

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 83rd General Assembly  
3 Regular Session, 2001

# A Bill

HOUSE BILL 2243

4  
5 By: Representative Seawel  
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## For An Act To Be Entitled

9 AN ACT TO CLARIFY THE SCOPE OF AN ENERGY SAVINGS  
10 CONTRACT; TO REQUIRE QUALIFIED PROVIDERS TO POSSESS A  
11 VALID CONTRACTOR'S LICENSE; TO EXTEND THE PERMITTED  
12 TERM OF A GUARANTEED ENERGY SAVINGS CONTRACT; TO  
13 SPECIFY THE MINIMUM CONTENTS OF PROPOSALS FOR THE  
14 CONTRACTS; AND FOR OTHER PURPOSES.

## Subtitle

16  
17 AN ACT TO CLARIFY THE SCOPE OF AN ENERGY  
18 SAVINGS CONTRACT.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

22  
23 SECTION 1. Arkansas Code 6-20-405 is amended to read as follows:  
24 6-20-405. Energy savings contract.

25 (a) As used in this section, unless the context otherwise requires:

26 (1)(A) "Energy savings contract" means a contract for the  
27 implementation of one (1) or more energy conservation measures as defined in  
28 § 6-20-401 and shall include pre-installation energy audit or analysis.

29 (B) The contract may provide that all payments except  
30 obligations on termination of the contract before its expiration are to be  
31 made over time and that the energy cost savings are guaranteed to the extent  
32 necessary to pay the costs of the energy conservation measures.

33 (C) The energy conservation measures to be performed under  
34 the contract may be paid for with either revenue or nonrevenue receipts of a  
35 school district or, alternatively, financed by the issuance of postdated  
36 warrants or entering into installment contracts or lease-purchase agreements.

1 (D) Obligations incurred pursuant to a guaranteed energy  
2 savings contract are not included in computing a district's debt ratio;

3 (2)(A) "Qualified provider" means a person or business  
4 experienced or trained in the design, implementation, or installation of  
5 energy conservation measures and who possesses a valid Arkansas contractor's  
6 license.

7 (B) A qualified provider to whom the contract is awarded  
8 may be required to give a sufficient bond to the school district for its  
9 faithful performance of the equipment installation or accomplishment of the  
10 guaranteed savings; and

11 (3)(A) "Request for proposals" means a negotiated procurement.

12 (B)(i) Notice of the request for proposals shall be  
13 published one (1) time each week for no fewer than two (2) consecutive weeks  
14 in a newspaper of the school district's choosing and having a circulation in  
15 the county or city where the contract is to be performed.

16 (ii) Proposals shall be sealed and opened in a  
17 public forum at a date within ten (10) days from the last publication, at  
18 which point the district shall evaluate the proposals.

19 (b) A school district may utilize a request for proposals to negotiate  
20 an energy savings contract or may enter into an energy savings contract with  
21 a qualified provider after evaluating any proposal received from a qualified  
22 provider through a method other than a request for proposal.

23 (c)(1) A school district may enter into a guaranteed energy savings  
24 contract with a qualified provider if it finds that the amount it would spend  
25 on the energy conservation measures recommended in the proposal would not  
26 exceed the amount to be saved in either energy or operational costs or both  
27 within a ~~ten-year~~ fifteen-year period from the date of installation if the  
28 recommendations in the proposal are followed or, for a guaranteed energy  
29 savings contract that includes installation of a water-source system for  
30 heating, ventilation, and air conditioning equipment, a twenty-year period  
31 from the date of installation if the recommendations in the proposal are  
32 followed.

33 (2) ~~The district should analyze~~ qualified provider's proposal  
34 shall include:

35 (A) The estimates of all costs of installation,  
36 modifications, or remodeling, including, without limitation, costs of a pre-

1 installation energy audit or analysis, design, engineering, installation,  
2 maintenance, repairs, debt service, post-installation project monitoring, and  
3 data collection and reporting, as well as whether energy consumed or the  
4 operating costs or both will be reduced; ~~and~~

5 (B) The qualifications of the provider; and

6 (C) Certification that all energy consuming products  
7 utilized in the projects be certified with the appropriate standards by the  
8 Air Conditioning and Refrigeration Institute.

9 (3) The district may select the qualified provider or providers  
10 best qualified and capable of performing the desired work and negotiate a an  
11 energy savings contract for the project.

12 (d) The qualified provider shall reimburse the school district for any  
13 shortfall of guaranteed energy savings projected in the project.

14 (e) This section shall constitute the sole authority necessary to  
15 accomplish the purposes of this section without regard to compliance with  
16 other laws which may specify procedural requirements for execution of  
17 contracts.

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