

**STATE OF NORTH CAROLINA
GUARANTEED ENERGY PERFORMANCE CONTRACTING PROGRAM**

INVESTMENT GRADE ENERGY AUDIT AGREEMENT

This Energy Audit Agreement is entered into on _____, 200__, by and between the **Insert name of (State Agency or University (herein after called the issuer))** _____ and _____ (the ESCO herein after called the "ESCO"). **Issuer and the ESCO** are referred to herein as the "Parties".

WHEREAS, the Issuer has issued a Request For Proposals (RFP) to **select a Qualified ESCO** for a guaranteed energy savings contract; and

WHEREAS, the ESCO submitted a response to the RFP and participated in a competitive evaluation procedure designed to **select a Qualified ESCO**; and

WHEREAS, the Issuer has accepted the ESCOs proposal selected the **ESCO** to complete the project; and

WHEREAS, the Issuer is responsible for the operation, management and maintenance of the **Buildings and or Facilities** (Herein after collectively referred to as Buildings) as identified in the RFP, Appendix I, (Project Sites); and

WHEREAS, a comprehensive energy use and savings analysis (the "**Investment Grade Energy Audit**") is required by the accepted RFP to be performed at the **Buildings** identified in the RFP, Appendix 1, (Project Sites) in order to verify the feasibility of the Energy Performance Contracting Project to provide for the installation and implementation of energy conservation measures (ECMs) at the **Buildings**; and

WHEREAS, if the ECMs are **verified** to be feasible, and if the amount of energy savings can be reasonably ascertained and guaranteed in an amount sufficient to cover all costs associated with an energy performance contracting project at the Facilities, the Parties have **contracted to** negotiate a final Energy Services Agreement (ESA) under which the **ESCO** shall design, procure, implement, provide training, **offer maintenance services** and monitor such energy conservation measures at the Buildings and or Facilities **identified in the RFP**;

NOW THEREFORE, the Parties agree as follows:

**ARTICLE 1
SCOPE OF INVESTMENT GRADE ENERGY AUDIT**

The **ESCO** will perform the **Investment Grade** Energy Audit and prepare a detailed engineering and economic report (**herein after called** the "Report") which specifically identifies the energy improvements and operational changes which are recommended to be installed or implemented at the **Buildings**. The Report shall contain detailed projections of energy and cost savings to be obtained at the **Buildings** as a result of the installation of the recommended energy conservation measures (ECMs). The savings calculations must utilize assumptions, projections and baselines which best represent the true value of future energy or operational savings for **the Buildings**, including accurate marginal cost for each unit of savings at the time the audit is performed; documented material and labor costs that may be actually avoided; adjustments to the baseline to reflect current conditions at **the Buildings**, compared to the historic base period; calculations which account for the interactive effects of the recommended ECMs; etc. The Report shall clearly describe how utility tariffs were used to calculate savings for all ECMs. The Report shall describe in detail the **ESCO's** plan for installing or implementing the measures in the **Buildings**, including all anticipated costs associated with such installation and implementation.

The **ESCO's required tasks** in performing the Energy Audit and preparing the Report:

A. Collect General Information For Each Building.

The **ESCO** shall collect **detailed building** information such as: size, age, construction type, condition and general use of each **building** except as provided below. The **ESCO** shall also collect and summarize **building** utility cost and consumption data for the most recent 36-month period. **If after reasonable inquiry, the ESCO can demonstrate that less than 36 months of data is available, the ESCO with the written approval of the issuer may collect such data is available, but in any event not less than 24 months of data.** The **ESCO** shall evaluate the impact on utility cost and consumption for any energy measures currently being installed or currently contemplated to be installed by the **Issuer** in the **building** which will remain separate from the Energy Services Agreement throughout the duration of the ESA.

