



CUYAHOGA COUNTY MUNICIPAL ENERGY PROGRAM



PROCUREMENT WORKSHOP
February 3, 2011

FUNDING PROVIDED BY THE AMERICAN
RECOVERY AND REINVESTMENT ACT
(ARRA) OF 2009 THROUGH THE U.S.
DEPARTMENT OF ENERGY



CUYAHOGA COUNTY MUNICIPAL ENERGY PROGRAM

PROCUREMENT WITH ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT FUNDS*

*Given the technical and fact specific nature of the procurement process, this presentation should not be relied upon as legal advice or controlling law in any specific situation. While the Cuyahoga County Planning Commission Staff and Energy Management Consultant's, Spectrum Energy Concepts, Inc., are available for technical assistance, Sub-grantees should seek the legal advice from their municipality's legal counsel on procurement matters.



YOUR MEP WORKSHOP

- ***THIS IS AN INFORMATION EXCHANGE, PLEASE FEEL FREE TO ASK QUESTIONS AT ANY TIME DURING THE PRESENTATION-***

EECBG PROGRAM AUTHORITY

U.S. DEPARTMENT OF ENERGY (DOE)

ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (EECBG) PROGRAM

- EECBG is authorized under [Title V Subtitle E of the Energy Independence and Security Act of 2007](#), as amended
- EECBG is funded through the [American Recovery and Reinvestment Act \(ARRA\) of 2009](#)

PROGRAM - REVIEW

U.S. DEPARTMENT OF ENERGY ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM

- Goals and objectives:
 - Stimulate the economy and create and retain jobs;
 - Improve energy efficiency in building, transportation and other sectors.
 - Build capacity at local level to reduce energy usage; and
 - Reduce total energy usage and Greenhouse Gas (GHG) Emissions.

**COUNTY EVALUATED ON HOW IT IS MEETING THESE
GOALS AND OBJECTIVES**

MEP PROGRAM AUTHORITY

MUNICIPAL ENERGIE PROGRAM (MEP)

- Cuyahoga County is the recipient of a \$5.7 million EECBG Award
- **Cuyahoga County set aside \$3 million for the MEP**
- The Cuyahoga County Department of Development administers the overall EECBG Award
- The Cuyahoga County Planning Commission administers the MEP

CUYAHOGA COUNTY MEP PROGRAM

TYPES OF SUB-GRANTS

- **ASHRAE¹ Level II
Comprehensive Energy
Audits**

- **Energy Conservation
Projects**

¹ASHRAE = American Society of Heating
Refrigerating and Air Conditioning Engineers

TYPES OF FUNDING:

- **100% Grant for
ASHRAE Level II
Comprehensive
Energy Audits.**

OR

- **Up to 80%
Matching Grant**
for implementation
of conservation
projects, provided
on a funds available
basis.

EECBG FINANCIAL ASSISTANCE RULES

10 CFR 600.236 (b) “The Common Rule”

- “(b) Procurement standards. (1) Grantees and Sub-grantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.”

Note: If the State or local laws are more stringent; use the more stringent law or rules.

EECBG FINANCIAL ASSISTANCE RULES

10 CFR 600.236 (b) “Procurement Standards”

- (2) When procuring services to be paid for in whole or in part with EECBG funds, grantees and sub-grantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions and specifications of their contracts or purchase orders.

EECBG FINANCIAL ASSISTANCE RULES

10 CFR 600.236 (b) “Procurement Standards”

- (3) When procuring services to be paid for in whole or in part with EECBG funds, grantees and sub-grantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts to address and avoid situations where real or apparent conflicts of interest would be involved.
- *Specifically, “No employee, officer or agent of the grantee or sub-grantee shall participate in the selection, or in the award, or in the administration of a contract supported by Federal funds.”*

METHODS OF PROCUREMENT

FEDERAL RULES

All procurement transactions must be conducted in a manner providing full and open competition. EECBG Grantees and Sub-grantees must conform to the following methods of procurement:

- **Competitive Proposal**
- **Sealed Bids (Formal Advertising)**
- **Small Purchase Procedures**
 - Not exceeding \$100,000.00
- **Non-competitive Proposals**
Not recommended

OHIO RULES

In general, procurement by governmental entities in Ohio is made by competitive bidding, however, there are a number of statutory exceptions, i.e. for Consultants and Professional Services. The procurement methods include:

- **Request for Qualifications/ Proposals (Formal Advertising)**
- **Request for Quotations/ Proposals (Informal Quotes)**
- **Non-competitive Proposals (Sole Source)** Not recommended

METHODS OF PROCUREMENT

SEALED BIDS

- Preferred method for procuring construction
- Publically Solicited
- Fixed-Price Contract awarded to the responsible lowest bidder who meets all requirements and specifications

