



U.S. Department of Energy
Energy Efficiency and Renewable Energy

Welcome



Performance Contracting...

Today's Workshop Agenda

-  **The Power of the Public Sector...**
-  **Public Sector Sustainability...**
-  **The History of PC...**
-  **The PC Deliverables...**
-  **Show Me The PC Money...**
-  **The PC Process...**



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Powerful



Power of the Public Sector...

Drivers in Support Operations

 **Collect Tax Revenues**

 **Empowered to Operate Elections**

 **Provide Public Health**

 **Provide Public Security**

 **Contribute to Homeland Security**

 **Maintain Infrastructure**

 **Provide Public Transportation**



Power of Public Sector ... Drivers in the Economy

-  **Education (K12 and CC)**
-  **Health Care Administration/Facilities**
-  **Law Enforcement Agencies**
-  **Correctional Administration (Courts)**
-  **Correction Enforcement (Jails)**
-  **Transportation (Roads to Modes)**
-  **Infrastructure (Backbone)**



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Sustainability



Municipal “Sustainability” ... Definition and Issues

 How do you define it?

The synonyms are...

*Bearable, Endurable, Livable,
Sufferable, Supportable, Tolerable*

 Define your “Sustainable” issues?



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Sustainable Solutions



Performance Contracting



What is the History...



Where and Why it Began...

PC Began in Ohio...

-  House Bill 264 was first legislation
-  Primary focus was K12 Schools
-  PC was an avenue for improvements
-  PC was focused on “Infrastructure”
-  PC was “Energy Savings” ONLY
-  PC added “Operational Savings”

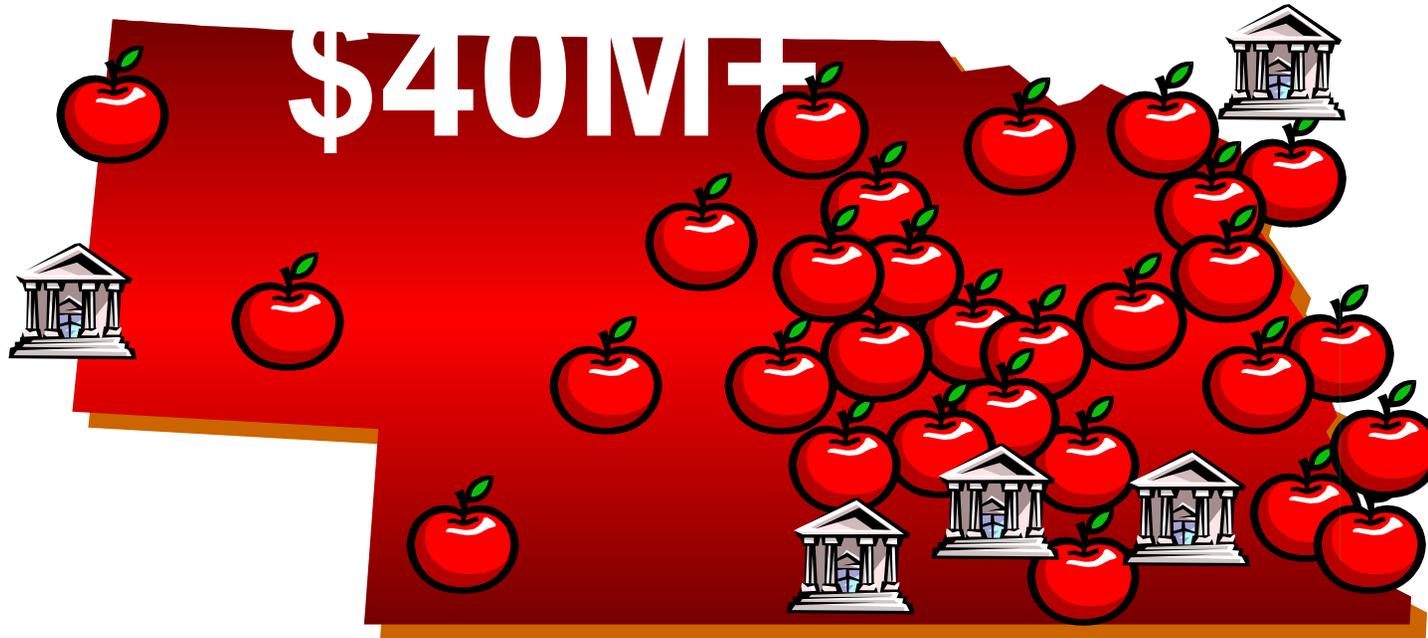


What is the History of PC in...

