



SHERBORN



Regional ESCO

Funding provided by the District Local Technical Assistance program

Prepared for the

Municipalities of Arlington, Ashland, Chelsea, Everett, Framingham, Gloucester, Melrose, Norwell, Rockport, Sharon, Sherborn, Sudbury, Topsfield and Wayland

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Executive Summary

The purpose of this project was to facilitate a regional procurement of a single professional Energy Services Company (ESCO) to provide comprehensive energy efficiency services under an Energy Savings Performance Contract (ESPC) for the following 14 municipalities in the MAPC region:

Ashland	Arlington	Chelsea	Everett
Framingham	Gloucester	Melrose	Norwell
Rockport	Sharon	Sherborn	Sudbury
Topsfield	Wayland		

M.G.L. Ch. 25A §11i allows public agencies seeking to improve the energy efficiency of their facilities to issue a Request for Qualifications (RFQ) for ESCOs that are qualified in Massachusetts to provide energy management services. This procurement process leads to a contract with an ESCO to design, purchase, install, operate and maintain energy systems so that municipalities and school districts can purchase energy and water saving improvements for public facilities where the basis for payments is the performance level guaranteed in the contract.

In order to carry out this project, MAPC assembled representatives from the participating municipalities to form an ESCO Selection Committee to solicit a single RFQ and select a professional ESCO to provide comprehensive energy efficiency services under an ESPC to each municipality. The ESCO Selection Committee reviewed proposals submitted in response to the RFQ, requesting additional information and conducting interviews as necessary.

Benefits

Many of the municipalities who participated in this project had not previously attracted the interest of an ESCO because their projects were too small to warrant the time and effort involved in responding to an RFQ. In some instances, the cost of mobilization, both in terms of dollars spent and staff time required completing the lengthy performance contracting process, was seen as prohibitively high. By grouping multiple communities to move through the process simultaneously, an ESCO gains the advantage of economies of scale and can treat all participating entities as essentially one large project. MAPC received eight (8) proposals in response to their RFQ.

For the participating municipalities, facilitating access to an ESCO provides them with an opportunity to greatly improve energy efficiency, leading to energy cost savings and other benefits related to reducing environmental pollution and greenhouse gas contributions. In addition, the communities are saved the costs associated with identifying an ESCO, which was borne by MAPC through the single procurement process and funded through DLTA.

Project Timeline

Date (2011)	Event/Action
April 12	2011 DLTA funding announcements issued
May 17	Introductory meeting held for all project participants in the Framingham Town Hall; Award of contract to Peregrine Energy Group announced
May-June	Facility information and energy consumption data collected from all 14 participating cities and towns
July 11	Bid documents filed with DOER
July 28	Request for Qualifications for a Certified Energy Management Services provider issued
September 13	ESCO Selection Committee Meeting #1: Selection process explained, preparation for proposals.
September 16	Proposals due. MAPC received 8 proposals, from: Ameresco, ConEdison Solutions, Honeywell, Johnson Controls, Noresco, Schneider Electric, Siemens and Trane
September 19-20	Proposals delivered to ESCO Selection Committee members by MAPC staff
October 12	ESCO Selection Committee Meeting #2: General discussion of proposals; list of general questions developed for all vendors
October 25	ESCO Selection Committee Meeting #3: Responses to questions reviewed; individual questions developed for top five (5) choices
November 8	ESCO Selection Committee Meeting #4: Responses to individual questions reviewed; shortlist of top three (3) vendors finalized
November 15	Sample audit of Hoover Elementary School in Melrose, MA conducted by vendors in preparation of interview; ESCO Selection Committee held check-in conference call to prepare for interviews
November 22	Interviews held for Ameresco, Noresco and Siemens
November 28	Top 3 vendors ranked; Ameresco identified as top choice
December 6	Top choice decision finalized

- Info session held for Sudbury Energy Committee on June 7, for Sudbury planning/building staff on October 11
- Info session held for Topsfield Energy Committee on October 20
- Info session held for Sharon Energy Committee on November 3

TASK ONE: Hire an Energy Services Performance Contract Consultant (ESPCC)

For the first task of this project, MAPC issued a Request for Quotes for a qualified Energy Services Performance Contract Consultant (ESPCC) to help with RFQ development and facilitate the vendor selection process. MAPC decided to solicit quotes from pre-qualified vendors off the statewide contract, PFR-46. The Request for Quotes was sent to four vendors with past experience with performance contract consulting: the American Development Institute, the Cadmus Group, ICF International, and Peregrine Energy Group. The lowest and most qualified quote received in response came from Peregrine Energy Group. MAPC executed a contract with Peregrine in May 2011.

The following is a copy of the work plan and timeline agreed upon for the contract between MAPC and Peregrine Energy Group, dated May 13, 2011:

Energy Services Performance Contract Consultant – Work Plan & Timeline

May 13, 2011

The Metropolitan Area Planning Council (MAPC) has engaged Peregrine Energy Group (Peregrine) to provide consulting services on an hourly basis to MAPC in support of procurement of and negotiation of Audit Agreements and Energy Management Services Contracts with an Energy Services Company (ESCO), as well as to provide other support services as directed or requested.

Task #1: Develop Request for Qualifications (RFQ) for an ESCO

- MAPC will create a first draft of the RFQ using RFQs created by other Massachusetts RPAs as a basis
- MAPC will collect facility and utility info from participating municipalities to include in the RFQ
- Peregrine will attend and participate in meetings with participating municipalities
- Peregrine will assist with preparation of collateral materials for meetings and communications with municipalities upon request
- Peregrine will review RFQ documents prepared by MAPC and make edits as necessary
- MAPC will notify the Department of Energy Resources of intent, and issue the RFQ

Timeframe: May/June 2011

Task #2: Provide expertise and recommendations throughout the ESCO Proposal Review, Interview and Selection process

- MAPC staff will work to develop selection criteria and an RFQ for the ESCO. They will also assemble meetings of the ESCO Selection Committee, comprised of municipal energy leaders, in order to introduce the work and make the process as transparent as possible. MAPC anticipates that responses to the RFQ will be distributed to the ESCO Selection Committee at an initial meeting, and reviewed and scored at a second meeting. The top 3 choices will be interviewed during a group session, and the final selection presented at a fourth meeting.
- MAPC will be responsible for responding to interested parties and notifying the final candidate.
- Peregrine will attend and participate in meetings of the ESCO Selection Committee, provide guidance during the development of evaluation criteria, support the Committee's review and evaluation of proposals, and apply its experience to selection and negotiations.

Timeframe: July-October 2011

Task #3: Draft generic agreements with ESCO for use by individual municipalities

- MAPC staff, including legal staff, will collaborate with the selected ESCO to develop a template contract for use by all participating municipalities
- Peregrine provides guidance to MAPC during the development of these generic agreements

Timeframe: November/December 2011

Task #4: Negotiate individual agreements between municipalities and the ESCO if requested by municipalities; Owner's agent support.

- Municipalities can secure individual owner's agent support from Peregrine at rates established in Peregrine's MAPC contract to avoid an additional services procurement. Municipalities alternatively can choose to procure their own owner's agent and/or use their own legal counsel to make modifications to the contract(s) as needed.

Timeframe: On a rolling basis starting in CY 2012

Task #5: Provide ongoing support

Some ideas include:

1. Provide one-time support for training sessions to empower MAPC or municipal staff to negotiate specific agreements and represent themselves as "owner's agents" throughout project contracting, design & development, commissioning, and monitoring if requested by MAPC, Municipalities or Regional School Districts,
2. Provide ongoing support to MAPC or municipalities through project contracting, design & development, commissioning, and monitoring if requested.

Timeframe: until December 2011 (through DLTA funding), on a rolling basis as funds are secured.

TASK TWO: Issue Request for Qualifications (RFQ)

For the second task, MAPC developed and issued a Request for Qualifications (RFQ) for a qualified Comprehensive Energy Management Services provider, or Energy Services Company (ESCO). This solicitation was based on documents provided by the Merrimac Valley Planning Commission (MVPC), which had previously procured a regional ESCO for their 11 cities and towns. Peregrine Energy Group reviewed the documents and provided edits and support for issuing the solicitation.

Prior to issuing the solicitation, MAPC held an introductory meeting with Peregrine and representatives from the participating communities. The meeting was held on May 17, 2011 at the Framingham Town Hall. The scope of the project was outlined and participants had a chance to ask questions about the process and ESCOs/performance contracting in general.

In the following weeks, MAPC staff worked with representatives from the participating communities to collect and format facility information and utility data to include in the RFQ. This included guidance for printing reports from MassEnergyInsight, a web-based dashboard tool used by some cities and towns to track their energy consumption, as well as formatting utility data from communities that kept their own, separate records. MAPC also requested “wish lists” of facility efficiency improvements from participating communities, in order to give bidding vendors a sense of the project opportunities represented in the collective procurement.

MAPC issued the RFQ with attachments on July 28, 2011. Proposals were due on September 16, 2011. MAPC received proposals from the following eight (8) vendors:

- Ameresco, Inc.
- ConEdison Solutions
- Honeywell
- Johnson Controls, Inc.
- NORESCO
- Schneider Electric
- Siemens
- Trane

Throughout the course of the summer and fall months, MAPC staff attended local energy committee and staff meetings to educate the participating communities on the regional ESCO project. They developed a Frequently Asked Questions (FAQ) document with the help of Peregrine Energy Group to distribute as well.