COMPETITIVE BIDDING

- Publically Solicited
- Awarded to responsible lowest bidder who meets all requirements and specifications
- **Definition**--*generally anything to be purchased, leased, or constructed, including, any product, structure, construction, reconstruction, improvement, maintenance, repair, or service, except the services of Professional Engineer and Consultants among others.*

METHODS OF PROCUREMENT

COMPETITIVE PROPOSAL

- More than one vendor submitting offer or proposal
- Fixed-Price or Cost-Reimbursement
- Publically advertized
- Identifying all evaluation criteria and relative importance to scoring
- Awarded to vendor or firm whose proposal is most advantageous to the program considering all factors.

REQUEST FOR QUALIFICATIONS /PROPOSALS (Formal Advertising)

- More than one vendor submitting offer or proposal
- Not-to-exceed or Open Proposal
- Publically advertized in general circulation newspaper
- Evaluation Criteria and Scoring System Identified
- Awarded to vendor or firm whose proposal meets needs of the municipality considering all factors

METHODS OF PROCUREMENT

SMALL PURCHASES

- Simple informal procurement
- Services, supplies or other property not exceeding \$100,000.00
- Adequate number of quotations from qualified sources.

REQUEST FOR QUOTATIONS / PROPOSALS (Informal Solicitation)

- Informal Process
- Generally for Services and Supplies -- *check local rules for threshold amounts*
- Adequate number of quotations from qualified sources; at least three (3)

METHODS OF PROCUREMENT

NONCOMPETITIVE PROPOSALS

- From only one source, if after solicitation of a number of sources, competition is determined inadequate
- Used only when award of a contract is infeasible and one of the following apply:
 - Available from only one source
 - Public Emergency
 - Awarding Agency Authorizes
 - Competition Inadequate
 - Generally not recommended