Nebraska



PC in Nebraska...



School District



Municipality



In Short, What is... Performance Contracting?



Performance Contracting...

✓ **A means of procurement...**

...a methodology of financing a capital improvement project

✓ **A means of restoration...**

...a mechanism for facility and technology infrastructure upgrades and modernizing

✓ **A means of partnering...**

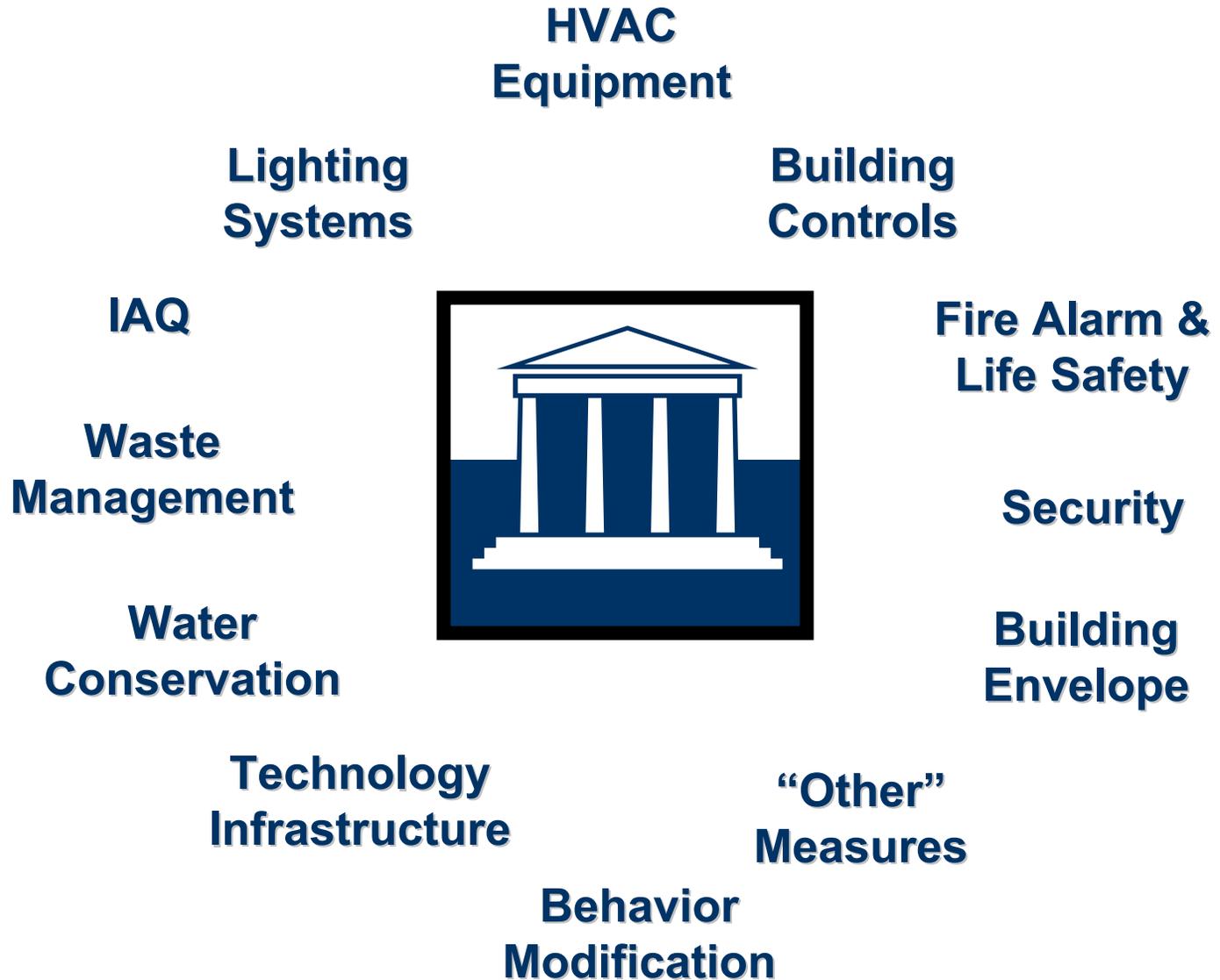
...a relationship of mutual accountability focused on public entities objectives



What does PC Deliver?

