Summary of the Evaluation of Proposals Received in Response to the Request for Proposals

December 17, 2020

Energy Savings Improvement Program

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Overview of ESIP Goals

- Implement an energy efficiency project that is environmentally responsible and economically beneficial to the BOE
- Provide capital improvements and other non-energy measures
- The project is financed by energy cost savings resulting from ESIP implementation over 15-20 year period.
  - Utilize state and federal incentives
  - Ensure positive cash flow each year throughout financing period
Overview of Procurement Process

- RFP Released on July 9, 2020
- Proposals Received on October 15, 2020
  - 2 Proposals were received from the following companies:
    - Willdan Energy Services
    - Honeywell
- Interviews of Respondents by Evaluation Team on October 29, 2020
- Evaluation Report Completed November 23, 2020
EPS Evaluation Team

• Harrold Kennedy, Business Administrator
• Luis Couto, Director of Plant, Property and Equipment
• Luis Milanes Jr., Coordinator of Mechanics
• Mario Rodrigues, Purchasing Agent
• Scott Mihalick, SSP Architects
• Ryan Scerbo, ESQ., Decotiis, Fitzpatrick, Cole & Giblin
• Bojan Mitrovic & Andrew Conte, Gabel Associates
Evaluation Criteria

- The evaluation team undertook a legal, economic, and technical review of the proposals based on the following criteria:

1. Company Overview and Qualifications
2. Approach to ESP Development & Implementation
3. Ability to Implement Project
4. Project Comprehensibility & Energy Savings Projections
5. ESCO Fees Proposal
Total project costs and estimated savings, 15-year term at 5% interest rate:

<table>
<thead>
<tr>
<th></th>
<th>Willdan</th>
<th>Honeywell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Value</td>
<td>$35 Million</td>
<td>$22.5 Million</td>
</tr>
<tr>
<td>Total Energy Savings</td>
<td>$32.7 Million*</td>
<td>$30 Million</td>
</tr>
<tr>
<td>Total Cash Flow**</td>
<td>$281,500</td>
<td>$1.215 Million</td>
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* Includes savings from a proposed PPA Solar PV project
** Over 15 years

Major ECMs proposed by both ESCOs:
- Lighting Upgrades
- Boilers
- Building Management System
- Rooftop units
- Chillers
- VFDs on fans and pumps
# Evaluation Matrix

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Max Points</th>
<th>Willdan</th>
<th>Honeywell</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Company Overview &amp; Qualifications</td>
<td>20 points</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>2 Approach to ESP Development and Implementation</td>
<td>25 points</td>
<td>17</td>
<td>23</td>
</tr>
<tr>
<td>3 Ability to Implement Project</td>
<td>15 points</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>4 Project Comprehensibility and Savings Projections</td>
<td>25 points</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td>5 ESCO Fee Proposal</td>
<td>15 points</td>
<td>15</td>
<td>11.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>71</strong></td>
<td><strong>90.5</strong></td>
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Next Steps

- Accept Evaluation Team’s recommendation and award to Honeywell via Resolution
- Investment Grade Audit by Honeywell
- Honeywell to Develop the Energy Savings Plan (ESP)
- Independent Verification of the ESP and BPU approval
- Selection of Final Energy Savings Measures
- NJDOE Project Submissions and Approvals
- Completion of Financing
- Construction
- Commissioning and Verification of Savings