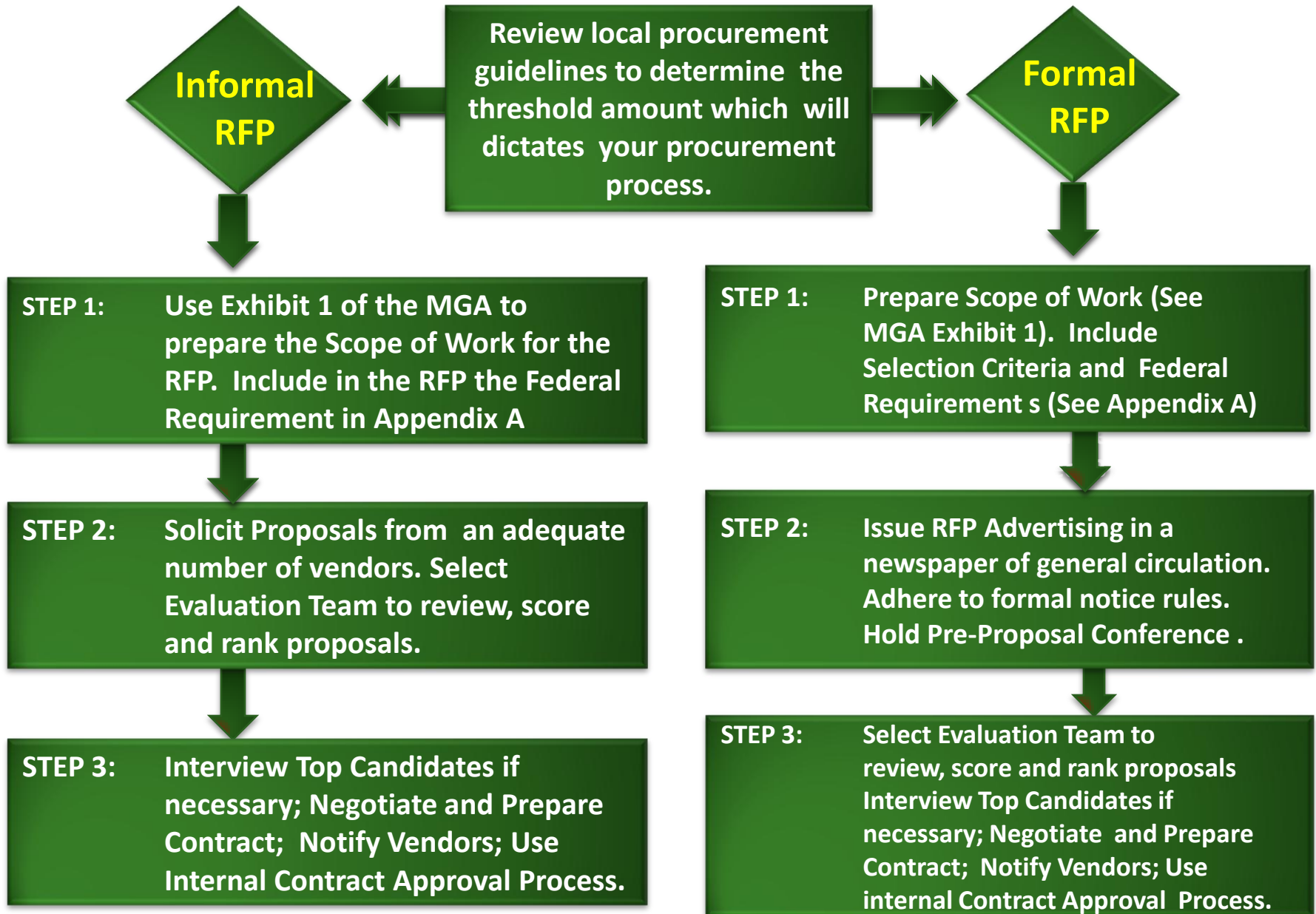
SOLE SOURCE

- Available from only one source
- Public Emergency
- Time Constraints
- Other Local Requirements
 - Generally not recommended

PROCUREMENT IN OHIO

- Numerous Ohio statutes and local ordinances govern the procedures for awarding contracts by various Ohio contracting authorities. Applicable Ohio Revised Code statutes include, but are not limited to **O.R.C. 717.02**.
- Ohio municipalities have the authority and a great deal of discretion to draft ordinances that provide for alternative procedures.

REQUEST FOR PROPOSALS



SAMPLE RFP

REQUEST FOR QUALIFICATIONS

PROFESSIONAL SERVICES FOR THE PREPARATION OF AN ASHRAE LEVEL 2 ENERGY AUDIT

January, 2011

A. INTRODUCTION/PROJECT BACKGROUND

Qualifications are being sought from engineering firms to perform ASHRAE Level 2 Energy Audits and deliver energy assessment reports for select municipal facilities within the City of Solon, Ohio.

The purpose of this study is to improve the energy efficiency of all municipally-owned buildings and facilities, identify energy conservation measures (ECMs), reduce energy consumption, lower total energy costs, and reduce greenhouse gas emissions.

SAMPLE RFP

- **Exhibit 1 MGA Scope of Work outline** with individual square footage and building inventory
- Estimated Start and Completion Dates
- **Electronic Signature** of Contract Documents
- Flow Down of **Federal Requirements in Appendix A** which include, but is limited to:
 - Acknowledgement of ARRA/USDOE Funding on signs and in report documents;
 - National Environmental Policy Act (NEPA) requirements, if any;
 - Audits are categorically excluded from NEPA requirements
 - Projects are subject to review for NEPA requirements
 - Historic Preservation;
 - Waste Stream;
 - Davis-Bacon Act; and
 - American-Made Equipment and Products.

SELECTING AN INDEPENDENT ENERGY PROFESSIONAL FOR THE ENERGY AUDITS

LOCAL

<http://planning.co.cuyahoga.oh.us/energy/auditors.html>

www.aeeohio.com

<http://akroncantonashrae.org/>

www.clevelandashrae.org/

LOCAL

- A & E engineering firms
- Energy engineering consultants
- List of experienced local A & E, energy professionals that have expressed interest in the Cuyahoga County MEP energy audits (based on advertisements placed in the Cleveland Plain Dealer)

NATIONAL

www.aeecenter.org

www.ashrae.org/

ENERGY AUDITOR - MINIMUM QUALIFICATIONS

- A Professional Engineer (PE) with 3 years *documented experience conducting ASHRAE Level II Energy Audits*

AND / OR

- A Certified Energy Manager (CEM) with 3 years experience or a Certified Energy Auditor (CEA) *with 5 years documented experience.* (Association of Energy Engineers)

ENERGY AUDITOR SELECTION

NEED FOR REAL WORLD EXPERIENCE

- ✓ 15 years experience ... better than 3 years
- ✓ ASHRAE: Level '2' energy experience?
- ✓ Number Level 2 EM audits done?
- ✓ Mechanical / Electrical / Plumbing (MEP) experience?
- ✓ Lighting experience only?
- ✓ DDC / BAS / controls experience only?
- ✓ *Energy Retrofit for existing buildings*
vs. only new construction design experience?
- ✓ Municipal / County / State / Federal experience?
- ✓ References?
- ✓ Past performance? (results vs. projections)

Cuyahoga County Municipal Energy Program

Qualified Energy Auditors

December 14, 2010

[Spectrum Energy Concepts, Inc.](#), has identified 14 individuals identified are licensed in Ohio and/or have also demonstrated 3-5 years of ASHRAE Level 1 auditing services.