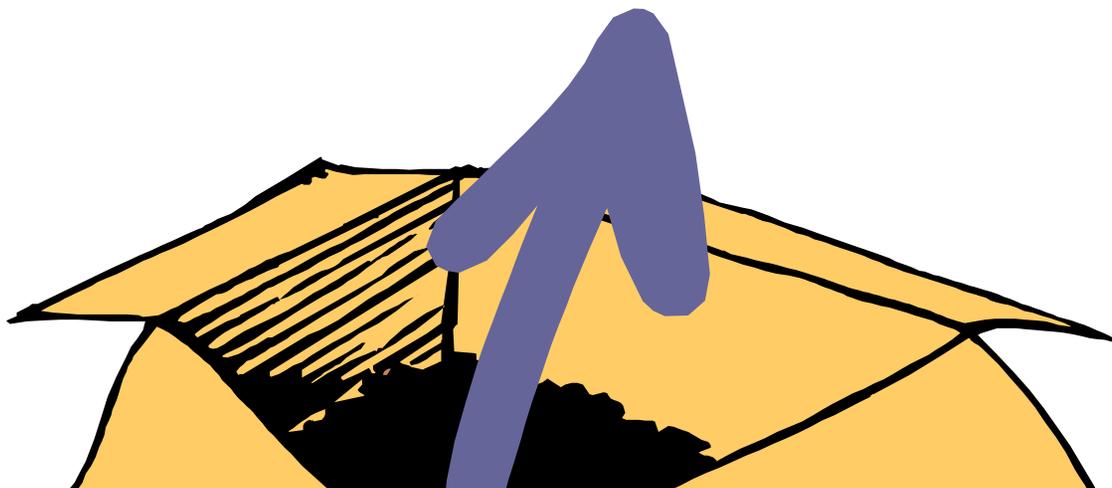


Improvement Measures...





“Other” Measures...



Get Out of the Box!



Solution Bundling...

Bundling allows...

