

## **MEMORANDUM**

**To:** The Board of Education of the Scotch Plains-Fanwood School District  
in the County of Union, New Jersey

**From:** ESCO Review Committee

**Date:** August 24, 2026

**Re:** Summary Report and Analysis of Energy Service Companies (“ESCO”) Proposals and Recommendation

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The Board of Education of the Scotch Plains-Fanwood School District in the County of Union, New Jersey (the “Board” or “School District”) received two (2) responses on August 6, 2026, to its request for proposal for Energy Savings Company services (the “RFP”) from JDC Energy Services, A Veregy Company (“JDC”), and Honeywell International, Inc. (“Honeywell”). The response was reviewed by a review committee consisting of Christopher Jones, Business Administrator/Board Secretary, and Nicholas Crupi, Director of Buildings and Grounds (collectively, the “Review Committee”).

After preliminary review and analysis of both submissions, the Review Committee determined that JDC and Honeywell should be interviewed so that they could further explain their proposals and answer any questions. The interviews for JDC and Honeywell were held virtually on August 21, 2026 and August 24, 2026, respectively. The interviews were conducted by Board’s Review Committee and each of the proposers were asked a list of previously prepared questions.

Also present for the interviews were representatives Wilentz, Goldman, & Spitzer, P.A., Special Counsel to the School District, and representatives from Parette Somjen Architects, the architect for the School District (“PSA”). Both JDC and Honeywell also reported that they had good, working relationships with PSA, and that they had each collaborated with PSA on various prior ESIP projects.

## **JDC**

JDC's proposal was comprehensive and addresses the energy conservation measures ("ECMs") recommended in the District's Local Energy Audit. JDC's team has successfully implemented over ninety ESIP projects throughout the State of New Jersey totaling over \$725 million in ESIP improvements. Some of their previous ESIP projects include the Board of Education of the Township of Colts Neck, the Board of Education of the Borough of Roselle, the Board of Education of the Township of Edison, and the Board of Education of the City of Jersey City.

JDC represented that it has achieved 100% client satisfaction and provided letters of recommendation from several school districts, including the neighboring Cranford and Plainfield school districts. The Review Committee found these local references particularly relevant based on their proximity and familiarity with similar public-school facilities and operations.

JDC's submission included detailed breakdowns of two ESIP project options, summarized as follows:

| <b><u>Project</u></b> | <b><u>Total Costs</u></b> | <b><u>Term (Years)</u></b> | <b><u>Interest Rate</u></b> | <b><u>Qualified Incentives</u></b> | <b><u>Lifetime Savings</u></b> |
|-----------------------|---------------------------|----------------------------|-----------------------------|------------------------------------|--------------------------------|
| Base Project          | \$10,730,579              | 15                         | 5.00%                       | \$668,071                          | \$15,307,927                   |
| Alternate Project 1   | \$14,151,407              | 20                         | 3.75%                       | \$785,025                          | \$19,843,142                   |

The proposed ECMs include various improvements and upgrades, including but not limited to LED lighting replacement with controls, roofing upgrades, energy management system upgrades, HVAC improvements and replacement of roof top units, and related energy conserving upgrades. The proposed project also includes a Solar Power Purchase Agreement. The proposed ECMs vary in scope by building and project variant, but include improvements at Scotch Plains-Fanwood High School, Terrill Middle School, Malcom E. Nettingham Middle School, J. Ackerman Coles Elementary School, Howard B. Brunner Elementary School, William J. McGinn Elementary School, School One Elementary School, and Evergreen Elementary School.

JDC's team has pledged to work with the Board to develop an energy savings plan that will accommodate the School District's priorities, needs, and desires of the School District while maintaining positive cash-flow savings. Part of their services include providing access to and facilitating rebates, incentives and grants to help fund the project.

JDC emphasized that it is vendor-neutral and represented that its equipment recommendations would be based on the District's preferences, goals, and budget rather than on a particular manufacturer or product line.

The Review Committee remarked that they thought JDC had clearer processes in place to manage the projects and vendors effectively, and noted that the actual savings achieved by previously projects completed by JDC always exceeded the original savings projections. JDC also did a very good job of explaining the entire process and provided a clear delineation of leadership and responsibilities.

JDC's fee is 21% of the project's hard costs. Its proposal provides a detailed breakdown of project-service fees, overhead, and profit. Under the sample Investment Grade Energy Audit Agreement, if JDC and the Board cannot in good faith agree upon a mutually acceptable scope of work and financing arrangement, the Board may terminate the agreement without financial obligation to JDC, subject to the terms of the final agreement. The Board may also elect to purchase optional annual services, including a savings guarantee and related measurement and verification, performance monitoring, and ENERGY STAR benchmarking. JDC separately priced these optional services in its proposal. The scope, duration, and final cost of any services selected by the Board would be established in the applicable agreement.

