

Utility Areawide Guide

A Practical Guide to Procuring Utility Services
through a GSA Areawide Contract



General Services Administration
Public Buildings Service
Energy Division

The purpose of this guidebook is to provide an introduction to GSA Areawide Contracts and outline the process for using these contracts to acquire utility services.

**General Services Administration
Public Buildings Service - Energy Division**

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August 2015

Utility Acquisition Overview

Introduction

Procuring utility services is a simple process for Federal contracting personnel when they take advantage of the General Services Administration's (GSA) Utility Areawide Contract, a master blanket contract for public utility services. The GSA Areawide Contract spells out the general terms and conditions of service, contains all applicable Federal clauses, and provides instructions for Federal agency use. It's the easiest standardized procedure for ordering utility services.

The GSA Areawide Contract is negotiated and administered by the GSA Energy Division. As a division of the Public Building Service, it provides leadership within the Federal government in developing and administering contract vehicles that enable agencies to procure utility services at the lowest cost and the greatest value.

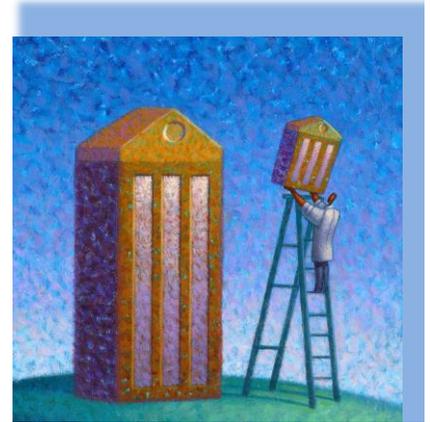
The Energy Division is the best resource for Federal contracting personnel seeking assistance in procuring energy and energy-related services. The mission of the Energy Division is to reduce utility costs by promoting optimal energy use while protecting the environment and ensuring a quality workspace for Federal workers. It also provides guidance to agencies on responsible asset management through energy and water conservation projects and the purchase of cost effective utilities.

Extensive details regarding the complete utility acquisition process and the use of GSA Areawide Contracts are outlined in the *GSA Procurement Guide for Public Utility Services* located on the Energy Division website:

GSA Procurement Guide for Public Utility Services:
Available <<http://gsa.gov/energy>>

Who has the Authority to Enter into Utility Contracts?

As detailed in FAR Subpart 41.103, GSA is authorized by 40 U.S.C 501 to prescribe policies and methods governing the acquisition and supply of utility services for Federal agencies. This authority includes, but is not limited to, managing public utility services and representing Federal agencies in proceedings before Federal and state regulatory bodies. Therefore, contracting personnel shall contact GSA to initiate the acquisition process for utility services.



In contrast, Federal Agencies may request delegated authority from GSA for the acquisition of utility services. If the Senior Procurement Executive for the Agency determines the following items are applicable, the agency may request delegated authority from GSA to enter into utility service contracts:

- The Agency has an established acquisition program;
- Personnel are technically qualified to deal with specialized utilities problems; and
- The Agency has the ability to accomplish its own pre-award contract review.

More information regarding GSA's authority and the delegation process is outlined in the *GSA Procurement Guide for Public Utility Services*.

What Contract Methods are Available?

Due to the regulated nature of utilities, it is the responsibility of the contracting officer to ensure the appropriate contracting method is used during the procurement process. The contracting process needs to promote full and open competition to obtain the best value product for the government, while not conflicting with state laws governing the procurement of utility services. The selection considerations (i.e., competition and deregulation, contract methods, rate schedules, demand response programs, renewable energy, and life cycle cost analysis) governing the acquisition process are outlined in detail in the *GSA Procurement Guide for Public Utility Services*. There are four (4) primary contract methods available to contracting personnel when procuring utility services:

- GSA Areawide Contracts;
- Interagency Agreements; and
- Separate Contracts;
- Procurement with no Formal Contract.

Is the Areawide Contract Right for the Situation?

The first item to consider is the availability of a GSA areawide contract. All utility procurements greater than the simplified acquisition threshold are required to use a GSA areawide contract, if it is available in the facility service area. As outlined in FAR 41.204, there are two (2) exceptions to this rule:



1. Service is available from more than one (1) supplier, or
2. The head of the contracting activity or designee otherwise determines that use of the Areawide Contract is not advantageous to the Government. If service is available from more than one supplier, service shall be acquired using competitive acquisition procedures (see 41.202(a)). The determination required by paragraph (c)(1)(ii) of this section shall be documented in the contract file with an information copy furnished to GSA at the address in 41.301(a).

If the Areawide Contract is not available or found non-advantageous, then the facility is required by the FAR to acquire service via competitive acquisition procedures (i.e., separate contract), allowing all Utilities the opportunity to bid for service.

If the facility is in a regulated area and there is only one (1) Utility available, then the Ordering Agency should negotiate a separate contract with the Utility following the negotiation procedures of FAR Part 15 for a Sole Source supplier, and obtain the required Small Business Subcontracting Plan for all such negotiated contracts whose total estimated value exceeds the applicable thresholds, following the procedures of FAR Part 19.7. This is completed after the proper pre-acquisition actions referenced in this Guide have been performed. The process for competitive and sole-source separate contracts is outlined in detail in the *GSA Procurement Guide for Public Utility Services*.

Using the FAR as the basis, the Contract Selection Flow Chart on the subsequent page directs the user through a series of questions to determine if an Areawide Contract, separate contract, interagency agreement, or no formal contract is the best option for the procurement. This process is discussed in detail in the *GSA Procurement Guide for Public Utility Services*.