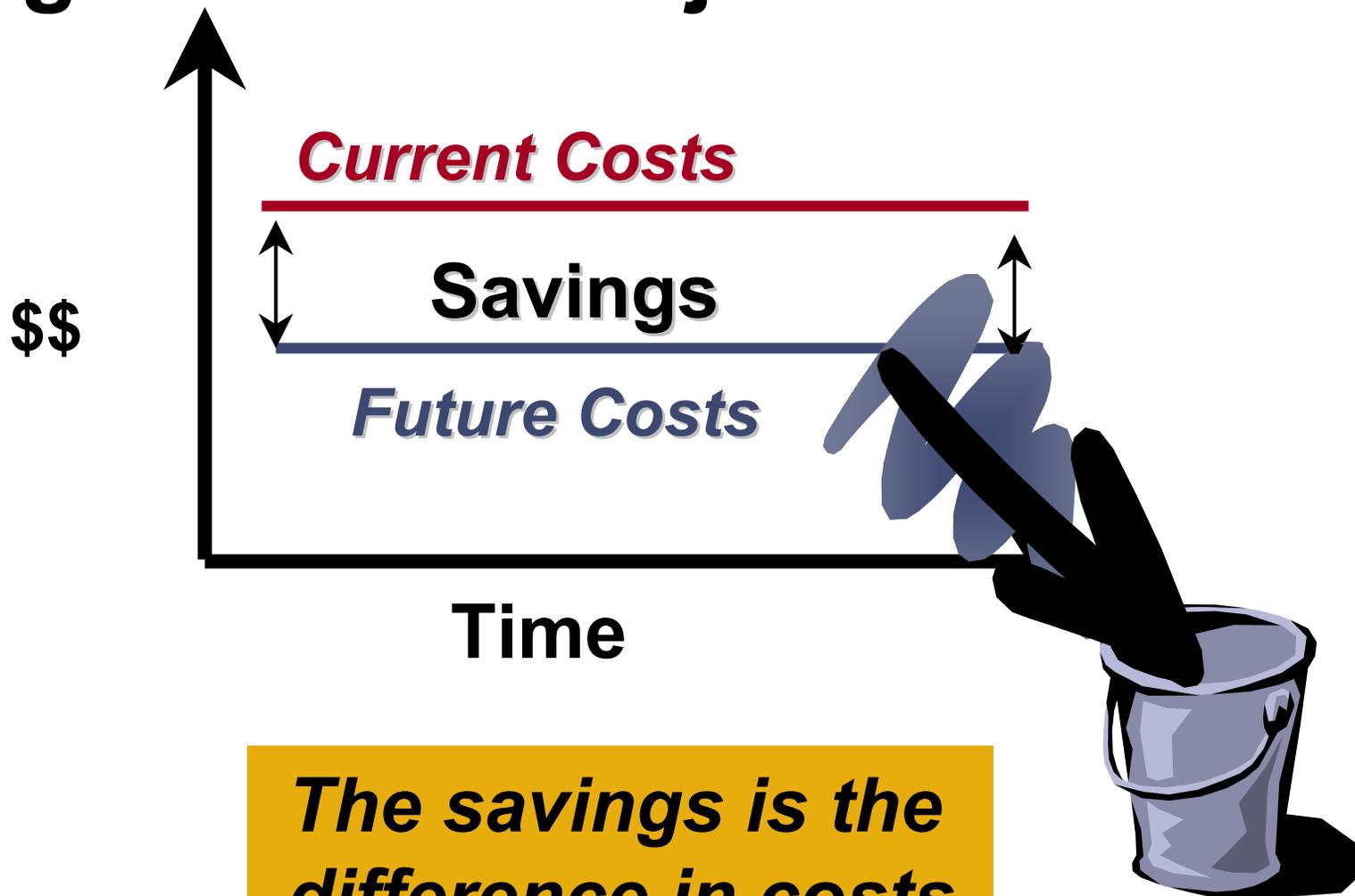
-  The “Cash Flow” to offset itself
-  A “Synergistic” Solution Set
-  The blending of budget monies
-  A strategic methodology