Request for Qualifications (RFQ) for:
**Comprehensive Energy Management
Services**

Under the
Massachusetts General Laws, Chapter 25A, Section 11I
A Guaranteed Energy Savings Contract

**Metropolitan Area Planning Council
(MAPC)**

On behalf of MAPC Member Municipalities

The Metropolitan Area Planning Council (MAPC) hereby issues this Request for Qualifications (RFQ) seeking qualified Energy Service Companies (“ESCOs”) interested in implementing a comprehensive, performance-based, Energy Management Services Program (EMSP) with guaranteed savings at municipal and school buildings and facilities within the jurisdiction of Municipalities and which are members of the MAPC and have elected to be listed in this RFQ.

The following Municipalities are participating in this RFQ. Such participation does not commit or bind any individual Municipality to entering into any agreement with the selected ESCO.

Ashland	Arlington	Chelsea	Everett
Framingham	Gloucester	Melrose	Norwell
Rockport	Sharon	Sherborn	Sudbury
Topsfield	Wayland		

Eligibility to respond to this RFQ is limited to ESCOs that are certified by the Division of Capital Asset Management (“DCAM”) as eligible to provide Energy Management Services and that are not debarred from bidding under MGL Ch. 149, §44C, or any other applicable law. In addition to the other information requested herein, all responses shall be accompanied by (1) a copy of a certificate of eligibility issued by the Commissioner of DCAM, and (2) a DCAM Update Statement.

The MAPC has formed a Selection Committee to choose one qualified ESCO who will be available to Municipalities to enter into agreements with, pursuant to MGL Ch. 25A, §111.

ESCO Response Submittal Due: September 16, 2011 by 3:00PM.

A responding ESCO shall submit one (1) original and fifteen (15) hard copies, as well as one (1) single-file electronic copy (on a portable media), of its Response according to the requirements set forth for the format described herein.

Responses shall be marked as follows and submitted to:

Heidi Anderson

Manager, Municipal Procurement Services

Metropolitan Area Planning Council

60 Temple Place, 6th Floor

Boston, MA 02111

RE: Proposal for Comprehensive Energy Management Services

Respondents shall be evaluated on criteria set forth in this Request for Qualifications (RFQ). The MAPC may cancel this RFQ, or may reject in whole or in part any and all Responses if the MAPC determines that cancellation or rejection is in its best interests.

Questions and Inquires:

All questions and inquiries concerning this RFQ should be submitted in writing by email to Heidi Anderson at handerson@mapc.org no later than Friday, August 26, 2011. Inquiries will not be answered directly. The MAPC will issue an addendum, which will address the written questions submitted by the deadline, and be publically available on COMM-PASS and the MAPC website.

It is the responsibility of the ESCO to contact the MAPC at the e-mail address above prior to the submittal deadline to ensure that the ESCO has received all addenda issued by MAPC.

Please note that electronic copies of the RFQ and Participant Data will be made available upon request. Please contact the MAPC at the e-mail address above to request it.

1.1 General Information and Contact

Heidi Anderson, Manager of Municipal Procurement Services

Metropolitan Area Planning Council

60 Temple Place, 6th Floor

Boston, MA 02111

P: (617) 451-2770 x2065

F: (617) 423-0584

E: handerson@mapc.org

1.2 Anticipated Schedule

- RFQ Published in Central Register and Advertised, July 27, 2011
- Letter of Intent to Respond Due, August 5, 2011
- Deadline for ESCO Questions, August 26, 2011
- Proposal Responses Due, September 16, 2011
- ESCO Interviews, November 4, 2011
- Anticipated ESCO Selection, November 18, 2011

1.3 Purpose

The MAPC seeks Statements of Qualification from DCAM-certified Energy Service Companies (ESCOs) interested in implementing comprehensive, performance-based EMS Programs (the projects) for buildings and facilities owned by MAPC Municipalities (the Municipalities) listed in Attachment 2 of this RFQ. The MAPC intends to form a Selection Committee to select a qualified ESCO pursuant to MGL Ch. 25A, §11I.

The Projects will upgrade facilities of participating Municipalities listed in Attachment 2 of this RFQ through a program of energy management services as defined by MGL Ch. 25A, §11I. The Municipalities intend to leverage energy savings achieved from these improvements to fund the Projects to the greatest extent possible. The Municipalities may consider additional improvements resulting in an overall program which is paid in whole or, at the sole discretion of the Municipalities, in part from guaranteed energy savings to ensure a comprehensive renewal of facilities.

The Municipalities hope to implement a comprehensive range of energy management Projects that will reduce energy use and costs, increase system reliability and reduce maintenance and repair expense, improve occupant comfort, and increase management and operations control.

The energy management services provided by the ESCO should include, as defined by statute, “a program of services, including energy audits, energy conservation measures, energy conservation projects, or a combination thereof, and building maintenance and financing services, primarily intended to reduce the cost of energy and water in operating 1 or more buildings, which may be paid for in whole or in part, by cost savings attributable to a reduction in energy and water consumption which result from the services.” (MGL Ch. 25A, §11I).

- As defined by MGL Ch. 25A, §11I, “Energy conservation measures” refers to “measures involving modifications or maintenance and operating procedures of a building or facility and installations therein, which are designed to reduce energy consumption in such building or facility, or the installation, modification of an installation in a building or facility which is primarily intended to reduce energy consumption.”
- As defined by MGL Ch. 25A, §11I, “Energy conservation projects” refers to “projects to promote energy conservation, including but not limited to, energy conserving modification to windows and doors; caulking and weather-stripping; insulation, automatic energy control systems; hot water systems; equipment required to operate variable steam, hydraulic, and ventilating systems; plant and distribution system modifications including replacement of burners, furnaces or boilers; devices for modifying fuel openings; electrical or mechanical furnace ignition systems; utility plant system conversions; replacement or modification of lighting fixtures; energy recovery systems, and, cogeneration systems.”

1.4 Facility Profiles

A list of each Municipality's building and facilities to be evaluated pursuant to this RFQ is contained in Appendix 2. It is possible that additional facilities which were not included in this list may be added later at the discretion of each Municipality. The final list of facilities to be included in the IGA will be stipulated in the IGA agreement scope of work.

1.5 Energy Audit Agreements

In accordance with MGL c. 25A, § 11I (g), the selected ESCO will negotiate a scope of work and contract for a Preliminary Energy Audit (PEA) and/or an Investment Grade Energy Audit (IGA) with each Municipality.

Links to template PEA and IGA Audit Agreements proposed for this Project are included in Attachments 10 and 11. The Respondent should indicate specifically whether or not their firm will accept the template agreements.

1.6 Energy Management Services Contract

Upon completion of an IGA Report and its review and acceptance by each Municipality and any third-party agent each Municipality may choose to engage to conduct a technical review of the IGA Report, the MAPC anticipates that the ESCO and municipality will negotiate a Scope of Work for the implementation of all or a portion of the ESCO's recommended improvements as presented in the IGA Report. Upon reaching agreement on a the final Scope of Work, the parties will enter into an Energy Management Services Contract (EMSA), incorporating the negotiated Scope of Work, the Guaranteed Energy Savings requirements, the methods of measurement and verification, and any operating, maintenance and training support services, among other provisions. The EMSA shall contain provisions detailing the ESCO's approach to implementing the accepted IGA Report, including its approach to demonstrating how the guaranteed savings are achieved. Such EMSA shall provide the ESCO's implementation and measurement and verification strategies.

1.7 Contract Responsibility

The selected ESCO shall assume total responsibility for the design and implementation of the Project(s) as defined in the EMSA. The ESCO will be the prime contractor and the sole point of contact with regard to all contractual services, including but not limited to design, supervision, construction, installation, security, training, and savings guarantee. Service and maintenance support, if required by the individual Municipalities, shall be negotiated under a separate agreement for a term and scope determined by the individual Municipalities.

1.8 Standard Contract

The IGA and EMSA Agreements stemming from this RFQ shall meet the requirements set forth in MGL Ch. 25A §11I. The MAPC anticipates that each participating Municipality will negotiate separate agreements with the selected ESCO. The MAPC has engaged a third-party to critique these agreements, whose services may be utilized at the discretion of each Municipality.

1.9 Savings Guarantee

The guaranteed savings provision shall be fully defined in the EMSA and shall be the measured reduction in fuel, energy, and water usage and costs, as well as a reduction in operating or maintenance costs, resulting from the implementation of the Scope of Services defined in the EMSA. Guaranteed savings shall be determined when compared with an established baseline of previous fuel, energy, water, and operating or maintenance usage and costs, including, but not limited to, future capital replacement expenditures avoided as a result of equipment installed or services performed pursuant to the EMSA.

The selected ESCO shall provide the individual Municipality with a written guarantee that either the units of energy and water savings guaranteed will be achieved on an annual basis or the ESCO shall reimburse the Municipality for the full shortfall amount each year for which the shortfall exists. Methods for measurement and verification of guaranteed savings shall conform to the most recent standards established by the Federal Energy Management Program of the U.S. Department of Energy and the most recent International Performance Measurement & Verification Protocol (IPMVP).

