

# Memorandum



**Date:** May 13, 2008

**To:** Honorable Chairman Bruno A. Barreiro  
And Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager 

**Subject:** Energy Performance Contracting Program

GOE  
Agenda Item No. 2(0)

## RECOMMENDATION:

It is recommended that the Board adopt the accompanying resolution authorizing the creation of an Energy Performance Contracting Program to be implemented in accordance with Statute 489.145, Florida Statutes in the amount of \$40,000,000 for five years by waiving competitive bidding in the selection of qualified vendors and authorizing the County Mayor or his designee to execute contracts for covered purchases with vendors in an existing State of Florida pool of prequalified energy performance contracting service providers (State DMS Contract No. 973-320-08-1 "Energy Savings"); and to exercise any and all rights conferred therein. Said contracts shall be reported to the Board on biannual basis for ratification. The Board further authorizes the County Mayor or his designee to enter into leasing and/or other financing arrangements with third party vendors to fund energy purchases by the County, provided that the overall cost of such contract payments shall not exceed the amount of any actual annual savings arising from the implementation of the energy conservation measures.

## BACKGROUND:

In the ten years since it commenced in June 1998, the County has successfully utilized County Contract No. 168, "Energy Conservation Performance Program" (County Contract 168) to perform approximately \$50 million in energy conservation improvements in County facilities. These improvements have already or will, upon completion, result in a reduction in consumption of approximately 73 million kilowatt hours of electricity and 71 million gallons of water. County Contract 168 expires on June 2, 2008.

At Commissioner Natacha Seijas' request, a program status report was presented to the Governmental Operations and Environment Committee in September 2007. At that time, she asked staff to meet with Clerk Harvey Ruvim (in his capacity as Chairman of the Climate Change Advisory Task Force) to seek input prior to initiating the solicitation process for the replacement contract. Staff did so in December.

In addition to the above meeting, staff researched various methods by which other jurisdictions perform such improvements. In doing so, they identified a new State of Florida term contract that will enable the County to continue the work currently performed through County Contract 168. Utilizing an Invitation to Negotiate (ITN) process, the State created a pool of vendors pre-qualified to provide Energy Performance Contracting services. The state selected ten vendors, including the three currently under contract with the County. Among these ten firms are several of the largest, most experienced firms in the industry. The larger size of the pool, and breadth of experience on the part of individual firms, will provide the County with increased competition and capacity to perform energy performance improvement projects. The state pool provides for cooperative purchasing by government entities to procure these services.

A waiver of bids is requested in order to contract with the various firms in the State contract vendor pool as projects are identified and work orders issued. Staff has determined that there would be no value added by soliciting our own proposals. Contract terms and conditions will be nearly identical to the County's own practices. Also, the State pool provides ample competition, since (1) it was competitively solicited, (2) it contains many, if not all, of the known vendors providing this service – including all three of those in the County's expiring contract, as well as other firms that have recently expressed interest to staff about providing such services to the County – and (3) individual projects will be competitively solicited from among the vendors in the pool. I have attached a chart outlining the State's recommended process for awarding work within the pool.

With performance contracting, vendors assigned work guarantee that the equipment procured and installed will achieve the promised energy savings. Thus, each project assigned to an Energy Services Company (ESCO) in the pool is backed by a guarantee from that ESCO that project savings will be sufficient to cover the customer's debt service or lease payments. Should project savings (in energy and maintenance expense) fall short of the amount needed to cover the debt, the ESCO pays the difference.

Through the proposed program, the energy services companies in the pool will provide turnkey design and development energy conservation projects that pay for themselves through increased operating efficiencies and reduced energy and maintenance costs. The program will thus provide County facilities with systems and equipment that is more efficient in its usage of electricity or water. Examples of potential improvements include high-efficiency lighting, plumbing, and air conditioning fixtures and equipment, enhanced interior insulating materials, heat-absorbing and heat-reflective exterior materials, automatic (electronic) energy control systems, energy recovery systems, renewable energy (such as solar, biomass, or wind systems), as well as energy storage (such as fuel cells and thermal storage) and generating technologies (such as microturbines).