-  A comprehensive mechanism
-  A value not delivered in bids



Show me the money?



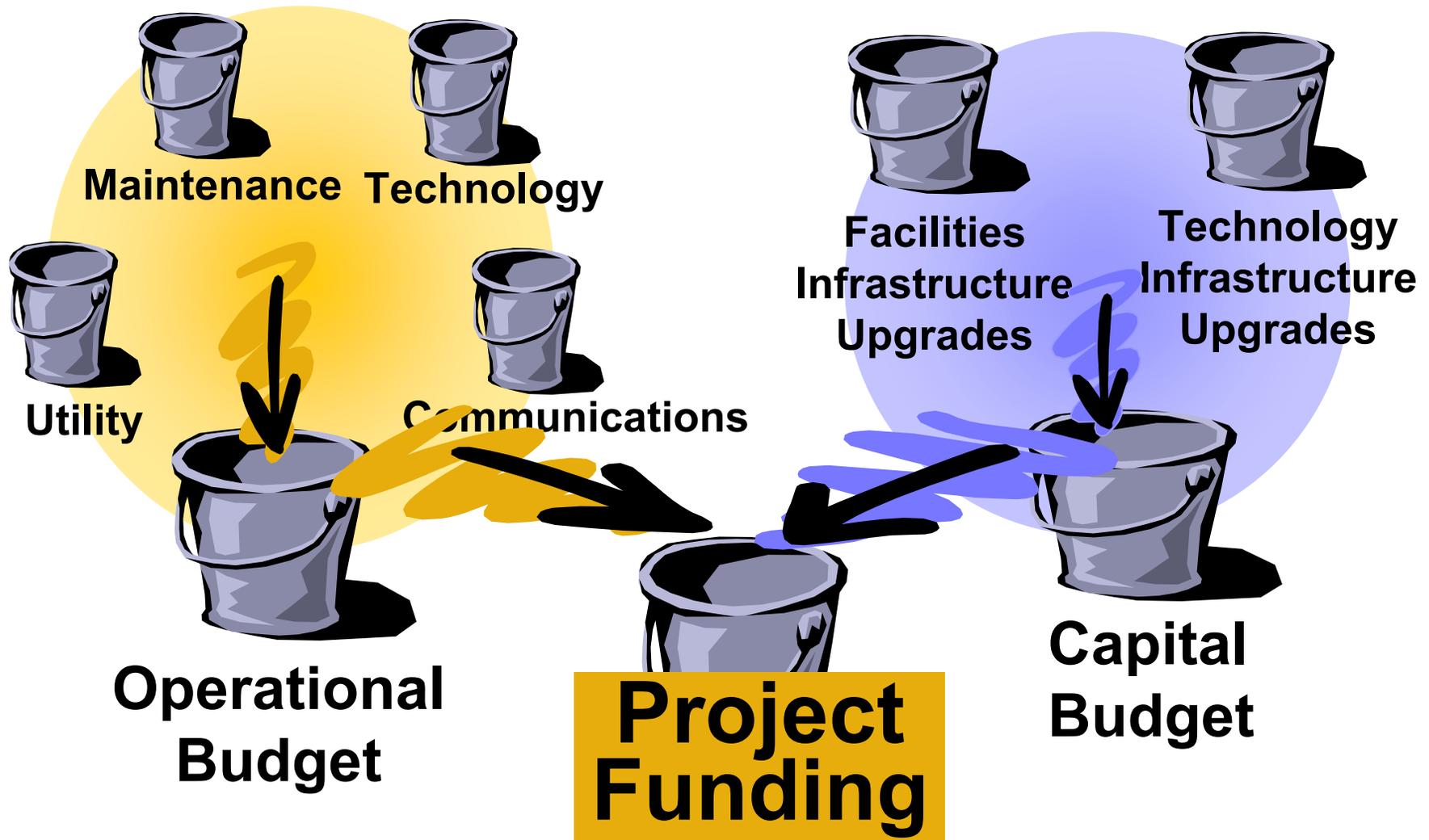
Saving Fund the Project...