The value of guaranteed savings may represent either all or part of annual payments at the discretion of the Municipality. The overall term of the EMSA, including the performance term shall not exceed 20 years. The guarantee shall be a first party direct guarantee from the ESCO to Municipality. No third-party guarantee shall be allowed, except however, corporate guarantees from a parent company of the ESCO will be considered. All savings in excess of the guaranteed savings shall be the sole property of the Municipality and shall not carry forward or applied in arrears to any past or future shortfalls. The Municipality reserves the right to terminate the EMSA and understand that under such early termination, the ESCO’s obligation for guaranteed savings will also terminate.

$$\text{Savings} = \text{Baseline Energy} - \text{Post Installation Energy} \pm \text{Adjustments}^1$$

¹ FEMP M&V Guidelines: Measurement and Verification for Federal Energy Projects, Version 3.0, U.S. Department of Energy

1.10 Response Format

Responses shall be submitted in the format outlined in Section 3 of this RFQ. Each response will be reviewed for completeness, and incomplete responses may be rejected without further consideration. Respondents shall use the prescribed format to indicate their experience and qualifications, describe their approach to the project, and explain their proposal.

The MAPC reserves the right to waive any irregularities and formalities in the selection of the ESCO for this project. While respondents are required to submit proposals that fully comply with the requirements set forth in this RFQ, alternative proposals may also be proposed if the respondent feels such proposals provide measureable value to the participating Municipalities. Such alternative proposals must meet the requirements set forth in this RFQ.

1.11 Addenda

The MAPC may issue addenda to this RFQ; however it is the responsibility of the ESCO to determine that they have received all addenda prior to submitting a Response.

1.12 Required Insurance and Bonds

The ESCO shall be required to provide the Municipalities with 100% payment and performance bonds relating to the installation of the project for each of the Municipalities' Projects from a surety company licensed to do business in the Commonwealth of Massachusetts and whose name appears on United States Treasury Department Circular 570. In response to this solicitation, ESCOs shall provide documentation demonstrating its ability to secure the aforementioned payment and performance bonds. The successful ESCO shall procure and maintain, in effect for the life of the agreement, insurance as required in the IGA Agreements and in the EMSA.

The ESCO shall, at all times during the Contract, maintain in full force and effect: Employer's Liability, Workers' Compensation, Public Liability and Property Damage Insurance, including contractual liability coverage. All insurance shall be by insurers and for policy limits acceptable to the Municipality. Upon award, the ESCO will furnish the Municipality with certificates of insurance or other evidence satisfactory to Municipality to the effect that such insurance has been procured and is in force. The certificates shall contain the following express obligation: This is to certify that the policies of insurance described herein have been issued to the insured for which this certificate is executed and are in force at this time. In the event of cancellation or material change in a policy affecting the certificate holder, thirty (30) days prior written notice will be given the certificate holder.

For the purpose of the Agreement, ESCO shall carry the following types of insurance in at least the limits specified below:

COVERAGE LIMITS OF LIABILITY

Workers' Compensation: Statutory

Employers' Liability: \$500,000

Bodily Injury Liability: \$2,000,000 each occurrence (except auto)

\$4,000,000 aggregate (except auto)

Property Damage Liability: \$2,000,000 each occurrence (except auto)

\$4,000,000 aggregate (except auto)

Automobile Bodily Injury Liability: \$2,000,000 each person

\$4,000,000 each occurrence

Automobile Property Damage Liability: \$2,000,000 each occurrence

Excess Umbrella Liability: \$2,000,000 each occurrence

Professional Liability: \$2,000,000

CUSTOMER shall be named as an additional insured under the liability and automobile insurance. The general liability insurance policy should contain a broad form general liability endorsement.

1.13 Taxes, Fees, Code Compliance, Licensing

The ESCO shall be responsible for payment of any required permits, licenses, taxes or fees associated with the execution of the EMSA. The ESCO shall be responsible for compliance with all applicable laws and regulations. If there are tax credits for which the Municipalities are not qualified, but for which the ESCO is qualified, those savings will be passed on from the ESCO to each Municipality.

1.14 References and Disclosure of Information

Submission of a Response shall be deemed permission to the MAPC Selection Committee to make inquiries concerning the ESCO to any persons or firms deemed appropriate by the Selection Committee. The ESCO's submission of a Response shall be deemed acknowledgement that it is familiar with the Massachusetts Public Records Law, MGL Ch. 66, § 10 and is bound thereby. Disclosure of any information provided by any ESCO in connection with this RFQ shall be in strict accordance with the laws and regulations regarding such disclosure pursuant to MGL Ch. 66, § 10.

1.15 Costs of Responses

Neither the MAPC nor the Municipalities assume liability and will not reimburse any costs or expenses incurred by any ESCO (whether or not selected) in developing Responses to this RFQ.

1.16 Use of and Information Relating to Proprietary Equipment or Services

Unless no other manner of description suffices, and the Municipalities so approve in writing, no technical requirements and scope of work within the EMSA shall require the use of a proprietary supply or service, or procurement from a sole source. Any and all software, pass-codes and other information or documents required for the operation, maintenance or upgrades of energy management systems and energy conservation measures or Projects will be provided to the Municipalities at the time of installation at no extra charge.

1.17 Existing Municipality Systems and Infrastructure

The ESCO shall include recommendations and proposals in its Audit, to be incorporated in whole or in part, into the EMSA, that seamlessly integrate with the Municipalities' existing systems and infrastructure. The ESCO shall apply the principals of value engineering to insure cost effective recommendations.

1.18 Existing Contracts and Warrantees

During the IGA phase of the Project, the ESCO shall coordinate with the Municipalities and make itself familiar with proposed and ongoing construction projects, existing maintenance and operation agreements, and existing warrantees of the Municipalities affecting any recommended or proposed Project improvements. The ESCO shall modify its recommendations and proposals so as to maximize favorable existing agreements, integrate with third party contracts, and maintain existing warrantees.

1.19 CORI Clearance Requirements

In accordance with MGL Ch. 71, § 38R, the Municipalities may request and obtain all available criminal offender record information (CORI) from the Criminal History Systems Board of any contractor who may have direct and unmonitored contact with children, the elderly and/or the disabled. As a condition of the award of any contract pursuant to this RFQ, and prior to commencement of any work, the ESCO shall require all individuals, whether employees, agents, contractors or others working on behalf of the ESCO, who are involved in the provision of energy savings performance contracting services to complete and sign a Request Form to obtain CORI if, in the determination of each Municipality, some or all of the employees, contractors, agents or others working on behalf of the ESCO may have direct and unmonitored contact with children, the elderly and/or the disabled during the performance of their work on school and/or Municipal property.

1.20 Acceptance of the Audit

Each Municipality may, in their sole discretion, eliminate any building and/or facility from the scope of the IGA prior to the execution of the Agreements. As part of its consideration of the completed IGA Report and the recommendations of the successful ESCO, each Municipality may elect to proceed with all or any portion of the improvements proposed or recommended by the ESCO. Each Municipality may also elect to proceed with certain improvements on a “phased” basis, whether over a period of months or years if they determine that proceeding with all of the selected improvements simultaneously is not in the best interests of the Municipality. If the Awarding Authority decides not to enter into a Contract with the ESCO after the Energy Audit, even though the proposed contract terms meet all the conditions set forth in the RFQ, the Awarding Authority will pay costs under the Agreement. However, the Awarding Authority may refuse payment for the Audit Report if (a) the savings identified in the Response vary more than 15% from the proposed savings identified in the audit, (b) the projected value of the net benefit to the Awarding Authority set forth in the Response differs by more than ten percent (10%) of the corresponding purchase option price provided in the Energy Audit, or (c) any purchased option price set forth in Energy Audit is greater than one hundred and ten percent (110%) of the corresponding purchase option price provided in the Response.

1.21 Inconsistent Standards

If any requirement or standard set forth in this RFQ is inconsistent with any requirement or standard set forth elsewhere in this RFQ, or in any exhibit, attachment or appendix, or the IGA or the EMSA, or any scope of work or specification related thereto, the requirement or standard most favorable to each Municipality shall prevail.

1.22 Current Energy Expenses

Current energy consumption data for the listed facilities of each Municipality is referenced in Appendix 2 and provided in individual electronic files for participating Municipalities.

Statements of Qualifications must be submitted in the format outlined in this Section. Each Response will be reviewed to determine if it is complete. The Selection Committee may reject from further consideration any Response that does not follow the format or is deemed non-responsive; however, the MAPC Selection Committee reserves the right to waive any minor irregularities or informalities, or to cancel this Request for Qualifications, or reject in whole or in part any energy savings measures, if the MAPC determines that such cancellation or rejection is in the best interest of the public.

Please provide one (1) original and fifteen (15) hard copies plus one single-file electronic copy (on portable media) of your Response. Requested attachments of sample documents must be provided electronically in a separate file(s) from the Response.

2.1 Table of Contents

Statements of Qualifications shall include a table of contents properly indicating the section and page numbers of the information included.

2.2 Minimum Required Items

The ESCO must meet the minimum requirements as specified below. Failure to meet the minimum evaluation criteria may result in immediate rejection of the qualification submittal and to further review, at the discretion of the Selection Committee.