Mr. Stephen S. Bagstad, PE

3173 Deercrest Path
Stow, OH 44224
Phone: 330.677.1662
Mobile: 330.388.5040
E-mail: sbagstad@sbcglobal.net

Ms. Susan Busch

C. J. Brown Energy, P.C.
4245 Union Road
Buffalo, New York 14225
Phone: 716.565.9190
Fax: 716.633.5598
Email: SBusch@CJBrownEnergy.com
Website: <http://www.cjbrownenergy.com>

Mr. John Edwards

TES Engineering
25760 1st Street
Cleveland, OH 44145
Phone: 440.614.0326
Fax: 440.871.7954
E-Mail: JEdwards@tesengineering.com
Website: <http://tesengineering.com>

Mr. Mike Foraker

The Energy Factory
1671 East Market Street
Akron, OH 44305
Phone: 330.351.2022
E-Mail: mikeforaker@jenningsheating.com
Website: <http://theenergyfactory.com/>

Mr. Glen Ginesi

Engineered Process Systems, LTD.
205 Sprowl Road
Huron, OH 44839
Phone: 419.433.7048
Fax: 419.433.6872
Email: glen@wilkesandcompany.com
Website: <http://bestuseofenergy.com>

Mr. H. Lewis Hinkel, Jr. PE, CEM, CEA (Joint with Stadelman)

Hinkel Engineering, Inc.
1022 Heyl Road, PO Box 996
Wooster, Ohio 44691
Phone: 330.262.0042 x268
Fax: 330.262.0392 330-262-0042
Email: hinkel@hei-ohio.com
Website: <http://www.hei-ohio.com>

Mr. Jason Jannati

greeNEWit Government Contracting
8775 Centre Park Drive Suite #718
Columbia, MD 21045
Phone: 301-908-8531/866.994.7639
E-mail: jason@greenewit.com
Website: <http://www.greenewit.com>

Mr. Joel Kohler

Dynamix Engineering
855 Grandview Avenue
Columbus, OH 43215
Phone: 614.443.1178
Fax: 614.443.1594
E-mail: jkohler@dynamix-ltd.com
Website: <http://dynamix-ltd.com>

Mr. Jim Krupka
URS Corporation

1500 West 3rd Street
Cleveland, OH 44113
Phone: 216.523.2955
Fax: 216.523.3303
Mobile: 216.272.6847
E-mail: jim.krupka@urs.com
Website: <http://urs-cleveland.com>

Mr. C. Steve Parsons, P.E., LEED AP
Stadelman Associates Inc.

931 Portage Trail
Cuyahoga Falls, OH 44221
Phone: 330.926.2600, Ext 106
Fax: 330.926.4531
Website: <http://www.stadelman.net>

Mr. Matthew A. Setzekorn, PE, LEED AP, BEMP, CBCP
Director of Sustainable Engineering, **Integrated Green Solutions**

9700 Rockside Road, Suite 290
Cleveland, Ohio 44125
Phone: 216.901.6711
Fax: 216.901.6712
Website: <http://ww.igs-inc.cc>

Ms. Jennifer A. Stull, CPSM, LEED GA
Director of Business Development, **Osborn Engineering**

1300 East 9th Street, Suite 1500
Cleveland, OH 44114
Phone: 216.861.2020 x3203
Fax: 216.861.3329
Mobile: 216.346.1967
Email: jstull@osborn-eng.com
Website: <http://www.osborn-eng.com>

Mark McCue, Energy Solutions Business Development Manager
Eaton Corporation

600 North Cleveland Ave Suite 150
Westerville, OH 43081
Phone: 614.899.5214
Mobile: 614.206.3031
Email: markamccue@eaton.com

Kaushik Bhattacharjee (CEM,BEP,CEA,CMVP) Principal
Reipower

3 Tea Garden court
Whitby, Ontario Canada
Phone: 289.240.3495
Phone: 289.468.1000
Email: kbhatta@reipower.com

Reipower USA

620 Bellows Ln.
Charlotte, NC 28270

Tetra Tech

2330 Roxboro Road
Cleveland Heights, OH 44106

Kemp Jaycox

216.785.5375
513.241.0354
Email: kemp.jaycox@tetrattech.com

Note: MEP Grantees are responsible procuring services directly. The qualified firms or individuals included on this list must follow processes specific to the municipality for which they are proposing to work. In addition, please note that Energy Audit service providers conducting audits under an MEP Grant award may not also serve as energy service provider companies (ESCO) for the recommended improvements.

