

EAST ORANGE SCHOOL DISTRICT ENERGY SAVINGS IMPROVEMENT PROGRAM

**Request for Proposals
to Select an Energy Services Company to Develop
and Implement an Energy Savings Plan
for the East Orange School District, County of
Essex, New Jersey**

Proposals Received November 24, 2015



EVALUATION REPORT

Prepared for: The East Orange School District Board of Education

**Prepared by: The Acting Business Administrator and
Qualified Purchasing Agent
with the assistance of The East Orange Evaluation Team**

Dated: April 8, 2016

Evaluation Report

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List of Abbreviations and Acronyms

BOE	Board of Education
BMS	building management system
BTU	British Thermal Unit
CHP	Combined Heat and Power
CO ₂	carbon dioxide
CSP	Curtaiment Service Provider
DDC	direct digital control
DR	demand response
DHW	domestic hot water
DOE	Department of Energy
DPMC	Division of Property Management and Construction
ECM	energy conservation measure
EOSD	East Orange School District
ESCO	energy services company
ESP	energy savings plan
ESIP	energy savings improvement program
GC	general contractor
GHG	greenhouse gas
IGEA	Investment Grade Energy Audit
IPMVP	International Performance Measurement and Verification Protocol
kW	kilowatts
kWh	kilowatt hours
LGEA	local government energy audit
mmBTU	Million British Thermal Units
M&V	measurement and verification
NJ BPU	New Jersey Board of Public Utilities
O&M	operations and maintenance
RFP	request for proposal
RMS	root mean square
P4P	Pay For Performance
sq ft	square feet

Executive Summary

A. Background:

This Report is being provided pursuant to the requirements of the competitive contracting provisions of the Public School Contracts Law (N.J.S.A. 18A:18A-1 et seq.).

The goal of the East Orange School District Board of Education (hereafter referred to as "District" "BOE" or "EOSD") in administering the Energy Savings Improvement Program (ESIP) is to implement an energy efficiency project that is environmentally responsible and economically beneficial to the BOE.

The ESIP will be designed to conserve energy and improve energy efficiency within the specified facilities through the implementation of energy conservation, capital improvements, and other measures ("Energy Conservation Measures" or "ECMs"). The ECMs are financed such that the verified energy cost savings that result from implementation of the ECMs exceeds the debt service payments and savings are realized throughout the term of financing.

To this end, on September 30, 2015, the East Orange School District issued a Request for Proposals ("RFP") to select an Energy Services Company (ESCO), certified by the New Jersey Department of Treasury and Division of Property Management and Construction, to develop a comprehensive, customized Energy Savings Plan (ESP) that can be implemented through a performance-based ESIP. The BOE would administer the RFP, evaluate proposals received in response to the RFP, recommend a successful respondent ("Successful Respondent"), and pass a resolution to award an Energy Service Agreement to the Successful Respondent.

It is the District's intent to develop and finance energy efficiency upgrades at the following twenty-two (22) facilities totaling approximately 2.1 million sq. ft.:

Hart Complex	Althea Gibson Academy
Cicely L. Tyson Middle & High School	Mildred Barry Garvin School
Langston Hughes Elementary	Edward Bowser Elementary School
Dionne Warwick Institute	Benjamin Banneker Academy
STEM Academy	EOSD Central Office
Robeson Stadium	East Orange Campus High School
Whitney Houston Academy	Johnnie Cochran Academy
Ecole T. Louverture School	Carver Institute
Gordon Parks Academy	Jackson Academy
Edmonson High School	Cicely Tyson Elementary
Carver Annex	Wahlstrom Academy

The purpose of this evaluation report is to provide the East Orange School District with a background of the RFP process and an evaluation of the proposals received. The report serves to recommend the proposal that provides the best overall value to the District based on the evaluation criteria provided.

B. Proposal Evaluation and Selection:

To evaluate the received proposals, the District organized an evaluation team (Evaluation Team) comprised of: Craig Smith, Acting Business Administrator, Racquel Ferguson, Qualified Purchasing Agent and Dario Lambkin, Maintenance Supervisor. The Team also consisted of Olivia Corkedale and Bojan Mitrovic of Gabel Associates, Inc., the energy consultant to the District procured through ACESPlu\$, a sustainability program offered by the New Jersey School Boards Association and the New Jersey Association of School Administrators. Additionally, Ryan Scerbo Esq. of Decotiis, Fitzpatrick & Cole, LLP conducted a review of the responses for legal compliance.

The Evaluation Team assisted in developing and implementing the RFP, and administering the procurement process. As part of this effort and in compliance with the competitive contracting statutes (18A:18A-1), the Evaluation Team conducted a comprehensive evaluation of the proposals received in response to the RFP on the basis of price and other factors.

Under the RFP, the BOE retains sole discretion to select a Successful Respondent.

This procurement and evaluation process was undertaken in accordance with the competitive contracting provisions of the Public School Contracts Law pursuant to (i) Division of Local Government Services (DLGS) Local Finance Notice 2009-11, dated June 12, 2009, Implementing an Energy Savings Improvement Program P.L. 2009, c.4, as amended by P.L. 2012, c. 55 and specifically sections 1 through 5 of P.L.1999, c.440, as amended (C.18A:18A et seq.)

C. Evaluation Criteria:

The Evaluation Team undertook a legal, economic and technical review of the proposals to assess them in accordance with the Evaluation Criteria and Matrix set forth in the RFP.

At the core of the BOE's evaluation is fully understanding the qualifications and having strong confidence in an ESCO's financial strength, project team, project references, financial terms and fees. Of additional importance is the ESCO's stance on vendor neutrality. Because many energy performance contracting firms also manufacture and produce equipment that may already be used in the BOE's facilities, it is important that an ESCO remain vendor neutral so that it can select the equipment that is best suited to meet the BOE's needs.

After reviewing all aspects of the submitted proposals, the Evaluation Team conducted interviews with Respondents in accordance with the terms of the RFP. The evaluation of the proposals and the interviews were scored in accordance with the weighted Evaluation Matrix prepared prior to the receipt of proposals. The weighted Evaluation Matrix has a total potential score of 100.

Proposals were evaluated and scored on the basis of the following criteria:

	Evaluation Criteria	Points
1.	Company Overview and Qualifications	20 Points
2.	Approach to ESP Development & Implementation	25 Points
3.	Ability to Implement Project	15 Points
4.	Project Comprehensibility & Energy Savings Projections	25 Points
5.	ESCO Fees Proposal	15 Points
	Total	100 Points

D. Evaluation Summary and Recommendation:

On November 24, 2015 the East Orange Board of Education received proposals in response to the RFP from the following four (4) qualified Energy Services Companies (“Respondent(s)”):

- Ameresco;
- DCO Energy;
- Honeywell; and
- Johnson Controls.

Based upon a legal review of the Proposals by the BOE's legal counsel, some of the Respondents had minor deficiencies, but the Proposals were all deemed to be compliant with the requirements of the RFP and the Public School Contract Law. As such, each proposal was subjected to a full technical and economic evaluation and each Respondent attended an oral interview hosted and conducted by the Evaluation Team.