Issuers shall furnish (**or cause its energy suppliers to furnish**) all available records and data concerning energy and water usage for the **building** for the most current 36 month period, if available, including but not necessarily limited to, utility records, occupancy information, descriptions of any changes in the structure of the **building** or its heating, cooling, lighting or other systems or energy requirements, descriptions of all major energy and water consuming or energy and water saving equipment used in the Facility, and description of energy management procedures presently utilized. The **Issuer** shall also furnish a record of any energy related improvements or modifications that have been installed during the past three years, or are currently being installed or are currently contemplated to be installed by **Issuer** in the **Building** separate from the Energy Service Agreement throughout the duration of that agreement. **Issuer** shall also provide copies of drawings, equipment logs and maintenance work orders to the **ESCO** insofar as this information is readily available. The **issuer** shall make available any FCAP, IES, or other survey reports available for that **building**.

B. Inventory Existing Systems and Equipment.

The **ESCO** shall compile an inventory based on a physical inspection of the major electrical and mechanical systems at the **building**, including:

- Cooling systems and related equipment
- Heating and heat distribution systems
- Automatic temperature control systems and equipment
- Air distribution systems and equipment
- Outdoor ventilation systems and equipment
- Kitchen and associated dining room equipment, if applicable
- Exhaust systems and equipment
- Hot water systems
- Electric motors 5 HP and above, transmission and drive systems
- Interior and exterior lighting
- Laundry equipment, if applicable
- Water consumption end uses, such as restroom fixtures, water fountains, irrigation, etc.
- Other **applicable** energy using systems **identified in the RFP or otherwise recognized.**

The inventory shall address the following considerations:

1. The loads, proper sizing, efficiencies or hours of operation for each system (Where measurement costs, facility operating or climatic conditions necessitate, engineering estimates may be used, but for large fluctuating loads with high potential savings, appropriate measurements are required unless waived by the **Issuer**).
2. Current operating condition for each system.
3. Remaining useful life of each system , **identifying or describing the method used to determine that remaining useful life.**
4. Feasible replacement systems.
5. Hazardous materials and other environmental concerns.

The **ESCO** shall use **data loggers and or other measurement and recording devices** and conduct interviews with **building** operation and maintenance staff regarding the **building's** system operation, occupancy patterns and problems with comfort levels or equipment reliability.

C. Establish Base Year Consumption and Reconcile with End Use Consumption Estimates.

The **ESCO** shall examine the most recent 36 months of utility bills **except as previously noted in in Article 1 – Section A** and establish Base Year consumption for electricity, fossil fuels and water by averaging; or selecting the most representative contiguous 12 months. **The ESCO** shall consult with **building** staff and account for any unusual or anomalous utility bills which may skew Base Year consumption from a reasonable representation.

The **ESCO** shall estimate loading, usage and/or hours of operation for all major end uses representing more than 5% in aggregate of total Facility consumption including, but not limited to:

- Water
- Lighting
- Heating
- Cooling
- HVAC motors (fans and pumps)
- Plug load
- Kitchen equipment
- Other equipment
- Miscellaneous

Where loading or usage is highly uncertain The **ESCO** shall employ spot measurement and/or short term monitoring at its discretion, or at the request of **Issuer**. Reasonable applications of measurement typically include variable loads that are likely candidates for conservation measures, such as cooling equipment. The annual end use estimated consumption shall be reconciled with the annual Base Year consumption to within 5% for electricity (kWh), fossil fuels and water. The contribution to electric peak demand for each end use shall also be reconciled to within 5% of the annual Base Year peak. The “miscellaneous” category shall not be more than 10% and each component shall be separately set forth. The purpose of this is to place reasonable limits on potential savings.