- **Department of Capital Asset Management (DCAM) Certificate of Eligibility (DCAM Form CQ7)**
- **Department of Capital Asset Management (DCAM) Update Statement (DCAM Form CQ3)**
- **Debarment Statement**
- **Evidence of bond capability** of at least five (5) million dollars from a surety company licensed to do business in the Commonwealth and whose name appears on United States Treasury Department Circular 570. Please provide the cost or fee your firm will charge for the performance and payment bonds as a percentage or unit dollar amount of the construction costs (e.g., 1% or \$2/thousand \$).
- **Form of legal entity and year entity was established**
- **Ownership status.** Describe any changes in ownership status over the past ten (10) years and/or anticipated changes in the next two (2) years.
- **Other entity names, if any**

- **Ultimate parent company, if applicable**
- **Federal Tax Identification Number for respondent**
- **Financial Statements.** Please submit a detailed financial report prepared in accordance with generally accepted accounting principles (GAAP) reflecting the current (as of the most recent financial statement date) financial condition of the Respondent. Such report must include a balance sheet; income statement and statement of cash flows, along with applicable footnotes, dated concurrently for at least each of the last preceding three years ending on the most recent fiscal quarter such statements were prepared. Public entities or subsidiaries should attach SEC Form 10-K along with, as applicable, detailed unaudited statements for the Submitting Entity. Non-public entities may attach either unaudited financial statements or copies of tax forms and schedules that are filed with the Internal Revenue Service where applicable.
- **Performance Guarantee.** Describe the form of guarantee that the Respondent will be providing in respect of the Project, and its associated cost. If a corporate guarantee backstop by a parent company or credit enhancement by a financial institution is anticipated, please provide a letter from the parent company or financial institution, indicating that such credit enhancement is available, the terms of such credit enhancement and the credit rating of the guarantor.
- **Lawsuits and Disputes.** Discuss whether your firm has ever been involved in a lawsuit or dispute regarding a performance contract. If so, please provide all such incidents and describe the circumstances and outcomes of such lawsuit or litigation. Further, please discuss whether your firm has been barred from providing performance contracting or other services in any states.
- **Certificate of Insurance**
- **Certificate of Tax Compliance**
- **Signature Authorization Certificates**
- **Non-Collusion Statement**

2.3 General Reputation and Performance Capabilities

- **Reputation and performance.** Describe the general reputation and performance capabilities of the firm and explain how these characteristics translate to optimizing results for the Municipality.
- **Years of service.** Provide the number of years Respondent has been engaged in providing EMSP services.
- **Municipality & public school experience.** Describe the experience the Respondent has had with Municipalities and public school systems, particularly in the Northeast and specifically in Massachusetts. Respondents shall demonstrate by example its experience working in facilities similar to the facilities included in this RFQ.
- **Projects and dollar value.** Provide the number of projects and aggregate dollar value of EMSP projects implemented by Respondent each year for the past five (5) years, including the value of the guarantees related to such projects and any shortfall in savings related to such projects.
- **Full-time personnel.** Provide the number of full-time personnel employed by the Respondent. Please segment the data, as appropriate, into categories of personnel providing EMSP services, Non-EMSP Operations/Maintenance Services and Non-EMSP Equipment Installation Services.
- **Full-time EMSP personnel.** Provide the number of full-time EMSP personnel located in any applicable local or branch office to be utilized for Projects that would be undertaken as a consequence of being selected to provide services as a result of this RFQ, and provide the site address of that local or branch office.
- **Proposed project team.** Again with respect to the question of available capacity, please identify by name and role staff persons the Respondent is proposing to employ on these Projects.
- **Accreditations / pre-qualifications.** Discuss any accreditations or pre-qualifications for EMSP work, describing the relevance or importance of such qualifications to the project.

2.4 Experience and Project References

- **Project experience.** Fully describe five (5) EMSP projects that Respondent has implemented within the last three (3) years.
 - Identify projects that involve facilities similar in type, size or scope to the Municipality's facilities.
 - Identify projects that have been managed by individuals who Respondent anticipates will be assigned to the Municipality's project. Discuss the level of technical/economic expertise of the staff. Provide resumes of the project team members and indicate which branch office each project team member is assigned. For each project team personnel, please list the current projects such employee is currently involved with and the status of the project. Please provide an organizational chart.

- Provide detailed project information for all five (5) reference projects including: customer name, project dates, total project cost at proposal stage, total final project cost, projected annual energy and water cost savings from IGA, projected annual operations and maintenance cost savings, actual realized annual cost savings to date, and any annual savings shortfalls. Respondent must also indicate whether the project was completed on schedule and on budget, and if not, explain the reasons for such delay or budget non-compliance.
- Provide a list of technologies implemented for each of the five (5) reference projects. For each technology, Respondents must provide the specific measurement and verification protocol implemented (FEMP Option A, B, C, D) along with the rationale Respondent used in selecting the specific FEMP Option.
- **References.** The Respondent should provide references for their Company. Also, provide references for each key person proposed in the submittal to be part of the project team. Please include the names, addresses, email addresses and telephone numbers for references. It is understood that the Selection Committee may contact any or all of the above references regarding the project and personnel performance as part of the RFQ submittal review process, but that this will not limit the contacts that the Selection Committee may make to evaluate the capabilities and qualifications of a Respondent.

2.5 Investment Grade Audit

- **IGA approach.** Describe Respondent's general approach to conducting an IGA. Specifically, what is the process? How will the Municipality be involved? Detail the level and depth of the information and resources that will be required of the Municipality? Does the Respondent intend to complete a Preliminary Energy Assessment of a Municipality's entire building portfolio? How will PEA results be used to develop the IGA scope? Respondents are encouraged to provide a sample PEA. .
- **Technical project design approach.** Describe Respondent's approach to the technical design of the project including the methodology Respondent normally uses to compute the baseline(s) of energy and water use, as well as the performance of improvements.
- **Measure costs.** Describe Respondent's approach to securing final pricing for individual measures identified and recommended in the IGA. How is pricing determined? Does the Respondent secure prices from multiple competing vendors for equipment and installation? Is this process transparent for the Municipality?
- **Baseline adjustment.** Describe the method(s) used to adjust the energy, water and O&M baseline due to such factors as weather, facility use changes and operating behavioral changes. Describe factors that would necessitate adjustment.

- **Calculating savings.** List all procedures, formulas and methodologies including special metering or equipment, which Respondent would use to calculate energy, water and O&M savings.
- **Multiple baselines.** Does your firm use multiple baselines for different ECMs? If so, please discuss approach.
- **Baseline adjustment frequency.** Discuss the frequency of baseline adjustments over the course of the EMSA, define the drivers that influence such adjustments and how frequently such data is collected.
- **Interactivity between ECMs.** Discuss Respondent's approach to identifying and quantifying interactivity between ECMs throughout the optimization process, specifically during the winnowing process performed in collaboration with the Municipality.
- **Sample IGA.** Provide an example, in electronic form, of a comprehensive IGA developed by Respondent for a project where the specific project team proposed for the Municipality was involved and completed similar work as contemplated for this project. This IGA must include energy and economic methodologies and engineering approaches. Provide a sample copy of the IGA in electronic form as an attachment.
- **Operational savings.** Discuss Respondent's approach to relying on energy and non-energy related operational savings in the savings calculation supported by the guarantee.
- **Risk factor.** Discuss Respondent's application of applying a "risk factor" to ECM-specific annual energy savings. Does Respondent's firm guarantee an annual level of savings less than the projected savings? Discuss how this "risk factor" is determined, whether it is ECM specific and if O&M activities contracted to the ESCO (rather than performed by the Municipality) has any impact on such "risk factor".
- **Assigning dollar values to savings.** Describe the procedure to assign dollar values to the savings. Include energy savings as well as maintenance or capital savings.
- **Draft schedule.** Provide a draft IGA schedule for a typical municipality project, including key milestones and timeframes. MAPC anticipates an award announcement by November 18, 2011 and requires a realistic implementation schedule from Respondents.

2.6 Construction and Commissioning

- **Critical path schedule protocols.** Describe protocols related to management of critical path schedule to ensure timely completion, including willingness to post liquidated damages for delays and performance shortfalls. Discuss Respondent's project management protocols to ensure schedule adherence.
- **Reporting and client liaison protocols.** Describe Respondent's reporting and client liaison protocols to be employed throughout the construction process.

- **Construction coordination.** Describe how Respondent would work with current building management and maintenance personnel to coordinate construction activities. Discuss in detail Respondent's protocols to avoid conflicts with the facilities' operation and use, and Respondent's conflict resolution process.
- **Customer contractor integration.** Discuss Respondent's perspective on integrating customer contractors or clerk of the works into the EMSA. If desired by the Municipality, is Respondent willing to solicit qualifications and expertise from local area contractors provided such contractors meet Respondent's requirements?
- **Standards of comfort and functionality.** Describe standards of seasonal comfort and functionality that Respondent would propose for light levels, space temperatures, ventilation rates, etc. in the facilities. Specifically discuss the application of these standards in municipal buildings, public school, and public housing indoor environments. Also describe how Respondent anticipates those standards would be maintained throughout the term of the EMSA.
- **Subcontractor management.** Discuss the role Respondent takes in managing subcontractors. Will Respondent oversee all work performed by subcontractors, including any work performed during occupied and unoccupied times?
- **Engineering risk.** For any design work conducted by third-party experts, please identify whether Respondent takes engineering risk including stamping engineering submittals.
- **ECM commissioning.** Discuss Respondent's approach to commissioning ECMs and describe any differences in commissioning Respondent employs on an ECM basis.
Please provide an electronic copy of a commissioning plan previously executed for one of the five (5) reference customers. Such electronic copy should be provided in a separate file. Discuss Respondent's ability to integrate a third party commissioning agent selected by the Customer into the EMSA.
- **Timing.** Discuss Respondent's approach to the timing of commissioning and training with respect to the commencement of the warranty.

2.7 Methodology of Determining and Guaranteeing Energy Savings

The Municipalities require that methods for monitoring, measurement, and verification of guaranteed energy and water savings shall conform to the most recent International Performance Measurement & Verification Protocol (IPMVP) and standards established by the Federal Energy Management Program of the U.S. Department of Energy.