The Evaluation Matrix below outlines the scoring of each Respondent in each of the five (5) evaluation criteria.

Evaluation Criteria	Max Points	Ameresco	DCO Energy	Honeywell	Johnson Controls
1 Overview & Qualifications	20 points	19	18	20	20
2 Approach to ESP Development and Implementation	25 points	25	25	25	25
3 Ability to Implement Project	15 points	14	14	15	15
4 Project Comprehensibility and Savings	25 points	22	21	22	22
5 ESCO Fee Proposal	15 points	11	15	12	10
Total	100	91	93	94	92

With respect to the fee proposals, the table below summarizes the total fee mark-up proposed by each Respondent as provided in Form V of the RFP. The total fee mark-up is expressed as a percentage of the hard costs associated with the ESP and is inclusive of the ESCO's project service fees including: Investment Grade Energy Audit (IGEA); Construction Management and Project Administration; System Commissioning; Training; and ESCO overhead, and profit.

Ameresco	DCO Energy	Honeywell	Johnson Controls
25%	20.8%	23.9%	26%

Appendix 1 provides a detailed breakdown of the proposals that were submitted on Form V by the Respondents.

In summary, each Respondent was able to show that it is a highly qualified energy performance contractor with the necessary engineering, project management resources and financial capability to successfully complete an ESIP project for the BOE. However, the Evaluation Team has scored the proposals and based upon the results of the Evaluation Matrix, the Team determined that Honeywell's proposal is the most advantageous to the East Orange School District.

Among the Respondents, Honeywell's Proposal demonstrates that it is a financially strong public company with significant experience, local presence and is capable of providing a comprehensive approach to the BOE ESIP. In addition to innovative ECMs, and a significant educational and training component, Honeywell's Proposal provides competitive pricing and no termination values or termination risk. The "no termination risk" element has two important components; (i) fees charged to the BOE related to the IGEA in the event the BOE elected not to proceed with the project, and; (ii) project costs that exceed the budgets set forth in the IGEA following the public

procurement process. Honeywell will not charge any fees following Honeywell's completion of the IGEA in the event that the BOE elects for any reason not to proceed any further with the ESIP. Honeywell also confirmed that the budgets outlined in the IGEA audit would be not-to-exceed costs, whereby if the total project cost following the public procurement of the various improvements exceeded the budgets previously established, then Honeywell would cover the shortfall. Furthermore, if the final project costs of the improvements should be procured at less than the IGEA budget, then the savings would belong solely to the BOE.

The measures included in Honeywell's proposal were innovative and the project team was knowledgeable on all relevant subject matters. Honeywell successfully demonstrated that it has significant New Jersey experience, a positive local presence and is capable of providing complex financial support and a comprehensive approach to the BOE ESIP.

Based on the reasons set forth in this Evaluation Report, the Evaluation Team recommends that the East Orange Board of Education proceed with Honeywell as the Successful Respondent.

Overview of RFP

On September 30, 2015, the East Orange Board of Education ("District" or "BOE") issued an RFP to select an Energy Services Company (ESCO) to develop and implement an Energy Savings Plan (ESP) through an Energy Savings Improvement Program (ESIP). The BOE expects that the awarded ESCO will propose financing arrangements to fund energy conservation improvements through contracts in which the costs of the improvements are supported (and exceeded) by the savings produced by the improvements. The BOE issued the RFP with the goal of selecting the most qualified ESCO for the purpose of obtaining the maximum amount of energy savings and energy improvements, as permitted by law.

As required by the ESIP process, the RFP was reviewed and approved by the Board of Public Utilities prior to its issuance.

The RFP contained a preliminary feasibility assessment performed by Concord Engineering Group as part of the BPU's Local Government Energy Audit ("LGEA") program. The Respondents to the RFP were required to evaluate the information provided in the LGEA, attend a **mandatory** site inspection(s) and conduct an analysis of the BOE's historical utility usage data. These informational items and assessments serve as the foundation on which interested ESCOs were required to base their preliminary ESP proposals in response to this RFP.

Respondent proposals for a preliminary ESP and its implementation are required to be prepared in accordance with the requirements of the RFP and must fully comply with the:

- Public Schools Contract Law N.J.S.A. 18A:18A-1 et seq.
- Energy Savings Improvement Program Law, P.L. 2009, c.4 as amended by P.L., 2012, c.55
- Local Finance Notices 2009-10 and 2009-11, Implementing an Energy Savings Improvement Plan, as issued by the Local Finance Board in the Department of Community Affairs, Division of Local Government Services
- Board of Public Utilities Regulations, Orders, Directives Guidelines and Protocols

The RFP required ESCOs to complete two (2) Form V pricing sheets under the following two Proposal Scenarios:

Scenario 1: Base Case Scenario using only the ECMs outlined in the LGEAs.

Scenario 2: Customized ESP

Respondents were required to submit Form V under Scenario 1 utilizing exclusively the findings in the LGEAs. Respondents were required to submit all Forms for Scenario 2, and were permitted to submit additional Scenarios based on various sets of ECMs.

Proposals were evaluated on the basis of price and non-price criteria, in accordance with competitive contracting provisions of the Public School Contracts Law. The procurement and evaluation process were undertaken in accordance with the competitive contracting provisions of the Local Public Contracts Law pursuant to (i) Division of Local Government Services (DLGS) Local

Finance Notice 2009-11, dated June 12, 2009, Implementing an Energy Savings Improvement Program P.L. 2009, c.4, and specifically sections 1 through 5 of P.L.1999, c.440, as amended (C. 18A:18A-1 et seq.)

As a result of the RFP process, the selected ESCO will act as General Contractor ("GC") for the ESIP and will implement all mutually agreed upon Energy Conservation Measures ("ECMs") comprising the BOE's ESP, in accordance with all public procurement policies applicable to the BOE. Acting as GC, the selected Proposer will (i) develop and finalize the ESP that is customized to specifically address the needs and requirements of the BOE, (ii) design and prepare all construction plan documents and bid specifications for project implementation, (iii) arrange for all necessary program financing, (iv) identify and apply for all energy-related grant/rebate/incentive programs available to the BOE, and (v) contract with and supervise all subcontractors retained through a competitive bidding process, including contracting for the installation of all mutually agreeable scopes of work. The Successful Respondent will be responsible for providing all project and construction management services over all selected subcontractors during the construction phase of the project.

The proposed contract will contain the terms and conditions set forth in the RFP and the Successful Respondent's response, to the extent the latter is consistent with the RFP.

The RFP also detailed specific evaluation criteria to be used to select the ESCO. The criteria and relative points are discussed more fully in the next section.

Evaluation Summary

To evaluate the proposals, the BOE organized an Evaluation Team and developed an Evaluation Matrix prior to the issuance of the RFP. The Evaluation Matrix includes the criteria outlined in the RFP as follows:

1. Company Overview and Qualifications20 points
 2. Approach to Energy Savings Plan Development25 points
and Implementation
 3. Ability to Implement Project.....15 points
 4. Project Comprehensibility and Energy.....25 points
Savings Projections
 5. ESCO Fees Proposal15 points
- Total.....100 points**

The Respondent with the top ranking will be recommended for award as the Successful Respondent. The evaluation summary chart below depicts the ranking of the four Respondents based on the cumulative points awarded in each of the 5 criteria.

