



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF AUGUST 6, 2015

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Issue a purchase order and enter into an agreement with the Public Building Commission of Chicago to implement the Guaranteed Energy Performance Contract Phase of the MWRD/PBC Energy Efficiency Program, as part of the Intergovernmental Agreement, Project 15-606-21, in an amount not to exceed \$14,000,000.00, Account 201-50000-645680, Requisition 1399619

Dear Sir:

On November 15, 2012, the Board of Commissioners authorized the District to enter into an agreement with the Public Building Commission of Chicago (PBC) to conduct an energy audit of all buildings and to participate in the Multi-Agency Guaranteed Energy Performance Contracting Program.

On June 6, 2013, the Board of Commissioners authorized the District to issue a purchase order and enter into an agreement with the PBC to conduct the Preliminary Feasibility Phase of the Energy Audit, as part of the Intergovernmental Agreement, in an amount not to exceed \$78,000.00.

On March 6, 2014, the Board of Commissioners authorized the District to issue a purchase order and enter into an agreement with the PBC to conduct the Investment Grade Energy Audit Phase, as part of the Intergovernmental Agreement, in an amount not to exceed \$525,000.00. The Investment Grade Audits were completed by Noresco, an Energy Service Company (ESCO) chosen by the District as best qualified for this task.

The Investment Grade Energy Audit Report has identified a comprehensive list of energy conservation projects that meet District requirements and objectives. The projects will include modernizing interior lighting to LED technology, controlling lights with occupancy sensors, upgrading HVAC controls and installing custom blanket insulation on existing District steam piping and fittings. It is estimated that these energy conservation measures will result in an annual reduction of 9,580,186 kWh from our estimated annual energy consumption of 600,000,000 kWh.

With the input and approval of the District as to terms and conditions, the PBC will enter into a contract directly with Noresco to implement the above referenced projects.

The estimated cost of the Guaranteed Energy Performance Contract phase is \$14,000,000.00. The estimated 2015, 2016 and 2017 expenditures are \$1,000,000.00, \$6,500,000.00, and \$6,500,000.00, respectively. Included within this amount is a not-to-exceed estimate of \$1,206,500.00 for PBC project management services. The recommended energy conservation measures defined in the MWRD Investment Grade Energy Audit Report, would result in a minimum annual savings of \$807,285.00. The \$14,000,000.00 required investment results in a simple payback period of less than 18 years.

It is recommended that the Board of Commissioners authorize the Director of Procurement and Materials

Management to issue a purchase order and enter into an agreement with the PBC to conduct the Guaranteed Energy Performance Contract phase in an amount not to exceed \$14,000,000.00.

Funds for 2015 are available in Account 201-50000-645680. Funds for subsequent years, 2016 and 2017 are contingent on the Board of Commissioners' approval of the District's budget for those respective years.

Requested, Manju Prakash Sharma, Director of Maintenance and Operations, AQ:SO'C:MAG:JR:PD

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for August 6, 2015