Issuing Multiple Authorization Forms

Ordering agencies will need to issue an Authorization Form for each utility service obtained via the Areawide Contract. For example, a new facility requiring electricity and natural gas service from a single Utility will need to issue a separate Authorization Form for each desired service. To avoid confusion, the Ordering Agency should attach language to the Authorization forms attributed to each service that specifies clearly all aspects of the service that is desired.

Areawide Contract - An Energizing Option

Overview

The GSA Areawide Contract is an agreement between GSA and a Utility for a range of utility services for periods of up to 10 years. GSA is the only agency authorized to sign an Areawide Contract, but once signed, the agreement can be used by any Federal agency in that particular utility service territory.

Federal Agencies use the contract by signing an Authorization that details the utility service or project that is to be provided under the Areawide Contract. The Areawide Contract encompasses the general terms and conditions of the agreement, while the Authorization details the specific services to be provided to the Ordering Agency.

The GSA Areawide Contract is unique because the contract terms and conditions have already been established between the Government and the Utility, making it easier to use than most other contracting mechanisms. The Ordering Agency is assured that all applicable FAR clauses have been included in the contract, as well as language requiring a subcontracting plan for small, minority, women-owned, veteran-owned, and HUBzone Small Business Concerns.

The GSA Areawide Contract is also flexible, as the Ordering Agency can negotiate special rates and satisfy any unusual utility requirements by making a simple addendum to the Authorization form.

Benefits of the GSA Areawide Contract

There are many benefits to using the GSA Areawide Contract to fulfill a facility's utility and energy management services needs:

1. **Ease of use** - The contract language, provisions, and terms and conditions are already in place, leaving just a one-page Authorization for the Ordering Agency to complete. The GSA Areawide Contract is one of the easiest and quickest ways to procure energy, water, and demand-side management services.



The terms and conditions of the Areawide Contract are already in place; all that the Ordering Agency does is submit a simple, one-page Authorization form.

2. **Flexibility** - Nearly every type of energy and energy management service is available through the GSA Areawide Contract. An Ordering Agency can use as many Authorizations as it needs to take advantage of the myriad of services its local Utility might offer. In addition, because the Ordering Agency can specify special requirements and additional instructions, renewable power approaches to energy supply and management can be provided by the Utility.

3. **Established track record** – The Energy Division currently has approximately 100 Areawide Contracts with Utilities across the nation, and many Agencies already have a history of working with this procurement tool. The GSA Areawide Contract has a proven track record, having facilitated successful partnerships between Agencies and utilities for years.

4. **Financing** - The Areawide Contract provides an alternative method for financing energy management projects, similar to an energy savings performance contract.

5. **Help is just a phone call away...or a mouse click.** The Energy Division is available to provide technical and contract management and administration information and assistance whenever it is required.

The GSA Areawide Contract can fit easily into an Agency's deregulation plan, because using the services of the Contracting Utility under the GSA Areawide Contract does not in any way preclude an Agency from using the services of an energy service company or another Utility. For instance, the Ordering Agency might procure the distribution portion of electric utility service from the Areawide Contract while procuring the generation and transmission portions from a separate contract.

Scope of the Areawide Contract

FAR Part 41 requires agencies with annual spending over the simplified acquisition threshold to use a GSA Areawide Contract if one is available. Exceptions are when service is available from another Federal agency or when the Government benefits from obtaining services under a separate contract.

As outlined in the table below, the services provided under the Areawide Contracts must be provided by the Utility acting in its capacity as a public Utility (i.e., generating, distributing, and/or transmitting utilities), subject to the local regulatory authority.



The Ordering Agency and Utility may sign an Authorization for service for up to 10 years, which may extend past the Areawide Contract end date.

| Utility Services Available under GSA Areawide Contracts | | |
|---|--------------------------------|--|
| Overall Utility Services Available | Sub-Utility Services Available | Individual Purchasing Orders Available |
| ➤ Electric Service | ➤ All Electric Services | ➤ Connection/Change/Disconnection; ➤ Continuing Service; ➤ Line Extension; ➤ Alteration/Relocation/Reinforcement; ➤ Renewable Interconnection; ➤ Demand Side Management; and ➤ Special Facilities. |
| | ➤ Only Generation Service | |
| | ➤ Only Transmission Service | |
| ➤ Natural Gas Service | ➤ All Natural Gas Services | |
| | ➤ Only Generation Service | |
| | ➤ Only Transmission Service | |
| ➤ Steam Service | ➤ All Steam Service | |
| ➤ Water / Sewer Service | ➤ All Water / Sewer Service | |

Service Duration and Changes

The term of any Authorization is independent of the term of the GSA Areawide Contract. While the contract duration may be 10 years, the Ordering Agency and the Utility may sign an Authorization for service for any period up to 10 years, which may extend beyond the expiration of the Areawide Contract.

The Ordering Agency can change or terminate service with the Utility by submitting another Authorization noting the change or termination. As with all Authorizations, it must be signed by the Ordering Agency and the Utility. The Ordering Agency must also provide a written Authorization to the Utility for any material changes proposed in the volume or characteristic of the utility services required. The following list provides examples of changes in which effective Authorizations need not be amended.

- Accounting or appropriation data;
- Rates or other terms applicable to service classification;
- Terms of the Contracting Utility's tariff;
- Cost of purchased fuel; and
- Estimated annual cost of service.



