

MEMORANDUM

To: The Board of Swedesboro-Woolwich Consolidated School District
From: ESCO Review Committee
Date: 2/4/22
Re: Report on Summary and Analysis of ESCO Proposals and Recommendation

The Board of Education of the Swedesboro-Woolwich Consolidated School District in the County of Gloucester, New Jersey (the “Board”) received two (2) responses to its request for proposal for ESCO services. The responses were reviewed by a Review Committee consisting of Joel Brown (Chief Information Officer), Heather Worrell (Director of Special Services), Lorraine Campbell (Charles Harker Assistant Principal), Eileen Healy (teacher and SWEA President), Gina Azzari (Board President), Natalie Baker (Board Vice President), Julie Dickson (Board Member), Tamara McGovern (Board Member), Jaclyn Dopke (community member), Debbie Allen (community member), Walter Kappeler (Superintendent of Schools) and Steven Jakubowski (Business Administrator/Board Secretary) (collectively, the “Review Committee”).

Proposals were received from Honeywell Building Solutions (“Honeywell”) and DCO Energy, LLC (“DCO”). Both proposals appeared to be complete, and after the initial review and analysis the Review Committee decided that both proposers should be interviewed so that they could further explain their proposals and answer any questions. The interviews were held via Zoom on February 2, 2022. The interviews were conducted by Board’s Review Committee. Also, present during the interviews were Ms. Michelle Rossi, the ESIP Coordinator at New Jersey Board of Public Utilities, and Mr. Tony Solimine, Esq., of Wilentz, Goldman & Spitzer, P.A. (the Board’s Special Counsel).

The proposals and applicants were impressive. Each applicant addressed energy conservation measures recommended in the energy audit. The Review Committee believes that each company can meet its obligations for implementation of an energy savings program. DCO and Honeywell are companies with apparently strong financial abilities, significant resources and experienced and knowledgeable representatives. All provided a history of their experience.

DCO’s team has extensive experience with over 75+ ESIP projects throughout the State of New Jersey. DCO emphasized that their team would work with the Board of Education and its team to develop an energy savings plan that would accommodate the Board’s priorities, needs, and desires of the School District while maintaining positive cash-flow savings. It was clear which team member was responsible for what: relationship management, savings analysis, project management, construction management and verification.

DCO was clear and comprehensive on their approach to plan development and implementation. The representatives were clear and knowledgeable on the challenges for implementation. They discussed the project timeline and their strategies for meeting the timeline. DCO indicated that the RFP estimate was conservative so they would be able to meet and/or exceed expectations.

The DCO team emphasized the educational component that would be made available to the students and staff of the School District and the importance of energy reduction. They described the educational component at another district in detail with regards to the opportunities available to students (Jackson School District). DCO addressed many of the Board's facility desires, including, in part, upgrading the aging kitchen equipment, installation of high efficiency transformer, installing high efficiency boilers, EV charger, a solar PPA, and comprehensive LED lighting replacement. During the course of the interview when asked, DCO also indicated that they would be able to address other areas of concern, including the gym floors.

DCO's fee is 24.9% of construction costs. The project cost for the base project is \$2,202,024 with an alternative project of \$3,354,851. All rebates and incentives will be passed through to the Board and DCO will assist to obtain the same. There is no break fee if the Board does not decide to proceed after the development of the energy savings plan. The contract would be a not to exceed, so DCO would be responsible for any excess costs above and beyond the agreed upon costs once the project scope has been established. The cost of the measurement and verification and the guarantee for year one is \$24,000.

Honeywell is an international company with vast financial capabilities and resources. Honeywell has a substantial record of designing and implementing energy-related improvements throughout the country and specifically throughout New Jersey. In New Jersey, Honeywell indicated that they have completed 39 ESIP projects.

Honeywell most thoroughly addressed the school district's desired improvements. Specifically, they included the replacement of select roof top units, upgrades to aging kitchen equipment replacement, comprehensive LED lighting program and control upgrades, the gym floor replacement, building automation systems, kiosks, EV chargers, combined heat and power unit, and a solar PPA component. It was apparent from the proposal and the interview that Honeywell was the most attentive to the school district's desired project. Honeywell indicated that they would be able to meet the timeline depending upon supply chain issues related to COVID that are out of their control.

Honeywell's fee was 24.9% of construction costs with a base project of \$3,130,383.54. The contract would be a not to exceed, so Honeywell would be responsible for any excess costs above and beyond the agreed upon costs once the project scope has been established. Honeywell presented a very conservative approach to energy savings. The first year measurement and verification and guarantee is \$12,000.

The Committee ranked the applicants in accordance with the criteria described in the RFP. The rankings matrix is attached.

Based on the scoring described in the attached matrix and the interviews of DCO and Honeywell the Committee recommends that the Board of Education work with Honeywell for the development and implementation of its ESIP. If the Board approves an energy plan and decides to proceed with the implementation of the energy savings program, the proposed contract with Honeywell shall contain the terms and conditions set forth in the Request for Proposals and

the applicant's response. This contract will provide a guaranteed fixed price even if subcontracted work bids come in higher than expected.

	DCO	Honeywell
Company Overview and Qualifications (20%)	16.07	17.40
ESP Development and Implementation (25%)	19.38	21.35
Ability to Implement (15%)	12.63	12.75
Project Comprehensibility and Energy Savings Projections (25%)	19.58	21.67
Fees (15%)	12.25	12.75
TOTAL	79.90	85.92