



Legislation Details (With Text)

File #: 18-0067 **Version:** 1 **Name:**
Type: Resolution **Status:** Passed
File created: 3/2/2018 **In control:** Town Commission
On agenda: 3/6/2018 **Final action:** 3/6/2018
Title: Resolution 2018-15: Approval of Energy Performance Contract & Guaranteed Professional Maintenance Agreement with ABM Building Services, LLC.
Sponsors: JP Murphy
Indexes:
Code sections:
Attachments: 1. 2018-15- Energy Performance Contracting-ABM, 2. ABM_Energy_Savings_Agreement - rd03022018 (1).pdf, 3. ABM_Maintenance_Agreement_FINAL - rd03022018.pdf

Date	Ver.	Action By	Action	Result
3/6/2018	1	Town Commission	adopted	Pass

Summary

To: Mayor Gary H. Katica & Commissioners
From: JP Murphy, Town Manager
Date: 03/2/2018

Subject:

Approval of Guaranteed Energy, Water and Wastewater Performance Savings Contract and Guaranteed Performance Services.

Summary: The Commission approved the consideration of the Investment Grade Audit and Guaranteed Savings Performance Contract with ABM Building Services, LLC at the January 16th, 2018 Commission Meeting. Staff and the Town Attorney have negotiated the proposed “Guaranteed Energy, Water and Wastewater Performance Savings” and “Guaranteed Performance Services” contracts. Under the performance contracting statute, ABM must

guarantee that the actual annual energy savings will meet or exceed the projected savings inclusive of the cost of any financing. If the savings don’t accrue, ABM is required to reimburse the town for any shortfalls. They are also required by statute to provide a 100 percent performance guarantee bond for faithful performance and must provide an annual reconciliation of the guaranteed energy savings. The contract documents are attached.

Background/Problem Discussion: Staff has been working for some time on a project to use energy performance contracting to replace aging infrastructure and achieve annual energy and operational cost savings in town buildings. Energy Performance Contracting (EPC) is an innovative financing technique that uses cost savings from reduced energy consumption to repay the cost of installing energy conservation measures. The Commission accepted from ABM Building Services, the results of a Technical Energy and Water Savings Audit (also known as an Investment Grade Audit or IGA), which took an in-depth look at potential energy savings.

Expenditure Challenges: The total of all installations is \$1,112,390. The capital financing element is \$762,390 over 12 years at 3.529%

Financial Implications: Please see schedule M for the project cash flow resulting in \$134,799 of net savings.

Recommendation: Staff recommends approval.

Proposed Motion: I move approval of Resolution 2018-15