## **HONEYWELL**

Honeywell's proposal was comprehensive and addresses the ECMs recommended in the District's Local Energy Audit. Honeywell's team has successfully implemented over 150 ESIP projects throughout the State of New Jersey totaling over \$600 million in ESIP improvements. Honeywell's team has also completed over 6,500 ESIP projects throughout the United States and over 500 ESIP projects in the Northeast Region. Some of their previous New Jersey ESIP projects include the Board of Education of the township of Old Bridge, the Board of Education of the Parsippany-Troy Hills Regional School District, the Board of Education of the Township of Monroe, and the Board of Education of the City of Orange. Honeywell indicates that it has a track record 100% client satisfaction for their past ESIP projects, and also provided various letters of recommendation in their proposal to such effect.

Honeywell's submission included detailed breakdowns of two ESIP project options, summarized as follows:

| <b><u>Project</u></b> | <b><u>Total Costs</u></b> | <b><u>Term (Years)</u></b> | <b><u>Interest Rate</u></b> | <b><u>Qualified Incentives</u></b> | <b><u>Lifetime Savings</u></b> |
|-----------------------|---------------------------|----------------------------|-----------------------------|------------------------------------|--------------------------------|
| Base Project          | \$6,257,593               | 15                         | 5.00%                       | \$323,075                          | \$9,390,797                    |
| Alternate Project 1   | \$12,674,991              | 20                         | 4.00%                       | \$3,787,034                        | \$13,912,551                   |

The proposed ECMs include various improvements and upgrades, including but not limited to interior and exterior lighting and control upgrades, the replacement of cooling systems and rooftop unit systems, boiler units and burner controls, and upgrades to HVAC control systems. Honeywell also spoke about including transformers within the project scope. However, those were already part of the previously approved referendum. The proposed project also includes a Solar Power Purchase Agreement with roofing upgrades, and an alternative an option for solar ownership. The proposed ECMs vary in scope by building and project variant, but include improvements for Scotch Plains-Fanwood High School, Terrill Middle School, Malcom E. Nettingham Middle School, J. Ackerman Coles Elementary School, Howard B. Brunner Elementary School, William J. McGinn Elementary School, School One Elementary School, and Evergreen Elementary School.

Honeywell's fee is 21% of hard costs of the project, and provides a detailed breakdown of the included project service fees, overhead costs, and their profit margin. Honeywell indicated that they would be responsible for any excess costs above and beyond the agreed upon costs once the project scope has been established. Honeywell proposed a bundled annual service option of \$60,000 for the savings guarantee-related measurement and verification, performance monitoring, ENERGY STAR benchmarking, training, and reporting services described in its proposal. JDC separately priced certain optional annual services. The actual annual service cost under either proposal will depend on the services, if any, selected by the Board following development of the Energy Savings Plan.

The Review Committee also noted that they appreciated that Honeywell provided specific information on available grants and other qualified incentives for the projects.

Honeywell offers full service through the entirety of the ESIP project, including but not limited to comprehensive energy audits, design-build engineering, peer reviews to ensure accurate modeling and risk mitigation, and proactive grant and incentives analysis and early application. Honeywell pledges to work with the School District on developing solutions through various interactive sessions to maximize the scope of their selected projects, including balancing the needs of the School District with other desirable projects.

## **CONCLUSION**

The Committee ranked the applicants in accordance with the criteria described in the RFP. The rankings matrix is attached below. Although both proposers demonstrated the qualifications and ability to complete the project, the Review Committee determined that JDC provided greater clarity regarding ESP development, project implementation, vendor coordination, leadership responsibilities, and the presentation of projected energy savings. The Committee also placed value on JDC's references from neighboring school districts with comparable operations.

Based on the scoring described in the attached matrix below, the virtual interviews, and the references obtained, the Review Committee recommends that the Board of Education work with JDC 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 JDC shall contain the terms and conditions set forth in the RFP and the applicant's response.

Any subsequent implementation agreement will establish the applicable fixed price.

|                                                                       | <b><u>JDC</u></b> | <b><u>HONEYWELL</u></b> |
|-----------------------------------------------------------------------|-------------------|-------------------------|
| <b>Company Overview and Qualifications (20%)</b>                      | <b>19</b>         | <b>19</b>               |
| <b>ESP Development and Implementation (25%)</b>                       | <b>24</b>         | <b>23</b>               |
| <b>Ability to Implement (15%)</b>                                     | <b>15</b>         | <b>15</b>               |
| <b>Project Comprehensibility and Energy Savings Projections (25%)</b> | <b>24</b>         | <b>22</b>               |
| <b>Fees (15%)</b>                                                     | <b>14</b>         | <b>14</b>               |
| <b>TOTAL</b>                                                          | <b>96</b>         | <b>93</b>               |