The rates and services of utility companies are governed by Federal, state, and/or local regulation authorities. Some names given to these authorities include, but are not limited to:

- Utilities Board;
- Commerce Commission;
- Utilities Commission;
- Utility Regulatory Commission (URC);
- Public Utilities Commission (PUC);
- Public Service Commission (PSC).

During the term of the Areawide Contract, the local regulatory authority may approve a change in rates for services covered by Authorizations. In this case, the Ordering Agency agrees to continue paying for the service rendered at the revised rates. However, the Utility must agree in the Areawide Contract that the service rates offered to the Ordering Agency will at no time exceed those charged to any other customer under the same service classification and will receive the same or comparable service under like conditions of use.

Billing and Payment

The Contracting Utility will bill for services rendered under the Authorization to the address specified by the Ordering Agency in the Authorization. Unless otherwise specified in the Authorization, only original bills are to be submitted. Bills submitted by the Contracting Utility should include such data as required by the regulatory authority to substantiate the bill, and other data requested by the Ordering Agency (and documented in the Authorization).

The Ordering Agency pays all bills for services rendered in accordance with applicable tariffs, rates, rules, regulations, riders, practices, and terms and conditions of service. Late payment charges are applicable. The Ordering Agency is entitled to any billing discounts, incentives or rebates offered to other customers of the same service classification under like conditions of use and service. Payment will not be made in advance of services rendered (electricity, gas, water, etc.), unless required by the Contracting Utility's tariff. Payment may be required up-front for energy management projects.

Service Equipment and Facilities

The Areawide Contract outlines the provisions and terms governing the installation and ownership of equipment and facilities required to supply service and typically refer to the terms outlined in the Utility's Tariff and Standard Terms and Conditions. Metering equipment of standard manufacture is typically furnished, installed, calibrated, and maintained by the Utility, at its expense, unless otherwise stated in the Utility's tariffs, rates, rules, regulations, riders, practices, or terms and conditions of service. The Utility will read all meters regularly in accordance with the Utility's tariffs and commission regulations.

After installation, meters will be inspected and tested by the Utility at no cost to the Ordering Agency.

The Ordering Agency will provide, at its expense, mutually agreeable locations on its premises for the installation of meters and other equipment necessary to supply utility service. If the Ordering Agency in any way limits or restricts the Utility's access, the Ordering Agency will not hold the Utility responsible for any damage or dangerous situations that result.

Liability and Access

Liability of the Utility to the Government for failure to supply services, for any interruptions in service, and for any irregular or defective service will be determined in accordance with the Utility's tariff. The Ordering Agency will provide access to the premises served at all reasonable times during the term of the GSA Areawide Contract, and its termination or expiration, for the purpose of reading meters, for making installations or repairs, or for removal of the Utility's equipment.

Get to Know the Common Areawide Contract Terms

- **Areawide Contract**: A master contract entered into between the Government and a utility service provider to cover the utility service acquisitions of all Federal agencies in the franchised certified service territory.
- **Ordering Agency**: Any Agency authorized to obtain services under an Areawide Contract.
- **Authorization**: One of the order forms attached to the Areawide Contract as an exhibit, which is used to acquire utility service under the Areawide Contract.
- **Energy Conservation Measure**: A specific energy or water-related project intended to provide energy savings and/or demand reduction in Federal facilities
- **Energy Management Service**: Any project or service that is intended to reduce and/or manage energy demand or water use in a facility as well as those services that determine whether such reductions are feasible (such as an energy audit).
- **Contractor's Tariff**: Utility documents on file with the regulatory authority, which include, but are not limited to, rate schedules, covenants, riders, rules, regulations, and regulated terms and conditions of service.
- **Utility Service**: Any service available from the Contracting Utility, such as electric service, natural gas service, ECM, EMS, and/or any other service available pursuant to the Contractor's Tariff.

Steps to Procuring Utility Services via GSA Areawide Contract

Overview

One compelling benefit of the GSA Areawide Contract is that the terms and conditions have already been established by GSA and the Contracting Utility, reducing the amount of time required negotiating with the Utility and putting a utility services contract into place. Once the decision to procure services using the Areawide Contract has been made, the steps to implementation are simple and straight forward. However, some careful thought and analysis must still go into deciding when and how to use the Areawide Contract. The *GSA Procurement Guide for Public Utility Services* details the entire acquisition process, while this section provides a quick synopsis of the steps required specifically for Areawide Contracts.



Before selecting the appropriate contracting vehicle, it is important to define the needs of the facility, review the possible options, and identify the best value.

Pre-Acquisition Phase

Contracting personnel are responsible for performing all administrative actions necessary for effective public utility service procurement. Before selecting the appropriate contracting vehicle, it is important to define the needs of the facility, review the possible options, and identify the best value.

Define Facility Needs

The first step in procuring utility services is to identify the objectives, barriers, and opportunities related to the selected facility. All aspects of the desired utility service procurement should be discussed with facility personnel (i.e., facility manager, energy manager) to ensure that all questions have been addressed prior to contracting. Factors that need to be addressed include, but are not limited to, mission support concerns, infrastructure needs, core capabilities, energy cost saving objectives, contract length, occupant needs, and environmental issues. An essential aspect of this step is to complete the service specifications form, which is available in Appendix A and on the GSA Energy Division website, for electricity, natural gas, sewer, water, and steam.



