



The Solutions Network

Rochester, New York

Utility Energy Service Contract Basic Ordering Agreement

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What is a Basic Ordering Agreement?



- **A Basic Ordering Agreement (BOA) is a written instrument of understanding, negotiated between an agency and a contractor.**
- **It contains:**
 - **terms and conditions applying to future contracts (orders) between the parties during its term.**
 - **a description of supplies or services to be provided, and methods of pricing, issuing, and delivering future orders.**

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Why use a Basic Ordering Agreement



- **May be used to expedite contracting when uncertain requirements for supplies or services are not known, but a substantial number of requirements is anticipated.**
- **Reduces ordering time for services and reduces negotiation time on the individual orders by presetting basic terms and conditions.**

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A Basic Ordering Agreement is not



- It is not a contract.
- It is not an Indefinite Deliver, Indefinite Quantity vehicle.
- It does not obligate funds.



The Basics



- **Agree with Utility to Enter into a BOA**
- **Execute a J&A to Sole-Source to Utility**
- **Develop BOA Terms & Conditions**
- **Both Parties Sign the BOA**
- **Develop first Delivery Order Project**
- **Issue Request for Proposal**
- **Receive, Evaluate, & Negotiate DO**
- **Award BOA and Delivery Order 001**
- **Development of Next Project**

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Authority to Sole Source to Utility



- **Justification & Authorization (J & A)**
 - J&A provides justification for other than full and open competition (Seven Exceptions).
 - Only one responsible source (FAR 6.302-1)
 - Unusual and compelling urgency (FAR 6.302-2)
 - Industrial mobilization (FAR 6.302-3)
 - International agreement (FAR 6.302-4)
 - **Authorized by statute (FAR 6.302-5)**
 - National Security (FAR 6.302-6)
 - Public Interest (FAR 6.302-7)

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Authority to Sole Source to Utility (Cont.)



➤ Energy Policy Act of 1992 (P.L. 102-486)

➤ 42 USC 8256

- Establish a program for conserving energy.
- Authorized and encouraged to participate in energy efficiency programs.
- Accept financial incentive, goods or services available from a utility.

Authority to Sole Source to Utility (Cont.)



➤ 10 USC 2865

- Implement Energy Cost Savings Measures at Military Installations with net present value of 10 years or less.

➤ 10 USC 2866

- Water Conservation at Military Installations.

➤ Federal Acquisition Regulations, Part 41

- Acquisition of Utility Services.



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The Basic Ordering Agreement



- **Develop Terms and Conditions of BOA with Utility.**
 - 3 Year Term, with Two 1 Year Extensions
 - Quality, Safety, Work Conditions, FAR Clauses
- **Legal Review of BOA by Government and Utility.**
- **Government and Utility Agree to Terms and Conditions by signing the Basic Ordering Agreement.**

The Delivery Order



➤ STEPS TO ISSUING A DELIVERY ORDER

- *Identify an Appropriate Energy Project*
- *Present Project Plan to Customer*
- *Receive Customer Buy-In*
- *Assure Scope of Work is Understood by All*
- *Negotiate Loan Terms & Conditions*
- *Execute a Memorandum of Understanding*
- *Issue Request for Proposal & Financing*
- *Review Proposal Costs and Savings.*
- *Develop Negotiation Position*
- *Receive Customer Buy-In*
- *Negotiate Cost and Savings*

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The Delivery Order



➤ STEPS TO ISSUING A DELIVERY ORDER (Cont.)

- *Request Finance Payment Stream*
- *Verify Savings Cover Payments*
- *Receive Customer Buy-In*
- *Award Delivery Order*
- *Provide Customer with BOA and Delivery Order*
- *Provide Customer Payment Stream*
- *Administer Delivery Order*
- *Remind Customer of Payment Obligations*
- *Contract Completion & Close Out*
- *Payments Begin - Some Savings Achieved*
- *Payments End – 100% Savings Achieved*
- *Contract Close Out*

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Suggestions for Success



- You don't have to Re-invent the Wheel
- Team Building Between Utility, Activity & Agency.
- Assure the Customer Understands the Scope of Work and Anticipated Outcome
- Assure Roles and Responsibilities are Understood
- Learn From Your Mistakes.
- Promote Your Success.
- Communicate, Communicate, Communicate!

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Contact Information



➤ Federal Energy Management Program

➤ <http://www.eere.energy.gov/femp/>

➤ GSA – Energy Center of Expertise

➤ http://www.gsa.gov/Portal/content/offering_s_content.jsp?contentOID=113321&contentType=1004

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