Evaluation Criteria	Max Points	Ameresco	DCO Energy	Honeywell	Johnson Controls
Total	100	91	93	94	92

Honeywell was awarded the most points (94). The following sections include a detailed breakout of each of the above criteria for each Respondent.

1. Company Overview and Qualifications (20%)

The evaluation criteria for this area, as referenced in the RFP, is as follows:

Preference will be given to Proposers that demonstrate strong capabilities, experience, expertise, financial strength and stability, resources, proven track record, and favorable reputation for planning, developing and implementing successful energy conservation programs that are similar in form to the proposed project described in this RFP. The Proposer should demonstrate a record of experience with ESIP-type projects, including not less than three clients for which Proposer has successfully implemented an ESIP-type project within the last five years (with a preference for NJ based projects), in which energy savings were calculated and verified as occurring in a manner consistent with projected results. A brief summary of three additional projects may be included at Proposer's election and may be given weight in scoring. These secondary references may be from various types of projects that demonstrate the experience, expertise, resources and capabilities of the ESCO in the energy efficiency and conservation industry. Proposer shall also provide general information regarding its firm's organization, core business and background, and approach to program development.

Proposers shall provide an organizational chart representing the Proposer's team for the project, including the relevant experience of each in the planning, development and implementation of ESIP-type Energy Savings Plans, together with other staffing information relevant to a determination regarding the qualification of each such individual to foster the development of the proposed program. Current resumes of all staff potentially involved in the program shall be provided.

Proposers shall also provide information regarding financial stability that includes, as applicable, annual reports and certified financial statements for the two most recent fiscal years. If Proposers are submitting a response as a joint venture or as part of team, Proposers are required to provide the same annual reports and financial statements for each additional team member or joint venture partner.

Summary of Evaluation Results:

Evaluation Criteria	Max Points	Ameresco	DCO Energy	Honeywell	Johnson Controls
Overview & Qualifications	20 points	19	18	20	20

Ameresco

Ameresco is a publically traded company on the New York Stock Exchange and listed in Forbes Magazine as one of America's "Top 100 Small Public Companies". 100% of Ameresco's business is providing energy efficiency and renewable energy solutions for public institutions. As such, Ameresco is independent from any product manufacturer and completely vendor neutral. The firm has been involved in the energy performance contracting industry since its inception in the 1980s. In the span of over 30 years Ameresco has developed over \$5 billion in energy projects worldwide.

Ameresco has grown to over 1,000 employees in 60+ offices nation-wide, including a regional office in Red Bank, NJ. Altogether, Ameresco has been awarded more than 650 ESIP type projects across North America. The firm has been developing and implementing customized ESIP solutions in New Jersey since the ESIP's law inception authorization in 2009, most notably for the Somerset Hills School District; one of the first ESIPs serving a New Jersey public school district. The firm has also completed ESIP projects in New Jersey at the Wayne Township Public Schools (currently in progress), the Flemington-Raritan Regional School District and the Franklin Township School District. Although Ameresco has a record of experience with New Jersey ESIP-type projects, the referenced projects are of a much smaller scale than that of the East Orange School District.

Ameresco provided an organizational chart of its proposed project team and resumes for the professionals that have been integral in previous successful NJ ESIP projects. Ameresco's project team demonstrates a strong comprehension of the ESIP process.

Ameresco provided a bank reference through Bank of America and Annual Financial Reports. Ameresco maintains over \$1 billion surety credit facility through two corporate providers, both with an AM Best Rating of "A Excellent" demonstrating a strong financial condition.

For these reasons, Ameresco was awarded 19 points for this category.

DCO Energy

DCO Energy, LLC is a private company specializing in the development, engineering, construction, start up, commissioning, operation, maintenance and management of energy efficiency, renewable energy, combined heat and power ("CHP"), landfill gas-to-energy and biomass projects. With principal offices located in Lawrenceville and Mays Landing, New Jersey, the firm is located within an hour's drive from the East Orange School District.

DCO was founded in 2000 with only 5 people and has grown to employ over 200 people operating in seven states with assets valued at over \$700 million. The firm has participated in and/or completed 32 projects in the energy arena, and in 2015 alone has serviced more than \$70 million worth of NJ ESIP-type projects. Today, 80% of DCO's business relates to providing energy conservation, generation or construction services.

DCO has been selected to serve as the ESCO for eight (8) New Jersey public schools including the following: Newark Public Schools; Hamilton Township School District; Pinelands School District; Old Bridge Township; Franklin School District; Springfield School District, Roxbury School District and City of Atlantic City.

Collectively, the firm's NJ projects have exceeded total contract costs of \$84 million with projected annual energy savings of approximately \$6.4 million. DCO has an extensive portfolio of projects including 187 MW of electric, 332 MMBtu/hr of heat recovery, 1,866 MMBtu/hr of boiler capacity and over 140,000 tons of chilling capacity. The firm has conducted energy modeling for over 22mm sq ft and acquired Pay for Performance ("P4P") incentives from the Board of Public Utilities Clean Energy Program for 50+ projects.

DCO is independent from any product manufacturer and therefore completely vendor neutral. DCO will specify as the basis of design the products or controls that best match the BOE's performance

goals. Additionally, DCO included an organizational chart and resumes outlining a team of high-performance individuals who will remain committed to the BOE's project.

The Evaluation Team reached out to the references supplied by DCO to provide examples of similar NJ ESIP projects, specifically Newark Public Schools and Roxbury BOE. Overall, the references that responded conveyed positive remarks about DCO's project team.

DCO is affiliated with Joseph Jingoli & Sons, Marina Energy and Energenic. DCO provided certified financial statements for fiscal years 2013 and 2014, as audited by WeiserMazars LLP, although auditor notes were not provided. Reference contacts were provided for both banking relationships and business partners, although letters of reference or credit were not included.

Of particular note, the Independent Auditor's Report indicated that the Company's investment in limited liability companies and joint ventures were not audited, and they were unable to form an opinion regarding the financial position of those operations. DCO, while large and able to demonstrate a good track record, is a much smaller privately held company than some of the other Respondents. The firm displays a loss in revenue in both 2013 and 2014, likely driven by unaudited off-book transactions, for which details were not available.

For these reasons, DCO Energy was awarded 18 points for this category.

Honeywell

Honeywell is a Fortune 100 company with annual sales exceeding \$39 billion and operates in more than 100 countries. While Honeywell International, Inc. has many lines of business including Building Controls, Aerospace, Industrial Automation, Specialty Chemicals and Automobile Components, approximately 50% of their annual revenue comes from products and services in the clean energy industry. Honeywell has 209 employees in New Jersey dedicated to energy-related work and has a global headquarters located in Morristown, NJ.

Nationally, Honeywell has designed, developed and executed over 5,000 Energy Performance Contracts with an aggregate guarantee value of over \$5 billion. Furthermore, Honeywell has substantial experience with New Jersey ESIPs having completed and independently verified 18 ESIP projects.