Review the Options

Contracting personnel need to review and understand legal, regulatory, and contractual requirements and alternatives. FAR Part 41: *Acquisition of Utility Services* is the main regulation that needs to be followed when entering into all utility services contracts. The options for utility services above the simplified acquisition threshold include GSA Areawide Contracts, separate contracts, and interagency agreements. The figure on page 5 details the instances when each of these methods may be used, according to FAR Part 41. It is the responsibility of the contracting officer to understand the requirements of the FAR and each of these methods. The *GSA Procurement Guide for Public Utility Services* provides further guidance to Federal agencies on how to determine the optimal available contract method(s) for a particular situation.

Identify the Best Value

Once all sources of service have been identified, it is time to review the options and identify the best value for the government. Most Federal utility service acquisitions are dictated by the availability of a GSA Areawide Contract and the State laws governing competition and deregulation. As discussed in the *GSA Procurement Guide for Public Utility Services*, the main items to be considered when selecting the appropriate contract method include, but are not limited to:

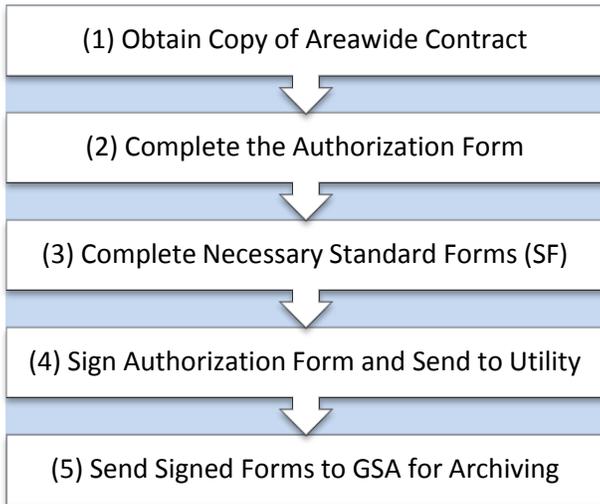
- Facility Service Needs;
- Competition and Deregulation;
- Available Contract Methods;
- Rate Schedules and Tariffs;
- Demand Response Programs;
- Renewable Energy Requirements; and
- Life Cycle Costs.

No matter the contracting method used for utility service acquisition, GSA is available to Federal agencies and contracting personnel for technical and acquisition assistance. The process of defining the facility needs, reviewing the contracting options, and identifying the best value can be a complicated process, especially when it comes to following the requirements of the FAR and regulatory authority rules and regulations.



"No matter the contracting method used for utility service acquisition, GSA is available to Federal agencies and contracting personnel for technical and acquisition assistance."

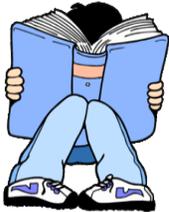
Using the GSA Areawide Contract



If pre-acquisition phase activities determine that the GSA Areawide Contract is the best value option for acquiring utility services, the administrative steps listed below need to be completed by the contracting officer to complete the authorization process. The post-award contracting activities are discussed in the *Post-Award Administration* section. Due to the pre-established nature of Areawide Contracts, the entire process is short and simple, which typically makes it the best overall value for utility service acquisition.

Step 1: Obtain a Copy of the Areawide Contract

The first step in acquiring utility services with an Areawide Contract is to obtain a copy of the desired contract. These are readily available on the GSA Energy Division website. If problems arise using the website or locating the appropriate contract, the Energy Division can be contacted using the information provided in the *Contact Information* section of this manual.



Step 2: Obtain and Complete the Authorization Form

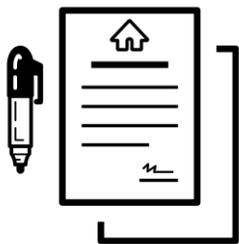
The second step is to obtain and complete the Ordering Authorization Form, which can be found in the appendix section of the specified Areawide Contract. The information needed to complete this form typically includes the facility address, point of delivery, terms of service, estimated energy usage, and estimated annual energy demand, among others. This information can be found in the service specifications, completed as part of the pre-acquisition phase activities. The Utility typically will provide assistance with regard to the information required and the necessary terms and conditions.

Step 3: Complete Necessary Standard Forms (SF)

Specific Agency regulations may require the completion of procurement standard forms (SF), such as *SF 33: Solicitation Offer and Award*, *SF 26: Award/Contract*, *SF 1447: Solicitation / Contract*, or *SF 1449: Solicitation / Contract / Order for Commercial Items*. These forms can be found in the online GSA Forms Library website:

GSA Forms Library

Available <<http://www.gsa.gov/portal/forms/>>



Step 4: Sign the Authorization Form and Send to the Utility for Signature

Once the authorization form and all other standard forms have been completed and all necessary questions have been discussed with the Utility, the forms must be signed by the ordering Agency and sent to the Utility for signature. It is important to remember that *once both parties have signed these forms, the Areawide Contract has been activated and a formal, binding agreement has been made.* The ordering Agency should coordinate all terms and conditions of the contract with the Utility and schedule the start of service and the billing methods.



Step 5: Send the Signed Authorization Form to GSA

After completion, a copy of the signed authorization form is required to be sent to GSA for record keeping and auditing requirements. This should be submitted within 30 days after execution as outlined in FAR 41.204(e).

Post - Award Administration

The acquisition of the utility services process does not end with award of the contract; instead, contracting personnel are responsible to provide the Utility with all applicable documentation, ensure monthly invoices are accurate prior to payment, and review each account on an annual basis to determine if the contractual terms and cost are still advantageous to the government. FAR Section 41.401 outlines this requirement of contracting personnel.