ENERGY AUDITORS

– INDEPENDENT OF ESCO (AND NOT AN ESCO)

INDEPENDENCE - LACK OF ANY CONFLICTS OF INTERESTS

- Not a *representative* of a manufacturer.
- Not a *representative* of a service provider.
- *Not an ESCO*

.....

The PE and/or CEM that provides the energy audit:

- Will not be permitted to be the ESCO that make the recommended improvements.
- No business connections with the ESCO for your municipality's projects.

COMPLETING THE MEP PROCESS

- Submit a final draft of Audit Report to MEP for technical review (approval)
- 10% holdback on energy audit MEP Award
- Approval of EM Audit Report
- Reimbursement of EM Audit Expense



CUYAHOGA COUNTY
MUNICIPAL ENERGY PROGRAM

**AUDIT TECHNICAL
REQUIREMENTS**

ASHRAE - LEVEL 2 ENERGY AUDIT

Level II — Energy Survey and Analysis

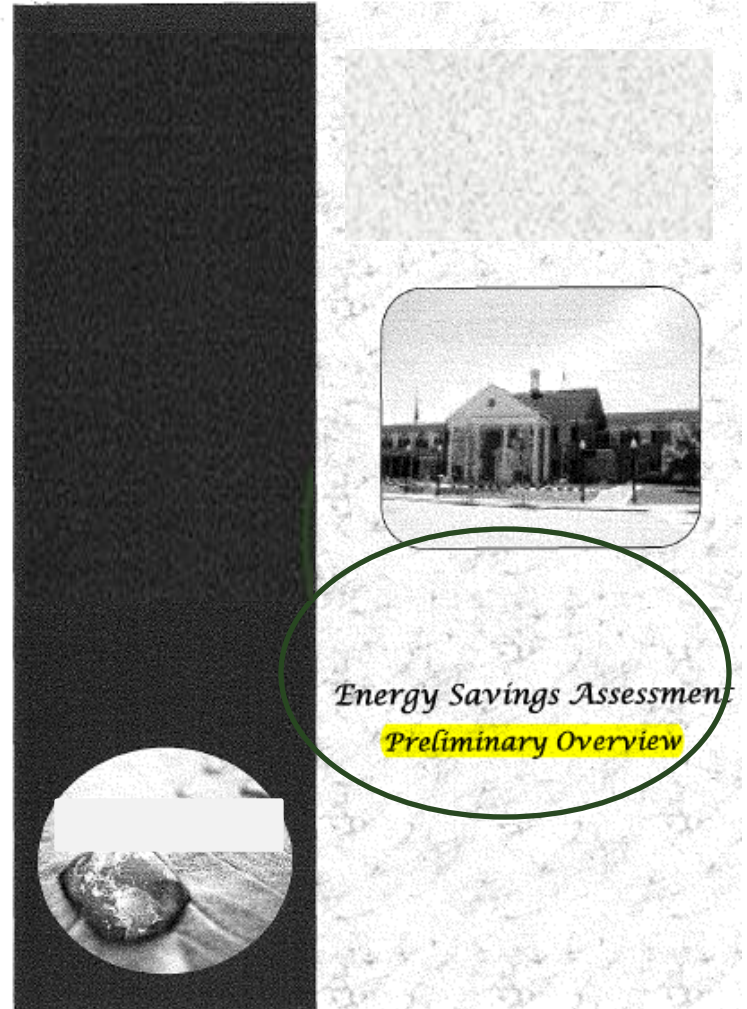
This includes a more detailed building survey and energy analysis. A breakdown of the energy use within the building is provided. A Level II energy analysis will identify and provide the savings and cost analysis of all practical measures that meet the owner's constraints and economic criteria, along with a discussion of any changes to operation and maintenance procedures. It may also provide a listing of potential capital-intensive improvements that require more thorough data collection and engineering analysis, and a judgment of potential costs and savings. This level of analysis will be adequate for most buildings and measures.

LEVEL II—ENERGYSURVEY AND ENGINEERING ANALYSIS

This analytical procedure is guided by Level I analysis and includes the following additional work:

WHAT IS NOT AN ASHRAE LEVEL 2 ENERGY MANAGEMENT AUDIT

‘ **PRELIMINARY** ’
energy assessments
are only *marketing*
tools for ESCOs. Are
not even considered an
ASHRAE Level 1
Energy Audit

