

Subject: Testimony for Energy Performance Contract
Multi-Year Agreement with ESG
Council Bill #52-2014

To: Lonnie R. Robbins
Chief Administrative Officer

From: James M. Irvin, Director
Department of Public Works

Date: October 8, 2014

BACKGROUND:

The County Entered into its first energy performance contract with ESG on June 17, 2009. The retrofit work was completed March 31, 2011 (date of Final Completion Certificate issuance). The original buildings in the study (1) Scaggsville Public Safety Complex; (2) Detention Center; (3) East Columbia Library; (4) Central Library; and (5) Recreation & Parks HQ. (6) Dorsey and (7) Gateway. The total area in the Pilot study was about 286,000 sq. ft., which more than doubled with the addition of Dorsey and Gateway.

The project was proposed to save \$8 million over 13.5 years (Apr 2011 to Sep 2024). Following table summarizes the savings through the end of Year 3 of the Measurement & Validation report:

Year	Guaranteed Savings	Actual Achieved
Construction	\$48,000	\$494,807
Apr 2011 - Mar 2012	\$482,613	\$668,446
Apr 2012 - Mar 2013	\$497,092	\$703,544
Apr 2013 - Mar 2014	\$512,004	\$686,583
Total to-date	\$1,539,709	\$2,553,380

The values listed above include the energy portion and not the operational cost savings, estimated at \$5,600 in Year 1 and escalating annually at 3%.

Due to the significantly greater Actual Savings, we project the Total Term Savings of \$8 million to be achieved by the end of Year 11 of the Performance Period or by the year 2022 two and a half years sooner than estimated.

The amount of greenhouse gases not produced due to contract 1 was 3281 metric tons of CO₂. This equates to the removal of 545 cars or 395 homes from the electric grid or equates to 76,324 seedlings planted over 10 years. The 3281 metric tons equates to a 27% reduction in greenhouse gases based on the 7 buildings in Contract 1 or a 7.8% savings across all County Facilities.

CURRENT REQUEST:

The Department of Public Works is requesting a second energy performance multi-year contract with ESG to expand the success of our first contract to the remaining County facilities. This second contract will include the retrofit or renovation of 68 County buildings. The proposed date the retrofit of this second contract will be complete is 18 months from contract award.

The project is guaranteed to save over \$19.8 million over 13.5 years.

Contract 2 for the additional 68 buildings will reduce the County's CO2 production by another 5,900 metric tons which will be an additional 14% reduction across **all** County Bldgs.

The combined effect of both contracts will reduce the County's CO2 production by 9,181 metric tons which is a total reduction of 21.8% for **all** County Buildings.

cc: Daryl Paunil
Jennifer Sager