

## VII. STANDING COMMITTEES

## B. Finance, Audit and Facilities Committee

Energy Services Master Agreement – Select Energy Services ContractorRECOMMENDED ACTION

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the President be delegated authority to award an Energy Services Master Agreement to McKinstry Essention, Inc. subject to successful negotiation. The University is authorized through RCW 39.35C to contract with energy services performance contracting companies. Previously, the Capital Projects Office conducted energy services performance contracting projects through an interagency agreement with the Washington State General Administration's Energy Saving Performance Contracting program.

BACKGROUND

The Capital Projects Office has selected an energy services performance contracting company for an Energy Services Master Agreement for various energy and other resource conservation projects located at University of Washington campuses, facilities, UW Medical Center and Harborview Medical Center.

This agreement is envisioned for the purpose of identifying, developing, designing, constructing, installing, and implementing energy and resource conservation projects. As individual projects arise, the parties will negotiate a scope of work and fee to conduct an energy audit and prepare associated energy services proposals. The energy audits with associated energy services proposals will be authorized in a Work Order. If an energy audit and energy services proposal meet the University's conservation goals and economic payback criteria, the parties may negotiate a scope of work, a guaranteed maximum price, guaranteed minimum energy savings, and measurement and verification procedures for the project. The project will then be authorized, subject to regular Regent rules for delegations of authority authorizing project activity, by an amendment to the Work Order. The Energy Services Contractor will then proceed to design and build the project. The Energy Services Contractor guarantees that energy and resource conservation savings will be achieved.

There is no minimum or maximum amount of work that will be authorized under this Energy Services Master Agreement. The Energy Services Master Agreement will be in effect for three years. If the Energy Services Company performs well, the Agreement may be extended each year upon mutual agreement of the parties for up to an additional three years for a total of six years.

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#### Energy Services Master Agreement – Select Energy Services Contractor (continued p. 2)

In August, 2011, the Capital Projects Office advertised for firms interested in providing Energy Services Master Agreement. Six firms responded to the Request for Qualifications, and three firms were invited to submit proposals including more a detailed technical proposal and a fee proposal. Technical proposals were reviewed and the finalist firms were interviewed and scored on September, 26, 2011. Finalist firms' price proposals were opened on October 21, 2011. McKinstry Essention, Inc. had the highest combined point score for both price and qualifications.

McKinstry Essention, Inc is a subsidiary of McKinstry. McKinstry, established in Seattle in 1960, is a full-service mechanical and electrical design and contracting firm with over 1,700 employees. McKinstry has the expertise and capability to deliver consulting, construction and energy management services. McKinstry Essention, Inc. has successfully completed a number of energy conservation projects at the University including the Chemistry Building Build Controls Retrofit, Chilled Water System Pressure Independent Control Valves and UW Tower Lighting Retrofit projects. McKinstry Essention, Inc. is currently in the construction phase of the UW Smart Grid project.