



# Milwaukee County

## Legislation Details (With Text)

**File #:** 11-195      **Version:** 1      **Name:** Guaranteed Energy Savings Performance Contracting (GESPC) to Repair County Building Infrastructure- Revised Proposal from Johnson Controls, Inc.

**Type:** Action Report      **Status:** Signed

**File created:** 3/22/2011      **In control:** County Clerk

**On agenda:**      **Final action:** 4/27/2011

**Title:** From the Director, Department of Transportation and Public Works, requesting authorization to prepare, review, approve, and execute all contract documents as required to hire Johnson Controls, Inc. (JCI), an Energy Services Company (ESCO) previously approved as qualified by the County Board, to provide Phase 2 Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure based on the energy audits performed at selected County facilities and as described in a previous report from the Department of Transportation and Public Works (DTPW) to the County Board in July of 2008. (11/04/10 Board Meeting: Referred back to the Committees on Transportation, Public Works, and Transit and Finance and Audit.)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. ATTACHMENT, 2. DAS REPORT, 3. RESOLUTION, 4. FISCAL NOTE, 5. CB Resolution 04-267(a)(h), 6. Audio TPWT 04/06/11, 7. Audio F&A 04/14/11

Date	Ver.	Action By	Action	Result
4/27/2011	1	County Executive	SIGNED	
4/21/2011	1	Milwaukee County Board of Supervisors	ADOPTED	Pass
4/14/2011	1	Finance and Audit Committee	CONCURRED	Pass
4/6/2011	1	Transportation, Public Works and Transit Committee	Recommended for Adoption	Pass
3/28/2011	1	Board Chairman	Assigned	
3/28/2011	1	Board Chairman	Assigned	

From the Director, Department of Transportation and Public Works, requesting authorization to prepare, review, approve, and execute all contract documents as required to hire Johnson Controls, Inc. (JCI), an Energy Services Company (ESCO) previously approved as qualified by the County Board, to provide Phase 2 Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure based on the energy audits performed at selected County facilities and as described in a previous report from the Department of Transportation and Public Works (DTPW) to the County Board in July of 2008. **(11/04/10 Board Meeting: Referred back to the Committees on Transportation, Public Works, and Transit and Finance and Audit.)**

### POLICY

The Director of Transportation and Public Works is requesting authorization to prepare, review, approve and execute all contract documents as required to hire Johnson Controls Inc. (JCI), an Energy Services Company (ESCO) previously approved as qualified by the County Board, to provide Phase 2 Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure based on the energy audits performed at selected County facilities and as described in a previous report from the Department of Transportation and Public Works (DTPW) to the County Board.

### **BACKGROUND**

In the July 2008 County Board cycle DTPW submitted to the TPW/T Committee a report that recommended which buildings should be considered as part of the 20% of all County buildings to be audited in 2009 for potential GESPC in keeping with the “Green Print” resolution. DTPW requested proposal from the 3 qualified ESCOs to perform the Technical Energy Audits (TEA) in 2009.

In the September 2008 County Board cycle, the County Board approved a funding source for conducting the TEAs for the County-owned buildings listed in the report. In January 2010 DTPW submitted a recommendation to the County Board on 3 GESPC contracts, including contracts from Honeywell, AMERESCO and JCI. In March 2010 the Department of Administrative Services (DAS) submitted a “Due Diligence” report to the County Board on all 3 contracts and a recommendation for the GESPC Financing. The County Board authorized execution of the contracts for Honeywell and AMERESCO.

However, the GESPC contract with JCI was not authorized due to “due diligence” issues regarding the replacement of heating and cooling systems based on natural gas rather than steam. This report requests approval for a revised GESPC contract having a reduced scope of work that does not involve any change from the existing basic steam based heating and cooling systems.

JCI performed TEAs at the Children’s Court Center, Fleet Management and the Parks Administration building.