Post-Award Documentation

After award of the contract, contracting personnel are responsible for ensuring that the necessary funds have been obligated to the utility contract and all necessary documentation has been completed. Depending on the Agency, this typically includes the development and issuance of purchase orders and budget requests. The following documentation and forms may be requested by the Utility to ensure invoices are issued in a timely manner and all appropriate charges are included on the invoices. Agencies should contact the Utility to determine specifically what is needed and/or required:

- Copies of purchase orders and/or funding documents;
- Point of Contact (POC) information for the person responsible for approving and paying the invoices;
- Information on how invoices will be issued;



Information Needed to Complete the Authorization Form

- Facility Name and Address;
- Point of Contact Information;
- Point of Delivery;
- Nature of Services (i.e., connect, change, disconnect);
- Terms and Conditions;
- Annual Energy Consumption, Demand, Cost Data; and
- Signature and Date.

- Information on how invoices will be paid;
- Credentials to setup login information for invoice retrieval on the Utility’s website; and
- State and local sales tax exempt forms.



“Agencies shall review utility service invoices on a monthly basis and all utility accounts with annual values exceeding the simplified acquisition threshold on an annual basis.”

-FAR Section 41.401: Monthly and Annual Review

Monthly Invoice Review

The purpose of the monthly review is to ensure accuracy of utility service invoices and to provide the associated reasoning for paying the invoice. To determine if the Utility has accurately measured the correct usage and billed the correct charges, it is imperative that contracting and accounting personnel responsible for payment collaborate with facility operations experts (i.e., facility managers, energy managers, etc.) to review and verify the information in the invoices.

Prompt Invoice Payment

Prior to payment of utility invoices, it is the responsibility of contracting and facility personnel to ensure that all charges on the invoice are accurate. All erroneous and incorrect items should be brought to the attention of and disputed with the Utility, and all disputed payments should be withheld until the matter is resolved and a new invoice is issued, if applicable.

Once the invoice has been determined to be accurate, it is the responsibility of the Agency to pay the invoice in a timely manner, as outlined by the “Due Date” on the invoice or as agreed upon in writing with the Utility. Public law 5 CFR Part 1315 - *Prompt Payment* requires all Federal Agencies to pay utility service invoices within the agreed upon time period and to pay interest penalties when late.

Annual Account Review

Agencies are required to perform a review of all utility accounts annually to determine if the government is still receiving the best value for utility services. Contracting personnel should use the *GSA Standard Format for Annual Utility Service Review*, which is located in Appendix B and on the GSA Energy Division website.



The Utility will provide GSA with an annual report on the Areawide Contract performance in accordance with the approved subcontracting plan for small and small, disadvantaged business concerns. In addition, an annual report will be issued by the Utility listing all Federal customers obtaining service under the Areawide Contract.

Simplest Source for Federal Utility Services

The GSA Areawide Contract has been around since the 1940s, when Congress first authorized GSA to enter into long-term utility contracts. Use of the Areawide Contract has grown dramatically since then – particularly since 1995, when the Authorization for Energy Management Services was added. The GSA Areawide Contract is now recognized as a useful tool for Federal facility managers trying to cut energy and operating costs to meet the goals of these mandates.

Use the GSA Areawide Contract as an important component of your facility's overall energy strategy – one that incorporates energy efficient design, optimal use of energy and alternative fuels, and positioning your facility to take advantage of potential cost savings from electric utility restructuring. GSA can help your facility meet its energy goals through the Areawide Contract and many other programs.

More information regarding the use of the Areawide Contract, the utility contracting process, or the assistance available from the GSA Energy Division can be viewed on the Energy Division website provided below:

GSA Energy Division

Available <<http://gsa.gov/energy>>



Appendix A

Formats for Utility Service Specifications

Available <www.gsa.gov/energy>

41.701 Formats for utility service specifications.

Section C - Description/Specifications/Work Statement

Electric Service

[Note: The following specification assumes a single delivery point at the Government facility for which service is required. If more than one delivery point is desired, this specification should be modified to include requirements for each delivery point.]

(a) The Contractor shall provide to the Government facility at [Enter name and location of specific premises to be served] []standby []permanent electric service in a manner and form that is consistent with (1) all applicable laws, regulations, permits, and electric codes, and (2) the facility's service requirements. Estimated annual service requirements are:

Maximum demand _____kW

Total annual energy consumption _____kWh

[If changes in annual requirements during the contract term are foreseeable, the above description of annual usage should be modified to indicate the expected changes.]

Estimates, by month, of the maximum demand and monthly energy consumption for the initial service year are shown in Attachment A of Section J.

[If this specification is used in a competitive rather than sole source solicitation, inclusion of the following information may be necessary for pricing purposes: expected load factor, the average power factor, expected times of daily peak usage; expected months of peak usage; and whether curtailable/interruptible service is acceptable. If curtailable service is acceptable, describe advance notice requirements,

maximum frequency and duration of curtailment, etc. In a sole source solicitation, identification of the rate schedule under which service will be provided may eliminate the need to include part, or all, of this information.]

Usage amounts shown in this paragraph are estimates only and do not constitute a Government usage guarantee.

