

If you have any questions, please contact Matthew Chow at (808) 586-0577 or [matthew.m.chow@hawaii.gov](mailto:matthew.m.chow@hawaii.gov).

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**STATE OF HAWAII**  
**STATE PROCUREMENT OFFICE**

**SPO Vendor List Contract No. 25-01**  
Replaces SPO Vendor List Contract No. 19-08  
Effective: 01/06/2025

***THIS SPO PRICE/VENDOR LIST CONTRACT IS FOR AUTHORIZED BUSINESS ONLY***

**ENERGY SAVINGS PERFORMANCE CONTRACTING**  
(RFP No. 25001)  
**January 6, 2025 to January 5, 2027**

**PARTICIPATING JURISDICTIONS** listed below have signed a cooperative agreement with the SPO and are authorized to utilize this vendor list contract.

Executive Departments/Agencies	City and County of Honolulu (C&C Honolulu)
Department of Education (DOE)	Honolulu City Council
School Facilities Authority (SFA)	Honolulu Board of Water Supply
Hawaii Health Systems Corporation (HHSC)	Honolulu Authority for Rapid Transportation (HART)
Office of Hawaiian Affairs (OHA)	County of Hawaii
University of Hawaii (UH)	Hawaii County Council
Public Charter School Commission and Schools	County of Hawaii – Department of Water Supply
House of Representatives (House)	County of Maui
Senate	Maui County Council
Judiciary	County of Maui – Department of Water Supply
	County of Kauai
	Kauai County Council
	County of Kauai – Department of Water

The participating jurisdictions are not required but may purchase from this vendor list contract, and requests for exception from the contract are not required. Participating jurisdictions are allowed to purchase from other contractors; however, HRS chapter 103D, and the procurement rules apply to purchases by using the applicable method of procurement and its procedures, such as small purchases or competitive sealed bidding. The decision to use this contract or to solicit pricing from other sources is at the discretion of the participating jurisdiction.

**POINTS OF CONTACT.** Questions on how to utilize this vendor list contract should be directed to Joseph Earing, DAGS Public Works at (808) 586-0500.

Procurement questions or concerns may be directed as follows:

Jurisdiction	Name	Telephone	FAX	E-mail
Executive	Matthew Chow	586-0577	586-0570	<a href="mailto:matthew.m.chow@hawaii.gov">matthew.m.chow@hawaii.gov</a>
DOE	Procurement Staff	675-0130	675-0133	<a href="mailto:G-OFS-DOE-Procurement@k12.hi.us">G-OFS-DOE-Procurement@k12.hi.us</a>
SFA	Gaudencia "Cindy" Watarida	430-5531	n/a	<a href="mailto:cindy.watarida@k12.hi.us">cindy.watarida@k12.hi.us</a>
HHSC	Nancy Delima	359-0994	n/a	<a href="mailto:ndelima@hhsc.org">ndelima@hhsc.org</a>
OHA	Christopher Stanley	594-1833	594-1865	<a href="mailto:chriss@oha.org">chriss@oha.org</a>
UH	Karlee Hisashima	956-8687	956-2093	<a href="mailto:karlee@hawaii.edu">karlee@hawaii.edu</a>
Public Charter School Commission and Schools	Danny Vasconcellos	586-3775	586-3776	<a href="mailto:danny.vasconcellos@spcsc.hawaii.gov">danny.vasconcellos@spcsc.hawaii.gov</a>
House	Brian Takeshita	586-6423	586-6401	<a href="mailto:takeshita@capitol.hawaii.gov">takeshita@capitol.hawaii.gov</a>
Senate	Carol Taniguchi	586-6720	586-6719	<a href="mailto:c.taniguchi@capitol.hawaii.gov">c.taniguchi@capitol.hawaii.gov</a>
Judiciary	Tritia Cruz	538-5805	538-5802	<a href="mailto:tritia.l.cruz@courts.hawaii.gov">tritia.l.cruz@courts.hawaii.gov</a>
Honolulu City and County (C&C)	Procurement Specialist	768-5535	768-3299	<a href="mailto:bfspurchasing@honolulu.gov">bfspurchasing@honolulu.gov</a>
Honolulu City Council	Kendall Amazaki, Jr.	768-5084	n/a	<a href="mailto:kamazaki@honolulu.gov">kamazaki@honolulu.gov</a>
Honolulu City Council	Nanette Saito	768-5085	768-5011	<a href="mailto:nsaito@honolulu.gov">nsaito@honolulu.gov</a>
Honolulu Board of Water Supply	Procurement Office	748-5071	n/a	<a href="mailto:fn_procurement@hbws.org">fn_procurement@hbws.org</a>
HART	Dean Matro	768-6246	n/a	<a href="mailto:dean.matro@honolulu.gov">dean.matro@honolulu.gov</a>
County of Hawaii	Diane Nakagawa	961-8440	n/a	<a href="mailto:Diane.Nakagawa@hawaiicounty.gov">Diane.Nakagawa@hawaiicounty.gov</a>
Hawaii County Council	Diane Nakagawa	961-8440	n/a	<a href="mailto:Diane.Nakagawa@hawaiicounty.gov">Diane.Nakagawa@hawaiicounty.gov</a>
County of Hawaii - Department of Water Supply	Ka'iulani L. Matsumoto	961-8050 ext. 224	961-8657	<a href="mailto:kmatsumoto@hawaiidws.org">kmatsumoto@hawaiidws.org</a>
County of Maui	Jared Masuda	463-3816	n/a	<a href="mailto:jared.masuda@co.maui.hi.us">jared.masuda@co.maui.hi.us</a>
Maui County Council	Marlene Rebugio	270-7838	n/a	<a href="mailto:marlene.rebugio@mauicounty.us">marlene.rebugio@mauicounty.us</a>
County of Maui - Department of Water Supply	Kenneth L. Bissen	270-7684	270-7136	<a href="mailto:ken.bissen@co.maui.hi.us">ken.bissen@co.maui.hi.us</a>
County of Kauai	Ernest Barreira	241-4295	241-6297	<a href="mailto:ebarreira@kauai.gov">ebarreira@kauai.gov</a>