The TEA included a Guaranteed Energy Savings Performance Contract (GESPC) project development scenario. The TEA contract commits Milwaukee County to enter into a GESPC if the ESCO provides, to the satisfaction of the project team, that the program developed illustrates that energy and water use savings can be attained to meet the County’s terms. The cost of the work to generate the TEA will be rolled into the cost of the GESPC. Once this provision has been met by the ESCO, should Milwaukee County decide not to proceed with a GESPC, the County is required to reimburse the ESCO for expenses actually incurred during the Technical Energy Audit Contract. Considering the square footage of the building list in this contract, this reimbursement could amount to a total of \$55,000.

The TEA by JCI was completed in May of 2009 and revisited recently in 2011. The audit contains a preliminary program development for the facilities in the assigned building grouping. The ESCO indicated that they believe there is more than enough energy and water use savings among the buildings they audited to pay for the implementation or construction of the Energy Conservation Measures (ECMs) recommended in the program development.

The details of the implementation of the Energy Conservation Measures (ECM) at each facility and standard contract terms and conditions for the GESPC contract has been reviewed and

tentatively agreed to by the ESCO and County staff, including Parks, DTPW, Corporation Counsel, Risk Management and DAS Fiscal personnel.

A summary of the proposed costs for the ESCO proposal is as follows:

**JCI: Estimated Implementation Cost of \$1.8 million**  
(See attached scope of work)

DAS Fiscal Affairs plans to submit an additional informational report to the County Board in March 2011 to provide a summary of the “due diligence” analysis performed by DAS for this GESPC proposals.

The current schedule for this process is as follows:

**Energy Performance Contract (GESPC) Phase 2 - revised timeline is as follows:**

Recommendation to County Board on GESPC Contracts - DTPW	March 2011
Approval contingent on the satisfactory “Due Diligence” by DAS	
“Due Diligence” Informational Report to County Board - DAS	March 2011
Recommendation of GESPC Financing to County Board - DAS	March 2011
Phase 2 Energy Performance Contract (GESPC) Implementation	April 2011

Milwaukee County’s goal is 25% DBE subcontractor participation on any subsequent GESPC to be awarded as an outcome of this contract. GESPC documents will contain pertinent and current DBE, AA and EEO policy requirements. The specified DBE participation forms will be received and approved by the CBDP office prior to GESPC award by the County.

The County Board also authorized in 2009 that TEAs be performed at City Campus, the 5 Senior Centers and the 2 Wil-O-Way facilities. Originally, these facilities were assigned to Honeywell Inc., another approved ESCO. Currently Honeywell is working on a \$2.7 million GESPC at the Courthouse Complex. At this time, DTPW also requests authorization to assign to JCI the TEA and development of a GESPC proposal for City Campus, the 5 Senior Centers and the 2 Wil-O-Way facilities based on JCI’s excellent previous work at the Zoological Gardens and in order to expedite the implementation of Energy Conservation Measures (ECMs) at these other facilities. When these new GESPC proposals are complete, DTPW will submit a report to the County Board to request authorization to enter into contracts upon completion of the required “due diligence”.

**RECOMMENDATION**

The Director of Transportation and Public Works respectfully submits a recommendation to the County Board to adopt a resolution that provides the following:

Authorization for the Director of Transportation and Public Works to prepare, review, approve and execute all contract documents as required to hire JCI, an ESCO previously approved by the County Board, to provide Phase 2 Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure based on the energy

audits performed at selected County facilities. **This authorization is contingent on the satisfactory “Due Diligence” performed by DAS on each GESPC proposal.**

Prepared by: Gregory G. High

Approved by:

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Jack H, Takerian, Director  
Transportation & Public Works

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Gregory G. High  
Director, AE&ES Div., DTPW

Attachment: Scope of Work for JCI proposed GESPC

cc: Marvin Pratt, County Executive  
E. Marie Broussard, Deputy Chief of Staff  
Pam Bryant, Capital Finance Manager, Administration & Fiscal Affairs Division, DAS  
Scott Manske, Controller, Accounts Payable Division, DAS  
John Schapekahn, Corporation Counsel  
Sarah Jankowski, Fiscal Mgt. Analyst, Administration & Fiscal Affairs Division/DAS