The following ESIP projects have been successfully completed by Honeywell and the energy savings have been independently verified under full compliance with the NJ ESIP guidelines:

- North Hunterdon-Voorhees Regional High School District;
- Phillipsburg School District;
- Elizabeth Board of Education;
- Union County Vocational Technical School;
- Bridgewater Raritan Regional School District;
- Frankford Board of Education.

Honeywell's projects range in size from as large as \$15.1 million for the Hillsborough School District to as small as \$763,000 for Frankford Township Schools. Honeywell's role in each of

its ESIP projects has included an Investment Grade Energy Audit, Design Engineering, Project Management, Commissioning, Performance Measurement and Verification and Warranty Services.

The Evaluation Team reached out to the NJ ESIP references provided by Honeywell, specifically Elizabeth Public Schools, Parsippany-Troy Hills BOE and Hillsborough Township School District. Overall, the references conveyed positive remarks about Honeywell's project team and expressed their strong focus on customer relations.

Honeywell's proposal and performance during the oral interview demonstrated a high level of confidence in its knowledge of innovative energy savings technologies and its ability to implement an ESIP for the East Orange School District.

Honeywell provided certified financial statements for fiscal years 2012, 2013, and 2014, as audited by PricewaterhouseCoopers, LLP. The firm also provided a relevant reference letter from one of their banking partners. As a large, global company with diversified operations, Honeywell provides consolidated financials reported as a public company. The respondent did not provide a detailed audit report or accounting notes, and referred instead to the company's public financials on its website (www.honeywell.com). Honeywell is traded on the NYSE (as well as other international markets), is part of the S&P 500 index portfolio, and has been rated "A" by S&P. Honeywell reports that they have been rated "investment grade" by Wall Street analysts, and that they have been rated "A2" by Moody's. Honeywell's submittal demonstrated strong financial strength, the ability to remain well capitalized and has the financial strength to stand behind its project guarantees.

Honeywell was awarded the maximum 20 points for this category.

Johnson Controls (JCI)

Johnson Controls traces its origins back to 1885 when Warren S. Johnson received a patent for the first electric room thermostat. Today, JCI is a public company ranking 68th among Fortune 100 companies with \$42.7 billion in sales in FY2013. JCI is one of the largest performance contractors in the country managing 241 performance contracts for K-12 customers and has existing guarantees of nearly \$1.4 billion.

JCI has extensive experience with School Districts in the State of New Jersey and served as the ESCO for the first two districts to fully implement ESIPs. Both of these Districts, the Salem County Vocational School and the Wyckoff School District, have been in the Measurement and Verification phase for several years. Additionally, JCI provides guaranteed energy savings to Ocean Township School District, Barnegat Township School District, Millville Board of Education and Mercer County Technical School. JCI was recently procured by New Brunswick Board of Education and has completed nearly 90% of the construction and implementation for the 12 facilities within the District.

The guaranteed savings results from the above-mentioned projects, among other completed projects, in the Measurement & Verification (M&V) stage have reportedly outperformed their projected energy savings, in some cases by as much as 15-20%.

JCI demonstrated a strong record of experience and success with ESIP-type projects in New Jersey. JCI maintains a strong commitment to student engagement having created the Academy of Energy

Education which teaches advanced energy concepts to grades 9-12 among other learning curriculums that are offered to the East Orange School District as part of JCI's proposal.

JCI included an organizational chart outlining a team of high-performance individuals who will remain committed to the District's project. The proposed project team has worked together in multiple ESIP projects throughout the State, including most recently the New Brunswick Public Schools. The firm's office located in Edison, New Jersey has more than 100 employees and corporate resources to fully support the success of the District's performance contract.

JCI included a bank and credit reference through JPM Chase and provided Annual Reports (Form 10k) for the last two years. JCI is a global company listed 68th among Fortune 100 companies, with \$42 billion in sales in FY2013. The firm has served as the ESCO for projects as large as \$11.2 million for the Mercer County Technical School and \$17 million for the New Brunswick Public Schools. Projects of this size demonstrate strong financial resources and project management capabilities.

JCI was awarded 20 points for this category.

2. Approach to Energy Savings Plan Development and Implementation (25%)

This evaluation criteria referenced in the RFP as follows:

Proposals shall include a detailed and sound technical approach to meeting the BOE's energy efficiency objectives. The Proposal shall include a response specifically based on the LGEA information provided as well as the Proposer's preliminary ESP, which shall be based upon the BOEs independent energy audit report, Proposer's analysis of the 24-month utility data, and the ESCO's site visit inspection(s) of the BOE's facilities identified within this RFP.

Detailed information shall also be provided regarding, among other things, the Proposer's approach to ESP project planning and development, energy auditing, engineering, savings analyses and calculation methodology, project management, waste management, method of calculation of the optional energy savings guarantee, and projection and verification of energy savings. Proposers must demonstrate their capabilities and methodologies regarding training, staff support, management and associated programs proposed for the BOE, obtaining State and Federal incentives (such as Board of Public Utilities programs including Pay-for-Performance, SmartStart, etc.) with documented rebates and grants.

Summary of Results:

Evaluation Criteria	Max Points	Ameresco	DCO Energy	Honeywell	Johnson Controls
Approach to ESP Development and Implementation	25 points	25	25	25	25

Ameresco

Ameresco has successfully implemented multiple ESIP projects in New Jersey simultaneously, demonstrating an organized and experienced approach to project management and implementation.

Ameresco will identify the needs of the East Orange School District, conduct field data acquisition, analyze energy costs and savings associated with ECMs and ultimately prepare an IGEA. During the design and engineering phase, Ameresco will fine-tune the equipment identified in the initial proposal and the firm's team of registered Professional Engineers will oversee the design, construction schedule and customer approval.

Upon implementation, Ameresco's Project Manager will work to ensure a smooth and well-coordinated implementation as well as maintain a high level of customer coordination and quality assurance. The Project Manager will retain ultimate responsibility for all implementation period activities including, but not limited to, oversight of procurement and subcontractors, construction budgets/cost control, installation progress and final completion and commissioning.

Ameresco confirmed its intent to not sole source any component of the ESP. Being that Ameresco does not manufacture any products and has no product affiliations, Ameresco is completely vendor neutral and independent. Ameresco's approach requires all product manufacturers to compete

during the subcontractor selection phase of the project, thus ensuring best pricing for the District. All products, material, technology and installation labor relating to the District's ESIP will be procured through an open public procurement process and Ameresco will hire competitively selected NJ DPMC qualified labor subcontractors.

Ameresco conducts its operations on a "not-to-interfere basis," and prioritizes the safety of facility occupants as well as minimizing any disruptions. All installations will be conducted after school hours, and will be coordinated with the appointed personnel.

Training will be provided after Project Installation and again at termination of the contract term. Training is expected to be conducted in a classroom setting at the East Orange facilities where each ECM will be explained in detail, including how to operate, maintain and troubleshoot an ECM. A hands-on approach will be encouraged to ensure understanding of all presented material.