D. Develop List of Potential Energy Conservation Measures (ECMs).

The **ESCO** shall:

1. Identify and propose potential ECMs for installation or implementation at the **building** including cut sheets on proposed equipment. For non-standard ECMs provide information regarding product site installations.
2. Provide a detailed estimate of the cost, savings and life expectancy of each proposed ECM. Prepare a Life Cycle Cost Analysis in accordance with State Construction Office guidelines as directed by the issuer.
3. Specify operations and maintenance procedures of **the building** which will be affected by the installation/implementation of the proposed ECMs.
4. Provide analysis methodology, supporting calculations and assumptions used to derive baselines (e.g. lighting operating hours) and estimate savings. Provide the existing and proposed air and hot water temperatures, amount of outdoor air ventilation (CFMs) lighting and acoustic levels. Provide copies of the utility tariffs and commodity price histories used in savings calculations. Manual calculations should disclose essential data, assumptions, formulas, etc. so that a reviewer could replicate the calculations based on the data provided.
5. For savings estimates using computer simulations, the **ESCO** shall provide access to the program and all inputs and assumptions used, if requested by **the Issuer**.
6. Provide a detailed preliminary savings Measurement and Verification plan for each proposed ECM.
7. Provide a detailed preliminary commissioning plan for the proposed ECMs.

8. Provide detailed calculations for any rate saving proposals.
9. Provide detailed supporting calculations for any proposed maintenance, material or other operational savings. Describe annual variances in savings from year to year (e.g. lighting, warranties).
10. Estimate any environmental costs or benefits of the proposed ECMs (e.g. disposal costs, avoided emissions, water conservation, etc.). Provide emissions reductions data for NOX, CO2 and SO2. Segment emissions data for direct site emissions reductions (e.g. fossil fuels) and indirect emissions reduction data (e.g. electricity/water).
11. For all proposed ECMs, **the ESCO** shall comply with all applicable state, federal and local codes and regulations in effect at the time of this analysis.

This list shall be compiled and submitted to the Issuer within 120 (one hundred and twenty) days of the execution of this Energy Audit Agreement.

E. Select Final Recommended ECMs.

The ESCO shall, in consultation with **the Issuer**, recommend specific ECMs from its preliminary compilation for installation and implementation at the **Building and or Facility**.

F. Cost and Fee Estimates.

The ESCO shall provide detailed estimates of costs associated with the installation, implementation and commissioning of each of the ECMs proposed in the Audit including breakouts for labor, materials, and equipment. Open book pricing is required. ESCOs will fully disclose all costs, including all costs of subcontractors and sub-tier vendors. The ESCo will maintain cost accounting records on authorized work performed showing actual costs for labor and materials, or other basis requiring accounting records. The ESCo will provide access to records and preserve them for a minimum of three years and for five years if any Federal funds are used in the Contract. The retention period runs from the date of payment for the relevant goods or services by the Issuer or from the date of termination of the Contract, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue. In addition, project cost data must be provided in the format included in Attachment B and B-1 : ESCO Cost Proposal and Cash Flow Analysis.

The ESCO shall also provide estimates of monthly costs associated with sustaining the project performance including breakouts for maintenance fees, monitoring fees, and training fees.

G. Savings Estimates.

The Issuer has endeavored to provide the **ESCO** with sufficient general and specific guidance in this Article 1 to develop the savings estimates for the Report. In the event that questions arise as to the calculation of savings or whether certain items will be allowed as savings, the **ESCO** should seek written guidance from **the Issuer**. **The Issuer** reserves the right to reject items claimed as savings which are not in **the Issuer's** utility budget line or which have been claimed contrary to the guidance given in this agreement or contrary to written guidance given to **the ESCO**. **The Issuer** also reserves the right to reject **the ESCO's** calculations of savings when it determines that there is another more suitable or preferable means of determining or calculating such savings.