(b) The type of electric service required by the Government is overhead underground, 60 cycle/hertz, single-phase 3-phase, 2-wire 3-wire 4-wire, Delta-connected Wye-connected, alternating current. [Enter requirement for dual-feeder service, if justified.] The normal delivery voltage shall be 120/240 120/208 240/480 277/480 _____ [Enter other secondary and/or primary voltages, as appropriate], with an allowable variation of _____ percent above or below normal. [Enter, if applicable, information on the maximum acceptable frequency and maximum duration of outages.] The Contractor shall meter electric service on the primary secondary side of the Contractor Government-owned transformer(s) at _____ volts. All meters shall be installed by the Contractor in a manner that allows verification of billing determinants by Government personnel. The Contractor shall provide, own, and maintain facilities necessary to satisfy the service requirements of the Government facility. The Government shall provide and maintain the following equipment, as _____ required, _____ to _____ receive service: _____

(c) The point of service connection between the Government facility and the Contractor's system, as well as any connecting facilities to be installed by the Contractor on Government premises, shall be as shown in Attachment B of Section J (a map or diagram suitable for showing this connection service information shall be provided by the ordering agency).

41.701 Formats for utility service specifications.

Section C - Description/Specifications/Work Statement

Natural Gas Service

[Note: The following specification assumes a single delivery point at the Government facility for which service is required. If more than one delivery point is desired, this specification should be modified to include requirements for each delivery point.]

(a) The Contractor shall provide to the Government facility at [Enter name and location of specific premises to be served] []firm []interruptible natural gas service in a manner and form that is consistent with (1) all applicable laws, rules, industry standards, codes, permits and regulations, and (2) the facility's service requirements. Estimated annual []firm []interruptible service requirements are:

Maximum demand ** kJ/h (cf/hr.)

Maximum usage ** MJ/d (mcf/day)

Total annual usage ** MJ (mcf)

[**Note: If metric units of measure are acceptable to the governing regulatory body, entries should be in metric units. Otherwise, entries should be in regulatory body approved units of measure. A table for conversion of commonly used English units to metric units is attached to this specification.]

[If changes in annual requirements during the contract term are foreseeable, the above description of annual usage should be modified to indicate the expected changes.]

Estimates, by month, of the gas consumption for a typical year are shown in Attachment A of Section J. The Contractor shall maintain pressure at the point of delivery of ** kPa (psig) +/- percent. The usage amounts shown in this paragraph are estimates only and do not constitute a Government usage guarantee.

[For any firm service required, consider use of the following paragraph.]

Firm gas services provided by the Contractor shall meet the Government's everyday needs for the proper operation of its facility without interruption or curtailment. It is understood that, in the event of an emergency, curtailment of firm services may be permitted by a gas utility supplier under its curtailment plan approved by the governing regulatory body.

[For any interruptible service required, describe advance notice requirements, maximum acceptable frequency and maximum duration of interruption, etc.]

(b) [Consider use of the following if service is solicited from a single source.]

Natural gas delivered under this contract shall conform to quality standards specified in the effective tariff gas sales agreement approved by the governing regulatory body.

[In a competitive solicitation, select from the following those quality indicators necessary to ensure that minimum Government quality requirements are met. Note that in some instances specification of "pipeline quality" gas may be sufficient.]

The assumed average atmospheric (barometric) pressure at the Government facility shall be ** kPa (psia). Natural gas delivered under this contract shall conform to the following minimum quality standards:

[Note: If metric units of measure are acceptable to the governing regulatory body, the quality indicators entered below should be shown in metric units. Otherwise, entries should be in regulatory body approved units of measure.]

(1) Shall not contain more than 100 kg/Mm³ (7 lb./MMcf) of water vapor;

(2) Shall not contain more than 2.3 g/m³ (1 grain/ccf) of hydrogen sulfide as determined by quantitative tests after the presence of hydrogen sulfide has been indicated by qualitative test;

(3) Shall not contain more than 6 mg/m³ (20 grains/ccf) of total sulfur;

(4) Shall not contain in excess of three percent (3%) by volume of carbon dioxide or four percent (4%) by volume of total inert gases;

(5) Shall not contain in excess of one percent (1%) by volume of oxygen;

(6) Shall not contain in excess of 3 L/100m³ (0.2 gal/Mcf) of those certain liquefiable hydrocarbons commonly referred to as natural gasoline;

(7) Shall not exceed 311 K (100 degrees F) in temperature at the point of delivery;

(8) Shall be reasonably free of any objectionable material including dust, gums, or gum-forming constituents;

(9) Shall be commercially free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is delivered; and

(10) Shall have a delivered heating value (lower heating value or LHV) of no lower than _____ kJ/m³ (_____ Btu/cf). (In English measurement, for the purposes of this contract, one "Btu" is defined as the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at standard atmospheric pressure.)

(c) The point of service connection between the Government facility and the Contractor's system, as well as any connecting facilities to be installed by the Contractor on Government premises, shall be as shown in Attachment B of Section J (a map or diagram suitable for showing this connection service information shall be provided by the ordering agency). The gas provided hereunder shall be metered by _____ [enter number and type of meter(s)]. All meters shall be installed by the Contractor in a manner that allows verification of billing determinants by Government personnel. The gas meter(s) shall be owned, installed, operated, and maintained by the Contractor.

41.701 Formats for utility service specifications

Section C - Description/Specifications/Work Statement

Sewage Service

[Note: The following specification assumes a single delivery point at the Government facility for which service is required. If more than one delivery point is desired, this specification should be modified to include requirements for each delivery point.]

(a) The Contractor shall provide sewage service to [Enter name and location of specific premises to be served]. The sewage service provided by the Contractor shall meet the Government's everyday needs for the proper operation of the stated facility. The Contractor shall operate its sewage disposal and treatment facilities in conformity with (1) all applicable laws, rules, codes, industry standards, permits, and regulations, promulgated by any and all governmental authorities having jurisdiction. Estimated annual service requirements are:

Maximum daily volume ** m³ (gal.)