Upon selection of the "guarantee" option by the BOE, Ameresco will coordinate a detailed and comprehensive M&V plan based on IPMVP and NJ BPU standards and protocols. The M&V plan for this project will be developed during the IGEA and submitted as part of the Energy Services Agreement. Ameresco outlined a calculation methodology that is technically sound.

Ameresco was awarded the maximum 25 points for this category.

DCO Energy

The approach outlined by DCO was comprehensive and demonstrated a detailed and thorough technical plan for implementing the East Orange School District ESIP. DCO's provided a very conservative calculation of energy usage and therefore has submitted an approach that maximizes ECM's rather than positive cash flow.

DCO is classified by the Division of Property Management and Construction ("DPMC") as a Construction Manager (C006), Design Build Contractor (C007) and General Construction (C008), and is currently the only ESCO that has the DMPC's Energy Auditing (51) prequalification.

Upon initial assessment and performance testing of the BOE's sites, along with a detailed utility bill audit, DCO will develop comprehensive 3-D models of each facility in order to achieve accurate energy savings calculations. The DCO team has modeled, regressed and submitted more than 1 million sq. ft. of building space for review by the BPU. All savings and cost estimates are developed in compliance with the standards of ASHRAE and Government Accountability Office (GAO) guidelines.

DCO will utilize its proprietary *SmartSelect Evaluator*, which will allow the District to seamlessly evaluate the effects on the cash flow pro-forma by adding or removing individual ECMs from the project list. This tool will help to accelerate project development and allow the BOE to arrive at a final Energy Savings Plan in a timely and effective manner.

Upon final selection and approval of the ESP, DCO will coordinate the preparation of design development documents, specifications, and equipment selection for the BOE's approval. As a totally vendor neutral ESCO, the East Orange School District will have final input on the basis of design for all equipment and controls. DCO approaches the procurement process by preparing 5 or 6 individual ECM bid packages, as follows: lighting, mechanical, controls, building envelope, plumbing and

electrical. During the oral interview, DCO indicated that it would strategize the implementation of ECMs in order to achieve the greatest savings as early as possible and will be highly conscientious of energy consumption onsite during the construction phase.

As for construction and project management, DCO intends to utilize recently acquired software known as Procore. The effective use of Procore will allow all staff members digital access to punch list items and real-time information to ensure that the project remains on-time and on budget.

In having successfully worked with large public schools, DCO has developed a health and safety manual that requires strict safety protocols in conjunction with the BOE's safety procedures. DCO requires all management and contractors personnel to be fingerprinted and background checked and to adhere to all site sign-in, facility escort, badging, and access limitations imposed by the District.

With regard to training, DCO will conduct a preliminary survey and analysis of the District's staff members' experience, education, certifications, instruments and maintenance software programs in an effort to custom-tailor a training curriculum for the BOE. Post construction, DCO will provide system-wide training for all pertinent personnel regarding the equipment, energy savings strategies and all interactive systems in the schools. Additionally, all bid specifications developed by DCO for the DDC control systems will require the DDC provider to train the BOE's staff with 24 hours of on-site, interactive training.

The DCO team has been a leader in NJ energy incentive programs, has successfully submitted applications for 55 buildings representing potential rebates in excess of 14 million in P4P incentives and has acquired over \$880,000 in SmartStart incentives. DCO has projected that approximately \$940,000 in NJ incentive revenue will be available to the East Orange School District.

DCO Energy was awarded the maximum 25 points for this category.

Honeywell

Honeywell has developed an approach to implementing energy savings improvement projects that has been very successful with schools and communities around the country for many years.

Honeywell views the ESP as a road map for the BOE's ESIP and ensures the output of a best-in-class ESP. As part of this process, Honeywell stated that all calculations used to determine the energy cost savings that will result from the identified ECMs will be performed in accordance with International Performance Measurement and Verification Protocol (IPMVP) and New Jersey BPU standards. Honeywell has met 98% of its performance guarantees reflecting a sound approach that is tried and tested.

The firm proposed a Project Team consisting of account managers, engineers, project managers, installers and subcontractors who will work together as an effective team to deliver a successful program to the BOE. Account Executive of over 25 years, Joseph Coscia, with his partner, Robert Kasilowski, will lead the project, providing technical assistance and overall project management to ensure that the Honeywell team will meet the goals and objectives of the BOE.

Honeywell's project management plan maintains a strong commitment to safety for schools. All projects will begin with the following steps: safety training for employee's and sub-contractors; detailed work schedules; detailed background checks of personnel; detailed logs of sub-contractor personnel; on-site daily supervision of all sub-contractors; and detailed weekly reviews.

The firm has the capability to provide a diverse and comprehensive training program to effectively train personnel at the District. This will include training manuals with equipment cut sheets for each ECM, ongoing training of facility staff on the management system, mechanical systems as well as the other systems that have been installed. Additionally, digital online training will be available as well as yearly engineering seminars.

While Honeywell manufactures a number of energy efficiency products, the firm takes a strong vendor-neutral approach to selecting products and services. Honeywell confirmed its intent to not sole source any component of the ESP.

Honeywell has a great deal of experience in applying for, and successfully securing all available incentives, rebates and grants. The firm has been approved for over \$5.7 million of incentives for NJ customers alone. Honeywell was able to successfully attain \$1.3 million in rebate incentives for the Bridgewater-Raritan Regional District and has determined that the East Orange School District is eligible for nearly \$1 million in rebates¹ as part of Honeywell's Preliminary Scenario 2 ESP.

Honeywell was awarded the maximum 25 points for this category.

Johnson Controls (JCI)

The approach outlined by JCI was comprehensive and demonstrated a detailed and sound technical approach. JCI has a project and construction management plan with dedicated Operations and Site Managers to oversee the daily operations of supplies and subcontractors.

JCI has many training and development options for the staff of the East Orange School District. Their training protocols include on-site, hands-on training by certified JCI instructors with CEU credits, on-the-job equipment demonstrations, computer-based training programs and off-site training at JCI or branch locations.

The firm outlined a technically sound and concise procedure for calculating energy and cost savings. Measurements will be taken using true Root Mean Square (RMS) kW meters, temperature loggers, runtime and occupancy loggers, ultrasonic Btu meters and more. Most control, equipment and system modification calculations will be performed with Microsoft Excel, but for calculations involving more complicated control equipment and system modifications, JCI uses building modeling software such as the DOE's eQUEST[®] to model the entire system or facility.

In the last fiscal year, JCI reported payouts for shortfalls in their guaranteed energy savings of less than 1% of their entire guaranteed \$1 billion+ portfolio reflecting the ability to implement successful projects and to consistently meet its performance guarantees on a very large portfolio of projects.

¹ This value is also inclusive of PJM incentives.

The firm holds a strong vendor neutrality position and has ensured that the BOE will make the final decision on all equipment and services. In fact, on four of their previous ESIP projects, JCI only installed a Johnson Controls Metasys system once, and installed Honeywell, Carrier and Andover controls at the other Districts. Consistently, JCI confirmed during the oral interview its intent to not sole source any component of the project.

