

BOARD OF EDUCATION
RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
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MEMORANDUM

To: The Board of Education of the Ramapo Indian Hills Regional High School District in the County of Bergen, New Jersey

From: ESCO Review Committee

Date: 4/20/22

Re: Summary Report and Analysis of Energy Service Companies (ESCO) Proposals and Recommendation

The Board of Education of the Ramapo Indian Hills Regional High School District in the County of Bergen, New Jersey (the “Board”) received three (3) responses on November 11, 2021 to its request for proposal for ESCO services. One responder, Honeywell Building Solutions (“Honeywell”), subsequently withdrew its proposal. In addition to the Honeywell proposal, two additional proposals were received: DCO Energy, LLC (“DCO”); and Willdan Group Inc. (“Willdan”). The remaining two (2) responses were reviewed by a Review Committee consisting of: John A. Carolan (Board President); Vivian King (Board Vice President); Robert Fortunato (Board member); Paulinus Egu (Coordinator of Facilities and Operations); Paul Cusack (Building Foreman at Ramapo High School); Jeff Boltzer (Building Foreman at Indian Hills High School); Dr. Rui Dionisio (Superintendent of Schools); and Thomas Lambe (Business Administrator/Board Secretary) (collectively, the “Review Committee”).

Both proposals appeared to be complete, and after the initial review and analysis the Review Committee decided that both proposers should be interviewed so that they could further explain their proposals and answer any questions. The interviews were held in-person on March 31, 2022. The interviews were conducted by Board’s Review Committee. Also, present during the interviews were Mr. Tony Solimine, Esq., of Wilentz, Goldman & Spitzer, P.A. (the Board’s Special Counsel), Ms. Robbi Acampora, of Phoenix Advisors, LLC (the Board’s Financial Advisor), and Mr. Stephen Secora and Thomas Wighard, of LAN Associates, (the Board’s Project Architect).

The proposals and applicants were impressive. Each applicant addressed energy conservation measures recommended in the energy audit. The Review Committee believes that each company can meet its obligations for implementation of an energy savings program. DCO and Willdan are companies with apparently strong financial abilities, significant resources and experienced and knowledgeable representatives. All provided a history of their experience.

DCO's team has extensive experience with over 75+ ESIP projects throughout the State of New Jersey. They have installed over \$512,000,000 of energy conservation measures (ECMs). DCO emphasized that their team would work with the Board of Education and its team to develop an energy savings plan that would accommodate the Board's priorities, needs, and desires of the School District while maintaining positive cash-flow savings. It was clear which team member was responsible for what: relationship management, savings analysis, project management, construction management and verification.

DCO was clear and comprehensive on their approach to plan development and implementation. The representatives were clear and knowledgeable on the challenges for implementation. They discussed the project timeline and their strategies for meeting the timeline. DCO indicated that the RFP estimate was conservative so they would be able to meet and/or exceed expectations. DCO clearly outlined the stages of the proposed ESIP project.

DCO addressed the ECMs that they intended to include in the ESIP. Specifically, those upgrades included installation of LED lighting, installation of an energy management system (entire direct district controls throughout the school district), boiler replacement, rooftop AC unit replacement, combined heat and power unit (CHP), building envelope weatherization and UV replacement with additional cooling. DCO also outlined a scenario whereby the classrooms would be able to receive air-conditioning. It was apparent from the proposal and the interview that DCO was the most attentive to the school district's desired project.

DCO indicated that they would incorporate a Building Performance website. The website would not only provide transparency to the public, but would also help to educate the public about the benefits of the ESIP. Additionally, DCO would offer education programs to some junior and seniors. Also, DCO has worked with other district with job placement programs.

DCO's fee is 21.25% of construction costs. The project cost for the base project is \$4,553,719, several alternative projects were also presented: Alternative 1- \$8,276,094; and Alternative 2- \$13,116,547. All rebates and incentives will be passed through to the Board and DCO will assist to obtain the same. The cost of the measurement and verification and the guarantee for year one is \$20,000 for the base project, \$37,000 for Alternative 1 and \$57,000 for Alternative 2.

Willdan is a publically traded nationwide company (NASDAQ: WLDN) with vast financial capabilities and resources. Willdan has a of designing and implementing energy-related improvements and lighting upgrades throughout the country and in New Jersey. In New Jersey, Willdan provided 5 references: Wanaque Board of Education; Lyndhurst Board of Education; Kenilworth Board of Education; Salem County Vo-Tech; and Sayreville Board of Education. According to the response, Willdan has completed over 200 performance contracts in the past five (5) years and over fifteen hundred (1,500) municipal projects throughout New Jersey.

Willdan addressed the ECMs that they intended to include in the ESIP. Specifically, they included upgrades to the Ramapo boilers, the LED lighting and lighting controls, furnace replacement, high efficiency rooftop units, building management system, energy management controls, pipe insulation, domestic water heaters, replacement of unit ventilators with cooling, a CHP, preparing the buildings for subsequent cooling, and a solar PPA component. During

Willdan's presentation they also spoke about an education/training component that can be done for an additional cost.

Willdan's fee was 20% of construction costs with a base project of \$5,633,833 with 5% interest rate as set forth in the RFP. However, Willdan proposed a lower fee of 19% if the largest sized project is selected. Additionally, Willdan provided five (5) alternatives; Alternative 1- \$5,633,833 base (15 years at 1.9% interest rate, with solar; Alternative 2- \$5,633,833 (15 years 1.9% interest rate, without solar); Alternative 3- \$5,733,833 (20-years at 1.9% interest rate, with solar); Alternative 4- \$5,733,833 (20-years at 1.9% interest rate, without solar); and Alternative 5- \$12,533,833 (20 years at 1.9% interest rate, with solar and UV for cooling). Willdan presented a very conservative approach to energy savings. The first year measurement and verification and guarantee is 1.00%, so it would either \$56,338, \$57,338 or \$125,338 depending upon the option selected.

The Committee ranked the applicants in accordance with the criteria described in the RFP. The rankings matrix is attached.

Based on the scoring described in the attached matrix and the interviews of DCO and Willdan the Committee recommends that the Board of Education work with DCO for the development and implementation of its ESIP. If the Board approves an energy plan and decides to proceed with the implementation of the energy savings program, the proposed contract with DCO shall contain the terms and conditions set forth in the Request for Proposals and the applicant's response. This contract will provide a guaranteed fixed price.

	DCO	Willdan
Company Overview and Qualifications (20%)	20	18
ESP Development and Implementation (25%)	25	20
Ability to Implement (15%)	15	10
Project Comprehensibility and Energy Savings Projections (25%)	25	22
Fees (15%)	10	13
TOTAL	95	83