Approval of this item includes authorization for the County Mayor or his designee to enter into contracts with vendors through a competitive process among the pool members. The allocation of \$40 million dollars for the five-year period is based upon the number and size of electricity accounts still remaining to be evaluated, and the volume of work completed under the existing County contract. It is important to note that, under the "Guaranteed Energy Performance Savings Contracting Act" (Chapter 489.145 F.S.), which regulates this program, no work can be authorized unless the annual savings to be achieved from the project is equal to or greater than the annual debt/loan payment. Actual savings achieved by implemented projects is verified each year to ensure compliance.

State of Florida Contract No.:	DMS 973-320-08-1
Contract Title:	Energy Savings
Description:	This contract, processed by the State through an Invitation to Negotiate (ITN), established a pre-qualified pool of vendors to perform energy performance contracting.
Contract Term and Amount:	\$40,000,000 for five years

<b>Vendors:</b>	<b>Address</b>	<b>Principal</b>
Ameresco Inc.	111 Speen St. Suite 410 Farmingham, MA 01701	David J. Anderson
BGA Inc.	3101 West Martin Luther King Jr. Blvd, #110 Tampa FL 33607	Michael W. Gibson
Chevron Energy Solutions Company a Division of Chevron USA Inc.	12980 Foster, 4th Floor Overland Park, KS 66213	John W. Mahoney
Energy Systems Group LLC	17757 U.S. Highway 19 North, Suite 210 Clearwater, FL 33764	James L. Adams
FPL Services, LLC	700 Universe Blvd. Juno Beach, FL 33408	C. Dennis Brandt
Honeywell Building Solutions	3079 Premiere Parkway Duluth, GA 30097	Vincent J. Rydzewski
Johnson Controls, Inc.	3802 Sugar Palm Drive Tampa, FL 33619	Peter A. Geist
Siemens Building Technologies Inc.	119-6 Hamilton Park Drive Tallahassee, FL 32304	George T. Burck, Jr.
TAC Americas Inc.	1650 W. Crosby Rd. Carrollton, TX 75006	Daniel G. Tews
Trane U.S. Inc.	4833 White Bear Parkway St. Paul, MN 55110	Bernard Riechers

**Managing Agency:** GSA manages the pool, which can be used by any County department or agency through GSA.

**Scope:** Countywide

**Funding Source/Fiscal Impact:** Operating Funds. The annual savings through utilities and maintenance expense reductions is required to be greater than the annual cost of any loan payments. There will be no negative fiscal impact.

**Performance Data:** There are no known performance issues with any of the vendors.

**Compliance Data:** There are no compliance issues with these vendors.

**Contract Measure:** No measure. This is a State of Florida contract vendor pool.

**Local Preference:** Not applicable

**Living Wage:** The Living Wage Ordinance does not apply.

**User Access Program:** The User Access Program provision will apply to all purchases.

Honorable Chairman Bruno A. Barreiro  
And Members, Board of County Commissioner  
Page 4

State Transaction Fee Pursuant to section 287.057(23), Florida Statutes (2002), all payments under this contract are assessed a one-percent (1%) Transaction Fee, payable to the State of Florida.

Contract Managers: Amado Gonzalez, Department of Procurement Management  
Jerry S. Hall, General Services Administration

Contract Modification Effective Date: Upon approval by the Board and expiration of the mayoral veto period.

Delegated Authority: If this item is approved, the County Mayor or his designee will have the authority to exercise in his discretion subsequent options-to-renew, extend contracts and issue work orders for the purchase of goods and services in accordance with the terms and conditions of the contracts.