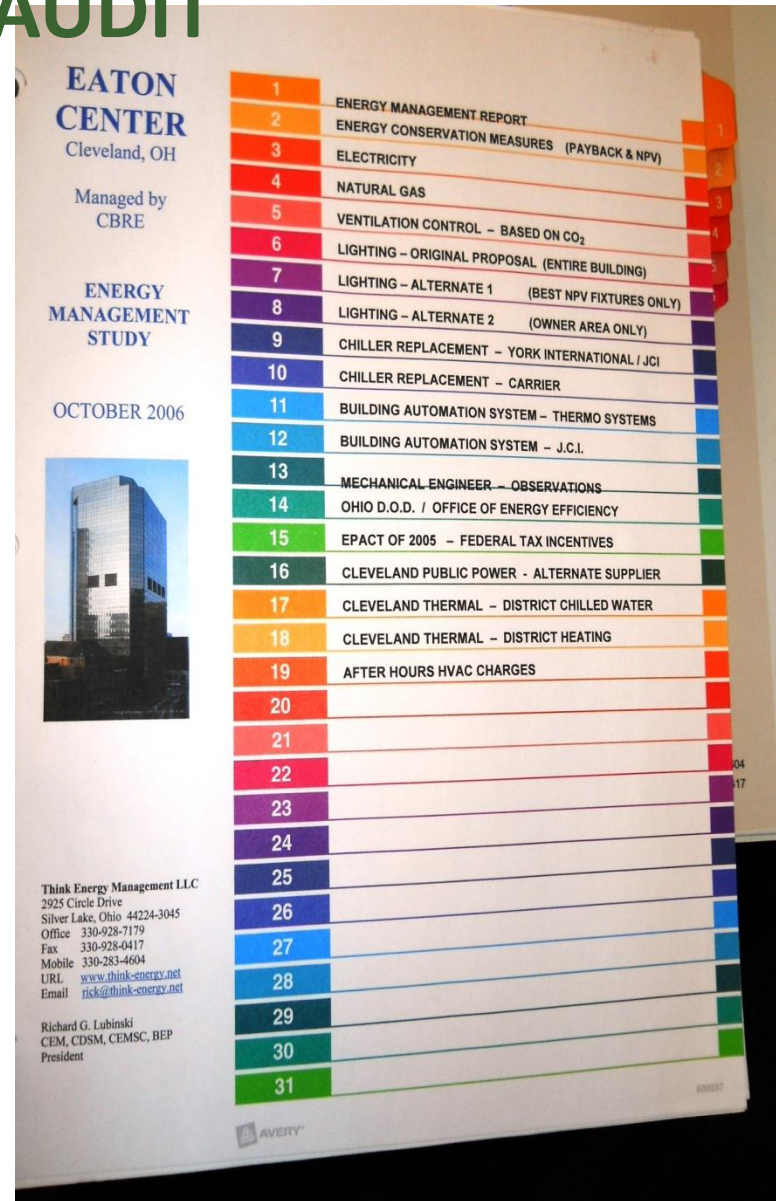


WHAT IS CONSIDERED AN ASHRAE LEVEL 2 ENERGY MANAGEMENT AUDIT

Based on *actual* operating conditions, utility consumption and costs.

Analyzes each building, hours of operation.

Provides an energy consumption model, ECM recommendations and options, preliminary design, capital cost estimates, system capacity requirements, using conservative energy savings calculations and alternative ECMs



EXAMPLE OF UTILITY DATA ALREADY – COLLECTED BY CPC ON YOUR BLDGS

Account Number	Political Subdivision	Service Address	City, State, Zip	From Date	To Date	number of Days in Billing Cycle	Average Temperature	Read Type	Billed KW	Billed kWh	Billed kVAr	Total Bill
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	10/30/2010	11/30/2010	32	43	Act	9.60	949	1.50	161.72
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	10/1/2010	10/29/2010	29	55	Act	10.50	745	1.10	149.29
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	9/1/2010	9/30/2010	30	66	Act	14.80	1303	6.80	238.79
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	8/3/2010	8/31/2010	29	75	Act	16.70	1660	6.00	298.46
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	7/2/2010	8/2/2010	32	76	Est	16.70	1830	6.00	316.38
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	6/3/2010	7/1/2010	29	72	Act	21.30	1767	8.20	351.27
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	5/4/2010	6/2/2010	30	65	Act	17.60	1061	7.60	238.03
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	4/3/2010	5/3/2010	31	57	Act	12.70	841	7.10	174.88
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	3/5/2010	4/2/2010	29	45	Act	8.60	745	1.40	129.09
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	2/4/2010	3/4/2010	29	29	Act	10.10	751	1.50	142.10
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	1/6/2010	2/3/2010	29	28	Act	16.20	1205	1.20	237.55
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	12/4/2009	1/5/2010	33	29	Act	11.30	1040	1.60	179.98
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	11/3/2009	12/3/2009	31	47	Act	10.80	997	1.00	158.59
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	10/3/2009	11/2/2009	31	52	Act	5.00	588	0.00	81.34
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	9/3/2009	10/2/2009	30	65	Est	5.00	758	0.00	99.21
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	8/6/2009	9/2/2009	28	72	Act	5.70	1135	0.00	149.15
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	7/7/2009	8/5/2009	30	70	Act	8.20	1647	0.00	224.21
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	6/5/2009	7/6/2009	32	69	Act	9.60	1914	0.00	263.65
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	5/2/2009	6/4/2009	34	60	Act	6.20	1232	0.00	181.24
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	4/4/2009	5/1/2009	28	50	Act	0.00	510	0.00	79.15
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	3/6/2009	4/3/2009	29	43	Act	0.00	785	0.00	113.30
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	2/5/2009	3/5/2009	29	30	Act	0.00	830	0.00	118.90
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	1/8/2009	2/4/2009	28	18	Act	0.00	853	0.00	122.03
110026946399	CITY OF BAY VILLAGE	492 BRADLEY RD	BAY VILLAGE OH 44140	12/6/2008	1/7/2009	33	29	Act	0.00	974	0.00	136.90