For the purposes of completing the Cash Flow Analysis in Attachment B and B-1, the following items will be allowed as savings or in the development of savings:

- Escalation rates of _____% for natural gas¹
- Escalation rates of _____% for electricity
- Escalation rates of _____% for oil
- Escalation rates of _____% for steam
- Escalation rates of _____% for water
- Escalation rates of _____% for other fuel type (specify)
- Escalation rates of _____% for operation and maintenance cost savings
- Escalation rates of _____% for material/commodity cost savings
- Escalation rates of _____% for allowable labor savings

It should be noted that the base value for each fuel and water unit will not devalue in the event of any rate decrease. The issuer reserves the right to impose ceiling rates for fuel escalations

The following items will not typically be credited as savings derived from a proposed ECM: **Issuer's in-house labor cost, Issuer's deferred maintenance cost and offset of future Issuer's capital costs.**

The **ESCO** may seek, in writing, permission to include such items from the **Issuer** on a case-by-case basis. However, the final determination of allowable savings in each case considered shall reside with **Issuer**.

H. Report Format.

The **ESCO** shall prepare a two-volume report as follows:

Each volume should be submitted using 8 ½ " x 11" sheets of paper and a font size no smaller than 10 point. The pages in each volume should be numbered sequentially, include a Table of Contents and tabbed with the visible titles of corresponding Schedules (Volume 1) or Sections (Volume 2).

Volume 1 of 2 shall include the presentation of information in the following Schedules required for the Guaranteed Energy Services Agreement (GESA) to the extent the information has been developed during the course of performing the audit. Schedules may be finalized during negotiations, prior to execution of the ESA.

Schedules

- Schedule A Equipment to be installed by the **ESCO**
- Schedule B Description of Premises; Pre-Existing Equipment Inventory
- Schedule C Energy Saving Guarantee
- Schedule D Compensation to the **ESCO**

² It should be noted that the base rate value for each fuel and water unit will not devalue in the event of any rate decrease. The customer reserves the right to impose ceiling rates for fuel escalations.

Schedule E	Baseline Energy Consumption
Schedule F	Savings Measurement & Calculation Formulae; Methodology to Adjust Baseline
Schedule G	Construction and Installation Schedule
Schedule H	Systems Start-Up and Commissioning; Operating Parameters of Installed Equipment
Schedule I	Standards of Comfort
Schedule J	The ESCO's Maintenance Responsibilities
Schedule K	Issuer's Maintenance Responsibilities
Schedule L	Facility Maintenance Checklist
Schedule M	The ESCO's Training Responsibilities
Schedule N	Installment Payment Schedule
Schedule O	Proposed Final Project Cost & Proposed Final Project Cash Flow Analysis (See Attachment B at the end of this Energy Audit Agreement)
Schedule P	Current and Known Future Capital Projects at the Premises; Methodology to Adjust Baseline for Changes in Building Use or Operating Hours
Schedule Q	Insurance and Bonds
Schedule R	Warranties (including Equipment)
Schedule S	[FINANCING AGREEMENT] (Optional)

Exhibits (Volume 1)

Exhibit I	Performance Bond/Construction Bond
Exhibit II (i)	Certificate of Acceptance—Technical Audit
Exhibit II (ii)	Certificate of Acceptance—Installed Equipment
Exhibit III	Equipment Warranties

Volume 2 of 2 shall include all of the information required in Section D and the Sections below, and presented in the following format:

- 1. Executive Summary:** Provide an executive summary which describes the **buildings**, measures evaluated, analysis methodology, results and a summary table presenting the cost and savings estimates for each recommended measure. Include a summary of the recommended measures and costs using the table format provided below.

	ECM	TOTAL COST	ENERGY COST SAVINGS	SIMPLE PAYBACK
1.				
2.				
3.				
TOTALS				

- 2. Measures Not Evaluated:** Include a discussion of measures not evaluated in detail and the explanation of why a detailed analysis was not performed.
- 3. Baselines:** Provide a summary of all utility bills, consumption baselines and how they were established, and end use reconciliation with respect to the baselines including a discussion of any unusual characteristics and findings.
- 4. ECM Summaries:** Provide detailed descriptions for each ECM including analysis method, supporting calculations (may be submitted in appendices), results, proposed equipment and implementation issues. Provide a financial analysis for each proposed ECM (See Section F).