The savings is the difference in costs



The Funding “Buckets” ...





What is the process?

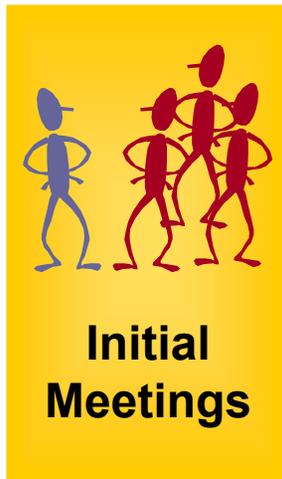


1

Three Step Process...

Conceptual Phase

- Educate all decision-makers
- Develop timeline and action agreement





2

Three Step Process...

Project Development Phase

- Assemble joint team to model a preliminary project
- Develop preliminary project “Report Card”
- Agreement to proceed in RFQ/RFP process

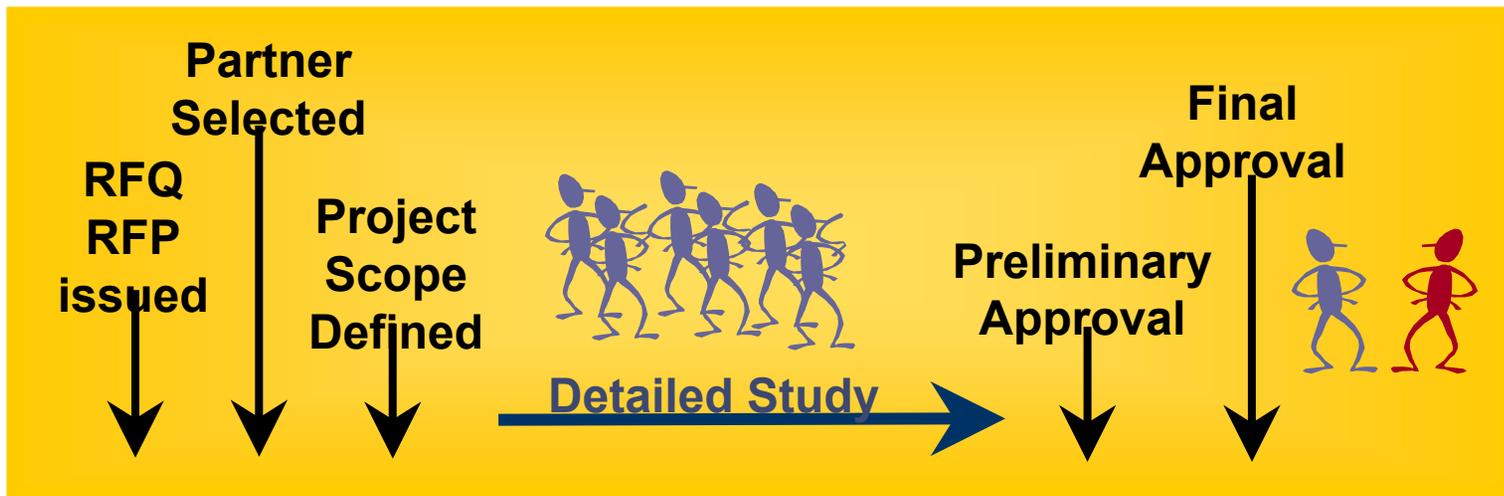


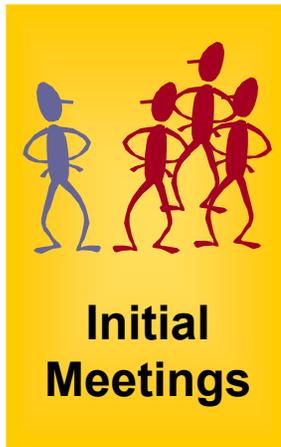


3 Three Step Process...

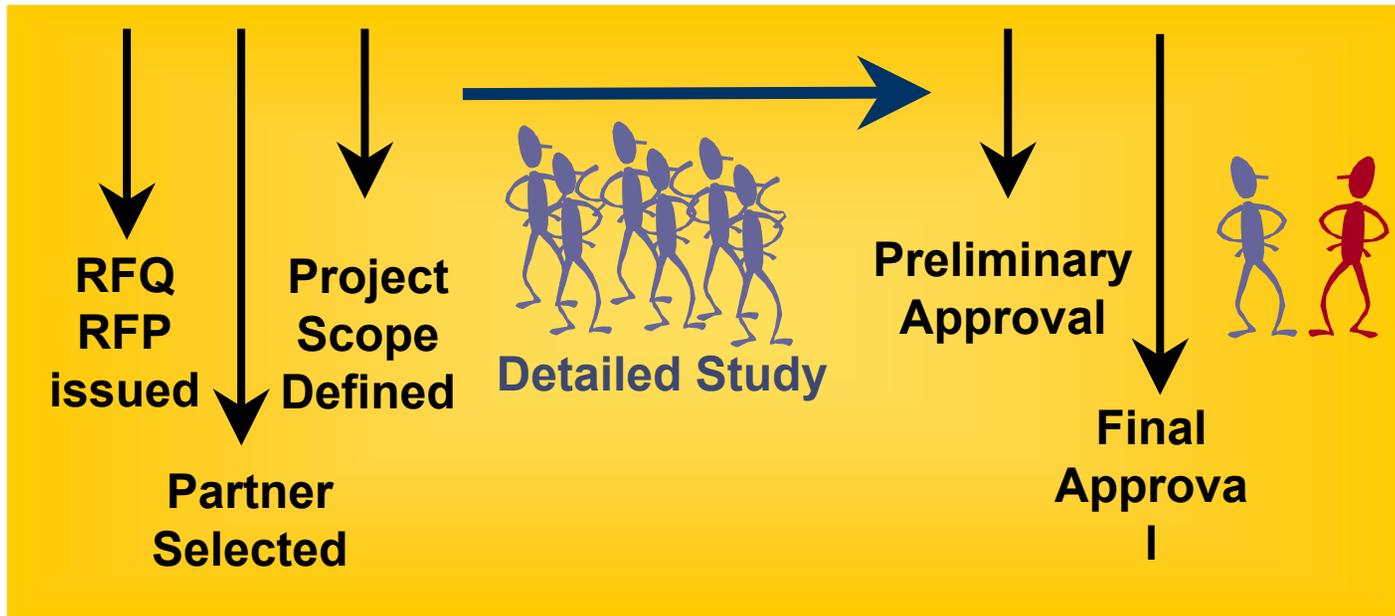
Procurement Phase

- Issuance and responses to RFQ/RFP
- Select partner to negotiate project scope
- Implement the project





**The ESCO
Qualifies the
Project before
Procurement**





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Questions