

PROCEDURE FOR GUARANTEED ENERGY COST SAVINGS ACT PROJECTS

I. Purpose

This policy describes the process by which a campus, division or unit (campus) may procure an energy cost savings contract (ECSC) under the Arkansas Guaranteed Energy Cost Savings Act.¹

II. ECSC Procurement

An ECSC issued under authority of the Arkansas Guaranteed Energy Cost Savings Act must be procured through vendors pre-qualified by the Arkansas Division of Environmental Quality – Office of Energy (AEO). Before initiating a project under the Act a campus must obtain written approval from the President or Chief Financial Officer.

Each ECSC shall be initiated by a request for proposals to be distributed by AEO to each pre-qualified energy services company (ESCO). The campus, division, or unit chief executive officer shall appoint a committee of at least three officers or employees of the campus to review the proposals and recommend selection of an ESCO. The selection committee shall interview at least three applicants and shall evaluate each proposal based upon the best interest of the University. The committee shall provide its recommendations to the campus, division, or unit chief executive officer, who may award a contract for the performance of an investment grade audit to the ESCO determined to be in the best interest of the University.

III. Project Approval

If, after receipt of the investment grade audit, the campus elects to enter into an ECSC, the campus shall submit to the President a project proposal including a description of the project, the terms proposed by the ESCO, the estimated cost of the project, the source of funds required to pay for the project, the projected cost of funds required to pay for the project, the dollar amount of energy savings to be guaranteed by the ESCO, and any other information requested by the UA System Office.

Following the President's approval of the proposed project the campus, with assistance from the General Counsel's Office, will negotiate a draft ECSC and submit the project, including the proposed contract terms and a request for financing (if financing is required) to the Board, which shall authorize such action as it finds to be in the best interests of the University.

May 23, 2024 (Revised)
November 20, 2020

¹ Ark. Code Ann. § 19-11-1201, et seq.