Total annual volume ** m³ (gal.)

[**Note: If metric units of measure are acceptable to the governing regulatory body, entries should be in metric units. Otherwise, entries should be in regulatory body approved units of measure. A table for conversion of commonly used English units to metric units is attached to this specification.]

[If changes in annual requirements during the contract term are foreseeable, the above description of annual usage should be modified to indicate the expected changes.]

The amounts shown in this paragraph are estimates only and do not constitute a Government usage guarantee. The sewage services to be delivered by the Contractor are metered nonmetered. All meters (if any) shall be installed by the Contractor in a manner that allows verification of billing determinants by Government personnel. If nonmetered, the total sewage outflow shall be estimated as _____ percent of the Government facility's actual monthly metered water consumption. The Government's delivery of sewage to the Contractor shall be by gravity main force main. The sewage to be delivered shall not be pretreated by the Government shall be pretreated by the Government in the following manner: _____

_____.

[Include the following information on concentrations of BOD and TSS only if required by potential suppliers.]

Expected monthly average concentrations for Biological Oxygen Demand (BOD) and Total Suspended Solids (TSS) in the sewage are ** mg/l and ** mg/l, respectively.

(b) The point of service connection between the Government facility and the Contractor's system shall be as shown in Attachment A of Section J (map or diagram to be included by the ordering agency).

(c) [Consider use of the following for new connection.]

The []inside []outside diameter of the Government's pipeline at the point of entry is ** mm (in.). The Contractor shall design, construct, own, operate, and maintain the facilities necessary to connect the Government facility to its existing system and to meet the Government's full sewage service requirements during the term of this contract. The Contractor shall provide in Attachment A of Section J a schematic diagram of Contractor connecting facilities to be installed on Government premises, if any.

41.701 Formats for utility service specifications

Section C - Description/Specifications/Work Statement

Water Service

[Note: The following specification assumes a single delivery point at the Government facility for which service is required. If more than one delivery point is desired, this specification should be modified to include requirements for each delivery point.]

(a) The Contractor shall provide water service to [Enter name and location of specific premises to be served]. The water provided shall be []potable water, []firefighting water, []industrial use water, []irrigation water, []other _____ and meet the Government's everyday needs for the proper operation of the stated facility. All services provided by the Contractor shall be in conformity with (1) all applicable laws, rules, codes, industry standards, permits, and regulations, promulgated by any and all governmental authorities having jurisdiction.

Estimated annual service requirements are:

Maximum daily volume _____** m³ (_____ gal.)

Total annual volume _____** m³ (_____ gal.)

[**Note: If metric units of measure are acceptable to the governing regulatory body, entries should be in metric units. Otherwise, entries should be in regulatory body approved units of measure. A table for conversion of commonly used English units to metric units is attached to this specification.]

[If changes in annual requirements during the contract term are foreseeable, the above description of annual usage should be modified to indicate the expected changes.]

Water shall be continuously available to the Government facility at a rate of ** m³/min (gal./min.) at a minimum pressure of ** kPa (psig). The Contractor shall provide the Government with []reserve capacity []best efforts for reserve capacity of up to ** m³ (gal.) for firefighting purposes at a rate of ** m³/min (gal./min.) at a residual pressure of ** kPa (psig). The usage amounts shown in this paragraph are estimates only and do not constitute a Government usage guarantee. The water shall be measured at the Government facility by _____ [Enter number and size of meter(s)]. All meters shall be installed by the Contractor in a manner that allows verification of billing determinants by Government personnel.

The following filtration and chemical treatment is required of the nonpotable water provided hereunder:

[Note: Industrial water should be classified as to the extent of filtration and chemical treatment required. Raw water is generally untreated water of the same character and quality as the source, i.e., river, lake, well, etc.]

No cross-connections of any kind are permitted between the various classes of water service provided. The use of valves or

check valves as a method of isolating the various classes of water in cross-connections is not permitted.

(b) The point of service connection between the Government facility and the Contractor's system shall be as shown in Attachment A of Section J (map or diagram to be included by the ordering agency).

(c) [Consider use of the following for new connection.]
The Contractor shall design, construct, own, operate, and maintain the facilities necessary to connect the Government facility to its existing system and to meet the Government's full water service requirements during the term of this contract. The []inside []outside diameter of the Government's water line at the point of delivery is ** mm (in.). The Contractor shall provide in Attachment A of Section J a schematic diagram of Contractor connecting facilities to be installed on Government premises, if any.

41.701 Formats for utility service specifications

Section C - Description/Specifications/Work Statement

Steam Service

[Note: The following specification assumes a single delivery point at the Government facility for which service is required. If more than one delivery point is desired, this specification should be modified to include requirements for each delivery point.]

(a) The Contractor shall provide to the Government facility at [Enter name and location of specific premises to be served], steam service in a manner and form that is consistent with (1) all applicable laws, rules, regulations, codes, permits, and industry standards for the type of service provided, and (2) the facility's service requirements. Estimated annual service requirements are:

Maximum hourly demand ** kJ (lbs.)

Total annual consumption ** MJ (Mlbs.)

[**Note: If metric units of measure are acceptable to the governing regulatory body, entries should be in metric units. Otherwise, entries should be in regulatory body approved units of measure. A table for conversion of commonly used English units to metric units is attached to this specification.]

[If changes in annual requirements during the contract term are foreseeable, the above description of annual usage should be modified to indicate the expected changes.]