5. **Cost and Savings Estimates:** Conclusions, observations and caveats regarding cost and savings estimates.
6. **Appendices:** Provide thorough appendices which document the data relied upon to prepare the analysis and how that data was collected.

I. **Submission of the Report.**

The Report shall be completed within 120 (one hundred and twenty) days of the date of execution of this Energy Audit Agreement. The not-to-exceed cost for the completed Energy Audit and Report will be_____.

J. **Report Review.**

The report in its entirety shall be submitted to the State Construction Office and Department of Insurance for review.

ARTICLE 2
ENERGY SERVICES AGREEMENT (ESA)

Upon the verification of the final Energy Savings under this agreement, the ESCO is obligated to execute an ESA under which the **ESCO** shall design, install and implement energy conservation measures which the **Parties** have agreed to and provide certain training, maintenance and monitoring services **as agreed to by both Parties**. However, nothing in this Agreement should be construed as an obligation on any of the **Parties** to execute such an ESA. The **precise** terms and provisions of such an ESA shall be set forth in a separate agreement.

ARTICLE 3
PAYMENT

Payment to **the ESCO** for services performed in connection with the Energy Audit Agreement shall be made by **the Issuer** only in accordance with the provisions of Article 4 herein.

ARTICLE 4
TERMINATION

A. By **the ESCO**:

The ESCO may terminate this Agreement prior to the completion of the Energy Audit and Report or subsequent to the scheduled completion of the Energy Audit and Report if:

- (i) **The ESCO** determines that it cannot guarantee a minimum savings in energy costs through the implementation of an energy performance contracting project at the **Buildings and or Facilities**; or
- (ii) **The ESCO** determines that even though it can guarantee a savings in energy costs, that amount would be insufficient to cover the costs associated with performing the Audit, installing energy conservation measures and related training, maintenance and monitoring services.

In the event **the ESCO** terminates the Agreement pursuant to Section 4 A (i) or (ii) **the Issuer** shall not be obligated to pay any amount to **the ESCO** for services performed or expenses incurred by

the **ESCO** in performing the Energy Audit and Report required under this Agreement. The **ESCO** shall provide the **Issuer** with any Audit documents (preliminary notes, reports or analysis) which have been produced or prepared prior to the effective date of the termination. The **ESCO** will return any documents or information that was provided by the **Issuer**.

Termination under this section shall be effective upon the **Issuer's** receipt of written notification from the **ESCO** stating the reason for the termination and all documents which support termination pursuant to 4 A (i) or 4 A (ii) herein.

B. By the **Issuer**:

The **Issuer** may terminate this Agreement:

- (i) If the **ESCO** fails to complete the Energy Audit and deliver the Report to the **Issuer** by the date established in Article 1 I. above; or fails to obtain a written extension of that date from the **Issuer**. Termination under this subsection B (i) shall be effective upon the **ESCO's** receipt of written notification from the **Issuer** that the deadline for submission of the Energy Audit and Report has past. In this event, the **Issuer** shall not be obligated to pay any amount to the **ESCO** for services performed or expenses incurred by the **ESCO** in performing the Energy Audit and preparing the Report required under this Agreement. The **ESCO** shall provide the **Issuer** with any Audit documents (preliminary notes, reports or analysis) which have been produced or prepared prior to the effective date of the termination. The **ESCO** will return any documents or information that was provided by the **Issuer**.
- (ii) If, prior or subsequent to the completion of the Energy Audit or Report, the **ESCO** notifies the **Issuer** in writing that it is unable to guarantee a sufficient level of savings pursuant to Article 4 A (i) or (ii) above, termination under this subsection B (ii) shall be effective upon Company's receipt of written notification of termination from the **Issuer**. In this event, the **Issuer** shall not be obligated to pay any amount to the **ESCO** for services performed or expenses incurred by the **ESCO** in performing the Energy Audit and preparation of the Report required under this Agreement. The **ESCO** shall provide the **Issuer** with any Audit documents (preliminary notes, reports or analysis) which have been produced or prepared prior to the effective date of the termination. The **ESCO** will return any documents or information that was provided by the **Issuer**.
- (iii) If, prior or subsequent to the completion of the Energy Audit or Report, the **Issuer** notifies the **ESCO** Company in writing that it has elected to terminate this Agreement and not enter into an ESA, the **Issuer** shall reimburse the **ESCO** for either the actual expenses incurred or the percent of the Audit and Report completed as of the effective date of the termination, the amount being determined as fair and equitable by the **Issuer**. Termination under this subsection B (iii) shall be effective upon the **ESCO** receipt of written notification from the **Issuer**.

