

Part C – SUPPORTING TECHNICAL DOCUMENTS

The following documents must be also be submitted as part of your proposal.

1. Sample Investment Grade Audit
2. Sample Commissioning Plan
3. Sample Measurement & Verification Plan
4. Sample Maintenance Plan
5. Sample Customer Saving Report
6. Sample Design Documentation
7. Actual Energy Baseline Methodology form a previous PHA project
8. Sample Project Cash flow with HUD incentives applied
9. Staff training agenda and sample training material
10. Resident education plan and sample training material
11. Sample documentation for measures installed
12. HUD 5369-C Certifications and Representations of Offerors Non-Construction Contract
13. Non-Collusive Affidavit / Non-Interest Affidavit
14. Certificate of Corporate Resolution
15. Housing Authority Summary Data Sheet (Appendix I)
16. Cash Flow And Life-Cycle-Cost Analyses Of An ESA (page 36)

Cash Flow And Life-Cycle-Cost Analyses Of An ESA

The purpose of both analyses is to consider various combinations of measures and assumptions or stipulations about economic variables. These analyses are intended to be used to evaluate the consequences of various sets of assumptions, such as best case, worse case, and middle of the road. Once the models are set up for one scenario changing the variables for a new scenario is a simple and quick task. It is recommended that the PHA require the ESCO to present multiple scenarios to them before settling on the one they mutually agree to provide to HUD.

For projects with terms of 12 years or less HUD requires that the ESA must provide documentation of the Cash Flow analysis that the ESCO and the PPHA agree best models the economics of the proposed project, and this cash flow can not include considerations of operating and maintenance costs. The built-in assumption is that the capital equipment installed by the ESA will last at least 12 years and its replacement does not have to be considered.

For projects with terms of more than 12 years HUD requires that the ESA must provide documentation of the both a cash flow analysis and a life-cycle-cost analysis that the ESCO and the PPHA agree best models the economics of the proposed project.

Again the cash flow analysis can not include considerations of operating and maintenance costs, but it must consider the replacement of the equipment that is provided by the ESA, whose normal life expectancy is less than the term of the project. The assumption regarding the expected life of the capital equipment installed by the ESA must be identified and reflected in the models. Some key requirements of both analyses are:

- The ESA project can not claim cost savings for a measure beyond its expected life unless it provides funding to replace the equipment with equipment of equal or greater energy efficiency. If HUD capital funds are assumed to be used to replace any ESA provided equipment the annual utility cost savings for such equipment can not extend past the end of the expected life.
- The analyses provided to HUD must maintain the ESCO's guaranteed savings and the required M&V for the full term of the project.
- The Cash Flow analysis must in each year of the project have a minimum of 75 % of the savings used to pay project costs. For example, if in later years of a project the savings increase enough due to escalation so that less than 75% of the savings is required for debt service, then either: a) the analysis must indicate the ESA will be modified to provide new measures whose costs can be funded by the extra savings, so that 75% of the savings will go toward debt service; or b) the payments to debt service must be increased to accomplish the required minimum.
- The life-cycle-cost analysis must include assumptions about the operating and maintenance costs affected by the project, including details such as the replacement of disposable items such as lamps and toilet flappers.

(END OF SECTION)