols) used in conjunction with a performance guarantee.
- 10) Please list the major business issues to be agreed upon, along with the major technical and contractual terms to help [FIRM NAME] determine if it wishes to pursue energy savings with, or without, performance guarantees.
- 11) Confirm that your firm can approach this project on a vendor neutral basis.
- 12) (Optional) Suggestions for how the project might be financed.
- 13)(Optional) Outline recommendations for potential onsite renewable energy strategies that would be practical for this project.