

M E M O R A N D U M

To: West Orange Board of Education

From: ESCO Review Committee

Date: February 11, 2014

RE: Report on Summary and Analysis of ESCO Proposals and Recommendation

The West Orange Board of Education received four responses to its request for proposals for ESCO services. All proposals appeared to be complete, and the Committee decided to interview all four applicants. The interviews were held February 11, 2014. The Committee followed up with reference checks.

The proposals and the applicants were impressive. Each applicant addressed energy conservation measures recommended in the energy audits and indicated 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 and the needs of the School District. The Committee ranked the applicants in accordance with the criteria described in the RFP. The matrix is attached. The following summary explains the reasons that, in the opinion of the Committee, differentiated the applicants. In many cases, the distinctions are minor. All the applicants are large companies with strong financial ability, significant resources and experienced and knowledgeable representatives.

Johnson Controls:

- Experienced and reliable company with large number of successful transactions in New Jersey and in particular under ESIP legislation.
- Very comprehensive and clear on approach to plan development and implementation; strong educational and training program.
- It is clear they have the ability to implement the project. The Committee was unclear why they would outsource construction management to a private firm when they have so many resources.
- The proposal clearly demonstrated that this ESCO can work with the Board to develop a plan that will maximize net economic benefits with minimized financial risk to the school district.
- Most expensive fee percentage.

Amaresco:

- Experienced and reliable but fewer New Jersey transactions under ESIP law; the Committee was impressed with the explanations of the ECMs.
- Committee was generally impressed with comprehensive and clear approach to plan development and implementation, but had some concerns that the engineers

who would interface with the Board representatives were not as fully engaged as other applicants, which would be important for developing the best plan consistent with Board priorities.

- While they have the ability to implement the project, the Committee was concerned that the project engineers would need to communicate more fully with the Board for the best implementation of the project.
- The proposal clearly demonstrated that a plan can be developed that will maximize net economic benefits with minimized financial risk to the school district.
- Second most expensive fee percentage.

Honeywell:

- Experienced and reliable company with large number of successful transactions in New Jersey and in particular under ESIP legislation; the Committee was very comfortable with the full team, their engagement and their interactivity.
- Comprehensive and clear on approach to plan development and implementation; Committee noticed that the scope of ECMs and savings was smaller, perhaps indicating a more conservative approach.
- Proposal clearly demonstrated their ability for successful implementation of a plan satisfactory to the school district.
- The proposal clearly demonstrated that a plan can be developed that will maximize net economic benefits with minimized financial risk to the school district
- Third most expensive fee percentage.

Con Edison Solutions:

- Experienced and reliable company. The Committee was impressed with the long history and experience with performance contracting generally.
- The experience they shared was primarily non-educational and in other states; focused on certain products or services not within the Board's expressed priorities.
- Certain aspects of proposed timeframe did not seem realistic under New Jersey legal requirements.
- Proposed plan was the most expensive;
- Cost proposal had least expensive fee percentage.

Based on the scoring described in the attached matrix and analysis described above, the Committee recommends that the Board of Education work with Honeywell for the development and implementation of its ESIP. The proposed contract will contain the terms and conditions set forth in the Request for the Proposals and the applicant's response.

Energy Savings Company	Company Overview and Qualifications (20%)	Approach to Energy Savings Plan Development and Implementation (25%)	Ability to Implement Projects (15%)	Project Comprehensibility and Energy Savings Projections (25%)	ESCO Fees Proposal (15%)	Total
Johnson Controls	20%	25%	14%	25%	13%	97%
Ameresco	20%	24%	14%	25%	14%	97%
Honeywell	20%	24%	15%	25%	14%	98%
ConEd Solutions	20%	22%	14%	24%	15%	95%