



**State of Oklahoma  
Office of Management and Enterprise Services  
Division of Capital Assets Management  
Construction and Properties**

**Shared Energy Savings Program  
Interim Policy**

**1. General**

A State Agency may participate in a Shared Energy Savings contract pursuant to 61 OS §210-212. The Division of Capital Assets Management has completed a Consultant Selection Process and has selected the following firms to provide Energy Services to State Agencies:

- Benham
- ChevronTexaco
- Honeywell
- Johnson Controls
- TAC Americas

**2. Program Structure**

There are three phases to the Shared Energy Savings Program:

**2.1 Phase I: Letter of Understanding (LOU)**

This agreement binds the Energy Service Company (ESCO) to perform preliminary analysis regarding the physical features and operating history of the facilities (buildings) under consideration. There is no financial obligation to the State for this stage of the program. Upon completion, neither party is bound to any further contractual relationship.

**2.2 Phase II: Technical Energy Audit Contract**

In the second step, the ESCO performs a detailed energy performance audit on the specific buildings as agreed to by the State. There is a cost for this service, usually expressed in dollars (fractional) per square foot. This audit provides a cost basis for operating the existing building and the detailed information necessary to make a financial decision regarding a long-term Shared Energy Savings contract. As a condition of the contract, the cost of the technical audit may be rolled into the terms of a shared savings contract. If the agency decides not to enter into the long term contract, the agency must pay the sum stipulated in the audit contract.

**2.3 Phase III: Energy Performance Contract**

This is the contract for shared energy savings. The ESCO designs and installs new equipment and controls, which may consist of lighting, mechanical equipment, plumbing or other building systems that impact utility usage. The new equipment is financed by the ESCO, and the ESCO guarantees the minimum energy savings necessary to meet the debt service. The agency is guaranteed that energy usage will remain below the baseline established in the audit. The savings will pay for new and improved replacement equipment over the term specified in the contract, not to exceed 20 years. DCAM recommends a 15 year term. Other financial considerations are allowed when computing the energy savings and the Agency may "buy down" the cost of the contract.

**3. Program Requirements**

A State Agency may make a request to participate in the program by making a requisition to DCAM/ Construction and Properties Department.

CAP will assign an ESCO to the Agency and a Project Manager to provide assistance to the agency as needed. A new project will be opened and a CAP Project Number will be assigned. CAP will prepare a Letter of Understanding with the ESCO and route to the Agency and ESCO for signatures.

If the agency decides to proceed with a Technical Energy Audit, the Agency will provide a Requisition for the amount specified. Funds must be encumbered at the time of the Audit contract, in case the agency decides not to proceed with the performance contract.

If the agency decides to proceed with the Energy Contract, a Requisition is sent to CAP. The requisition will be in the amount of the first year's payment. (See next section for fee instructions).

#### 4. Requisition Process and Administrative Fees

Use CAP Form M701, Requisition Checklist for all requisitions to Construction and Properties. The following will apply when preparing the M701:

- Phase I: Request for Program Participation and LOU
  - For Project Description, state "Shared Energy Savings Program - LOU"
  - Leave Vendor and Consultant Information blank.
  - CAP Fee Code: 19, Miscellaneous Transaction, (See DCAM-CAP Form M701).
- Phase II: Technical Energy Audit Contract
  - Fill in the same CAP number that was previously assigned by CAP
  - For Project Description, state "Shared Energy Savings Program – Technical Energy Audit"
  - Fill in Vendor information, leave Consultant Information blank.
  - For Estimated Project Cost, fill in amount agreed to with ESCO
  - CAP Fee Code: 4, Projects with Complex Requirements, (See DCAM-CAP Form M701).
- Phase III: Energy Performance Contract
  - Fill in the same CAP number that was previously assigned by CAP
  - For Project Description, state "Shared Energy Savings Program – Energy Performance Contract"
  - Fill in Vendor information, leave Consultant Information blank.
  - For Estimated Project Cost, fill in Total Contract Amount and Annual Cost
  - CAP Fee Code: 4, Projects with Complex Requirements, Total Project Cost; compute fee on Total Project Cost (See DCAM-CAP Form M701).

#### 5. Annual Renewals

The multi-year Energy Performance Contract is contingent on public funds availability, and therefore must be renewed on an annual basis. Thirty days prior to contract renewal, submit a requisition to CAP for renewal. In project description, state "Energy Performance Contract, annual renewal." Contract amount is the amount for the annual payment. Fee Code 19, Miscellaneous Transaction, (See DCAM-CAP Form M701). CAP will prepare a Contract Amendment to renew the contract term.

#### 6. PeopleSoft Term Codes

Currently, there is not a term code for this program. The Agency's PeopleSoft Requisition should state "Shared Energy Savings Contract pursuant to 61 OS §210-212."

#### 7. General Responsibilities

- DCAM/CAP
  - Process Contracts and Purchase Orders
  - Assign Project Manager
  - General Contract Management
  - Technical Assistance
  - Monitor and Accept Construction Work
- Using Agency (UA)
  - Assign UA Lead Point of Contact
  - Provide identification, information and access to buildings under consideration
  - Review work product and make decisions concerning further participation
  - Financial responsibility for audit and performance contracts

Please contact the Construction and Properties Department at 405/521-2112 with any questions