

Standard Operating Procedures for Lead By Example (LBE) Bond Fund Projects

Summary

This guideline provides an overview of how the LBE Bond Fund program for implementing energy efficiency at state agencies is operated.

Background

The CT DEEP was provided a bond allocation of \$15 million at the September 23, 2011, meeting of the State Bond Commission to fund energy saving retrofits at state agency buildings. An additional \$5 million was authorized for the program at the January 2015 meeting of the Bond Commission and another \$2 million for FY18.

The program is managed by the CT DEEP Office of Energy Demand in partnership with the Department of Administrative Services (DAS), Division of Construction Services.

The CT DEEP chairs the LBE Bond Fund Interagency Technical Advisory Committee (TAC), which is responsible for making decisions on projects, including their approval/disapproval. As the process progresses for each project, the DEEP program lead maintains and updates a database with information including the current status and the various dates of approval for each step.

Application Process

Energy and facilities managers from around the state are invited to apply for funding of energy efficiency upgrades. The energy and facilities managers must do the following:

- Download and submit a project request form that is located on the www.ct.gov/DEEP/LeadByExample webpage entitled, "[Financing Energy Management Projects](#)." Funding is for State agencies. Funding priority is for agencies that do not have alternate funding sources available for these types of capital improvement projects.
- The project request form is formatted in Microsoft Excel. If you do not have Excel® you can [download the Excel® viewer](#).
- For instructions on completing the project request form, select the "How to Use this Form" tab at the bottom of the Excel document.
- Complete the project request form and submit it to leadbyexample@ct.gov.
- Projects must have a simple payback of 10 years or less (i.e., the estimated project total cost divided by the estimated annual energy cost avoidance must be less than 10). Anything longer than 10 years is subjected to further review, reducing the scope of project, or denial.
- Any incentives awarded from the utility companies for qualified projects will sent back to DEEP.

- If you are requesting a contingency, it must be stated within the Budget Detail, or within the quote from the contractor, and must not be greater than 5-10%, depending on project size and complexity.

Project Approval Process

For a project to be approved, a state agency must present the project at a TAC meeting for review and answer any questions that the committee members may have before approval. After presentation, the project is put to a vote and members will either “Recommend,” “Deny,” or table the project “Pending” additional information or study.

If approved by TAC, the project is submitted to OPM for their approval. If OPM approves, the funds are considered allotted. DEEP will send an email to the requesting agency contact outlining the implementation process and requirements. The email will indicate the following:

- Approval of the project
- Requirements to establish an account for the building into DEEP’s web-based platform EnergyCAP
- The contact person at DEEP for assistance and training in EnergyCAP
- The agency should follow standard procurement procedures to identify and select a contractor to complete the project.

Funding Allotment Process

- Once the requesting agency receives a quote for their project from the contractor they selected, the agency submits the project quote to DEEP at leadbyexample@ct.gov.
- DEEP will send an allotment request to OPM for the transfer of funds for the amount of the quote.
- DEEP will draft a Memorandum of Agreement (MOA) between the requesting agency and DEEP that will outline the terms of the project, and send the MOA to the requesting agency for review.
- Once the requesting agency has reviewed and accepts the language of the MOA, DEEP will submit the MOA to the DEEP Business Office for review and internal routing approval for signatures.
- DEEP’s Business Office will send the MOA to the requesting agency for the requesting agency’s Commissioner to sign. The Commissioner of the requesting agency must sign the MOA before the MOA is returned to DEEP.
- Once returned, DEEP’s Commissioner will sign and DEEP will send an executed copy of the MOA to the requesting agency.¹

¹ **NOTE: The requesting agency CANNOT issue any purchase orders until the MOA has been signed and executed.**

- After all parties have signed the MOA, it is effective, allowing the requesting agency to access the funds for the project, typically through a transaction invoice.

Implementation Process

Once the MOA is executed, the requesting agency must follow the guidelines within the MOA that include:

- Submitting monthly status reports during the construction period that include when materials are ordered, applications for permits, installation of equipment, benchmarking into EnergyCAP is complete.

Reporting Process and Duration

- Once the project has been completed, the requesting agency will need to submit their **final financial reports** to DEEP. This includes documentation that all final invoices have been paid to contractors and confirmation of the total cost of the project. This allows the DEEP Business Office to close the project out of the statewide accounting system (CORE-CT). Any remaining balance that was not spent from the project will be returned into the program funds.
- The requesting agency is required to submit to DEEP **quarterly project progress reports** documenting the project process for one year after project completion, reporting energy cost avoidances that have occurred.
- The agency must continue updating information in EnergyCAP for the duration of the MOA, and after the project and MOA's completion.

Questions

For any questions and for all submittals regarding the Lead By Example Bond Program, send an email to leadbyexample@ct.gov.