Jurisdiction	Name	Telephone	FAX	E-mail
Kauai County Council	Codie Tabalba	241-4193	241-6349	<a href="mailto:ctabalba@kauai.gov">ctabalba@kauai.gov</a>
County of Kauai - Department of Water	Christine Erorita	245-5409	245-5813	<a href="mailto:cerorita@kauaiwater.org">cerorita@kauaiwater.org</a>

**USE OF PRICE & VENDOR LIST CONTRACTS BY NONPROFIT ORGANIZATIONS.** Pursuant to HRS §103D-804, nonprofit organizations with current purchase of service contracts (HRS chapter 103F) have been invited to participate in the SPO price & vendor lists contracts.

A listing of these nonprofit organizations is available at the SPO website: <http://spo.hawaii.gov>. Click on *For Vendors > Non-Profits > Cooperative Purchasing Program > View the list of qualifying nonprofits eligible to participate in cooperative purchasing.*

If a nonprofit wishes to purchase from a SPO price or vendor list contract, the nonprofit must obtain approval from each Contractor, i.e., participation must be mutually agreed upon. A Contractor may choose to deny participation by a nonprofit. Provided, however, if a nonprofit and Contractor mutually agree to this arrangement, it is understood that the nonprofit will retain its right to purchase from other than a SPO price or vendor list Contractor(s).

#### **PRE-QUALIFIED ENERGY SERVICE COMPANY.**

- Ameresco Inc.
- Johnson Controls Inc.
- Noresco LLC

**VENDOR CODES** for annotation on purchase orders are obtainable from the *Alphabetical Vendor Edit Table* available at your department's fiscal office. Agencies are cautioned that the remittance address on an invoice may be different from the address of the vendor code annotated on the purchase order.

**COMPLIANCE PURSUANT TO HRS §103D-310(c).** Prior to awarding this contract, the SPO verified compliance of the Contractor(s) named in the SPO Vendor List Contract No. 25-01. *No further compliance verification is required prior to issuing a contract, purchase order, or pCard payment when utilizing this contract.*

**PURCHASING CARD (pCard).** The State of Hawaii Purchasing Card (pCard) is required to be used by the Executive department/agencies, excluding the DOE, SFA, HHSC, OHA, and UH, for orders totaling less than \$2,500. For purchases of \$2,500 or more, agencies may use the pCard, subject to its credit limit, or issue a purchase order.

Note: Vendors may impose a transaction fee, not to exceed 4%, for pCard transactions.

**PURCHASE ORDERS** may be issued for purchases of \$2,500 or more and for vendors who either do not accept the pCard, or set minimum order requirements before accepting the pCard.

**SPO VL CONTRACT NO. 25-01** shall be typed on purchase orders issued against this vendor list contract. For pCard purchases, the SPO Vendor List Contract No. 25-01 shall be notated on the appropriate transaction document.

**PAYMENTS** are to be made to the Contractor(s) remittance address. HRS §103-10 provides that the State shall have thirty (30) calendar days after receipt of invoice or satisfactory completion of contract to make payment. Payments may also be made via pCard.

**LEASE AGREEMENTS** are allowed under this contract.

**STATE GENERAL EXCISE TAX (GET) AND COUNTY SURCHARGE** shall not exceed the following rates if seller elects to pass on the charges to its customers.

COUNTY	COUNTY SURCHARGE TAX RATE	STATE GET	MAX PASS-ON TAX RATE	EXPIRATION DATE OF SURCHARGE TAX RATE
C&C OF HONOLULU	0.50%	4.0%	4.7120%	12/31/2030
HAWAII	0.50%	4.0%	4.7120%	12/31/2030
COUNTY OF MAUI (including Molokai and Lanai)	0.50%	4.0%	4.7120%	12/31/2030
KAUAI	0.50%	4.0%	4.7120%	12/31/2030

The GET or use tax and county surcharge may be added to the invoice as a separate line item and shall not exceed the current max pass-on tax rate(s) for each island.

County surcharges on state general excise (GE) tax or Use tax may be visibly passed on but is not required. For more information on county surcharges and the max pass-on tax rate, please visit the Department of Taxation's website at <http://tax.hawaii.gov/geninfo/countysurcharge>.

**COMPLIANCE PURSUANT TO HRS §103-53.** All state and county contracting officers or agents shall withhold final payment of a contract until the receipt of tax clearances from the director of taxation and the Internal Revenue Service. This section does not apply to contracts of less than \$25,000.

**VENDOR AND PRODUCT EVALUATION** form, SPO-012, for the purpose of addressing concerns on this vendor list contract, is available to agencies at the SPO website: <http://spo.hawaii.gov>. Click on *Forms* on the home page.

**PRICE OR VENDOR LIST CONTRACT AVAILABLE ON THE INTERNET** at the SPO website: <http://spo.hawaii.gov>. Click on *Price & Vendor List Contracts* on the home page.

**EMERGENCY PURCHASE.** The FEMA special provisions have been added to the contract to allow departments/agencies to make purchases during a declared disaster and seek FEMA reimbursement during a declared emergency. For more information, please visit: <https://spo.hawaii.gov/for-state-county-personnel/disaster-preparedness-procurement/fema-reimbursement/>

The following Contractors have agreed to the FEMA special provisions:

- Ameresco Inc.
- Johnson Controls Inc.
- Noresco LLC

## CONTRACT INFORMATION

### Definitions

- **Commissioning** means a quality focused process for enhancing the delivery of a project. The process focuses upon verifying and documenting that the facility and all of its systems and assemblies are planned, designed, installed, tested, operated, and maintained to meet the Owner's Project Requirements (Adapted from ASHRAE Guideline 0-2005). The process is typically described in a Commissioning Plan that outlines the organization, schedule, allocation of resources, and documentation requirements of the Commissioning Process. The results are typically described in a Commissioning Report which is a document that records the activities and results of the Commissioning Process. Usually developed from the final Commissioning Plan with all of its attached appendices.
- **Contract Administrator** means the person designated to manage the various facets of the contract(s) to ensure the Contractor's total performance is in accordance with the contractual commitments and obligations are fulfilled.
- **Contractor** means the person having a contract with a governmental body.
- **Design-build** means the process of concurrently developing project scope and design documents (i.e. plans and specifications) for expedited construction and implementation of approved ECM improvements by an ESCO.
- **ECM** means the energy conservation measure which is a project task or improvement that would result in the conservation of electrical energy, other resources (i.e. water; solid waste disposal; heat generation, etc.), reduction in utility costs, operating costs, or the generation of renewable energy.
- **Energy cost savings** means the computed dollar amount of utility or operating cost savings based on the savings actual amount of energy saved (such as kilowatt-hours; gallons of water; pounds or volume of solid waste disposal; BTU of heat, etc.), or renewable energy generated.
- **Energy savings** means the reduction in electrical energy consumption (i.e. kilowatt-hours), the need for other resources (such as: gallons of water; pounds or volume of solid waste disposal; units of generated heat, etc.), operational costs, or renewable energy generated.
- **ESCO** means an "energy service company" that provides energy savings performance contracting including project management and design-build services for ECM improvements that are funded by the cash flow resulting from "energy cost savings".
- **ESCO project team** means the ESCO staff, design consultant firm(s), subcontractors and their respective role and qualifications that the ESCO proposes to use during implementation of the ESPC projects.
- **ESPC** means Energy Savings Performance Contracting or Energy Performance Contract which is an executed agreement or contract between a State or County agency and a

selected “pre- qualified ESCO” for implementation of approved ECM improvements using the cash flow resulting from the ESCO “guaranteed energy savings”; also called GES agreement or contract.

- **Facility or facilities** is broadly defined to include but is not limited to buildings, airports, harbors, roadways, highways (including tunnel facilities), parking facilities, athletic fields, sport complexes, stadiums, recreational facilities, educational facilities, libraries, residential facilities, correctional facilities (including work furlough centers, jails, and prisons), Judiciary facilities (including courthouses and detention facilities), military facilities, pumping stations (including water and wastewater facilities), treatment facilities (including water, and wastewater facilities), refuse facilities (including resource recovery facilities), and maintenance support facilities (including base yards, corporation yards, and maintenance facilities).
- **Facility Owner** is the State or County agency responsible for management and operations of a facility and may also be responsible for the costs of utility services.
- **GES** means Guaranteed Energy Savings. GES is the ESCO’s commitment to a State or County agency that approved ECM improvements, based on a completed Investment Grade Audit, will achieve designated energy, and other savings that can be used as the basis for State or County agency to obtain financing which may include, but not be limited to, tax exempt lease purchase financing, bond funds, and other sources of financing that the agency chooses to use to finance the project.
- **IFP** means Invitation for Proposal. IFP is the part of the secondary solicitation process, the Invitation for Proposal (IFP) is the solicitation document given to prospective pre-qualified ESCOs that are invited to submit proposals on a Facility Owner’s ESPC project.
- **IGA** means Investment Grade Audit, which is a detailed ESCO assessment on proposed ECM improvements with guaranteed energy savings (GES) and maximum project cost that a pre- qualified ESCO develops for a State or County ESPC project (after selection based on submittal of a TEA document during the secondary solicitation process). The guaranteed energy savings cash flow from the IGA assessment may also be used as the basis for securing third party financial institution funding for approved ECM improvements.
- **IGA contract** means the contract between a State or County agency that authorizes a selected “pre- qualified ESCO” to develop the Investment Grade Audit (IGA). If the findings and determinations of the final IGA report are mutually acceptable to all parties, the cost for development of the IGA assessment can be rolled into the maximum project cost under a subsequently executed GES contract. Otherwise, the selected “pre-qualified ESCO” will only be paid for development of the IGA assessment under the executed contract.
- **Key Performance Indicator (KPI)** means how a quantifiable measure is utilized to assess the success of a Contractor in meeting strategic goals and objectives for performance.
- **M&V plan** means a measurement and verification (M&V) plan setting forth the protocols and methodologies to be used for the annual measurement and verification of the actual amount of energy, water, wastewater, and other resource savings achieved. This may include renewable energy generated if it is included in the specific ESPC project.
- **Municipal lease agreement** means an executed agreement between the State of Hawaii and a third-party financial institution that is willing to finance approved ECM improvements that are typically repaid through the cash flow resulting from guaranteed



energy savings (GES) generated by the ESPC project.

- **O&M Plan** means the operations and maintenance (O&M) plan, which may include the scope of work requirement, work schedule, and cost estimate developed by the ESCO for the operation and maintenance of the ECMs for the ESPC project.
- **Open book pricing** means the ESCO listing of maximum mark-ups for equipment costs, material costs, ESCO in-house labor costs, design consultant team labor and material costs, subcontractor labor and material costs, overhead and profit factors and ESCO fees for various scope of work items (including IGA).
- **Past Performance Database** means the database which was established by the SPO which information includes: the name of the contractor; size of the project; a brief description of the project; the responsible managing employees for the project; whether or not the project was timely completed; the project's authorized budget; and the positive or negative difference between the final cost of the project and the project's authorized budget, including the reasons for the difference, if any.
- **Pre-qualified ESCO** is an ESCO that is eligible on the SPO Vendor list contract to participate in a "secondary solicitation" process conducted by a State or County agency ESPC projects.
- **Request for Proposals or "RFP"** means the entire solicitation document, including all parts, sections, exhibits, attachments, and Addenda.
- **Secondary solicitation process** means the State or County agency solicitation of "pre-qualified ESCO" for proposals on specific energy project objectives through an Invitation for Proposals (IFP) solicitation process.
- **Statement of Work** defines the services to be delivered by the Contractor. Note: For the purposes of this RFP, statement of work describes the services within a Task Order when requesting quotes from awarded Contractor(s).
- **Substantial Completion** means the affected facility is ready and available for the beneficial occupancy of the intended user(s) although minor work (i.e., the punch list) may remain to be completed.
- **Subcontractor** means a Contractor contracted for work by the Prime Contractor.
- **TEA** means the Technical Energy Assessment (TEA), which is a preliminary ESCO assessment on possible "energy conservation measure (ECM)" improvements with preliminary construction budget estimate and estimated "energy savings" that are within 20% of any subsequent ESCO project development proposal on "guaranteed energy savings." The proposal, including the TEA, submitted by invited "pre-qualified ESCOs" from the SPO vendor list contract will be provided "at no cost to the State agency or County agency" during the secondary solicitation process.
- **Third Party Financial Institution** means the financing entity or entities that are approved by the State for "municipal lease agreement(s).

## Instructions on how to utilize this vendor list contract

1. Pre-qualified ESCO will be listed on an established SPO vendor list contract under the particular types of facilities and types of ESPC projects indicated in their qualifications-based information submittal package. Pre-qualified ESCO on the established SPO vendor list contract may provide updated qualifications-based information if requested from State or County agencies.
2. The use of this SPO vendor list contract by State or County agencies is optional. However, should State or County agencies use the SPO vendor list contract, they are required to solicit proposals with prices for a State or County agency scope of desired services consistent with the services identified under this RFP through a secondary solicitation process from a minimum of three (3) pre-qualified ESCO's. If there are less than three ESCOs on the SPO vendor list contract, the State or County agency shall solicit proposals from all ESCOs on the established SPO vendor list contract.
3. If requested by a State or County agency, any pre-qualified ESCO may be required to provide copies of their responses to this RFP solicitation, and any specific additional information requested on the personnel who will be performing the Specific services under an ESPC. Information on prequalified ESCO personnel may include, but need not be limited to: education, experience, work history, professional certifications, and specific roles or responsibilities on the ESCO team. State or County agency selection of a pre-qualified ESCO through the SPO vendor list contract will be based on a secondary solicitation process through the issuance of an Invitation for Proposal (IFP) solicitation.
4. Facility Owner Secondary Solicitation Process Overview
  - a. Identify the facility/site.
  - b. Recommend that the Facility Owner retain a third-party independent consultant to assist the Facility Owner through the process, evaluate proposals and evaluate the IGA.
  - c. Prepare an Invitation for Proposal (IFP) document for the specific ESPC project that includes as much technical information about the facilities or sites as can be assembled by the Facility Owner, evaluation criteria, objectives for the project and any other conditions of the project.
  - d. Determine interest of the ESCOs in the project by formally notifying all ESCOs on the SPO vendor list contract. A Request for Information (RFI) specific to the project or facility being considered may be used to determine interest. Failure of any ESCO to respond in a timely period, or receipt of their negative response may be used to reduce the number of ESCOs that will receive the IFP. Distribute the IFP to qualified, interested ESCOs. Disclose if a mandatory facility walk-through is required. The list of interested ESCOs, can be shortened using the process described in the Instructions on how to utilize this vendor list contract #6 Optional.
  - e. If applicable, arrange walk-through or inspection of the facility(ies) or site(s) for the interested ESCOs. Ample time should be provided to ESCOs during the walk-through to allow them adequate opportunity to understand conditions that will be the basis for their subsequent ECM proposals.
  - f. ESCOs will then develop their proposals including the preliminary Technical Energy Assessment (TEA) and required cost information.
  - g. Receive proposals from interested ESCOs.
  - h. Conduct the evaluation of the proposals which may involve reviewing or conducting: Written Proposals, Client References, and Oral Interviews.
  - i. Select the highest-ranked ESCO based on the evaluation criteria in the IFP to conduct the Investment Grade Audit (IGA).

- j. Contract with the ESCO to conduct the Investment Grade Audit (IGA).
  - k. Review the IGA results, negotiate with the ESCO as necessary, and either approve the proposed projects, or disapprove the project and settle payment of the IGA cost with the ESCO.
  - l. If the project is approved, negotiate, and execute an energy savings performance contract (i.e., GES agreement) and any other necessary agreements or contracts. If applicable, a separate lease financing agreement may also be negotiated and executed with a third-party financial institution.
  - m. Design and construction begins with ESCO providing oversight.
  - n. All construction of the ECMs are completed and accepted, which includes commissioning.
  - o. Guaranteed savings performance period begins.
  - p. Ongoing maintenance of the ECMs is implemented by either the Facility Owner, its service contractors or the ESCO if negotiated, as required to maintain the performance guarantee.
  - q. Ongoing annual measurement and verification (M&V) to confirm if the performance guarantee is being met on the ECMs by the ESCO.
  - r. Other ongoing services within the scope of the master contract may be negotiated with the ESCO.
5. Distribution of the IFP document shall be as described in the Instructions on how to utilize this vendor list contract, #4 Facility Owner Secondary Solicitation Process Overview.
6. Optional. The Facility Owner process to create a shorter and more manageable ESCO list from the SPO vendor list contract.
- a. A selection committee comprised of Facility Owner staff will select three (3) or more pre-qualified ESCO on the established SPO vendor list contract using the following general process:
    - i. Review the 5-page overview of each currently eligible ESCO from the ESCO's response to RFP No 25001.
    - ii. Consider the ESCO's involvement in the particular market sector or similar sector that is related to the type of facility/project being considered.
    - iii. Consider the size of facility/project being considered.
    - iv. Review information provided in ESCO's response to the RFP Solicitation.
    - v. Other factors of importance to be determined by the Facility Owner.
  - b. The Facility Owner shall document the basis for selecting ESCOs to receive the IFP.
  - c. If an ESCO declines this invitation, it is not necessary to identify another ESCO to take its place.
7. Invitation for Proposal (IFP) Solicitation document to be provided to prospective ESCOs from the SPO vendor list contract shall include the following at the minimum:
- a. Technical scope of the project (may include information on the facilities, project goals or objectives that are important to the Facility Owner, improvement projects completed and proposed, multiple years of utility data, etc.);
  - b. Selection process and evaluation criteria;
  - c. Project schedule;
  - d. Payment milestones;
  - e. Deliverables;
  - f. Key performance indicators; and
  - g. Special project terms and conditions
    - i. Technical
    - ii. Contractual
    - iii. Legal (e.g. HRS references, Equipment Lease Rider, general conditions,

etc.)

8. The ESCO proposal in response to the IFP developed at no cost to the Facility Owner, should contain at the minimum the following:
  - a. Technical energy assessment (TEA) with possible “energy conservation measure (ECM)” improvements that provide guaranteed energy savings. This includes an overview summary table that lists the project budget estimates and related energy savings for each possible ECM considered with other line-item project costs (such as IGA development cost, commissioning, construction contingency allowance, etc.) that roll up to the maximum project cost.
  - b. Preliminary cost estimates with estimated energy savings that need to stay within 20% of any subsequent ESCO guaranteed energy savings (GES) proposal with the exception for unforeseen conditions as negotiated with the Facility Owner. The Facility Owner may specify the format and type of information required in the proposal submittal. This should include a cash flow analysis over the full term of the ESPC contract, not to exceed 20 years including the construction period in accordance with HRS Chapter 36-41. The cash flow analysis, at a minimum, should show all annual costs, savings (e.g., ECM savings, operational savings, etc.), rebates, renewable energy impacts, estimated maintenance costs for ECMs, and any other items required by the Facility Owner for the full term of the project (up to a maximum of 20 years inclusive of the construction period). Assumptions or the basis for the costs and savings estimates should be clearly stated.
  - c. The actual ESCO team that will be used for the Facility Owner’s specific facilities or project and their percentage of time on the project by each person.
  - d. If facility energy simulation modeling is used to model existing conditions and predict ECM performance (i.e. energy savings or use), the ESCO shall disclose all assumptions used in developing the models for each facility and approach used in the models. Deviations from standard protocols or procedures required by the specific model (approved energy use simulation programs must comply with ASHRAE Standard 140) should be noted and explained.
  - e. Fees to complete an investment grade audit (IGA) with project development proposals on proposed ESPC projects that have ECM improvements with guaranteed energy savings (GES).
  - f. If innovative or exotic technologies are being proposed by the ESCO, information should be provided on previous installations on similar projects, including cost and performance results, and the ESCO’s current availability of resident expertise or demonstrated consultant relationships established (e.g., expertise and experience on installation and operation of a biomass boiler to gasify green waste, water flush control devices for correctional facilities, etc.) to implement the technology.
  - g. Warranties for all equipment and materials installed under the ECMs should include description of terms and conditions who is responsible to perform under the warranties.
  - h. Operational and maintenance responsibilities for all completed and installed ECMs with description of terms and conditions on who is responsible for handling emergency responses and routine repair situations.
9. The evaluation criteria used by the selection committee, which may be modified by the Facility Owner as necessary, should generally include:
  - a. Qualifications and Project Experience
    - i. Qualifications and experience of ESCO’s personnel with guaranteed energy savings contracts on projects similar to the Facility Owner’s project.

- ii. Reliability of equipment performance on past projects.
    - iii. Documented energy savings on past projects similar to the Facility Owner's project.
    - iv. Quality and completeness of past project documentation.
  - b. Project Management
    - i. Clear assignment of responsibility for various project tasks to specific individuals.
    - ii. Ability to effectively manage project design, construction and complete the project on schedule and within budget.
    - iii. Quality of approach to operations and maintenance.
    - iv. Quality of monitoring, maintenance, measurement, and verification services, and reporting on past projects.
    - v. Clarity, organization, and level of detail in written proposal.
    - vi. Quality of communication skills of the ESCO's representatives at the oral interview.
  - c. Technical Approach
    - i. Quality of technical approach, including methods of analysis and understanding of existing building systems and conditions, documentation for measures installed.
    - ii. Quality of approach to project commissioning.
    - iii. Quality of sample investment grade audit for projects similar to the Facility Owner's project.
    - iv. Quality of baseline energy calculations and methodology for handling modifications/changes to the baseline.
    - v. Quality of proposed training for facility staff.
    - vi. Quality of approach to savings measurement and verification.
    - vii. Quality of sample documentation.
    - viii. Quality of customer savings reports for similar clients to the Facility Owner.
    - ix. Quality of preliminary technical approach based on the technical energy assessment developed after the facility walk-through.
  - d. Financial Stability
    - i. Financial soundness and stability of ESCO.
    - ii. Demonstrated ability to provide or arrange project financing.
    - iii. Reasonableness of investment grade audit costs. For example, is it reasonable when compared with industry standards (i.e., Are the costs high or low?).
    - iv. Reasonableness of Preliminary Cash Flow Analysis.
    - v. Quality and cost of the financial guarantee of savings. For example, this may relate to the ratio of annual cost to annual savings. A ratio of 95% would allow a 5% margin of uncertainty. Another item might be the cost of their annual guarantee of savings compared to the annual savings (e.g., annual cost of M&V and O&M compared to annual savings). A ratio of 5% may be more reasonable than a ratio of 40% of the annual savings.
  - e. Other
    - i. Facility Owner may require additional criteria unique to its own facility/project requirements and situation.
- 10. The Investment Grade Audit (IGA) contract is intended to be handled as follows:**
- a. Clearly state in the IGA contract that the Facility Owner owns all information contained in the IGA and has the right to use the information to its benefit.
  - b. Executed IGA contract will authorize the selected pre-qualified ESCO to complete an IGA with project development proposals on (ECM) improvements, savings,

construction budget cost estimates for proposed ECM improvements proposed ESCO (GES) which the Facility Owner may use to secure ESPC project funding from a third-party financial institution.