ENERGY AUDIT REPORT

An ASHRAE Level 2 Audit should include:

- SAVINGS projection ... in addition to the utility cost savings (avoidance).
- Energy engineering calculations based on the 'run time' of your equipment in each building.
- Energy savings are provide for each ECM as a part of the utility consumption and cost for each building (energy balance, etc.).
- Technical assistance available.

Challenge any numbers that do not seem actual and reasonable for your buildings.

ASHRAE LEVEL 2 ENERGY AUDIT REPORT REVIEW ... CHOICES

- Option to *bundle* ECMs
- Option to *un-bundle* ECMs based on ROI
- Conservative ROI projections and investment decisions

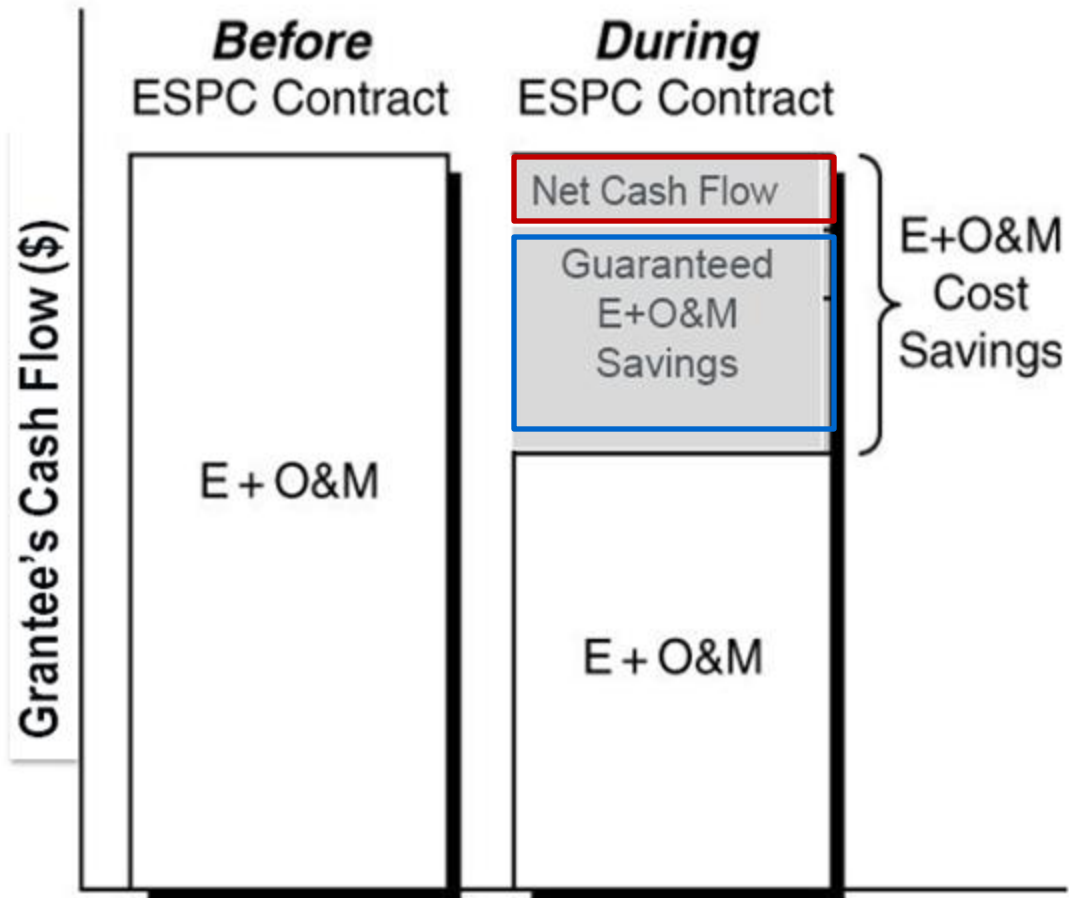
ENERGY CONSERVATION MEASURES (ECMs) = CHOICES