JCI is intimately familiar with New Jersey rebate programs including SmartStart and Pay for Performance ("P4P"). JCI has assisted districts receive P4P incentives exceeding \$100,000 each and outlines that a significant amount of rebate funding (approximately \$695,000) will be available to the East Orange School District in its ESP.

JCI was awarded the maximum 25 points for this category.

3. Ability to Implement Project (15%)

The evaluation criteria, as referenced in the RFP, is written as follows:

Preference will be given to proposals demonstrating an ability to carry out the tasks and responsibilities outlined in the proposal, including the arrangement of any necessary financing, in a prompt and efficient manner with minimal disruption to the BOE. It is the intent of the BOE for all construction work to be fully completed no later than October 2016.

Summary of Results:

Evaluation Criteria	Max Points	Ameresco	DCO Energy	Honeywell	Johnson Controls
Ability to Implement Project	15 points	14	14	15	15

Ameresco

Ameresco has proposed a project schedule that demonstrates the capability to carry out the tasks required by the East Orange School District. Ameresco's goal is to start the project immediately after BOE and BPU approval and commence construction after the successful Independent Third Party review and the submittal of the Energy Savings Plan to the BPU. It is anticipated by Ameresco that the construction process could proceed from fall of 2016 through the summer of 2018. Nonetheless, Ameresco has less experience completing an ESIP-type project in New Jersey of the same size and magnitude of the East Orange School District project.

Using existing cash resources, cash flows and access to credit through multiple lending relationships, Ameresco has the financial resources to successfully finance this project without restrictions or contingencies, should the District elect to utilize private financing. There are no time limits or financial caps on Ameresco's bonding capability. In 2013 Ameresco provided over \$574 million in successful energy management services and solutions.

Ameresco has a \$1.2 billion backlog and an aggregate bonding capacity with a \$150 million single limit demonstrating its financial strength and ability to deliver high quality projects on time and on-budget. Ameresco previously indicated that the \$1.2 billion back log would not impact the District's project since the timing of each project differs, and Ameresco maintains significant internal and external resources throughout the country to insure successful projects.

For these reasons, Ameresco was awarded 14 points for this category.

DCO Energy

DCO has proposed a project schedule that demonstrates a strong capability to carry out the tasks required by the BOE in a timely and efficient manner. DCO holds the position that the ESP is the foundation of any ESIP project. The most valued aspects of an ESP are: an accurate energy usage

baseline; a well-defined and detailed scope of work; realistic labor and material cost estimates; and achievable energy and operation savings.

The firm will use its *SmartSelect* tool along with the Procore project management software to accelerate project development. DCO believes that the effective use of the *SmartSelect* tool will be able to fast-track the ESP schedule by as many as 6 months when compared to conventional methods. DCO proposes to complete the ESIP project on behalf of the District by the end of 2017.

Within 1 hour of the East Orange School District, DCO employs 190+ people including, safety inspectors, mechanical and electrical engineers, civil and structural engineers, project managers, certified energy managers, and more.

During the oral interviews, DCO indicated its ability to assist the BOE with the financing of the ESIP project, having provided similar services to large public schools in New Jersey. DCO's organizational chart demonstrates a strong financial branch of the organization through its partner organizations, Jingoli, Energenic and Marina Energy. Nonetheless, DCO's proposal does not imply to provide the same level of financial assistance as the other Respondents. Due to the financial complexity involved in the District's ESIP, it was determined that DCO's proposal lacked the financial support staff proposed by the other three bidders and was deducted 1 point.

For these reasons, DCO Energy was awarded the maximum 14 points for this category.

Honeywell

Honeywell has proposed a project schedule that demonstrates a strong capability to carry out the tasks required by the East Orange School District in a timely and efficient manner. Their project management process applies technical knowledge, people and communication skills in a pro-active manner to ensure that all commitments are met on time, within budget and at the quality expected of the East Orange School District.

Honeywell provided a project schedule that is somewhat extended, with a construction completion by the end of 2018, but demonstrates a strong understanding of the District's needs and the amount of time required to implement the size and number of ECM's throughout the District.

Honeywell has a team of dedicated finance personnel who understand the New Jersey financing process for customers such as the East Orange BOE. Honeywell Global Finance (HGF) is an added resource to assist the District (at no additional cost) with project specific financing. HGF will work closely with the Honeywell ESIP project team and the East Orange BOE in order to gain a detailed understanding of the project and develop a financial solution structured to best meet the project's unique cash flow needs. This financing support gives the District the greatest level of comfort and assurance.

Honeywell was awarded the maximum 15 points for this category.

Johnson Controls (JCI)

JCI outlined the steps associated with the District's ESP through an ESIP organized into a Phase 1, 2 and 3 approach and included detailed development and installation schedules. The schedules

anticipate an expedited construction completion date before the end of 2017, and clearly demonstrate an understanding of the project and the capability to complete all required tasks. During the oral interviews and throughout its proposal, JCI indicated that its ongoing collaboration with the BPU has enabled the firm to move swiftly through the implementation phases of the District's project. In fact, JCI's streamlined process has allowed the firm to be selected as the ESCO for the New Brunswick Public Schools in November 2013 and begin the installation of energy efficiency equipment as early as June 2014.

JCI discussed various financing options and indicated that it could provide financing to the District promptly and efficiently if needed. JCI also indicated that it would assist the District obtain public financing.

JCI was awarded 15 points for this category.

4. Project Comprehensibility and Energy Savings Projections (25%)

This evaluation criteria is referenced in the RFP as follows:

Preference will be given to proposals that responsibly maximize the net economic benefit of the project to the BOE while minimizing financial and performance risks. Proposals by Proposers shall be compared based on the overall value of the proposal to the BOE in terms of projected program costs, energy savings and environmental benefits. Factors that will be considered include the duration of the ESIP, projected economic benefit to the BOE, level of savings projected to be achieved in the facilities included within the scope of this RFP, level of guaranteed energy savings (in dollars), length of simple payback to the BOE, and projection of the cash flows that will be generated by the program. For proposal purposes, all Proposers shall use a standardized 5% interest rate in their project financial pro forma calculations. The financial terms are to be set forth on FORM VI: ESCO's Preliminary Energy Savings Plan: ECSO's Preliminary Annual Cash Flow Analysis Form.

Projections should come from the Energy Savings Plan through an ESIP, as determined by the results of the independent energy audit, 24 month utilities data, and site inspections of the BOE facilities identified within this RFP. The costs should include, but not be limited to the cost of all proposed ECMs, costs of construction including the costs of suppliers and subcontract trades at prevailing wages, potential break-up fees, and risks associated with the failure to implement the project.

Summary of Results:

Evaluation Criteria	Max Points	Ameresco	DCO Energy	Honeywell	Johnson Controls
Project Comprehensibility and Savings	25 points	22	21	22	22

Each Respondent was required to submit Form V based on the project size and scope outlined in the LGEA reports included in the RFP (Scenario 1). Additionally, each Respondent was required to evaluate the energy consumption, conduct a site visit and propose a customized ESP utilizing a 5% interest rate (Scenario 2).