- **Energy savings methodology.** Describe in detail the firm's methodology to determine energy savings and explain how this approach will minimize risk and maximize return for the Municipalities over the course of up to 20 years. Include in the description, the firm's approach to

verifying energy savings and addressing changes based on past experience and changes in use of municipal buildings and facilities over time.

- **Measurement and verification protocol.** Discuss Respondent's general approach to identifying the appropriate measurement and verification protocol on an ECM specific basis. Please provide a chart by ECM category listing the anticipated FEMP protocol for each ECM.
- **Excess savings.** Describe how excess savings is documented, and how Respondent treats excess annual savings.
- **Savings during construction.** How does Respondent treat savings realized during construction? Are those savings included in the guarantee and credited to the project or are those savings treated as excess savings to the Municipality? Discuss Respondent's ability to integrate a third party commissioning agent selected by the Customer into the EMSA.
- **Measurement and verification procedures.** Describe Respondent's standard measurement and verification procedures, including reporting frequency, reconciliation methods and timing.
- **Sample measurement and verification report.** Provide an electronic copy of a sample measurement and verification report from one of the five reference projects together with an explanation of how Respondent demonstrated, with respect to such report, whether the guaranteed savings level was met and if not, the mechanics of how the Customer was compensated. Redacted copies protecting confidential information will be accepted. Such electronic copy should be provided in a separate file.
- **Third-Party monitoring and verification.** Discuss Respondent's ability to integrate a third-party commissioning agent if requested by the Customer into the EMSA.

2.8 Service and Maintenance and/or Owner Training

In your responses to the following, include a description of Respondent's experience with ensuring that equipment warranties and maintenance records are maintained and the requirements of the performance guarantee for savings is met:

- **Proposed training.** Provide detailed information on any proposed training programs for Municipality maintenance personnel and staff, including course content, location, and schedule.
- **Ongoing service and maintenance.** Describe Respondent's capability to provide ongoing service and maintenance with Municipality in-house personnel and with third party contractors selected by the Municipality.
- **Recommendations.** State Respondent's general recommendations as to benefits of contracted service and maintenance vs. training of Municipality personnel.

2.9 Pricing Structure

- **IGA Audit fees.** Please provide a fee for the IGA report based on a unit cost per square foot.
- **Fixed price break up fee.** Respondents should describe how the ESCO will charge for the IGA if the community decides not to proceed with an EMSA.
- **Pricing approach.** Describe Respondent’s approach and preference to project pricing including: (a) Open Book/Open Book with contracted mark-ups, (b) Open Book/Closed Book/Firm Fixed Price and (c) Closed Book/Firm Fixed Price. Please note that each individual Municipality will determine its final preferred approach.
- **Change orders.** Under a Firm Fixed Price contract, what level (percentage) does your firm include as a contingency to contractually eliminate any Change Orders?
- **Hold-back retainage.** Under an EMSA, will Respondent accept a ten percentage hold-back retainage on all progress payments until final completion? In addition, will Respondent accept a negotiated hold-back retainage for ECMS that require seasonal commissioning and staff training?
- **Margin pancaking.** Discuss how Respondent will ensure that the Municipality is not exposed to “margin pancaking” by using specialty subcontractors (defined as those subcontractors that provide full turnkey services including engineering, design, and installation). Will Respondent reduce its overhead markup on those services provided by specialty subcontractors to mitigate against the margin pancaking issue?
- **Contracted mark ups.** Respondents must complete the following chart for contracted mark ups. If other categories are to be considered, please provide such additional information. Please also note that mark-ups not included by the Respondent in this response will not be considered in the development of the IGA Report, project development and the EMSA negotiations. ESCOs are encouraged to provide additional detail on mark-up categories as needed.

Project Soft Costs Mark- ups	Lighting and Controls	Major mechanical/HVAC systems	Chilled water systems	EMS / DDC	Building envelope & window upgrades	Air distribution / exhaust systems	Pool improvements	Well water systems	DHW conservation	Motors / drives	Kitchen equipment	On-site generation & renewable s	Vending, PC controllers, fire & safety
Investment-grade energy audit													
Engineering, design, and spec													

Project management														
On-site construction mngmt.														
Commissioning														
Training														
M & V during construction														
Cost of risk														
P&P bonds														
Construction interest														
Travel														
Site conditions														
Hazardous waste														
Other – warranty														
TOTAL														
Overhead														
Profit														

3.10. Additional Information Required

- **Experience with Public Buildings.** Provide specific information regarding Respondent’s experience and expertise with the various types and uses of buildings and facilities under consideration in this Project, including but not limited to the particular needs of public schools, public safety buildings, historic buildings, and public housing. Respondents shall provide a listing of public buildings in Massachusetts it has provided comprehensive services valued at \$250,000 or greater, and describe experience working with small towns (under 10,000 population) and regional school districts.
- **Hazardous Materials.** Describe the services your firm will provide to identify, abate, and otherwise address hazardous materials that may be present in buildings or facilities under consideration for this Project. Materials may include but not be limited to asbestos and lead.
- **Method of Record Keeping Satisfying Municipal and DOER Requirements.** Describe the type, method, formatting, and frequency of the Project reporting recommended and required. The selected ESCO shall provide access to records and preserve them for a period of six (6) years after final payment.
- **Financing.** Respondents shall include in their responses information regarding financing provided by the ESCO directly, or through a third party, however, the individual Municipality reserves the right to secure financing from whichever source(s) the Municipality determines is in its best interest.

- **Innovative Project Funding.** Respondents shall include in their responses (a) information regarding all potential funding sources that could be applied to any or all potential energy management services, (b) description of the applicant's experience(s) in securing such funding, and (c) description of any new sources of funding that may have recently become available but that the respondent has not yet had experience with. Such funding sources may include, but are not limited to: utility rebates, demand response payments, grants, sale of renewable energy, carbon or air quality emissions credits, and/or sale of efficiency benefits on the ISO New England Forward Capacity Market. All benefits that stem from the implementation of energy management services under the EMSA and that are deemed to have a monetary or societal value shall be the sole property of the Municipality and used to reduce the overall cost of the Project(s).
- **Experience with Renewable Energy and Clean Technologies.** Respondents shall include in their responses information on their firm's past experience installing renewable energy systems (such as solar hot water, photovoltaic, wind turbines, biomass and landfill-gas-to energy systems), high-efficiency power systems (such as combined heat and power systems), district energy systems (serving the Municipality's residents and businesses). Respondents shall include information on any projects implemented under power purchase agreements and shall provide details on the scope, term and pricing strategy of such projects.
- **Inclusion of Responsible Employer Requirements (RER) in contract and subcontract language.** Respondents shall include in their responses information on their firm's incorporation of job quality standards as preconditions for subcontracts, such as: compliance with workplace laws, fair wages and benefits, proper classification of workers, local hiring, a comprehensive health and safety plan, and connection to registered apprenticeships or other training programs. An example of RER can be found at the National Association for Fair Contracting, Inc.:
<http://www.faircontracting.org/pdf/SectionA.htm>.

4.1 Completeness

The Selection Committee will review each Response prior to the selection process for completeness and adherence to format. A Response will be considered complete if all requested sections and information are included in the proper order.

4.2 Evaluation of Responses

The MAPC will establish a Selection Committee consisting of representatives of the Municipalities to formally evaluate each Response and select the preferred ESCO. The evaluation process may include verification of references, confirmation of financial information and may include examination of other information as the Selection Committee deems appropriate. The ESCO may be asked to clarify or provide additional information through the interview process or through additional formal discovery.

The Selection Committee will conduct interviews as required by MGL Ch. 25A, § 11I and such additional interviews as it may deem necessary to evaluate the ESCO. The Selection Committee will make the final recommendation, based upon its evaluation, of the best qualified ESCO to the Municipalities.

The Selection Committee reserves the right to request or obtain additional information about any and all Responses.

The Selection Committee shall select for interview the three most qualified ESCOs, as required by MGL Ch. 25A, § 11I. Each of the Municipalities intends to enter into negotiations for an IGA Agreement, with guaranteed energy savings, with the most qualified ESCO. If the Municipalities and the most qualified ESCO are unable to negotiate satisfactory contracts at prices the Municipalities determine to be fair, competitive, and reasonable, the Municipalities shall continue the negotiation process in compliance with MGL Ch. 25A, § 11I.

4.3 Minimum Required Items

Each of the items listed on the following table shall be marked “Y” if supplied and “N” if not supplied. RFQ Responses that do not contain all items enumerated “Minimum Required Items”, as set forth below, shall be disqualified prior to further qualification review at the discretion of the Selection Committee.

