



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

OFFICE OF THE ASSISTANT SECRETARY

MEMORANDUM FOR ALMAJCOM

FROM: SAF/IEE

1665 Air Force Pentagon
Washington, DC 20330-1665

SUBJECT: Decision Processes for Energy Project Development Using Performance Contracts

The Air Force uses third-party financed contracts as a method to improve resilience, optimize demand, and assure supply. Well-scoped Energy Savings Performance Contracts (ESPCs) and-or Utility Energy Service Contracts (UESCs) should support energy resilience and subsequent assurance. The Air Force is committed to the success of ESPC and UESC projects and success is dependent upon due diligence, stringent requirements and proposal evaluation, and total-team communication.

Effective immediately, the Air Force Civil Engineer Center Energy Directorate (AFCEC/CN), in coordination with the Air Force's Office of Energy Assurance (OEA), shall utilize the following approval and-or cancellation process:

- Phase One Decision Point: The AFCEC Energy Working Group (EWG) will validate Installation Commander concurrence with potential scope effort in signed memo for the project. Validation shall include concurrence with impacted tenants.
 - Approval Authority: The Installation Commander will approve the project to move forward with Notice of Opportunity and subsequent Preliminary Assessment (PA.)
- Phase Two Decision Points: The PA proposed scope is reviewed by the Installation Commander and AFCEC.
 - Approval Authority: The Installation Commander will approve the project to move forward into the Investment Grade Audit (IGA) or Feasibility Study.
- Project Cancellation after IGA: Should the Installation Commander recommend cancellation or it is thought to be in the best interest of the Air Force to cancel or reduce the scope of the project due to a technically non-responsive submittal by the contractor, a cancellation notification must be provide to SAF/IEE via memorandum to include explanation. All other cancellation requests must submit to the Headquarters Air Force Facility Energy and Water Board (FEWB) via memorandum an explanation of level of effort, timeline, and detailed cause for cancellation. In the event of a cancellation, the installation may be liable to the contractor for IGA or other development expenses. If viable projects are cancelled after the IGA, the installation will not be authorized to select high return ECMs from an IGA report and accomplish those ECMs as independent government funded projects.



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- Approval Authority: SAF/IEE will be the sole source of approval for changes in Phase Two (outside of technical non-responsive submittals.)

These reviews and approvals will ensure sustained success of performance contract programs. Future revisions of the ESPC and UESC Playbooks will include this approval process, and SAF/IEE will incorporate guidance, as appropriate. My point-of-contact is Ms. Kathleen Richardson SAF/IEE (703) 693-3254, email: kathleen.c.richardson.civ@mail.mil.

MARK A. CORRELL, P.E.
Deputy Assistant Secretary of the Air Force
(Environment, Safety, and Infrastructure)

Attachments:

1. Facility Energy and Water Board
2. Energy and Water Executive Steering Council

cc:

SAF/GCN
AF/A4C
AFIMSC/CD
AFCEC/CL