



**RCA  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 26  
AGENDA DATE: Thu 11/17/2005  
PAGE: 1 of 2**

**SUBJECT:** Approve negotiation and execution of a Performance Contract for funding investment in energy and water efficiency that is based on operational savings with each of the following three firms: TOUR ANDOVER CONTROLS (T.A.C.), Carrollton, TX; CHEVRON ENERGY SOLUTIONS, San Francisco, CA; and AMERESCO INC., Houston, TX to identify, design, implement, and guarantee energy and water conservation measures that reduce operating costs in various City of Austin facilities for an estimated period of three years, or until financial authorization is expended, in an aggregate amount not to exceed \$10,000,000, for the total of three agreements not to exceed a total of \$10,000,000 (estimated payment of approximately \$5,000,000 for the top one ranked firm and \$5,000,000 divided as equally as possible between the next two ranked firms).

**AMOUNT & SOURCE OF FUNDING:** Funding in an amount not to exceed \$10,000,000 is available via low interest loans through the LoanSTAR (saving taxes and resources) Loan Program, and the budgets of various departments for which services are needed. Money saved as a result of the energy and water efficiency measures is used to offset the cost of financing, installation and operation of the measures, and the estimated savings are guaranteed over a predetermined time period.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Public Works  
**DEPARTMENT:**

**DIRECTOR'S**  
**AUTHORIZATION:** Sondra Creighton

**FOR MORE INFORMATION CONTACT:** Scott Jarman, 482-5307; Felix Benavides, 974-7027; Laura Bohl, 974-7064

**PRIOR COUNCIL ACTION:** Approval on 6/23/05 to use an alternative procurement process and evaluation criteria known as an Energy Savings Performance Contract and authorization to secure a low interest loan through the LoanSTAR (saving taxes and resources) Loan Program, in an amount not to exceed \$5,000,000.

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** Best qualification statements of seven received.

**MBE / WBE:** The City has determined that subcontracting opportunities will likely arise after the scope of work is defined. The specific work to be performed cannot be determined until each comprehensive audit is conducted and a Detailed Audit Report submitted for review. During review of the Detailed Audit Report, MBE/WBE participation goals will be established where applicable, based on the proposed scope of work. The Energy Services Company will be required to complete and submit an MBE/WBE Compliance Plan for review with its final proposal, during negotiation of the implementation phase. Upon approval of the Energy Services Company's MBE/WBE Compliance Plan by the City, the Compliance Plan shall be incorporated into the project and shall be considered part of the Energy Services Company's performance requirements. In accordance with the MBE/WBE Procurement Program Ordinance, the recommended and alternate Energy Service Companies have signed a MBE/WBE Statement of Utilization in which they agree to abide by and follow the rules and regulations of the MBE/WBE Program.



**RCA  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 26  
AGENDA DATE: Thu 11/17/2005  
PAGE: 2 of 2**

Austin Energy has been designated as the Citywide Energy Manager and, along with other duties, has been charged with identifying and implementing cost-effective energy efficiency practices, procedures and projects in City facilities; and with providing assistance in procuring alternative funding and project delivery where budgeted funds are not available.

One method of alternative project funding and delivery is called Performance Contracting. Texas Statutes, Local Government Code, Chapter 302, allows for energy savings performance contracts for local governments. A performance contract is a means of funding investment in energy, water, and/or operational efficiency that is based on future savings. Money saved as a result is used to offset the cost of financing, installation and operation of the measures, and the estimated savings are guaranteed over a predetermined time period.

On June 23, 2005, Council approved the use of an alternative procurement process and evaluation criteria to select an Energy Service Company (ESCO) following the guidelines from the State Energy Conservation Office (SECO); and authorized Austin Energy to secure a low interest loan through the LoanSTAR (saving taxes and resources) Loan Program, in an amount not to exceed \$5,000,000. This will fund and implement energy performance measures that reduce energy and water consumption, and operating costs over a predetermined time period. Various departments may also elect to commit funds from their operating/CIP budgets to add, or to "buy-down", needed measures in their facilities that also reduce facility operating costs.

Phase I of the procurement process included notice of a Request for Qualifications published, and five (5) of the most highly qualified providers were selected for Phase II. In Phase II, the most qualified providers were interviewed. The interview included a site visit and development of a sample feasibility energy audit/proposal for three (3) City of Austin facilities. Staff is now returning to Council to request authorization to negotiate and execute an agreement with the selected firms.

This request allows for the development of an Energy Savings Performance Contract with each of the three recommended Energy Service Companies (ESCO). Should the City be unsuccessful in negotiating a satisfactory agreement with any of these recommended ESCO, negotiations will cease with that ESCO and funding will be distributed as equally as possible among the remaining recommended firms.

Notification of issuance of a Request for Qualifications (RFQ) for the subject services was sent to 65 ESCOs on June 27, 2005. The RFQ was obtained by 26 ESCOs, and seven ESCOs submitted qualification statements. None of the ESCOs were certified M/WBE firms. Of the seven ESCOs that submitted qualification statements, the five most qualified providers were short-listed and interviewed. The interview included a site visit and development of a sample feasibility energy audit/proposal for three City of Austin facilities. Interviewing the short-listed ESCOs results in the following recommendation:

**RECOMMENDED ESCO:**

**TOUR ANDOVER CONTROLS, Carrollton, TX**

**CHEVRON ENERGY SOLUTIONS, San Francisco, CA**

**AMERESCO INC., Houston, TX**

**Public Works Department  
Evaluation of Respondents Qualifications**

Composite

July 25, 2005

Comprehensive Energy Efficiency Services**EVALUATION MATRIX**Dennis Lilley

Firm (or Joint Venture)	Item 1 [5]	Item 2 [25]				Item 3 [10]	Item 4 [15]	Item 5 [15]	Item 6 [10]	Item 7 [8]	Item 8 [6]	Item 9 [6]	Item 10 [25]	[100]	[125]
	Business Qualifications	Personnel Qualifications (5)				Financial Qualifications and Guarantees	Energy Performance Contracting Experience and References	Team Structure and Work Approach	Utility Savings Verification	Project Financing and Incentives	Firm's Past Relationship with the City	Team's Experience with Austin Issues	Interview and Feasibility Energy Audit	SUB TOTAL	TOTAL POINTS
		Project	Manager (7)	Principal (6)	Project Engineer (7)										
Tour Andover Controls (T.A.C.), Inc.	4.00	21.20				9.40	14.40	14.60	8.80	7.20	5.40	5.40	14.90	90.40	105.30
Chevron Energy Solutions Company	4.60	19.00				9.40	10.80	13.80	7.60	6.40	5.40	3.20	22.30	80.20	102.50
Ameresco	4.20	17.40				7.80	11.60	12.00	8.60	6.80	5.40	4.80	23.80	78.60	102.40
Burns & McDonnell, Inc.	3.80	21.60				7.40	12.80	12.20	8.80	6.20	5.40	4.60	16.00	82.80	98.80
Siemens Building Technologies	4.80	17.20				8.80	9.60	13.40	8.20	6.40	5.60	5.60	15.40	79.80	95.00
APS Energy Services Co., Inc. +Encotech Consulting Engineers, Inc. + US Energy Capital Co. Joint Venture	4.00	15.20				7.60	11.20	11.60	7.60	6.20	5.60	5.40		74.40	74.40
Sempra Energy Services Co.	3.60	14.40				8.20	11.40	11.80	7.20	7.00	5.40	3.80		72.80	72.80