Most vendors also provide an option to the County to pay the cost of the energy improvements and/or equipment through a lease/purchase arrangement whereby the vendors are paid by a third party in return for a lease/purchase agreement in which the County leases the improvements and/or equipment over a specified term with title transferring to the County at the end of the term. The Resolution authorizes the County Mayor or his designee to enter into such energy leases or any other financial arrangement provided there is a finding that the annual lease payments are equal to or less than the annual energy savings being generated.

  
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Director  
General Services Administration



# MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro  
and Members, Board of County Commissioners

DATE: June 3, 2008

FROM: R. A. Cuevas, Jr.  
County Attorney

SUBJECT: Agenda Item No.

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No.

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING CREATION OF ENERGY PERFORMANCE CONTRACTING PROGRAM PURSUANT TO STATE OF FLORIDA STATUTE 489.145 IN AMOUNT OF \$40,000,000 FOR PERIOD OF FIVE YEARS; WAIVING COMPETITIVE BIDDING FOR SELECTION OF QUALIFIED VENDORS AND AUTHORIZING COUNTY MAYOR OR HIS DESIGNEE TO ENTER INTO CONTRACTS WITH VENDORS IN STATE OF FLORIDA POOL OF FIRMS PREQUALIFIED TO PERFORM GUARANTEED ENERGY PERFORMANCE CONTRACTING SERVICES; AUTHORIZING COUNTY MAYOR OR HIS DESIGNEE TO ENTER INTO LEASING OR OTHER FINANCIAL ARRANGEMENTS WITH THIRD PARTIES TO FINANCE SAID PURCHASES; PROVIDING FOR BIENNIAL REPORT TO THE BOARD FOR RATIFICATION OF ALL CONTRACTS APPROVED UNDER PROGRAM; AND AUTHORIZING COUNTY MAYOR OR HIS DESIGNEE TO EXERCISE ANY AND ALL OTHER RIGHTS CONFERRED HEREIN

**WHEREAS**, Pursuant to Section 489.145, Florida Statutes ("Act"), Miami-Dade County ("County") has successfully conducted a guaranteed energy performance savings contracting program for the last ten years through County Contract No. 168, "Energy Conservation Performance Program," which expires on June 2, 2008; and

**WHEREAS**, the State of Florida recently established a similar program under DMS Contract No. 973-320-08-1, "Energy Savings," that includes a pool of pre-qualified vendors that is opened from time to time to maximize participation ("State Vendors"); and

**WHEREAS**, this Board wishes to expedite the establishment of a new guaranteed energy performance savings contracting program ("Energy Savings Program") by waiving competitive bids for the selection of vendors and utilizing the State Vendors; and

**WHEREAS**, the Board wishes to authorize the funding of each energy contract through a lease/purchase or other financial arrangement with a third party provided by a selected vendor, provided there is a savings; and

**WHEREAS**, this Board desires to accomplish the purposes outlined in the accompanying memorandum which is incorporated in this resolution by reference,

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:**

Section 1. An Energy Savings Program in the amount of \$40,000,000 is created for a five year period pursuant to the Act for the purpose of evaluating, recommending and implementing energy conservation measures to reduce energy and operating costs in County facilities.

Section 2. The Board waives competitive bidding for the selection of qualified vendors and authorizes the County Mayor or his designee to enter into contracts with State Vendors and to exercise any and all rights conferred therein.

Section 3. The County Mayor or his designee is authorized to enter into lease/purchase or other financing contractual arrangements with third parties recommended by the vendors to finance the purchase of energy saving equipment and/or improvements, provided that the overall cost of such payments shall not exceed the amount of any actual annual savings arising from the implementation of the energy conservation measures.

Section 4. The Mayor or his designee shall report to the Board on a biannual basis for ratification of all contracts entered into other the Energy Savings Program.

The foregoing resolution was offered by Commissioner who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman	
Barbara J. Jordan, Vice-Chairwoman	
Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 3<sup>rd</sup> day of June, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.