- c. The final IGA will set specific expectations and provide a detailed process for both the selected pre-qualified ESCO and the Facility Owner. The final IGA will also define:
  - i. The deliverables to the Facility Owner;
  - ii. Identify and evaluate ECM measures and define the proposed ESPC project scope;
  - iii. All costs;
  - iv. Cash-flow savings;
  - v. Cash-flow model over the proposed GES financing term;
  - vi. Be the basis for an ESPC project that will present aggregated measures which can be financed through an ESCO (GES) project;
  - vii. Will incorporate applicable State laws that directly impact implementation of energy savings performance contracting services for the Facility Owner;
  - viii. A design and construction schedule for the implementation of all ECMs; and
  - ix. Bond and insurance requirements.
- d. Facility Owner shall have no payment obligations to the selected pre-qualified ESCO for the final IGA with project development proposals that is conducted under the executed IGA contract if:
  - i. Facility Owner and selected pre-qualified ESCO shall execute a GES contract for an ESPC project that includes the payment for the IGA that was accepted by the Facility Owner and the ESCO proposal for Facility Owner approved ECM improvements can be incorporated at no "up-front cost" to the Facility Owner into a GES contract or agreement or
  - ii. The ESCO determines at any time during the IGA development process that the GES needed to meet the Facility Owner's energy savings goals, terms and conditions cannot be attained and the IGA is terminated by written notice from the selected pre-qualified ESCO to the Facility Owner; or
  - iii. The final IGA with project development proposals do not contain a package of "energy savings" which, if implemented, will provide the Facility Owner with the cash flow savings sufficient to fund Facility Owner with payments for all costs and fees associated with the proposed ESPC project, which includes but is not limited to:
    - 1. The fee associated with the completion of the final IGA;
    - 2. All payments on a lease purchase agreement to finance the proposed ECM improvements;
    - 3. Any annual fees for monitoring and maintenance incurred by the selected pre-qualified ESCO and any other annual fees (such as for staff training, etc.); and
    - 4. Analysis is to be based on proposed financing terms, including a conventional, fully amortized lease-purchase agreement not to exceed the GES duration over a fixed rate or interest actually available to the Facility Owner.

#### 11. Implementation of Approved Energy Savings Performance Contract (ESPC) Project

- a. Upon satisfactory completion of the IGA, the Facility Owner has the option to implement an energy savings performance contract (ESPC) project that is based on ESCO guaranteed energy savings (GES) for approved energy conservation measure

(ECM) improvements by the selected pre-qualified ESCO that is conducted under a GES contract. It is intended that the executed GES contract will define:

- i. The final agreed upon scope of work with all associated costs;
  - ii. Mutual responsibilities for the selected pre-qualified ESCO and the Facility Owner, as well as approved (ECM) improvements;
  - iii. The equipment and labor costs associated with the (ECM) improvements;
  - iv. All guaranteed energy savings;
  - v. Maintenance cost savings;
  - vi. ECMs are owned by the Facility Owner who may use it for its benefit with no limitation on use;
  - vii. Cost, including all contract modifications, shall be within twenty per cent of the preliminary cost estimated in the Technical Energy Assessment with the exception of unforeseen conditions as negotiated with the Facility Owner. At a minimum, the executed GES contract will also incorporate applicable State laws that directly impact energy savings performance contracting services for State or County agencies, including bond and insurance requirements. The contract should also indicate that the ESCO will need to at all times, observe and comply with applicable County, State and Federal laws, ordinances, rules, and regulations.
- b. A separate State financing agreement may be executed to address payment schedules for “design-build” construction work by the selected pre-qualified ESCO and payment schedules for third party financial institutions (if needed) from the “cash flow model” based on the ESCO GES.
  - c. After execution of a GES contract for an approved ESPC project, it is intended that the selected pre-qualified ESCO will proceed to final design, construction, and commissioning of approved ECM improvements.

**12. (GES) Performance Duration Period**

- a. It is anticipated that the duration period of executed GES contracts with the selected pre-qualified ESCO will begin upon substantial completion of completed ECM improvements by the selected pre-qualified ESCO.
- b. It is also anticipated over the duration of the GES contract, the selected pre-qualified ESCO may still be responsible for providing a number of services until the end of the GES contract, such as but not limited to:
  - i. Measurement and verification of savings (e.g., energy, water, wastewater, operational costs, etc.);
  - ii. Facility Owner staff training;
  - iii. Reporting as required by the Facility Owner;
  - iv. Contracted maintenance services; and
  - v. Other services as required by the Facility Owner.
- c. Proposal evaluation shall be done by a selection committee comprised mainly of Facility Owner staff to review and evaluate the ESCO proposals received and select one (1) ESCO to do an investment grade audit (IGA) with project development proposals. Facility Owner will then execute an IGA contract with the selected ESCO.

## **CONTRACTOR INFORMATION**





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