The **ESCO** agrees to provide the **Issuer** with any records of expenses incurred and any preliminary notes, reports or analyses which have been produced or prepared prior to the effective date of the termination. Such documentation shall be used by the **Issuer** to determine the extent of work completed by the **ESCO** prior to termination and shall become the property of the **Issuer**.

If after completion and acceptance of the Energy Audit, **the Issuer** does not enter into an ESA with the **ESCO** within 60 (sixty) days after written acceptance of the Energy Audit, **the Issuer** agrees to reimburse **the ESCO** for the cost of the Energy Audit as detailed herein. Termination under this subsection B (iii) shall be effective upon **the ESCO** receipt of written notification from **the Issuer**. The Energy Audit and Report will become the property of **the Issuer**.

It is clearly understood by both parties hereto that, if the Parties successfully negotiate and execute an Energy Services Agreement, no payment shall be due for the Energy Audit or Report under the terms of this Agreement. This Agreement shall automatically terminate upon the execution of an ESA by **the ESCO** and **the Issuer** for a guaranteed energy performance contracting project at the **Building and or Facilities**. It is further understood that provisions for payment for the Energy Audit shall be incorporated into the ESA.

ARTICLE 5

STANDARD TERMS AND CONDITIONS

Section 1. Agreement Term

The Agreement term shall commence on the date the Agreement is executed by the **Issuer** and end on _____, unless earlier terminated pursuant to the provisions of Article 4 hereof. Notwithstanding, **the ESCO** shall adhere to the deadlines set forth in Article 1 regarding the completion and submittal of the list of ECMs and the Report.

Section 2. Materials, Equipment, and Supplies

The **ESCO** shall provide or cause to be provided all facilities, materials, equipment, and supplies necessary to perform the Energy Audit and prepare the Report.

Section 3. Patent and Copyright Responsibility

The **ESCO** agrees that any material or design specified by the **ESCO** or supplied by **the ESCO** pursuant to this Agreement shall not knowingly infringe any patent or copyright, and **the ESCO** shall be solely responsible for securing any necessary licenses required for patented or copyrighted material utilized by **the ESCO** in the performance of the Energy Audit and preparation of the Report.

Section 4. Customer Access to Records

The Issuer shall have the right, throughout the term of this Agreement and for a minimum of _____ years following completion of the Agreement, to inspect, audit and obtain copies of all books, records, and supporting documents which **the ESCO** is required to maintain according to the terms of this Agreement.

Section 5. Personnel

All personnel necessary for the effective performance of the Energy Audit shall be employed by **the ESCO**, and its designated subcontractors shall be qualified to perform the services required under this Agreement, and shall in all respects be subject to the rules and regulations of **the ESCO** governing staff members and employees. Neither **the ESCO**, its designated subcontractors, nor its personnel shall be considered to be agents or employees of the **Issuer**.

Section 6. Compliance with Applicable Law

In performance of its obligations pursuant to this Agreement, **the ESCO** shall comply with all applicable provisions of federal, state, and local law. All limits or standards set forth in this Agreement to be observed in the performance required under this Agreement are minimum requirements, and shall not affect the application of more restrictive federal, state, or local standards applied to the performance of the Agreement.