Minimum Required Items	Supplied (Y/N)
Department of Capital Asset Management (DCAM) Certificate of Eligibility (DCAM Form CQ7)	
Department of Capital Asset Management (DCAM) Update Statement (DCAM Form CQ3)	
Debarment Statement	
Evidence of bond capability	
Form of legal entity and year entity was established	
Describe any changes in ownership status over the past ten (10) years and/or anticipated changes in the next two (2) years	
Other entity names, if any	
Ultimate parent company, if applicable	
Federal Tax Identification Number for Respondent	
Financial Statements	
Performance Guarantee	
Lawsuits and Disputes	
Certificate of Insurance	
Certificate of Tax Compliance	
Signature Authorization Certificates	
Non-Collusion Statement	
Software; Building Energy and Project Management	

4.4. ESCO Qualifications & Capabilities Desired

In considering the qualifications and capabilities of potential energy services providers responding to this RFQ, the Selection Committee will be looking for Respondents,

- Whose anticipated project team has an extensive record of highly successful performance contracting experience with facilities similar in type, size, and scope to those of the listed Municipalities.
- With ample ability to properly staff such a team with the requisite skills and expertise throughout the term of the contracts with each individual Municipality.
- Who has a history of, and can describe a rationale for, using specific measurement and verification protocols (FEMP Option A, B, C, D) to track the performance of specific technologies and ECMs that demonstrates a reasonable balance between risk and cost that is most advantageous to the client.
- With a history of working smoothly with client staff to collect data necessary for successful completion of the project with the least interruption to staff's other responsibilities.
- With extensive experience in performing IGAs including establishing energy and water use baselines and baseline adjustments, identifying opportunities, estimating performance of improvements, and proposing reasonable M&V strategies.
- Committed to completing projects while under a strong contractual incentive(s) to ensure that work is completed on time and to expected performance levels.
- With a past history of establishing working relationships between client and Respondent that lead to smooth, timely, and full completion of projects including the audit, construction and M&V phases.
- Whose protocols used for working with subcontractors and whose commissioning practices resulted in smooth, timely, and full completion of past projects at fair and equitable levels of cost and risk to the client.
- With a level of experience and understanding of M&V, including annual savings reconciliation and payment of shortfalls, that has demonstrably minimized risk and maximized return for past clients.
- With a history of developing a balance of contracted services versus training of client staff for ongoing service and maintenance work that minimized clients costs, maximized the use of resources already available to the client, and produced quality service and maintenance programs over the term of the contract.
- With a history of identifying creative opportunities to employ energy and water efficiency, renewable energy, and combined heat and power and/or district heating solutions to the client's advantage.

- With a history of working with clients to identify pricing structures that minimizes risk and maximizes return for the client.
- With a proven history of understanding client's goals and developing effective strategies to achieve them.

4.5. Comparative Evaluation Criteria

Each section or subsection of the Response will be evaluated individually for completeness and to determine the most advantageous option for the Municipalities. The Municipalities reserve the right to select the ESCO that provides the most responsive and responsible Response, which best meets the needs of the Municipalities, taking into account the ESCO qualifications, submittal quality, and evaluation criteria.

Each section has been assigned a weight, which will be applied to the category criteria to determine a final score for that criterion. The MAPC Selection Committee's decision or judgment on these matters shall be final.

The MAPC Selection Committee plans to develop a shortlist of three (3) firms prior to making a selection. Scoring will be summarized on a Formal Evaluation Form. The MAPC Selection Committee may adjust the scores following interviews as provided in MGL. Ch. 25A, Sec. 111, and such additional interviews as the MAPC Selection Committee may deem necessary to evaluate the Respondents.

Evaluation Criteria Measure Weighting

RATING CATEGORY	WEIGHT
Relevant Company Experience (10,000 foot view)	
Company-wide Experience and Capability	5%
Local Experience and Capability	
Technical Approach and Capability	
Experience with Similar Projects	
Record of Satisfactory Performance	
Financial Soundness	
Project References	
5 Relevant Complete References	10%
Proven Success with Similar Projects in Massachusetts	
Proven Success with Similar Projects in New England	
Demonstration of Savings and Project Performance	
Proven Success in Meeting Client Goals	
Personnel Experience	
Qualifications of Assigned Management Personnel	20%
Qualifications of Assigned Technical Personnel	
Qualifications of Assigned Construction/Site Personnel	
Qualifications of Assigned Commissioning Personnel	
Qualifications of M&V Staff	
Project Approach	
Comprehensiveness of Overall Proposed Approach	30%
Comprehensiveness of Scoping Audit	
Technical and Engineering Approach	
Construction Management Approach	
Operations and Maintenance Approach	
Training Approach	
Commissioning Approach	

Measurement and Verification

Comprehensiveness of Overall Proposed M&V Approach	
Demonstration of Achieving Savings Guarantees	20%
Approach to M&V Reporting, Reconciliation and Shortfall Payment	
Approach to M&V Leads to Reasonable Balance of Risk and Cost	

Cost and Pricing

Cost of the IGA	
Approach to Pricing (Open/Closed/Hybrid)	
Competitiveness of Markups	15%
Margin Pancaking	
Approach to Rebates, Incentives and Grants	

**Metropolitan Area Planning Commission
Energy Performance Contracting Request for Qualifications (RFQ)**

**FREQUENTLY ASKED QUESTIONS
Developed in collaboration with Peregrine Energy Group
October 2011**

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GENERAL INFORMATION

Q: What is “Energy Performance Contracting”?

A: Energy Performance Contracting is a special procurement tool that allows Massachusetts cities, towns, school districts, and other public agencies to purchase a bundle of energy management services through a one-time offer from qualified energy vendors. These agreements are called “performance contracts” because the selected energy vendor guarantees that implemented projects will result in specified, measurable savings. Examples of energy management services include engineering, design, construction, commissioning, and savings measurement and verification for energy and water related capital investment projects. Energy performance contracting is often used for “big ticket” asset modernization projects with long paybacks, but will typically also address a range of end uses, building systems, and equipment. Qualified energy vendors, called Energy Services Companies or ESCOs, are secured through competitive solicitations.

Q: How does this work?

A: Energy performance contract engagements are phased, beginning with preliminary assessments that determine the range of opportunities with costs and savings and followed by detailed investment grade engineering and ultimately project construction. Contracts are also phased, with the contracting parties working through the details of potential projects and come to agreement about a final scope or potentially disengage under terms specified in the initial energy audit contract if a construction agreement is not executed.

Q: Is this a good deal for my community?

A: It depends on whether you think you could do these projects on your own, politically and in terms of time/capital. The alternative would be to replace equipment as it fails, or as capital budgets have room for it.

Q: Will we need an Owner’s Agent to represent our interests in this process?

A: MAPC recommends that participating communities give serious consideration to engaging an independent owner’s agent with prior performance contracting experience to assist them. While an owner’s agent’s services may not be necessary if a community has the technical capabilities and staff resources available to protect its interests and provide project oversight, independent

expert support can help ensure that there is someone knowledgeable sitting on the community's side of the table at critical decision points such as finalizing contract language, selecting projects, specifying equipment requirements, confirming proper installation and operation, and verifying savings.

MAPC has made provision for participating communities to engage Peregrine Energy Group, Inc. in the Owner's Agent role under MAPC's competitively secured consulting services agreement and at our negotiated rates. Alternatively, communities can secure these services independently through standard procurement procedures.

REGIONAL PROCUREMENT OF A SINGLE ESCO

Q: What is MAPC proposing to do?

A: As part of its ongoing commitment to providing regional services that offer economies to members, MAPC has agreed to issue a regional solicitation for energy management services on behalf of MAPC municipalities. Participating parties will then be able to enter into contracts with the selected vendor if they choose to do so and be assured that they have met the Commonwealth's competitive bidding requirements.

Similar Massachusetts initiatives have been successfully undertaken on a regional basis in the Pioneer Valley, Franklin County, and Merrimack Valley.

Q: What ongoing assistance will MAPC provide?

MAPC will provide ongoing support to participating communities as needed, including: collecting facility and utility information for the RFQ, distributing responses to the RFQ, scheduling and providing guidance at meetings of the ESCO Selection Committee, answering questions about the performance contracting process, and creating template agreements after the ESCO has been chosen.

Q: Is there any obligation incurred if a municipality or agency is listed as a participant in the MAPC solicitation?

A: No. Being listed in the RFQ does not mandate that a listed participant executes a contract with the ESCO that is selected. That said, we suggest that participating parties treat their involvement seriously from the earliest stages and seek guidance from decision makers for their respective organizations as to whether such an approach is viable and attractive.

Q: Is this process geared towards choosing a big ESCO? Does a small company have a chance?

A: Yes, there is a bias towards larger companies.

Q: Is it possible to select multiple ESCOs? Wouldn't this result in better quality of projects? Are you going to get inferior staff with a single ESCO as they will be spread thin?

A: Having multiple ESCOs defeats the purpose of doing a single regional project (i.e. getting lots of bids and competitive pricing because everyone wants the work). If you have multiple ESCOs, they have to compete with each other, and municipalities end up competing to get the ESCO they perceive to be "better."

The ability of a single ESCO to do this many projects will be considered during the selection process. Remember, most of the work is done by subcontractors anyway, so the same pressure will be put on subcontractor community regardless of whether the projects are being managed by one ESCO or multiple ESCOs. ESCOs are really just project management/construction management providers.

Remember: these subcontractors are used to working weird hours (for lighting retrofits, etc) – not too hard to get the construction done.

In terms of staff: you will always have junior engineers doing work. But since this is a performance contract, their work will generally be overseen by senior staff – good results are in their own interest.

Also note: projects will end up being staggered anyway due at least to the Town Meeting/City Council distinction. We did confine the selection process to 14 communities.

Q: If at the end of the process, a community does not like the Regional ESCO selected, can they opt out?

A: Yes. A community can opt out at any time up until signing an Energy Services Agreement, and go out to bid under Chapter 25A on their own.

COSTS & FINANCIAL OBLIGATIONS

Q: What local approvals and financial commitments are necessary?

A: Engaging an ESCO will require that participating communities enter into one or more binding contracts for specified services, each with financial obligations.