ECMs : WITH ANNUAL ENERGY SAVINGS ONLY

ECM	ENERGY CONSERVATION MEASURES - SUMMARY	ANNUAL UTILITY SAVINGS *	CAPITAL REQUIRED	SIMPLE PAYBACK	<u>STAND ALONE ECM:</u> POSITIVE NPV ?	NPV With 10% discount rate, 20 yr. life
1	LIGHTING RETROFIT					
1 A	<i>Lighting Retrofit (prime areas only)</i>					
2	VENTILATION ADJUSTMENT / CONTROLS					
3	NATURAL GAS TARIFF CHANGE					
4 A	YORK CHILLER WITH VFD *					
4 B	<i>YORK - Chiller / constant speed*</i>					
4 C	CARRIER - Chiller with VFD					
4 D	<i>CARRIER - Chiller / constant speed</i>					
4 E	<i>DISTRICT CHILLED WATER SUPPLY</i>					
5	DISTRICT STEAM					
6	REMOVE OR ADJUST GLYCOL IN CHILLER WATER (PRESENT CHILLERS)					
7	SALES TAX EXEMPTION ON NATURAL GAS (kitchen load)?					
8	ALTERNATE ELECTRICITY SUPPLIER (CLEVELAND PUBLIC PWR)					
9	IMPROVED NATURAL GAS PROCUREMENT					
10	Building Automation System (DDC BAS) improvements					
11	INSTALL TIME OF DAY DEMAND METER					
	TOTAL ANNUAL SAVINGS (YELLOW CELLS ONLY)					

NPV COLOR CODE: ECMs that are in light green are alternates and are not included in the total of this table.

ESPC Project Cash Flow



ENERGY PROJECT – FUNDING OPTIONS

Municipal Funds (cash or municipal bonds)

Demand Side Management (DSM) rebates to reduce 'net' investment

- NOPEC ?
- ODOD?
- Utility companies (FirstEnergy DSM in development)

Ohio Air Quality – Loans <http://www.ohioairquality.org/energy/default.asp>

Energy Savings Performance Contracting (ESPC)

- See Workshop #2 presentation for tips and warnings
- Vendor provides material/labor/project management in turn-key project ... in exchange for long term (10 to 20 yr.) exclusive contract
- Measurement & Verification (M&V) of the actual savings

MUNICIPAL ENERGY PROJECT - CONTRACTING OPTIONS

- **Traditional** : Energy Audit, plans and specifications, advertisements, competitive bidding
- **Alternatives under ORC**: OHIO HB 300 / HB 295
Energy Savings Performance Contracting (ESPC) – vendor provides capital and is paid back via a long term / exclusive legal contracts via documented energy savings . (Pay for performance.) See O.R.C. 717.02
- **Contracts**: Finance Director and Law Director might want ‘technical assistance’ (from your energy auditor and/or CPC) to understand the ESPC Ts & Cs.

OHIO HB 300

H.B. 300
New Authority for
Counties, Municipal Corporations and Townships
to Enter into Installment Payment Contracts
for Implementing
Energy Conservation Measures

Presented below is a summary of the legislation authorizing supplemental procedures for implementing and financing energy conservation improvements in buildings owned by a Municipal Corporation, County, or Township.

When did the law become effective?

The law became effective on July 1, 1994.

OHIO HB 295

(127th General Assembly)
(Amended House Bill Number 295)

AN ACT

To amend sections 133.20 and 307.041 of the Revised Code to require that the amount spent by counties on energy conservation measures be unlikely to exceed the amount saved in energy and operating costs over the average system life of the measures, and to require that financed measures be paid for within the lesser of their average system life or thirty years.

Be it enacted by the General Assembly of the State of Ohio:

THE E.S.P.C. OPTION ?

THE FOX GUARDING THE HEN HOUSE?

- **ESCO = Energy Services Company**
- **ESCP contracting with simple payback periods under ___ years under Ohio Law**
- **LONG TERM contract – exclusive? Limitation on service agreements (limited choices)**
- **CHANGES happens which can impact energy consumption.**
- **HDD and CDD changes**
- **HOURS of operation changes**
- **Need for M&V – by ESCO with (or without) independent 3rd party verification of actual energy savings**



CUYAHOGA COUNTY
MUNICIPAL ENERGY PROGRAM

QUESTIONS AND ANSWERS
&
ON GOING TECHNICAL SUPPORT