

## **TOWNSHIP OF LOWER MERION**

### **Finance Committee**

#### **Issue Briefing**

**Topic:** Energy Savings Project Consultant Proposals

**Prepared By:** Ernie B. McNeely, Township Manager

**Date:** February 15, 2018

#### **I. Action To Be Considered By The Board:**

Selection of a consultant firm to provide advice for an energy savings project.

#### **II. Why This Issue Requires Board Consideration: N/A**

#### **III. Current Policy Or Practice (If Applicable): N/A**

#### **IV. Other Relevant Background Information:**

In response to an RFQ (Request For Qualifications) in September 2017 energy savings project proposals were received from 9 firms. As desired by the Board of Commissioners, the RFQ was very open and invited firms to submit qualifications to provide any one, or up to all three, of the following services:

- Consulting services to identify energy savings opportunities and guide the Township on methods to accomplish the suggested project(s).
- Design/Build services to both identify energy savings projects plus design and build the projects with authorization from the Township.
- Guaranteed Energy Savings Contract services to identify and construct energy savings improvements using the guaranteed energy savings contract process as allowed by Pennsylvania law.

Five of the proposals offered Guaranteed Energy Savings Contract services while four of the proposals received offered more consultant type services to identify the energy savings projects potential and advise the Board on options for completing an energy savings project. These consultants also offered the service to oversee whatever type of contractor is ultimately selected to perform an energy savings project. At Board direction staff concentrated on review of the consultant approach proposals.

A committee of staff and two members of the Environmental Advisory Council interviewed the four firms that were more consultant oriented out of the nine responses received from the energy services RFQ (request for qualifications). It was the consensus from that interview process that

two of the consultant firms should be invited to submit pricing proposals to assist the Township with identifying appropriate energy savings projects and providing advice on what process should be used to implement the energy savings measures. Pricing proposals from the two energy consultant firms were submitted in January 2018 (copies attached).

The two firms considered to be most qualified and invited to submit pricing proposals are Practical Energy Solutions, West Chester Pa. and Provident Energy Consulting, Media Pa. Both proposals offer the Township consultant services in a Phase 1 program to identify energy savings opportunities and provide recommendations for how to accomplish the project(s). Both firms offered a price not to be exceeded for the Phase 1 services which for Practical Energy Solutions is \$37,250 and for Provident Energy Consulting is \$16,870.

Both firms also offered an indication of what they would charge to oversee an energy savings project in a Phase 2 assuming the Township elects to proceed with a project. Practical Energy Solutions indicated the fee would be adjusted based on hours spent overseeing a project but that the Phase 2 fee would be 10% of the project cost. Provident Energy Consulting indicated their Phase 2 fee would be negotiable but would be in the 4-6% range if a guaranteed energy savings contract approach is used and a fixed fee would be negotiated for design-build type approaches.

#### **V. Impact On Township Finances:**

The cost of the consulting service is not specifically budgeted as a 2018 project but could be easily accommodated within the general engineering consulting budget or as a potential Innovation Project item within the Township Managers budget.

#### **VI. Staff Recommendation:**

The recommendation is to authorize the Township Manager to contract with Provident Energy Consulting, Media Pa to provide the energy project consulting services.