For this criteria, Respondents were evaluated based on their preliminary ESP under only Scenario 2. However, it is the understanding of the BOE that the proposed scope of work identified in Scenario 2 is preliminary in nature and that the final project is subject to the BOE's collaboration with the Successful Respondent and the BOE's final approval. Therefore, the ratings and written evaluations focus on the number, the comprehensiveness and the innovation of the proposed measures. Additionally, the evaluation examines the cost to the East Orange BOE of selecting the optional guarantee as proposed by each of the four Respondents.

Ameresco

Ameresco has identified a project scope inclusive of 25 strategic and innovative ECMs. These ECMs include: the replacement of existing boilers in ten (10) schools; replacement of 230 unit ventilators at seven (7) schools; new LED lighting throughout the District; and, upgrades to the District's building management system (BMS). The measures also include the replacement of the existing windows for twelve (12) schools and the installation of two (2) Combined Heat and Power (CHP) units that will provide the District with both electric energy and supplemental building heat. Other ECMs include a comprehensive list of technologies such as plug load management, premium efficiency motors, replacement of RTUs, condensing units, window ACs, pipe and tank insulation, building envelope improvements and water conservation.

The capital investment of the project totals over \$25.8 million resulting in a net benefit to the District of only \$435,627 over the 20-year term². This economic net benefit is significantly lower than several of the other Respondents, and it is evident from Ameresco's proposal that the project is currently structured to maximize the number of ECMs, but at the expense of the positive net cash-flow. This strategy is acceptable to the District and understood by the District that the final project size, and therefore net economic benefit, would be developed with the feedback of the BOE and District staff.

The estimated energy savings include 5.65 million kWh in electricity, 176,000 ccf of natural gas, and 262,000 gallons of oil. Ameresco has also identified more than \$1,6 million in New Jersey energy rebates and incentives³ and \$458,000 in operational savings. In addition, the cost of Ameresco's M&V associated with the guarantee sums to approximately \$99,589, the second highest of the Respondents.

After evaluating the proposed technologies, the energy cost calculations and projections, and the net economic benefit, Ameresco was awarded 22 points for this category.

DCO Energy

DCO has recommended a strategy with the fewest ECMs, which includes the following: boiler replacement at ten (10) of twenty-two (22) schools; domestic water heater replacement at nine (9) schools; a district-wide LED lighting installation strategy; and, building management system upgrades at five (5) schools. Additional recommendations include the replacement of chillers, rooftop units, unit ventilator and windows, as well as the installation of a plug load management system, high efficiency transformers and premium efficiency motors. Window replacements were recommended at only three (3) schools. Finally, a small cogeneration, or (CHP), unit installation is recommended at the Hart Complex.

DCO proposed a total capital investment of \$12.2 million, and has calculated total energy savings over the 20-year term to exceed \$20.5 million. These energy cost savings result in a net cash-flow over 20 years of only approximately \$26,460. The size of the capital investment and the net economic benefit are the lowest provided of the four Respondents. A cash-flow with marginal savings, as is currently proposed by DCO, should be further evaluated by the District's Financial

² A 20 year term is permissible under ESIP Law when an project includes a CHP system.

³ The \$1,615,000 is also inclusive of demand response incentives.

Advisors in an effort to ensure safe and conservative financial protections (i.e. that the District will be able to confidently pay the debt-service over a 20-year term).

The proposed project scope includes approximate 26 unique ECMs which will result in over 3.7 million kWh reduction and over 101,679 fuel oil reduction. However, these upgrades will result in an **increase** of natural gas consumption of 34,000 therms.

DCO has also identified approximately \$937,000 in energy rebates and incentives and \$69,000 in operational savings. DCO is the only responder that included operational savings for 3 years only (as opposed to 5 years for other bidders). Proposed annual service fee associated with the savings guarantee option is \$21,219, which is the lowest of all for bidders. Additionally, it is mentioned in DCO's proposal that the 1st year energy savings guarantee is provided without cost to the District.

Please note that the scope of work presented in the DCO's proposal is significantly lower compared to the other proposals resulting in substantially lower projected energy savings. It is assumed by the Evaluation Team that the smaller project is a reflection of lower-than-average estimated baseline energy usage, when compared to both the LGEA audit and the proposals submitted by the other Respondents. Although the firm clarified during the oral interview that the proposal is very preliminary in nature and that after a more comprehensive investment grade audit DCO may be able to provide a larger scope of work, higher energy cost savings. However, due to the overall lower projected savings DCO was deducted 4 points.

After evaluating the proposed technologies, the energy cost calculations and projections, and the net economic benefit, DCO Energy was awarded 21 points for this category.

Honeywell

Honeywell has proposed to implement the following list of strategic and innovative ECMs: an all LED lighting strategy throughout the District; boiler replacement in eight (8) schools; DHW replacements in eight (8) schools; open protocol building management system at seventeen (17) schools with demand control ventilation at selected locations; window replacements at only four (4) schools and building envelope improvements at all 22 locations. Additional recommendations include computer power management, plug-load management and motor replacements, among others. CHP is proposed by Honeywell at one location, the Hart Complex.

The proposed project scope includes approximately 21 unique ECMs which will result in over 6 million kWh savings, over 90,000 therm natural gas and 208,000 fuel oil reduction. Honeywell proposed a total project cost of \$21.3 million and has calculated total energy savings over the 20-year term to exceed \$37.7 million. This results in a net cash flow of approximately \$2.67 million⁴ - the highest of the four Respondents. Although the proposed scope of work identified by Honeywell, and all Respondents, is preliminary in nature, the significant net economic benefit and the technologies proposed by Honeywell provides one of the strongest overall proposals received by the District.

Honeywell has also identified approximately \$1 million in energy rebates and incentives and \$629,000 in operational savings. The M&V fee associated with the savings guarantee option is a

⁴ Net values include the Measurement and Verification costs associated with the savings guarantee option in Year 1 of \$77,000.

flat fee of \$77,000 annually, rather than as a percentage of the final hard costs. The guarantee fee is the second lowest of the Respondents.

After evaluating the proposed technologies, the energy cost calculations and projections, and the net economic benefit, Honeywell was awarded 22 points for this category.

Johnson Controls (JCI)

JCI has proposed to implement approximately 42 ECMs including the following: an all LED lighting strategy throughout the District; boiler replacement in eight (8) schools; DHW replacements in ten (10) schools; installation of an open protocol building management system at eight (8) schools and recommissioning of the existing BMS systems in an additional seven (7) schools; window replacements at only three (3) schools and chiller replacement at four (4) locations. Additional recommendations include computer power management, plug-load management, rooftop unit replacements, window air conditioners, and security solar window film, among others.

The total capital investment submitted by JCI is estimated to exceed \$18.3 million yielding projected energy savings of \$26.7 million and a total net cash-flow of \$1 million over the **15-year term**. Please note that JCI is the only respondent that did not include a CHP measure, therefore proposing a 15-year term agreement.

The estimated energy savings include 5.6 million kWh in electricity, 16,000 therms of natural gas, 188,000 gallons of oil and 2.1 million gallons of water.

JCI has also identified over \$695,000 in energy rebates and incentives through the State's P4P program and PJM's Demand Response program along with an additional \$770,000 in operational savings. The Measurement and Verification associated with the savings guarantee option will cost the District a flat fee of \$115,369, which is the highest of the four Respondents.