The first contract is for an Investment Grade Audit (IGA). This contract authorizes the ESCO to complete an investment grade audit of assets that the community is considering including in the performance contract. The Investment Grade Audit agreement specifies the fee that the community must pay the ESCO if the community elects to not proceed with construction with the ESCO. The community will need to follow established community approval and payment procedures to ensure that the potential audit fee is properly obligated and reserved before signing the Investment Grade Audit agreement.

The second contract is an Energy Services Agreement (ESA). This contract authorizes the ESCO to begin the design and construction process for a locally approved set of energy efficiency measures described in the community specific IGA. This agreement is the heart of the performance contracting process. It includes savings guarantees from the ESCO, measurement and verification of savings methodologies, owner and ESCO obligations for building and equipment operations and maintenance, and procedures for sign-offs on measure completion, among other provisions.

To execute an ESA, the community must have secured the capital funds needed to pay for to be installed equipment and related services. Different ESCOs have different payment procedures, but generally, the ESCO will prefer that the community makes incremental progress payments to the ESCO during construction, with final payment due after the measures are commissioned and

when they begin to get useful benefit from the installation(s). The community will need to follow established community approval and payment procedures to ensure that vendor payments will be properly obligated and will be available before it can sign an Energy Services Agreement.

Q: Does the city/town pay for the IGA?

A: Yes.

Q: Is the cost of the IGA rolled into the total cost of the project?

A: Yes. IGA rate is about 4-10 cents per sf and is not seen as profit for the company. Cost for 1,000,000 sf would be approximately \$40-100k, which city must appropriate. It's rolled into construction costs and can't exceed debt services.

Q: Does the city/town pay for the projects?

A: Yes.

Q: What is the contract duration and dollar investment that participating parties should expect from an eventual Energy Management Services contract with the energy services company?

A: These are expensive, long-term agreements that should be considered carefully and entered into with all due diligence. Contracts for the most recent 15 energy performance contracts recorded by MA DOER ranged from \$0.1 million to \$39.0 million with a median cost of about \$10.0 million. The Term of guaranteed savings contracts ranged from 5 years to 20 years, with a median of about 15 years.

Q: Do the ESCOs finance these projects or do participants need to supply their own financing?

A: Participating communities must be able to finance and pay for the performance contract. Securing access to financing is a critical component of the overall process. Most, if not all, ESCOs understand the financial options available to public entities and many have pre-established relationships with financing firms that specialize in energy performance contracts.

Public entities can choose to have the ESCO facilitate the energy project financing, or they can pursue and secure financing themselves, perhaps using their bonding authority. The funding sources and options for public projects can include utility rebates, lease arrangements, municipal bonds, capital funds, operating funds, grants, and renewable energy grant funds².

Q: Who gets utility rebates?

A: They are passed on to the city.

Q: Who gets savings in excess of the guarantee?

A: They should be passed on to the city. This is something that should be negotiated during the contracting stage.

SUBCONTRACTORS

² MA DOER, "XI: FREQUENTLY ASKED QUESTIONS"

Q: Do subcontractors have to reveal their markup in responses to the RFQ?

A: No. What happens first is a design process to identify ECMs and potential savings. Once the whole project is confirmed, the ESCO will come back with fixed costs and savings based on competitively bidding out the project to sub contractors. This is done as part of the IGA process (also understood to be an ASHRAE Level 3 Audit).

Q: Are bids from the subcontractors transparent?

A: This is something we ask for during the selection process. Keep in mind that the city bears that cost if anything changes/prices go up/etc. Generally you agree on the scope, not pricing.

Q: What can we do if we don't like the subcontractors?

A: If you are working with a controls company, they will obviously try to sell you their products. You can express if you've had bad experience with their controls service department and ask them to go out to bid for the services.

POST-CONSTRUCTION PROCESS

Q: Who is responsible for equipment maintenance?

A: O&M is generally on the town and procedures will be specified by the ESCO. They are responsible for training your staff to implement the O&M plan. You can elect to accept their maintenance services agreement, or do it yourself, or go out to bid. They will check in on you to make sure you are doing proper maintenance in some way or another, and can cancel agreement if you're not doing it the way you say you would (which would make savings different).

Q: What happens if building use changes, altering energy consumption patterns?

A: The ESCO will come up with a baseline algorithm for each building based on hours of occupancy, set points, etc. If you change building operating hours (opening a community center on the weekends for meeting space, for example), you will work with the ESCO to adjust the baseline accordingly, so that savings can still be accurately demonstrated.

Q: Should we issue performance bonds?

A: Warrantees are your primary protection. Equipment generally comes with a 1-yr warrantee. You could require performance bonds if you wanted to, but it's an additional cost – remember the project can only get so big (limited by amount of savings).

LEGAL QUESTIONS

Q: How is this approach to contracting for Energy Management Services supported by state law?

A: Under M.G.L. c. 25A, sec 11C and 11I, public agencies are permitted to solicit competitive bids from energy service companies for bundled energy audit, design, construction, maintenance, and monitoring and verification services. Otherwise, under normal Massachusetts bidding laws, these services must be procured unbundled with separate bids for each phase of construction. This special exception for energy projects under M.G.L. c. 25A procurement guidelines acknowledges the unique challenge that energy projects present – that they require a holistic approach to initial energy analysis, measure selection, installation, and long term monitoring and verification.

Under Section 11C, vendors respond to a Request for Proposals (RFP) for a specific set of pre-identified measures and provide a fixed price for the measures and guaranteed energy savings.

Under Section 11I, vendors respond to a Request for Qualifications (RFQ), offer a fixed price for energy audits (i.e. cents/S.F.), describe their approach and potential energy savings measures the firm will investigate, and propose markups above installation cost (in percent) for services the vendor will provide.

Since the passage of the Green Communities Act in 2008³, there has been an explosive growth in the use of this mechanism by Massachusetts communities.

Q: Who can respond to Chapter 25A procurement RFPs or RFQs?

A: Only Energy Service Companies certified by the MA Department of Capital and Asset Management can submit a response to Chapter 25A procurement RFPs or RFQs. The ESCO will coordinate all of the activities of a performance contracting project, including: technical audits, design engineering, equipment installation, construction management, project financing, staff training, equipment maintenance and project monitoring.

There are many qualified ESCOs pursuing Energy Management Services Contracting projects in New England. Follow the link at [www.mass.gov/doer/Energy Management Services](http://www.mass.gov/doer/Energy%20Management%20Services) for a complete list of companies certified in Energy Management Services in Massachusetts⁴.

Q: Is there a process proscribed by Chapter 25A that MAPC must follow?

A: Cities and Towns need to follow five steps to procure Energy Management Services:

- a. Develop ESCO Request for Qualifications
- b. Publish RFQ and Select Vendor
- c. Negotiate and Sign Energy Audit Agreements
- d. Negotiate and Sign Energy Management Service Agreements
- e. Maintain Equipment and Monitor and Report Energy Performance

MAPC will take the lead with steps **a.** and **b.** for all communities who elect to participate in the collective RFQ bidding process with assistance from participating communities. The participating communities will be responsible for steps **c.**, **d.** and **e.** and sign individual Agreements with the selected ESCO.

Q: Do we have to do reporting to the state?

A: Yes, although it's mostly progress based/administrative rather than technical.

³ The Green Communities Act included significant changes to the M.G.L. c. 25A RFQ procurement regulations and extended the Energy Management Service Agreement up to 20 years.

⁴ MA DOER, "XI: FREQUENTLY ASKED QUESTIONS"

TASK THREE: Select Regional ESCO

In order to select the winning vendor from the eight that submitted proposals, MAPC assembled a committee of representatives from six of the 14 participating communities to review proposals and evaluate each in terms of their own needs. The ESCO Selection Committee represented a diverse array of community types and staff expertise. Members included:

- Adam Chapdelaine, Deputy Town Manager, Town of Arlington
- Mark Purple, Assistant Town Manager, Town of Ashland
- Robert Boulrice, City of Chelsea, Treasurer/Collector
- Martha Grover, Energy Efficiency Coordinator, City of Melrose
- Gino Carlucci, Town Planner, Town of Sherborn
- Linda Stout-Saunders, Gloucester Energy Committee member (participated remotely)

Peregrine Energy Group participated in the review process and helped facilitate the discussion at ESCO Selection Committee meetings. The process of selection by committee yielded value because committee members had the advantage of support from the other communities considering similar projects, in addition to the expertise brought to the table by Peregrine. The Committee met five times and held two conference calls over the course of September, October, November and December 2011 to discuss reactions to proposals, develop and review response to written questions, interview top candidates and make a final decision. Interviewed candidates were also asked to complete a sample audit of an elementary school in Melrose, MA. At the end of the process, the Selection Committee unanimously decided on Ameresco, Inc. as their top choice vendor.

The following requirements for participation were distributed to Selection Committee members at a preliminary meeting a few days before proposals from vendors were due to MAPC. Those are followed by the Memorandum of Understanding executed by MAPC and Ameresco on December 13, 2011, as well as a summary of services agreed to be provided by Ameresco to the participating municipalities.

Regional ESCO Selection Committee: Timeline & Requirements for Participation

September 13, 2011

An ESCO Selection Committee has been drawn from communities participating in the Regional Energy Services Company (ESCO) Request for Qualifications (RFQ) issued by the Metropolitan Area Planning Council (MAPC) in July 2011. Proposals are due on September 16, 2011. MAPC and its consultant, Peregrine Energy Group, will support the selection process, but community representatives will be responsible for selecting the successful respondent.

