

How it Works

Description of GESP Services Provided Throughout the Life of an ESPC Project

Step 1. Initial Consultation

State and local government agency clients access GESP via an agreement with COMM. When a client decides to develop an ESPC project, COMM initially meets with the client to identify facility needs and issues, assess the opportunity, and understand goals. Participants gain access to GESP's tools and resources to develop projects, and the GESP staff provide a negotiated level of oversight for each phase of the project. Management oversight includes working with the pre-qualified ESCOs to ensure they understand and properly develop projects using the GESP procedures. Technical oversight ensures projects are implemented according to the GESP guidelines. GESP provides technical assistance for the duration of each GESP project, which can last up to 25 years.

Step 2. Project Plan

Clients and the GESP staff collaborate to develop the scope of work and project priorities. First, the GESP staff help clients identify potential project sites and buildings by reviewing records in the B3 Benchmarking Tool, established as a best practice by EO 11-12. To support the benchmarking process, COMM hired The Weidt Group, Inc., a software engineering firm, to develop and manage the B3 tool and provide user training. GESP typically incorporates a brief overview of the B3 program in its presentations and has a dedicated staff person to field requests for B3 technical support.

Step 3. ESCO Selection

Once project opportunities are identified, public entities can issue a Site-Specific Request for Proposal (SSRFP) to pre-qualified ESCOs, using the state's GESP model contracting and procurement documents. GESP offers clients the option of using the GESP staff as SSRFP advisors and/or evaluators during the process of selecting an ESCO for their project:

- **SSRFP Advisor** – As advisors, the GESP staff counsel participating SSRFP Evaluation Teams throughout the proposal evaluation process. They provide assistance with the evaluation forms, proposals, and the scoring process. In this role, the GESP staff do not evaluate or score submitted ESCO proposals. GESP also helps negotiate the technical, financial, and legal issues in the contracting process.
- **SSRFP Evaluator** – As evaluators, the GESP staff independently review all submitted SSRFP proposals. The GESP staff become one of up to five independent proposal evaluators who review, score, and award the selected ESCO. The GESP staff do not communicate directly with other evaluators except during the evaluation review meeting, when scores are reviewed as a group. GESP also helps negotiate the technical, financial, and legal issues in the contracting process.

Step 4. Project Launch

GESP issues the selected ESCO a work order contract, subject to the state's master contract, to perform an Investment Grade Audit (IGA) based upon the scope of work identified in the SSRFP. Prior to approving a project for implementation, the GESP staff participate in all phases of the IGA process, including attending project scoping/development meetings; helping to select energy conservation measures (ECM) for the project; and assisting with validation of ECM energy consumption, savings, and financial assumptions presented by the ESCO.

As part of the IGA process, the ESCO is required to present the client with an IGA report and a project financial pro forma for consideration and approval. The GESP staff coordinate with COMM engineering staff to review IGA reports, commissioning plans, measurement and verification plans, and other engineering-related elements. COMM reviews the pro forma to help the client determine if the financial assumptions are reasonable and if the required project costs are accurately documented. With this assistance, the client makes a final determination about the scope of work to be executed.

Upon completion of the IGA, the ESCO is also responsible for soliciting financing proposals for the client to evaluate and approve prior to implementing a project. COMM informs the client of the financing options available. The GESP Program Manager provides one-on-one and tailored training to the ESCOs to ensure they are soliciting financing proposals that adhere to the state's established Lease Purchase Agreement (LPA) contract terms. The GESP staff also participate in all financial discussions between the client and the ESCO and assist with the awarding of the financial agreement.

Step 5. Project Execution

After the project scope and price are agreed upon, the client issues an amendment to the work order contract for the ESCO to install selected ECMs, provide training, and commission the equipment. The GESP staff participate during the construction phase to ensure that all ECMs are implemented as outlined in the work order contract amendment. The GESP staff also ensure the ESCOs properly commission equipment post-installation and work with clients to ensure facility staff is properly trained to maintain the newly installed equipment and systems.

Step 6. Project Monitoring

The ESCO performs measurement & verification (M&V) of the installed systems in accordance with the M&V plan developed as part of the IGA and provides an annual M&V report. The GESP staff review the annual M&V reports to ensure that the clients understand the data presented, that the information is accurate, and that the guaranteed project savings level is achieved. If guaranteed savings are not achieved, the GESP staff ensure that clients are properly compensated by the ESCO for the savings guarantee shortfall. The work order contract with the ESCO allows the client to seek independent third-party validation of the annual M&V report findings if desired.