

Date: September 13, 2001

From: Deputy Secretary (001)

Subj: Centralization of Energy Initiative Clearances

To: Administration Heads, Assistant Secretaries and Other Key Officials

1. I have tasked the Office of Asset Enterprise Management (OAEM) with developing a comprehensive Department-wide energy investment policy, which will be based upon a review of VA and other federal agencies' practices as well as private sector-based performance standards and benchmarks. It is envisioned that the future investment policy will identify specific performance criteria for energy-related investments utilizing private sector funding mechanisms. OAEM staff will collaborate with the Administrations and staff offices to ensure appropriate input from all interested parties.
2. Until a Department-wide energy investment policy is established, all contract clearances for energy initiatives will be centralized. The following information further defines the approval process, including changes in authority to execute energy initiatives. This centralization of approval authority does not apply to feasibility studies, audits or utility commodity purchases.
3. Effective immediately, all contracts (including, but not limited to contracts, supplemental agreements, task orders, purchase orders, modifications of existing contracts, etc.) will be cleared by OAEM prior to execution for the following types of transactions:
  - a. Energy performance contracts;
  - b. Energy service agreements;
  - c. Energy conservation contracts (including, but not limited to ESPC, DoD, DOE, GSA initiatives and other similar energy contract efforts); and
  - d. Any other utility contracting initiatives that involve private/public investment in VA facilities or property.
4. OAEM will establish the necessary clearance criteria and procedures and will communicate this to the Department in an expeditious manner.
5. Please contact OAEM at 273-9702 if you require additional information about this centralization of contract clearance.

/s/

Leo S. Mackay, Jr., Ph.D.