

MEMORANDUM

To: The Board of Education of the City of Bridgeton
From: ESCO Review Committee
Date: 2/5/20
Re: Report on Summary and Analysis of ESCO Proposals and Recommendation

The Board of Education of the City of Bridgeton in the County of Cumberland, New Jersey (the “Board”) received four (4) responses to its request for proposal for ESCO services. The responses were reviewed by a Review Committee consisting of Tobi Olusa (Board’s Facilities Manager), Charles Carter (Supervisor of Buildings and Grounds), Peter Farrell (architect with Merighi Portadin Farrell Architects, LLC) and Nicole Albanese (Business Administrator/Board Secretary). Proposals were received from Willdan Energy (“Willdan”), Honeywell Business Solutions (“Honeywell”), DCO Energy, LLC (“DCO”) and Energy Systems Group (“ESG”). All proposals appeared to be complete, and after the initial review and analysis the Committee decided that the top two proposers, Honeywell and ESG, should be interviewed, so that they could further explain their proposals and answer any questions. The interviews were held on January 29, 2020. The interviews were conducted by the Board’s facility committee consisting of Tyrone Williams (Chair), Angelia Edwards, Erica Mosely and Mary Peterson (Board President). Also, present were Mr. Olusa, Mr. Carter, and Mrs. Albanese.

The proposals and applicants were impressive. Each applicant addressed energy conservation measures recommended in the energy audit. The Review Committee believes that each company can meet its obligations for implementation of an energy savings program.

Both Honeywell and ESG are companies with apparently strong financial abilities, significant resources and experienced and knowledgeable representatives. Both provided a history of experience. Some of ESG’s experience was developed when members of the team were at a different company, Johnson Controls. The two companies that different approaches to the investment grade audit. Specifically, ESG wanted to review two years’ worth of bills, whereas, Honeywell only wanted to review one year’s worth of bills.

ESG emphasized that their team would work with the Board of Education and its team to develop an energy savings plan that would accommodate the Board’s priorities, needs and desires of the School District while maintaining positive cash-flow savings. It was clear which team member was responsible for what: relationship management, savings analysis, building and verification.

ESG was clear and comprehensive on their approach to plan development and implementation. The representatives were clear and knowledgeable on the challenges for implementation, including avoiding disruptions to the school program. ESG indicated that the RFP estimate was conservative so they would be able to meet and/or exceed expectations.

The ESG team emphasized the educational component that would be made available to the students and staff of the School District and the importance of energy reduction. They described

the educational component at another district that contained a 13 week energy savings education component. ESG most thoroughly addressed the Board's facility desires, including air conditioning the buildings that did not currently have air-conditioning, and its capabilities to train staff to maintain those improvements. ESG indicated that they would plan to replace all lighting and fixtures throughout the district with new LED lighting and fixtures. ESG proposed to replace only a couple of smaller boilers at two locations in the district.

ESG fee is 23.25% of construction costs with no additional fees. All rebates and incentives will be passed through to the Board and ESG will assist to obtain the same. There is no break fee if the Board does not decide to proceed after the development of the energy savings plan.

ESG indicated that they would be working with an independent construction manager, New Road Construction. This third party has extensive experience throughout New Jersey and with the school district in particular. Lastly, as for the existing controls, ESG stated that they would utilize a non-proprietary controls system that would overlay the existing Johnson Control's system that currently exists.

Honeywell is an international company with vast financial capabilities and resources. Honeywell has a substantial record of designing and implementing energy-related improvements throughout the country.

The Honeywell team did not emphasize the educational component. Honeywell indicated that they had educational materials that they would provide to the school district for the school district to determine how to infuse into the classroom. Honeywell did mention that they allowed a student in one district to shadow an engineer. The Committee preferred the more extensive engagement with the students and the staff offered by ESG. Honeywell indicated that they would plan to retrofit all existing light fixtures. Honeywell proposed replacing all 14 boilers throughout the school district.

Honeywell emphasized that their proposal created more savings than the other proposals at a lower project cost. However, its proposal did not address air conditioning throughout the school district, as requested. So, the increased savings was not material because the cost of air conditioning was not included within the projects.

Their fee was 24.30% of construction costs. There is no break fee if the Board does not decide to proceed after the development of the energy savings plan. They discussed the pay for performance incentives at Bridgeton High School.

Honeywell indicated that they would handle the construction management themselves, but didn't provide a throughout summary of their experience with this service. As for the existing controls, Honeywell stated that they would extend the use of the proprietary Johnson Control system, which would require the school district to enter into a Controls Contract with Johnson Control.

The Committee ranked the applicants in accordance with the criteria described in the RFP. The rankings matrix is attached.

Based on the scoring described in the attached matrix, the interviews of Honeywell and ESG, the Committee recommends that the Board of Education work with ESG for the development and implementation of its ESIP. If the Board approves an energy plan and decides to proceed with the implementation of the energy savings program, the proposed contract with ESG shall contain the terms and conditions set forth in the Request for Proposals and the applicant's response. This contract will provide a guaranteed fixed price even if subcontracted work bids come in higher than expected.