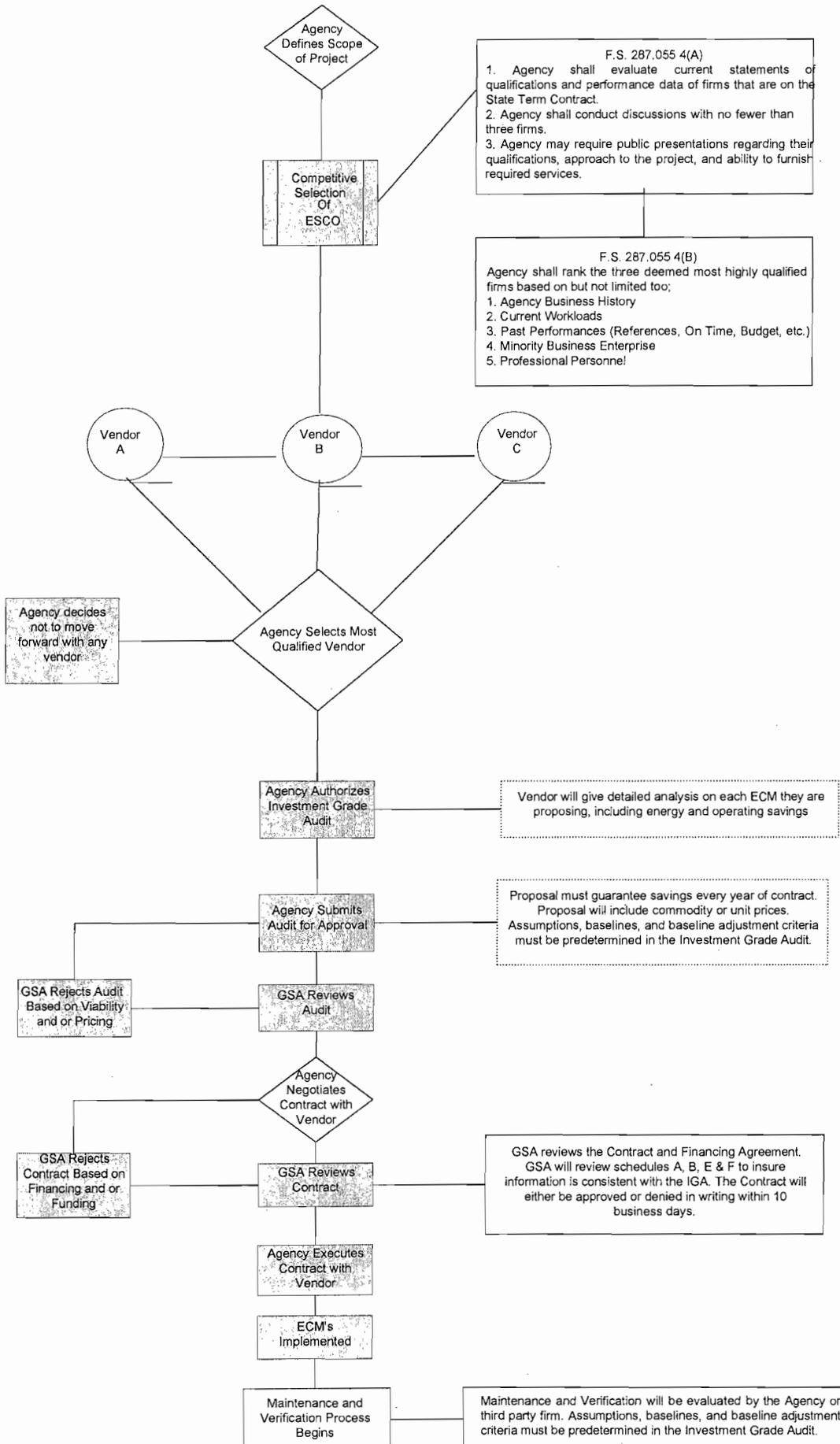
~~Gerald T. Heffernan~~

*By: Smith*

*LB*

*8*

# ESCO Flowchart



9