Section 7. Waivers

No right of either party hereto shall be deemed to have been waived by non-exercise thereof, or otherwise, unless such waiver is reduced to writing and executed by the party entitled to exercise such right.

Section 8. Assignment

This Agreement may not be assigned by the ESCO without the prior written consent of the Issuer.

Section 9. Federal Taxpayer Identification Number and Legal Status Disclosure

Under penalty of perjury, the ESCO certifies that ___-_____ is the ESCO Company's correct Federal Taxpayer Identification Number and that the ESCO is doing business as a Corporation.

Section 10. Governing Law

This Agreement shall be governed by and construed only in accordance with the laws of the State of North Carolina.

Section 11. Agreement

The following documents are incorporated in, and made a part of, this Agreement:

- Attachment A – Building and or Facility's Recommended ECMs (Optional)
- Attachment B – ESCO Cost Proposal and Project Cash Flow Analysis

NOTE: The Issuer shall include all required policy provisions, and shall also include the following attachments.

- Attachment I - Drug Free Workplace Provisions
- Attachment II - Equal Employment Opportunity Clause
- Attachment III - Certification of Capacity to Contract
- Attachment IV- Americans with Disabilities Act
- Attachment V- Certifications

Section 12. Project Management

All necessary and ordinary communications, submittals, approvals, requests, and notices related to Project work shall be issued or received by:

For Issuer: _____

For ESCO: _____

Section 13. Amendments

This Agreement and Attachments referenced in Section 11 herein constitute the entire Agreement between the Parties. No amendment hereof shall be effective until and unless reduced to writing and executed by the Parties.

**ARTICLE 6
EXECUTION**

IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of _____, 200_.

Issuer _____

ESCO _____

By: _____

By: _____

Title: _____

Title: _____

By: _____

By: _____

Title: _____

Title: _____

By: _____

By: _____

ATTACHMENT B

ESCO's COST PROPOSAL

**COST PROPOSAL
GUARANTEED ENERGY PERFORMANCE CONTRACTING PROJECT**

ISSUER'S NAME: _____ **ESCO NAME:** _____

VALUE OF HARD COSTS¹: \$ _____

Category of Service Fees	Estimated Percentage (%) of Hard Costs	Dollar (\$) Value of Service Fees
Project Service Fees		
Investment Grade Energy Audit		
Design Engineering Fees		
Construction Management		
System Commissioning		
Equipment Initial Training Fees		
Contingency Costs		
Construction Interest		
Totals		
Annual Service Fees		
Measurement and Verification		
Maintenance		
Performance Monitoring		
On-going Training Services		
Totals		

¹The total value of Hard Costs is defined in accordance with standard AIA definitions which include:

- Labor Costs
- Subcontractor Costs
- Costs of Materials and Equipment, Temporary Facilities and Related Items
- Miscellaneous Costs such as Permits, Bonds Taxes, Insurance, etc.

NOTE: Percentages should include all mark-ups, overhead, and profit. Figures stated as a range (e.g. 2%-5%) are not acceptable.

**ESCO's ANNUAL PROJECT CASH FLOW ANALYSIS
GUARANTEED ENERGY PERFORMANCE CONTRACTING PROJECT**

Financed Project Costs: _____
 Finance Term: _____
 Annual Interest Rate: _____
 Construction Months _____
 Annual Payment _____

Escalation Rate by Savings Category *
 Electric: _____
 Natural Gas: _____
 Steam: _____
 Water: _____
 Operations & Maintenance costs: _____
 Other (specify): _____
 Escalation Rate for Annual Fees : _____

* Information to be provided by Customer

Yr.	Electric Cost Savings	Natural Gas Cost Savings	Other Fuel Cost Savings	Water Cost Savings	Other (Please Specify)	Operational Cost Savings	Total Cost Savings	Maintenance Monitoring, M&V, & Training Fees	Guaranteed Cost Savings	Financing Payment	Net Savings
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
Total											