Estimated consumption on a monthly basis for a typical year is shown in Attachment A of Section J. The usage amounts shown in this paragraph are estimates only and do not constitute a Government usage guarantee. The Contractor shall have ** kJ (lbs.) per hour of steam continuously available at the Government facility at a pressure of not less than ** nor more than ** kPa (not less than nor more than psig). The steam furnished shall be free of condensate at the point of delivery. The Contractor Government shall furnish, install, and maintain condensate meter(s) flow meter(s) at the Government facility. All meters shall be installed by the Contractor in a manner that allows verification of billing determinants by Government personnel.

(b) The point of service connection between the Government facility and the Contractor's system shall be as shown in Attachment B of Section J (map or diagram to be included by the ordering agency).

(c) [Consider using the following for new connection.]
The Contractor shall design, construct, own, operate, and maintain the facilities necessary to connect the Government facility to its existing system and to meet the Government's full steam service requirements during the term of this contract. The inside outside diameter of the facility's steam intake steam line is ** mm (in.). The Contractor shall provide in Attachment B of Section J a

schematic diagram of Contractor connecting facilities to be installed on Government premises, if any.

| <u>From English</u> | <u>To Metric</u> | <u>Multiply</u> |
|------------------------------|-------------------------------|----------------------------|
| <u>Units (Abbrev.)</u> | <u>Units (Abbrev.)</u> | <u>English</u> |
| | | <u>Units By</u> |
| Kilowatt (kW) | Kilowatt (kW) | N/A |
| Kilowatt Hour (kWh) | Kilowatt Hour (kWh) | N/A |
| British Thermal Unit (Btu) | Joule (J) | 1.055 |
| Pounds per Square Inch (psi) | KiloPascal (kPa) | 6.895 |
| Pound (Weight) (lb.) | Kilogram (kg) | 0.454 |
| Cubic Foot (cf) | Cubic Meter (m ³) | 0.028 |
| Grain (gr) | Milligram (mg) | 64.8 |
| Gallon (gal.) | Liter (L or l) | 3.785 |
| Fahrenheit (F) | Kelvin (K) | $\frac{5}{9}(F-32)+273.15$ |
| Inch (in.) | Millimeter (mm) | 25.4 |
| Pound (Steam) (lb.) | KiloJoule (kJ) | 1.055 |

Common Prefixes:

kilo (k) = 1,000
mega (M) = 1,000,000
giga (G) = 1,000,000,000
milli (m) = 0.001 (1/1,000)

Appendix B

Standard Format for Annual Utility Service Review

[Available <www.gsa.gov/energy>](http://www.gsa.gov/energy)

STANDARD FORMAT FOR ANNUAL UTILITY SERVICE REVIEW

Date review completed: _____

I. Introduction:

A. Statement of review requirement: "Agencies shall review all utility accounts with annual values exceeding the small purchase threshold on an annual basis." (see FAR 41.401)

B. Purpose of the annual review: "The purpose of the annual review is to ensure that the utility supplier is furnishing the services to each facility under the utility's most economical, applicable rate and to examine competitive markets for more advantageous service offerings." (see FAR 41.401)

C. Findings from the annual review: Findings from the annual review should be documented and placed in the utility contract file.

II. Identification of utility service that is the subject of this review:

A. Service Address & Delivery Point ID

B. Supplier Name

C. Contract or other identifying number(s): _____

III. Actions recommended to ascertain if more advantageous service is available from another supplier:

A. Contact the governing regulatory body(ies) having jurisdiction over provision of the required service and determine which suppliers (if any), other than the current supplier, are authorized to provide the required service.

B. Through telephone conversations with the supplier(s) identified in

(a), above, determine if any are interested in providing the required service.

C. If additional interested suppliers are authorized to provide the service, determine whether the potential for more advantageous service from these suppliers is sufficient to justify termination of the existing arrangement. This determination should be based on a comparison of (1) savings likely to result from competing the Government's requirements,

and (2) the Government's total cost of competing its requirements and terminating the existing arrangement.

D. If likely net savings are sufficient justification, compete the delivery point's requirements.

IV. Actions recommended to determine if service is billed under a supplier's most advantageous rate schedule:

A. Determine the date on which the last previous analysis was conducted to identify the supplier's most advantageous rate schedule.

B. If no changes have occurred since the last analysis that would allow the delivery point to qualify for service under a rate schedule not previously applicable or available, no further analysis is required. Examples of such changes are a change in the character or volume of the required service or the issuance by the supplier of a new rate schedule for which the facility could qualify. If no such changes have occurred, the file should be so documented and service continued under the existing rate schedule.

C. If changes have occurred since the last analysis that make applicable or available new rate schedules, obtain a copy of each applicable new rate schedule and a record of the delivery point's actual service usage during the past 12 months. This record should include data on all "billing determinants," i.e., actors on which utility bills are dependent such as kilowatts and kilowatt hours for electricity, kilojoules (Mcf) for natural gas, etc.

D. Adjust the past 12 months' billing determinants, as necessary, to reflect the billing determinants expected during the next 12 months.

E. Using the billing determinants described in (d), above, calculate the net annual cost of service under each rate schedule for which

(1) the delivery point can qualify, and (2) delivery point service requirements are satisfied.

Note: If service under a rate schedule considered in (e), above, would result in costs in addition to those identified in that rate schedule, e.g., the Government's cost of maintaining dual fuel capabilities when an interruptible

schedule is used, add these costs to the associated annual cost finding.

Reviewed By (Name and Title)

Signature

Date

End of Document