JCI also proposed a Scenario 3 which includes a more current market based interest rate (3%) than the 5% mandated in Scenario 2. This proposal includes additional ECMs, including a CHP unit and expanded scope of work for boiler replacements, RTU/AHU and window replacements. This expanded scenario proposes a total project investment of \$23.2 million with savings spread over a 16-year term. While this approach provides a more realistic scenario and offers a higher net economic benefit, JCI's Scenario 3 was given no additional weighting in the evaluation summary.

After evaluating the proposed technologies, the energy cost calculations and projections, and the net economic benefit, JCI was awarded 22 points for this category.

5. ESCO Fees Proposal (15%)

This evaluation criteria is referenced in the RFP as follows:

The proposed fees shall encompass all costs associated with the program that are required to fully develop and implement the Energy Savings Plan through an ESIP. The fees are to be set forth on FORM V: ESCO's Preliminary Energy Savings Plan: ECSO's Proposed Final Project Cost Form.

The costs should include, but not be limited to the cost of the Investment Grade Audit, Design Engineering, Construction Management, System Commissioning, Training, Overhead and Profit to implement the project.

Summary of Results:

Evaluation Criteria	Max Points	Ameresco	DCO Energy	Honeywell	Johnson Controls
ESCO Fee Proposal	15 points	11	15	12	10

For this category, the Respondents were evaluated based on their proposed percentage of hard costs outlined on Form V under Scenario 1⁵. Each Respondent's proposed fees were inclusive of the following required criteria: Investment Grade Energy Audit; Design Engineering; Construction Management and Project Administration; System Commissioning; and, Equipment Training. The Respondents also included fees for: Overhead; and, Profit. Additionally, each Respondent complied with the RFP requirement of utilizing an interest rate of 5%.

Respondents were awarded points based on an objective calculation. The lowest Respondent was given the maximum 30 points for this category and each bidder thereafter was awarded a number of points based on proportion of its rate vs. the lowest rate (i.e. 22% vs. 20% would result in 10%-point reduction).

The following calculation was applied: $(1/(Y/X))*15$, where X is the lowest submitted bid and Y is the Respondent's proposal.

A detailed summary of the proposed prices can be found in Appendix 1.

⁵ In all cases, the total mark-ups provided by every Respondent were the same in Scenario 1 and 2.

Recommendation – Successful Respondent

Based upon the financial, technical and administrative reviews that were conducted by the Evaluation Team, the Proposals submitted by Ameresco, DCO, Honeywell, and Johnson Controls in response to the RFP comply with the requirements prescribed in this RFP. Based on the evaluation criteria provided for in the RFP and a detailed review of each proposal against such criteria as outlined in this evaluation report Honeywell was awarded the highest point total of 94 points out of 100 points. The Evaluation Matrix totals are shown below.

Evaluation Criteria	Max Points	Ameresco	DCO Energy	Honeywell	Johnson Controls
Total	100	91	93	94	93

Accordingly, the Evaluation Team recommends that the East Orange BOE designate Honeywell as the Successful Respondent.

The complete and detailed proposal submitted by Honeywell as well as their performance during the oral interviews gives the Evaluation Team the comfort that Honeywell will complete all of the tasks required by the BOE on time, on budget and with a pleasant work experience. The references provided by Honeywell felt strongly that their performance would exceed the expectations of the District.

Additionally, due to Honeywell's close proximity to the East Orange School District and its innovative and comprehensive project plan, the Evaluation Team believes that Honeywell has exhibited the strongest ability to service the BOE and successfully implement the ESIP project. Therefore, it was determined that Honeywell 's proposal is the most advantageous to the BOE.

Attachment 1 provides a bid summary for all four Respondents.

Attachment 1 Bid Summary

East Orange BOE - ESIP RFP
Form V - Scenario 2

Fee Category	Honeywell		Johnson Controls		Ameresco		DCO	
	Fees Dollar (\$) Value Scenario 2	Percentage of Hard Costs Scenario 2	Fees Dollar (\$) Value Scenario 2	Percentage of Hard Costs Scenario 2	Fees Dollar (\$) Value Scenario 2	Percentage of Hard Costs Scenario 2	Fees Dollar (\$) Value Scenario 2	Percentage of Hard Costs Scenario 2
Estimated Value of Hard Costs ⁽²⁾ (mm)	\$17,180,807.53		\$14,338,257.00		\$20,873,447.00		\$10,104,377.00	
Project Service Fees								
Investment Grade Energy Audit	\$206,170	1.20%	\$143,583	1.00%	\$105,214	0.51%	\$131,357	1.30%
Design Engineering Fees	\$859,040	5.00%	\$682,017	4.75%	\$723,571	3.50%	\$557,762	5.52%
Construction Management & Project Admin.	\$887,232	4.00%	\$682,017	4.75%	\$1,210,650	5.86%	\$572,918	5.67%
System Commissioning	\$85,904	0.50%	\$35,886	0.25%	\$270,822	1.31%	\$68,710	0.68%
Equipment Initial Training Fees	\$34,362	0.20%	\$35,886	0.25%	\$170,556	0.83%	\$50,522	0.50%
ESCO Overhead	\$1,546,273	9.00%	\$1,583,767	10.00%	\$2,480,814	12.00%	\$408,186	4.01%
ESCO Profit	\$887,232	4.00%	\$796,833	5.00%	\$206,734	1.00%	\$315,257	3.12%
Project Service Fees Sub Total	\$1,872,708	10.90%	\$1,579,408	11.00%	\$2,480,814	12.00%	\$1,381,268	13.67%
TOTAL FINANCED PROJECT COSTS:	\$21,287,021	23.90%	\$18,328,315	26.00%	\$25,841,808	25.00%	\$12,206,087	20.80%
ESCO Termination Fee	\$0.00	0.00%			\$0.00	0.00%	\$0.00	0.00%
PROPOSED ANNUAL SERVICE FEES								
First Year Annual Service Fees								
SAVINGS GUARANTEE (OPTION)	\$0.00	0%	\$0.00	Fixed	\$0.00		\$0.00	0%
Measurement and Verification (Associated w/ Savings Guarantee Option)	\$77,000.00	Flat Fee	\$115,369.00	Fixed	\$98,588.00	0.48%	\$29,219.00	0.21%
ENERGY STAR™ Services (optional)	Included	0%	\$0.00	Fixed	\$0.00	0%	\$0.00	
Post Construction Services (if applicable)	N/A		TBD	Fixed	\$0.00	0%	\$0.00	
Performance Monitoring	Included		\$0.00	Fixed	\$60,749.00	0.29%	w/ MSV	
Ongoing Training Services	N/A		TBD	Fixed	\$5,975.00	0.03%	w/ MSV	
Verification Reports	Included		\$0.00	Fixed	\$32,864.00	0.16%	w/ MSV	
TOTAL FIRST YEAR ANNUAL SERVICES	\$77,000.00	Flat Fee	\$115,369.00	Fixed	\$98,588.00	0.48%	\$0.00	