We have a total of seven community representatives for the Committee that bring expertise in facility operations and management, finance, local government procedures, capital project development, and/or energy efficiency. A list of current Committee members with contact information is provided below.

Prior knowledge of ESCOs, performance contracting and energy conservation measures is not required for Committee participants, as MAPC and Peregrine Energy Group will be available to provide guidance during the process on ESCO practices, performance contracting, and energy conservation measures that are typically included in such projects.

Once we begin the process of comparing proposals and energy services companies, we expect that Committee members will keep up with deadlines for reviewing materials submitted and honor their commitment to attend all scheduled meetings.

If for any reason a Committee member does not feel able to handle the volume of work required to participate in the Selection Committee, he/she should nominate a replacement prior to the start of the process or withdraw from the Committee.

Specifically, we ask that all Committee participants,

- **Attend all meetings of the ESCO Selection Committee.** There will be a minimum of five (5) and a maximum of seven (7) meetings of the Committee, during which proposals will be discussed and ranked, top candidates interviewed, and final decisions made. Universal participation in all meetings will ensure that all members have a common and shared base of information to guide their decision making. Meetings will be scheduled in alternating locations in an effort to accommodate participants traveling from different parts of the region. A meeting schedule is provided below.
- **Provide advance notice of extenuating circumstances that preclude attending any meeting.** If for any reason a Committee member is unable to attend an ESCO Selection Committee meeting, the member should provide MAPC staff with as much advance notice as possible. If two members of the ESCO Selection Committee are unable to attend a meeting, the meeting will be rescheduled.
- **Be responsive to communications from MAPC, indicating any preferred method of communication.** Committee members must read and respond to emails from MAPC staff in a timely manner or make it known if they prefer to be contacted by phone. All will be asked to confirm the best address and/or number where they can be reached to ensure that we can readily notify them of changes to our schedule and that they can respond to communications within two business days.

- Personally review responses to the RFQ and come prepared to discuss material at meetings.** Participants of the ESCO Selection Committee are expected to be engaged throughout the entire process and should avoid deferring review or decision-making responsibilities to others. Committee members will not be permitted to send substitutes to meetings. The bulk of time needed to review material is anticipated to take place in September and October of 2011. Top candidate interviews are anticipated to take place in November of 2011.
- Maintain confidentiality and respect for the procurement process.** Selection Committee members are expected to refrain from sharing proposals or specific vendor information with persons not on the Selection Committee. Off-the-record communication with vendors is considered to be inappropriate as it could be perceived to provide unfair advantage to a vendor. Names of Selection Committee members will be kept confidential to avoid inappropriate communication from vendors. All questions from both Selection Committee members and vendors should be directed through MAPC.

ESCO Selection Committee Meeting Schedule & Work Plan		
Date/Time	Location	Description
Tuesday, September 13 10am-12pm	MAPC (Boston)	Meeting 1: MAPC will review the selection process, Selection Committee expectations and confidentiality requirements.
Monday, September 19 – Tuesday September 20	Municipal offices	MAPC staff will physically deliver copies of the proposals to the offices of each Selection Committee member.
Monday, September 19 – Tuesday, October 11	Municipal offices	Three (3) week proposal review period
Wednesday, October 12 10:15am-12:15pm	MAPC (Boston)	Meeting 2: General discussion of proposals. Selection Committee will create a list of questions that MAPC will submit to vendors in written form.
Thursday, October 13 – Monday, October 24	n/a	Two (2) week period for vendors to respond to written questions.
Tuesday, October 25 10:15am-12:15pm	MAPC (Boston)	Meeting 3: Selection Committee reviews and discusses answers to written questions; creates shortlist (time permitting).
Tuesday, November 8 10:15am-12:15pm	MAPC (Boston)	Meeting 4 (if needed): Finalize shortlist of top three (3) vendors to interview.
Tuesday, November 15 ALL DAY	MAPC (Boston)	Meeting 5: Interviews with shortlist candidates scheduled.
Tuesday, November 29 ALL DAY	MAPC (Boston)	Meeting 6 (if needed): If unable to schedule all shortlist candidates for November 15, remaining interviews will be conducted on this day.
Wednesday, November 9 – Monday, December 12	Municipal offices	IF NEEDED: Sample preliminary energy audits of a municipal building conducted and results reviewed.
Tuesday, December 13 10:15am-12:15pm	MAPC (Boston)	Meeting 7: Final discussion of shortlist candidates; Regional ESCO selected.

**MEMORANDUM OF UNDERSTANDING
FOR ENERGY MANAGEMENT SERVICES
SOLICITED BY THE METROPOLITAN AREA PLANNING COUNCIL
FOR ITS MEMBER COMMUNITIES**

This Memorandum of Understanding (MOU) is entered into between the Metropolitan Area Planning Council (“MAPC”), located at 60 Temple Place in Boston, Massachusetts, and Ameresco, Inc. (“Ameresco”), located at 111 Speen Street, Framingham, Massachusetts.

WHEREAS, MAPC issued a Request for Qualifications (RFQ) dated July 28, 2011 for Comprehensive Energy Management Services, under the Massachusetts General Laws, Chapter 25A, Section 11I on behalf of certain MAPC member municipalities (Participants), such RFQ attached hereto as Attachment A and incorporated herein;

WHEREAS, Ameresco submitted a proposal dated September 16, 2011 in response to the RFQ and made formal written responses to questions from MAPC about its offering and capabilities, all of which are attached to this MOU as Attachment B, summarized in Attachment C, and incorporated herein, and are binding upon Ameresco in its provision of services solicited through the RFQ;

WHEREAS, MAPC formed a Selection Committee to select the most highly qualified Energy Services Company (ESCO) for the program participants to enter into an agreement with any and all cities and towns (“Participants”) listed in the RFQ, without prejudice and consistent with the RFQ, pursuant to MGL Ch. 25A, § 11I;

WHEREAS, such Selection Committee reviewed the proposals received and selected Ameresco as the top ranked ESCO, subject to Ameresco’s willingness to execute this MOU with MAPC;

WHEREAS, Ameresco agrees to offer services as described in Attachment A, Attachment B, and Attachment C, at the cost described in Attachment B;

Now, THEREFORE, in consideration of the mutual promises and covenants herein contained MAPC and Ameresco agree as follows:

1. Ameresco may proceed to enter into negotiations with each Participant to provide such Participant with Energy Management Services;
2. Ameresco will execute independent agreements with each Participant, in form and substance satisfactory to Ameresco and such Participant that describe the process and terms whereby a Participant will receive Energy Management Services from Ameresco. MAPC will not be a party to any MOU or any subsequent contractual agreements between Ameresco and a Participant;
3. Energy Management Services offered by Ameresco shall be consistent with the services described in Attachment A and Attachment B, and are understood by the Participants to include, but not be limited to, the services outlined in Attachment C.

IN WITNESS WHEREOF, the parties have executed this MOU as of the date last written below.

For the Contractor

Metropolitan Area Planning Council

By: _____

By: _____

Mark Draisen
Executive Director

Date _____

Date _____

ATTACHMENT C

SUMMARY OF ENERGY MANAGEMENT SERVICES TO BE PROVIDED TO PARTICIPATING CITIES AND TOWNS

Ameresco's proposal and subsequent written submissions and conversations with the Metropolitan Area Planning Council (MAPC) during the Energy Service Company (ESCO) selection process offered and committed Ameresco to provide an array of services with project pricing. The following list describes major service commitments made by Ameresco during this process. This Attachment C is not intended to be a complete presentation of all services and support that Ameresco has committed to provide to participating communities, as documented in its submissions to MAPC, included in the Memorandum of Understanding (MOU) as Attachment B.

- Pricing for services provided to all Participants shall be consistent with the Pricing section in the Ameresco proposal;
- Ameresco shall offer the same services to all program Participants without prejudice to Participant size, total energy use, number of buildings, number of potential energy conservation measures, and consistent with the RFQ, MGL Ch. 25A, § 11I;
- After the execution of an Investment Grade Audit (IGA) agreement with a Participant at pricing consistent with Ameresco's proposal to MAPC, Ameresco shall provide the Participant a Preliminary Energy Audit (PEA). The PEA shall be consistent in quality and content provided with the sample PEA report Ameresco provided for the Hoover School in Melrose as part of MAPC's ESCO selection process and as described in the Ameresco proposal. If a Participant chooses to not proceed with the Investment Grade Audit with Ameresco after receiving the results of this Preliminary Energy Audit, the Investment Grade Audit agreement shall be voided and there shall be no IGA charge;
- At a Participant's request, Ameresco shall incorporate the cost for the Participant to independently secure and pay for an Owner's Agent in the IGA and/or Energy Services Agreement (ESA);
- As part of its Open Book pricing, Ameresco shall create contingency lines for individual Energy Conservation Measures (ECMs) and any unspent contingency shall be reconciled in the final cost accounting for an ECM;
- All energy savings in excess of guaranteed savings shall accrue to Participant;
- Ameresco shall apply its Alternative Financing resources to search out and assist each Participant to secure alternative sources of funding that will reduce the Participant's share of the project cost and / or potentially allow for an increase to project scope;
- As part of the Open Book pricing model, Ameresco shall solicit competitive bids for all ECMs' labor and equipment, and shall share the results of this competitive bids with the Participant on request;
- Substantial Project Completion by Ameresco for each ECM shall include successful commissioning, provision of complete documentation describing the ECM, and training of

Participant staff that shall have responsibility for operating and maintaining installed equipment. This includes season-specific equipment and building commissioning and Participant staff training.