

IMPACT STATEMENT

Legislation title: Accept the Guaranteed Maximum Price of \$998,998 from McKinstry Essention, LLC for Portland Parks & Recreation Energy Savings Performance Savings Design Build Contract (Procurement Report - RFP No. 00000717)

Contact name: Lester Spitler, Chief Procurement Officer

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Presenter name: Lester Spitler, Chief Procurement Officer

Purpose of proposed legislation and background information:

Accept the Guaranteed Maximum Price of \$998,998 from McKinstry Essention, LLC for Portland Parks & Recreation Energy Savings Performance Savings Design Build Contract (Procurement Report - RFP No. 00000717).

An ESPC is a method to purchase energy efficiency improvements in existing buildings and structures. An ESPC will replace the conventional three-step approach to design and construction procurement with a single RFP covering all aspects of the project with the selected Energy Service Company (ESCO.)

The selected ESCO will be responsible for designing, installing, commissioning, and monitoring the improvements using a team of consultants and subcontractors to accomplish the goals of PP&R. Rather than waiting for older, inefficient equipment to fail, the ESPC will allow for facility improvements to Parks buildings and structures to be budgeted out of future utility savings. PP&R will receive new and updated equipment, the cost of which will be offset by the avoided costs from the reduced energy usage. After the equipment cost has been paid off, PP&R will own the equipment and retain all of the savings from reduced utility bills.

Financial and budgetary impacts:

Based on the Guaranteed Maximum Price received, Portland Parks & Recreation anticipates the construction contract cost to not exceed \$998,998. The funding for the contract will be requested in FY 2019-2020.

This legislation will neither generate nor reduce revenue coming to the City.

No current positions will be affected, and no positions will be created, eliminated, or re-classified as a result of this legislation.

Community impacts and community involvement:

The construction contracting community, including contractors certified with the State of Oregon as Disadvantaged, Minority, Women, or Emerging Small Businesses became involved when the Chief Procurement Officer advertised and publicly posted the project on the City's Online Procurement System on August 17, 2017. A public notice was also posted in the Daily Journal of Commerce on August 21, 2017. Potential State of Oregon qualified ESCO proposers were able to review the solicitation, attend a pre-proposal meeting, ask questions, provide comments and submit a proposal in response to the Request for Proposals (RFP). Procurement Services managed the procurement process.

No known person or group will be testifying.

Budgetary Impact Worksheet

Does this action change appropriations?

- ☐ **YES:** Please complete the information below.
☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount