



# State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES  
OFFICE OF THE COMMISSIONER  
25 Capitol Street – Room 120  
Concord, New Hampshire 03301

24 *JBm*

LINDA M. HODGDON  
Commissioner  
(603) 271-3201

JOSEPH B. BOUCHARD  
Assistant Commissioner  
(603) 271-3204

November 19, 2013

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

### REQUESTED ACTION

Authorize the Department of Administrative Services to enter into a contract with Consolidated Edison Solutions, Inc., Valhalla, NY, vendor code #202287, to perform a detailed feasibility study. The contract will be effective upon Governor and Council approval and end on May 30, 2014. The cost of the feasibility study is \$60,000. **100% Operating – General Funds**

Funding is available in account titled General Services as follows:

01-14-14-141510-29500000 General Services Maint & Grnds	<u>SFY 14</u>
048-500226 – Contractual Maint. Bldg & Grounds	\$60,000

### EXPLANATION

The Department of Administrative Services developed a Request for Proposals to implement guaranteed energy conservation measures at four state owned buildings located on Hazen Drive in Concord. The four buildings are the John O Morton building, the Division of Motor Vehicles building, the Health and Human Services building (including laboratory and Data Center) and the Department of Safety building. These buildings were targeted because they are major users of energy averaging \$2.5 million dollars per year in energy costs. When the energy and fossil fuel measures are installed we are looking to reduce our energy costs approximately \$731,129 per year. These savings will be utilized to offset the cost of the measures with a payback of less than 20 years. In accordance with RSA 21-I:19-d the cost of the energy and fossil fuel reduction improvements must be financed within 20 years from guaranteed energy cost savings through a performance contract and requires no upfront capital from the State.

Notification of the RFP was released to several firms within the industry. The RFP was also posted on the Department of Administrative Services web site. Bids were received from seven Energy Service Companies. The RFP requested that the Energy Service Companies



propose their energy and fossil fuel saving measures for the following categories: lighting systems and controls, building automated control systems, HVAC, premium efficiency motors and variable frequency drives, building envelope, water conservation, boiler plants, domestic hot water systems and renewable energy systems. In accordance with Executive Order 2011-01 state agencies are required to reduce fossil fuel usage 25% from the base year of 2005 by 2025. As a result, fifty percent of the total score was based on the maximum fossil fuel reduction.

A five member review team comprised of representatives from Administrative Services, Environmental Services and the Office of Energy and Planning rated each proposal using criteria established and published in the RFP. The criteria were broken down into the following areas: 50% fossil fuel and energy reductions, 5% presentation and responsiveness, 15% qualifications, experience and resources, 20% technical approach and 10% management approach. Based on the evaluation criteria, Consolidated Edison Solutions, Inc., was chosen as the highest ranking proposal. Attached are copies of the scoring sheets. Consolidated Edison Solutions, Inc., proposed energy and fossil fuel saving measures providing the highest amount of energy reduction 68,036,048 kBtus and the highest amount of fossil fuel reduction 59,129,545 kBtus.

The development of a performance contract requires an initial detailed feasibility study that provides more detailed information needed to negotiate and finalize the energy performance contract and determine whether the State will enter into a guaranteed energy performance project with Consolidated Edison Solutions, Inc. If the detailed feasibility study fails to come within 15% of Consolidated Edison Solutions, Inc., original bid proposal's projected energy savings, there will be no charge to Administrative Services. If the detailed feasibility study recommendations fall within 15% of the original bid proposal and the project goes forward, the cost of the detailed feasibility study will be included in the performance contract costs. However, should the detailed feasibility study fall within 15% and should for any reason Administrative Services decide not to go forward, Administrative Services will be obligated to pay Consolidated Edison Solutions, Inc., \$60,000. Authorization is requested to pay Consolidated Edison Solutions, Inc., in the unlikely event that Administrative Services is unable to go forward with a guaranteed energy saving performance contract. If the detailed feasibility study falls within the established criteria, Administrative Services fully intends to proceed with a guaranteed energy performance contract that will be subject to Governor and Council approval.

Based on the foregoing, I am respectfully recommending approval of the contract with Consolidated Edison Solutions, Inc.

Respectfully submitted,  
 Assistant  
Commissioner  
Linda M. Hodgdon,  
Commissioner



RFP 2013-157 Energy Performance Contract for Buildings on Hazen Drive

<u>ConEdison</u>	FF (50%)	Presentation (5%)	Qualifications (15%)	Technical Approach (20%)	Management Approach (10%)	Total	Average Score
Mike	44.9	4.5	12.3	16.1	8	85.8	87.11
Ron	47.5	4	14.25	19	9	93.75	
Sue	47.5	4.6	13.5	16.3	8.7	90.6	
Chris	44.4	4.3	15	16.2	8.5	88.4	
Karen	38	4	13	14	8	77	
AVG	44.46	4.28	13.61	16.32	8.44		

<u>Honeywell</u>	FF (50%)	Presentation (5%)	Qualifications (15%)	Technical Approach (20%)	Management Approach (10%)	Total	Average Score
Mike	44.6	3.8	12.9	15.8	8	85.1	85.56
Ron	46.5	4	13.5	18	7.5	89.5	
Sue	45	4.4	13.7	17.2	9.4	89.7	
Chris	40.5	4.3	15	16.2	8.5	84.5	
Karen	37	5	13	15	9	79	
AVG	42.72	4.3	13.62	16.44	8.48		

<u>Schneider</u>	FF (50%)	Presentation (5%)	Qualifications (15%)	Technical Approach (20%)	Management Approach (10%)	Total	Average Score
Mike	42.5	4.5	12.9	16.5	8	84.4	83.81
Ron	44.5	4.5	14.25	19	9	91.25	
Sue	39.75	4.15	13.3	15.1	8.5	80.8	
Chris	41.6	4.3	15	15.2	8.5	84.6	
Karen	38	4	12	16	8	78	
AVG	41.27	4.29	13.49	16.36	8.4		

<u>Constellation</u>	FF (50%)	Presentation (5%)	Qualifications (15%)	Technical Approach (20%)	Management Approach (10%)	Total	Average Score
Mike	32.5	2.1	11.9	12.2	8	66.7	72.805
Ron	40.5	3.5	12.75	16	9	81.75	
Sue	38.675	3.7	13.1	14.5	8	77.975	
Chris	33	3.9	15	14.2	8.5	74.6	
Karen	27	3	12	13	8	63	
AVG	34.335	3.24	12.95	13.98	8.3		

<u>Noresco</u>	FF (50%)	Presentation (5%)	Qualifications (15%)	Technical Approach (20%)	Management Approach (10%)	Total	Average Score
Mike	31.9	4.3	12.9	15.1	8	72.2	77.17
Ron	41.5	4	13.5	16	9	84	
Sue	38.25	4.2	13.7	16.2	8.2	80.55	
Chris	36.2	4.3	15	17.1	8.5	81.1	
Karen	29	3	14	14	8	68	
AVG	35.37	3.96	13.82	15.68	8.34		

<u>Ameresco</u>	FF (50%)	Presentation (5%)	Qualifications (15%)	Technical Approach (20%)	Management Approach (10%)	Total	Average Score
Mike	26	4.3	12.3	14.4	8	65.00	67.33
Ron	35	3.75	13.5	18	9	79.25	
Sue	27	3.5	11.7	14.9	7.9	65.00	
Chris	20	4.3	15	14.6	8.5	62.40	
Karen	28	3	12	14	8	65.00	
AVG	27.2	3.77	12.9	15.18	8.28		

<u>Johnson</u>	FF (50%)	Presentation (5%)	Qualifications (15%)	Technical Approach (20%)	Management Approach (10%)	Total	Average Score
Mike	36.3	4.3	12.9	14.7	8	76.2	75.465
Ron	39.5	3.5	13.5	18	9	83.5	
Sue	35.725	4.3	11.9	15.8	8	75.725	
Chris	29.4	4.3	15	15.4	8.8	72.9	
Karen	30	4	13	14	8	69	
AVG	34.185	4.08	13.26	15.58	8.36		



RFP 2013-157 Energy Performance Contract for Buildings on Hazen Drive

Proposer Name	1. ConEdison	2. Noresco #1	2. Noresco #2	3. Constellation	Honeywell	Schneider	Ameresco	Johnson Base	Johnson Biomass
Study Fee	\$60,000	\$30,000	\$75,500	\$30,450	\$50,000	\$48,762	\$25,736	\$0	\$0
Capital Costs	\$ 10,909,392	\$ 6,351,174	\$ 5,164,328	\$ 8,520,653	\$ 7,546,570	\$ 12,282,452	\$ 5,234,419	\$ 6,837,217	\$ 10,710,239
Financing Costs	\$ 2,413,537	\$ 629,234	\$ 457,171	\$ 1,785,916	\$ 1,406,949	\$ 2,680,325	\$ 1,102,441	\$ 1,426,923	\$ 2,675,455
Total Project Cost (With interest, Minus Rebates)	\$13,322,929	\$6,308,237	\$4,952,142	\$ 9,969,785	\$8,953,519	\$14,962,777	\$6,063,786	\$8,264,140	\$13,385,694
Payback Period (Years)	18.2	10.2	9.4	17.8	17.2	20.0	18.5	16.9	26.5
Maintenance Cost (Total)	\$ 675,472	\$ 839,756	\$ 839,756	TBD	\$ 1,261,583	\$ 883,260	\$ 2,725,949	\$ 3,293,886	\$ 5,614,820
Total Cost Reduction (\$- From E-2)	\$ 731,129	\$ 617,118	\$ 528,577	\$ 560,946	\$ 521,593	\$ 748,138	\$ 327,883	\$ 490,089	\$ 505,550
Total Cost Reduction (% change)	27.5%	23.2%	19.9%	21.1%	19.6%	28.2%	12.3%	18.5%	19.0%
Total Energy Reduction (kBtu)	68,036,408	43,983,567	34,473,437	38,345,606	59,877,427	51,849,811	20,015,648	35,385,952	65,534,152
Total Energy Reduction (% change)	57.9%	37.4%	29.3%	32.6%	50.9%	44.1%	17.0%	30.1%	55.7%
Fossil Fuel Reduction Total (kBtu)	57,367,143	36,025,531	26,915,216	32,026,298	54,837,415	41,900,683	14,901,067	28,981,345	59,129,545

\*Second proposals not considered as we asked for one proposal per vendor. Additionally, Johnson biomass proposal exceeds the 20 year payback limit.

ConEdison's project proposal includes lighting upgrades in all buildings; HVAC and plumbing measures including heating systems, cooling systems, domestic hot water systems and the lab ventilation system; building controls in all buildings including the labs; VFDs on pumps and fans; building envelope measures including insulation, weather-stripping, and air sealing; a biomass boiler for 29 Hazen Drive; solar PV; EE transformers; and plug load improvements.

Measure I.D. Category	Project Costs			Annual Savings			Fossil Fuel Savings (kBtu)			Simple Payback (No Financing)
	(A) Total (\$)	(B) Electric kWh	(C) Electric kW	(D) Natural Gas Therms	(E) Water Gallons	(F) Energy/Water Savings (\$)	Electric (B)*0.43*3.413	Natural Gas (D) * 100	Total Fossil Fuel Savings	
Lighting	\$ 1,290,207	728,738	253	-10,260	0	\$ 68,871	1,069,489	(1,026,000)	43,489	
Plumbing and HVAC	\$ 1,101,520	1,308,580	106	98,013	285,600	\$ 197,080	1,920,459	9,801,300	11,721,759	
Building Controls & Monitoring	\$ 1,333,335	1,516,868	0	119,543	0	\$ 211,754	2,226,140	11,954,300	14,180,440	
Motors & VFDs	\$ 747,865	1,253,992	134	0	0	\$ 109,261	1,840,346	-	1,840,346	
Building Envelope	\$ 13,923	825	0	4,115	0	\$ 3,193	1,211	411,500	412,711	
Renewable Energy Systems	\$ 5,897,771	275,000	0	281,773	0	\$ 106,283	403,587	28,177,300	28,580,887	
Additional Measures	\$ 524,593	400,324	38	0	0	\$ 34,687	587,511	-	587,511	
<b>Totals:</b>	<b>\$ 10,909,237</b>	<b>\$5,484,327</b>	<b>531</b>	<b>483,184</b>	<b>285,600</b>	<b>\$ 5,731,129</b>	<b>8,046,743</b>	<b>49,318,400</b>	<b>57,367,143</b>	



## **RFP 2013-157 Energy Performance Contract for Buildings on Hazen Drive**

### **Evaluation Committee Members**

#### **Karen Rantamaki, State Energy Manager, Department of Administrative Services**

Karen has been the State Energy Manager for the past five years where she works with state agencies to complete energy efficiency projects within their facilities and performs various other energy related responsibilities. A former energy auditor, Karen has a degree in mechanical engineering and is a licensed professional engineer. Karen was the primary author of the Request for Proposals that was issued for the Hazen Drive Performance Contract project.

#### **Ron White, Administrator IV, Department of Administrative Services**

Ron has been the Administrator of the Bureau of General Services for the past six years which includes overseeing thirty State of New Hampshire facilities including all sites located on Hazen Drive which are included in the performance contract. Ron has been in facilities management for high technology companies such as General Electric, ON Semiconductor, and Analog Devices. He has a Bachelors Degree in Industrial Technology.

#### **Susan Thorne, State Energy Program Associate, Office of Energy and Planning**

Susan has been involved with energy efficiency in State buildings since joining the NH Office of Energy and Planning two years ago. A registered architect, Susan has worked in the design and construction industries on energy efficient and high performance buildings. She has also provided LEED building certification consultation and trained professionals seeking LEED accreditation. Susan served on the committee reviewing Proposals submitted for the Hazen Drive Performance Contract project.

#### **Chris Skoglund, Energy and Climate Analyst, Department of Environmental Services**

Chris manages the State's greenhouse gas inventory and provides technical and policy analysis of energy and climate programs and policies. Chris was the staff coordinator for the state level group that developed the NH Climate Action Plan from 2008-2009. In this role, he coordinated the efforts of six working groups that assessed the opportunities within NH to reduce the use of fossil fuels. In support of their work, Chris also managed and advised the project's technical consultant that evaluated the potential cost and benefits associated with nearly 100 separate state-level actions. Chris was also involved in the development of 2011 recommendation by the Energy & Climate Collaborative concerning energy performance contracting, which helped inform the design of the Hazen Drive RFP.

**Michael Connor, Deputy Commissioner, Department of Administrative Services**

Mike has worked for the Department of Administrative Services in various capacities over the last 36 years. Mike has a background in HVAC with responsibility for overseeing the maintenance of 92 state owned buildings under the care of Administrative Services. Mike was heavily involved in the first seven guaranteed energy saving performance contracts that were commissioned between 2001 and 2005 resulting in avoided energy costs of approximately \$1.2 million per year . Mike also has over 26 years experience with state procurement. Mike has a bachelor's degree in Business Management.

**Non Scoring Team Members**

**Susan Carlson, Chief Operations Officer, Department of Environmental Services**

Susan has been the Chief Operations Officer at the NH DES for the past eight years where she is responsible for the financial operations of the department. Prior to that, Ms. Carlson worked for the Legislative Budget Assistant's Office, Audit Division, performing financial and compliance audits of state agencies. Ms. Carlson served on the selection committee for the Hazen Drive project as technical support (non-scoring member) assisting the committee in the review of the vendors financial statements. Ms. Carlson has a bachelor's degree in business administration and received her certification as a CPA in 1983.

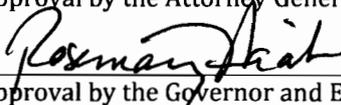
**Beverly Kowalik, Public Works Project Manager, Department of Administrative Services**

Beverly has been with the state of New Hampshire for 20 years; and with the Bureau of Public Works for the last seven years as a Project Manager working as the lead mechanical and fire protection engineer to compete various construction projects at the Bureau. This included coordinating and overseeing the energy efficiency projects recently funded through the ARRA program. Beverly has a degree in mechanical engineering and is a licensed professional engineer. As a lead engineer with the Bureau of Public Works, Beverly served as a technical support person (non-scoring member) on the selection team for the Hazen Drive performance contract project. Beverly has worked on other large scale biomass projects, solar energy projects, and energy efficiency retrofits in many state facilities.

The State of New Hampshire and the Vendor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name Department of Administrative Services		1.2 State Agency Address 25 Capitol Street, Concord, NH 03301	
1.3 Vendor Name Consolidated Edison Solutions, Inc.		1.4 Vendor Address 100 Summit Lake Drive, Suite 410 Valhalla, NY 10595	
1.5 Vendor Phone # 781-203-2705	1.6 Account Number 01-14-14-141510- 2950-048	1.7 Completion Date May 30, 2014	1.8 Price Limitation \$60,000
1.9 Contract(s)ing Officer for State Agency Karen Rantamaki		1.10 State Agency Telephone Number (603) 271-2698	
1.11 Vendor Signature 		1.12 Name and Title of Vendor Signatory Michael W. Gibson Vice President, Energy Services	
1.13 Acknowledgement: State of <i>New York</i> , County of <i>Westchester</i> On <i>NOV 15, 2013</i> , before the undersigned officer, personally appeared the person identified in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]		DANIEL J. BAUER Notary Public, State of New York No. 02BA6259467 Qualified in New York County Commission Expires April 9, 2016	
1.13.2 Name and Title of Notary or Justice of the Peace			
1.14 State Agency Signature  <i>Assistant Comm.</i>		1.15 Name and Title of State Agency Signatory Linda M. Hodgdon, Commissioner Dept. of Administrative Services	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <i>11-27-13</i>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

**2. EMPLOYMENT OF VENDOR/SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages Vendor identified in block 1.3 ("Vendor") to perform, and the Vendor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Vendor commences the Services prior to the Effective Date, all Services performed by the Vendor prior to the Effective Date shall be performed at the sole risk of the Vendor, and in the event that this Agreement does not become effective, the State shall have no liability to the Vendor, including without limitation, any obligation to pay the Vendor for any costs incurred or Services performed. Vendor shall complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.** Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Vendor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT(S) PRICE/PRICE LIMITATION/ PAYMENT.**

5.1 The contract(s) price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract(s) price shall be the only and the complete reimbursement to the Vendor for all expenses, of whatever nature incurred by the Vendor in the performance hereof, and shall be the only and the complete compensation to the Vendor for the Services. The State shall have no liability to the Vendor other than the contract(s) price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Vendor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY VENDOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Vendor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Vendor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Vendor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Vendor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Vendor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Vendor further agrees to permit the State or United States access to any of the Vendor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Vendor shall at its own expense provide all personnel necessary to perform the Services. The Vendor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Vendor shall not hire, and shall not permit any subvendor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contract(s)ing Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contract(s)ing Officer's decision shall be final for the State.

#### **8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Vendor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Vendor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Vendor notice of termination;

8.2.2 give the Vendor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract(s) price which would otherwise accrue to the Vendor during the period from the date of such notice until such time as the State determines that the Vendor has cured the Event of Default shall never be paid to the Vendor;

8.2.3 set off against any other obligations the State may owe to the Vendor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

#### **9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.**

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**10. TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Vendor shall deliver to the Contract(s)ing Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract(s) price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

**11. VENDOR'S RELATION TO THE STATE.** In the performance of this Agreement the Vendor is in all respects an independent Vendor, and is neither an agent nor an employee of the State. Neither the Vendor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACT(S).** The Vendor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontract(s)ed by the Vendor without the prior written consent of the State.

**13. INDEMNIFICATION.** The Vendor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all

claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Vendor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

#### **14. INSURANCE.**

14.1 The Vendor shall, at its sole expense, obtain and maintain in force, and shall require any subvendor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Vendor shall furnish to the Contract(s)ing Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Vendor shall also furnish to the Contract(s)ing Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contract(s)ing Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

#### **15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Vendor agrees, certifies and warrants that the Vendor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Vendor is subject to the requirements of N.H. RSA chapter 281-A, Vendor shall maintain, and require any subVendor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Vendor shall furnish the Contract(s)ing Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Vendor, or any subVendor or employee of Vendor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Vendor.

**17. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**18. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

## **Exhibit A - SERVICES**

### **Agreement to Perform a Detailed Feasibility Study**

AGREEMENT, entered into as of \_\_\_\_\_, 2013, by and between Consolidated Edison Solutions, Inc. ("Contractor" or "Vendor") a corporation with a principal place of business at 100 Summit Lake Drive, Suite 410, Valhalla, NY 10595 and the Department of Administrative Services ("State") a department of the State of New Hampshire with a principal place of business at 25 Capitol Street, Concord, NH (individually, a "Party" or collectively, the "Parties").

Now, therefore, in consideration of these premises and the mutual promises herein expressed, State and Contractor agree as follows:

#### **BASIS:**

The basis for this Agreement is:

Department of Administrative Services (hereinafter called "the State") owns or leases the premises known as New Hampshire State Office Park, East (hereinafter called "the Facilities"). State desires to improve the energy efficiency of certain facilities that it owns and occupies by means of an energy performance contract. The State has solicited competitive proposals, evaluated Contractor's response, and wishes to engage Contractor to conduct a Detailed Feasibility Study of the facilities to determine whether the State should proceed with a fossil-fuel reduction project by means of an energy performance contract.

Contractor has made a preliminary assessment of the Facility and submitted a proposal in response to a State issued RFP, to provide certain services and equipment. The Contractor provides services and other measures designed to reduce energy consumption or energy costs. The Contractor is willing to guarantee that the State will realize energy cost savings during each year of the term of an energy performance contract, calculated and adjusted according to accepted terms.

The work to be performed at the Facility by Contractor (the "Project") will identify the Measures to be installed and other services, if any, to be provided by Contractor.

#### **1. DEFINITIONS:**

**Baseline Energy Use.** A calculation of energy use of a building or piece of equipment over a specified period used to project energy use had the project not been implemented.

**Detailed Feasibility Study.** Also referred to as the "Detailed Energy Audit". A survey of existing energy systems of a Facility for the purpose of proposing Fossil-Fuel-Energy Conservation Measures (FFECMs) and verifying that the proposed FFECMs are guaranteed to generate energy consumption and cost savings and meet the financial requirements within twenty years. The results of a Detailed Feasibility Study are presented in a written report that includes a methodology for the calculation of the Baseline Energy Use and a description of physical conditions, equipment counts, nameplate data and control strategies. For each FFECM recommended, the Detailed Feasibility Study generally provides equipment counts, implementation costs, efficiency levels or performance characteristics of the equipment comprising the proposed FFECMs, on-going maintenance costs,

annual energy and cost savings, the useful life of the FFECM and a life-cycle cost analysis. Projected fossil-fuel energy savings must account for interaction among recommended Energy Conservation Measures. See Section 3 and the State RFP #2013-157 "Performance Contract for the Buildings on Hazen Drive, State Office Park East." The results of the detailed feasibility study are presented in a written report.

**Fossil-Fuel Energy.** Energy generated through the combustion of fuel types including coal, fuel oil, propane, and natural gas. This includes electricity generated by the burning of these fuel types. Use 43% of total electric savings to calculate fossil fuel savings from electricity reductions.

**Fossil-Fuel-Energy Conservation Measures (FFECM).** A measure to reduce energy use or costs, such as the installation of equipment or systems, or modification of equipment or systems, or revised operation and maintenance procedures.

**Guaranteed Performance.** The annual energy unit and cost savings, which the Contractor guarantees will be realized by the State as a result of the Project, will be calculated in accordance with the methodology (i.e., the International Performance Measurement and Verification Protocol (IPMVP) Options A and B) described in the original RFP and agreed to by Contractor in its RFP response. The Parties agree that the final M&V Plan will be negotiated and mutually agreed to during the development of the IGA. Excess annual energy units and cost savings obtained by the State beyond the Contractor's annual guarantee cannot be used as a credit by the Contractor in any previous or subsequent years of the contract term and will not be applied for any shortfall in guaranteed energy units or cost savings during the contract term. Each building must meet the 20 year payback requirement on its own. Measures must be easily separated by building for ease of calculating loan repayments. All energy and cost savings derived from the implementation of this project will be retained by the State.

Energy unit savings will be the basis of the performance guarantee and guaranteed cost savings are extrapolated from the energy unit savings and baseline utility costs. Since energy costs fluctuate, the Contractors must meet the guaranteed annual energy unit savings as a requirement of the performance guarantee. In no instance will guaranteed cost savings be used as the sole condition for meeting the performance guarantee. Further, as required in NH RSA 21-I:19-d (f), "Any energy performance contract should require the contractor to include all energy efficiency improvement in selected buildings that are calculated to recover all costs within 20 years from the date of project implementation at existing energy prices. The contract shall require that the public utility or energy services provider be repaid only to the extent of energy cost savings guaranteed by the contractor to accrue over the term of the contract."

**Measurement and Verification.** The process of monitoring and measuring the energy consumption of a facility or specific equipment or systems, before and after Project implementation, to determine if guaranteed or predicted fossil-fuel energy savings are being realized. The International Measurement and Verification Protocols will be used to measure and monitor all installed FFECMs.

**Project.** An energy and energy-related cost reduction program that may include design, engineering, procurement, installation of equipment, ongoing maintenance, measurement and verification, and other services.

**Total Project Cost.** All costs associated with the development and implementation of an energy performance contract, which may include, but are not limited to: the comprehensive energy audit; FFECM design, procurement and installation; financing fees; construction contract bonds; interest charges; training of facility staff; measurement and verification; equipment operation and maintenance; project management; the energy performance guarantee; and Contractor overhead and profit.

2. The Contractor shall perform a Detailed Feasibility Study of the following facilities:

- The Health and Welfare Building, 27/29 Hazen Drive
- The Safety Building, 33 Hazen Drive
- The Morton Building, 7 Hazen Drive
- The Division of Motor Vehicles, 23 Hazen Drive

The Contractor shall gather and analyze information and data and propose a project to the State in a comprehensive energy audit report that would reduce the State's expenses for energy, water and related operations. The Detailed Feasibility Study shall be conducted at the Contractor's own expense. The Contractor shall conduct an on-site survey of the facilities and shall interview appropriate State personnel to learn the operating characteristics of the facilities and the existing equipment and systems therein.

The Detailed Feasibility Study shall identify all feasible energy conservation, load management, building envelope, water conservation; and renewable resource options for which the total cost savings benefits are expected to exceed implementation costs, including financing, over the term. The comprehensive energy audit shall also address the following options specifically identified by the State:

- Lighting Systems and Controls
- HVAC
- Building Automated Controls
- Premium Efficiency Motors and VFDs
- Building Envelope
- Boiler Plants
- Water Conservation
- Domestic Hot Water Systems
- Renewable Energy Systems
  
- See Exhibit 1, below, for a more detailed list of all FFECMs that will be studied

3. Contractor shall certify in writing that Contractor has a plan to coordinate all activities involving handling, transport, and disposal of hazardous materials, including asbestos, affected by the installation of Measures under this Agreement. Provided; however, that the State will enter directly into contracts with third parties for necessary handling, transport or disposal of hazardous materials (other than for mercury-containing lamps and PCB-containing ballasts) discovered by Contractor, as a part of such plan. If no hazardous materials are involved or affected, Contractor shall so assert.

The Detailed Feasibility Study shall present a detailed analysis and discussion of the Contractor's proposed FFECMs at the State's facilities. It shall include a methodology for the calculation of the baseline energy use and a description of physical conditions, equipment counts, lighting audits, nameplate data, and control strategies prior to project implementation.

For each measure recommended, the Detailed Feasibility Study shall provide equipment counts, implementation costs, efficiency levels or performance characteristics of the equipment comprising the proposed measure, on-going maintenance costs, annual energy and cost savings, and the useful life of the measure. Projected fossil-fuel energy savings must account for interaction among recommended measures.

There shall be a separate section in the comprehensive energy audit report for each building and an executive summary which lists all proposed FFECMs with the implementation cost, estimated energy cost savings, useful life of the equipment, and the simple payback for each measure.

The report shall incorporate the following format:

**Changes from the Original Proposal** – provide a complete description of what changes have occurred from the original proposal to the completed detailed feasibility study and explain why these changes were necessary. Include at a minimum for each FFECM:

- Changes in quantities of equipment or fixtures,
- Changes in installation or equipment costs,
- Changes in equipment type and/or specifications,
- Changes in the implementation timeline, and
- Changes in the scope of work.

**Measure Descriptions** – provide a complete description of each proposed measure, which will include at a minimum:

- The proposed upgrade, replacement, or operational change;
- Existing equipment and fixture inventories;
- Waste recycling measures;
- Quantities, and make and model of all proposed new equipment;
- Interface between the proposed measure and existing equipment; and
- A cost and savings summary (Form E-2) and savings guarantees

**Operation and Maintenance Services and Responsibilities** – provide a complete description of the maintenance services that the Contractor will provide and a complete description of any maintenance actions for which the State will retain responsibility.

- Operation services to be performed by the Contractor
- Operation services to be performed by the State
- Training Services to be performed by the Contractor
- Maintenance services to be performed by the Contractor
- Maintenance to be performed by the State
- Repair response times and agreements

**Measurement and Verification Plan** – document the methods that will be used to calculate fossil-fuel energy savings and convert them to cost savings, including the baseline that savings will be measured against and any provisions for modifying the baseline. Information to be provided includes:

- an energy baseline and the methodology used for the calculation of baseline energy consumption;
- the International Performance Measurement and Verification Protocol method to measure fossil-fuel energy savings for each conservation measure and/or energy type after FFECMs have been installed;
- the method to verify FFECM compliance with requirements of standards of service and comfort;
- the method of determining guaranteed energy unit and cost savings and compliance with standards of service and comfort annually throughout the Term;
- the utility rate schedules to be used for calculating energy cost savings; and
- A clearly defined performance guarantee which indicates energy unit savings will be the basis of the guarantee and that guaranteed cost savings are extrapolated from the energy unit savings and baseline utility costs. Also include an outline of the process for reimbursing the state for any shortfall in the energy unit savings guarantee. In no instance will guaranteed cost savings be used as the sole condition for meeting the performance guarantee.

To establish the baseline, provide supporting documentation on:

- building physical condition;
- hours of use or occupancy;
- area of conditioned space;
- area of unconditioned space;
- inventory of energy consuming equipment or systems;
- energy consuming equipment operating conditions and loads; and
- standards of service and comfort observed (e.g. light levels and temperatures).

Describe the manner in which the Contractor shall secure the energy performance guarantee.

**Installation Schedule** – provide for each measure, a proposed implementation schedule with the following milestones:

- Design completed
- Permits
- Submittals (plans and specifications)
- Equipment/material acquisition
- Mobilization
- Installation
- Clean up
- Startup/testing, commissioning, initial Measurement and Verification
- Final inspection and project acceptance
- Post installation submittals
- Periodic Measurement and Verification, annual true-ups
- Training

**Subcontractor and Equipment Vendor/Brand Schedules** - provide a list of subcontractors (or possible subcontractors), and equipment brands and vendors.

**Compensation Schedule** - The Compensation Schedule should indicate any progress payments for construction through Project Acceptance and any regular payments after Project Acceptance for ongoing monitoring, operating, and maintenance services, if applicable.

**Environmental Impact** - Provide projected annual greenhouse gas reduction quantities for the total project based on the guaranteed energy savings. Utilize the following conversion coefficients in determining the gas reduction quantities for the type of energy indicated.

**Electricity Savings (MM = 1 million, 3.412 MMBtu/MWh)**

Carbon Dioxide	244.52 lb/MMBtu	834.31 lb/MWh
Sulfur Dioxide	0.53 lb/MMBtu	1.80 lb/MWh
Nitrous Oxides	0.21 lb/MMBtu	0.73 lb/MWh

**Source: NH DAS, 2013**

**#2 Oil (Sulfur content 0.5%, M =1 million, 0.139 MMBtu/gal)**

Carbon Dioxide	161.27 lb/MMBtu	22.38 lb/gal
Sulfur Dioxide	1.022 lb/MMBtu	0.142 lb/gal
Nitrous Oxides	0.00187 lb/MMBtu	0.00026 lb/gal

**Natural Gas (MM =1 million, 0.1 MMBtu/therm (100 ft<sup>3</sup>))**

Carbon Dioxide	116.98 lb/MMBtu	11.70 lb/therm
Sulfur Dioxide	0.00059 lb/MMBtu	0.000082 lb/therm
Nitrous Oxides	0.0022 lb/MMBtu	0.0003 lb/therm

**Propane (MM = 1 million, 0.09101 MMBtu/gal)**

Carbon Dioxide	139.05 lb/MMBtu	12.65 lb/gal
Sulfur Dioxide	0.0006 lb/MMBtu	0.00009 lb/gal
Nitrous Oxides	0.006 lb/MMBtu	0.0009 lb/gal

**Sources:**

EIA (2012). Voluntary Reporting of Greenhouse Gases Program Fuel Emission Coefficients, <http://www.eia.gov/oiaf/1605/coefficients.html>.

EPA (2011). AP-42, Fifth Edition, Compilation of Air Pollutant Emission Factors, Volume 1: Stationary Point and Area Sources, <http://www.epa.gov/ttn/chief/ap42/index.html>.

**Standards of Service and Comfort for the State facilities shall be as follows:**

In conditioned areas, space temperatures will be maintained between 68°F dry bulb (heating) and 76°F dry bulb (cooling) during scheduled occupied periods as controlled by the space thermostats or room sensors. In no instance shall the lowest temperature in the building fall below 68°F during occupied periods. These temperature requirements shall also apply to buildings that have central cooling systems. In buildings with ventilation systems, outside air cannot be reduced below the quantities found in ASHRAE standard 62-89, "Ventilation for Acceptable Indoor Air Quality." Where humidity control is available in office spaces, 20-60% relative humidity shall be maintained during periods scheduled for occupancy, or maintained at present building set points. Data centers and laboratories shall have humidity settings that meet their own standards.

**STANDARD HOURS OF OPERATION**

<b>BUILDING</b>	<b>ADDRESS</b>	<b>AREA</b>	<b>BASE HOURS OF OPERATION</b>
MORTON	7 Hazen Drive	Office	M-F 6:30a-5:30p
		Computer Room	24x 7x 365
DMV	23 Hazen Drive	Office	<i>Nov-Mar</i>
			M,W,Th,F 7a-6p
			Tu 7a-7:30p
		Sa 9a-1p	
		Computer Rooms	<i>April-Oct</i>
			Fri 7a-9p
Sa, Su 8a-5p			
DoIT	27 Hazen Drive	Offices	M-Su 7a-5p
		Computer Room	24x 7x 365
HHS	29 Hazen Drive	Laboratories	M-F 7a-6p
			Sa 8a-4:30p
			Su No Operations
			Hol 8a-4:30p
HHS	29 Hazen Drive	Offices	M-F 8a-6p
		Computer Room	24x 7x 365
SAFETY	33 Hazen Drive	All Except Gun Line	M-F 6a-5:30p
		Gun Line Area	M-Su 9a-10p
		Computer Rooms	24x 7x 365

During unoccupied periods, the heating and/or cooling systems may be turned off. However, the systems must be so designed that before any high or low temperatures or humidity conditions that could damage equipment in the spaces can occur, the heating and/or cooling system will restart and control the temperature or humidity as required. In any case, temperatures must be restored to the 68°F - 76°F range by the start of the next occupied period.

Hot water to kitchen areas will be supplied at a temperature of 120°F. Domestic hot water for bathrooms, showers and hygiene purposes shall be delivered at a temperature between 85°F and 110°F. All other domestic hot water temperature requirements must meet applicable NH plumbing code standards.

Minimum lighting levels shall be in accordance with applicable Illumination Engineering Society (IES) standards for each type of space and activity as of the time of the Measure installation. It is recommended a sampling of light level readings be taken at various locations before considering lighting upgrade options. This will assure post-retrofit light levels will be adequate and that lighting upgrades will not be based on existing light levels which may be below or above IES standards.

The key personnel assigned responsibility for the conduct of the comprehensive energy audit shall be identified in writing prior to the commencement of the comprehensive energy audit, and shall be subject to the approval of the State. Proposed changes in the key personnel also shall be subject to State approval.

The State agrees to allow the Contractor access to its facilities during normal working hours for the purpose of gathering information required for the Detailed Feasibility Study and to cooperate with the Contractor in providing timely, complete, accurate, and pertinent information. If it has not already done so, the State shall furnish, or cause its energy suppliers to furnish, accurate and complete data concerning energy usage for the facilities for a recent 24-month period.

The Contractor agrees that this Detailed Feasibility Study shall be completed and delivered to the State within 18 weeks of the signing of this Agreement by both parties.

Within 15 business days of receipt of the Detailed Feasibility Study, the State may request in writing additional information about any proposed measures. In such event the Contractor agrees to provide, at no additional cost to the State, detailed engineering and financial calculations and to identify all assumptions and inputs underlying the recommended FFECMs and services. The Contractor will submit the requested information within 15 business days of receipt of the request from the State. Upon receipt of the information from the Contractor, the State may, within 5 days of receipt of the initial response from the Contractor, request additional information about the recommended program. The Contractor shall have 10 days to respond to the second and any subsequent requests for information, and the State shall have 10 days to respond. These requests for information may involve attempts to resolve deficiencies in or material objections to the proposed Project. This process may continue until (a) the parties resolve the deficiencies and objections and the State accepts the comprehensive energy audit report; (b) the State and the Contractor mutually select an acceptable engineering firm to decide whether the recommended FFECMs are feasible and the proposed costs and savings are reasonable; or (c) either party decides to pursue its legal rights in an appropriate forum. The State shall not be responsible for expenses incurred by the Contractor for providing additional information needed to clarify, review or modify the Detailed Feasibility Study after the initial presentation by the Contractor.

This Agreement in no way binds the State or the Contractor to enter into any future agreement for any purpose.

This Agreement shall become effective and binding upon approval by the New Hampshire Governor and Executive Council pursuant to RSA 4:15.

## EXHIBIT B

### Payment Terms

1. The Detailed Feasibility Study shall be conducted at the Contractor's own expense.
2. The Contractor shall be solely responsible for any and all costs incurred by the Contractor for work performed by the Contractor in preparation of the Detailed Feasibility Study prior to the Governor and Executive Council approval of this agreement. The State shall have no obligation to reimburse the Contractor for its expenses relating to the work performed in the preparation of the Detailed Feasibility Study prior to approval by the Governor and Executive Council.
3. If the State elects not to proceed after accepting the Contractor's Detailed Feasibility Study, or if the State and Contractor cannot agree on the contents or manner of incorporation of the Detailed Feasibility Study within 30 days after its submission, then this Agreement shall terminate and the State shall pay the Contractor \$60,000 as compensation for the preparation of the Detailed Feasibility Study, unless:
  - a. The Detailed Feasibility Study does not comply with the terms of the Agreement,
  - b. The total energy savings set forth in the Detailed Feasibility Study are less than 85% of the total energy savings proposed by the Contractor in its proposal, unless the quantity and scope of FFECMs changes as a result of changes such as the following: different building operating assumptions provided by the State, addition or removal of FFECMs from the project scope by the State, or changes in financial parameters as noted in item 3. c. below,
  - c. The net financial benefit set forth in the Detailed Feasibility Study is less than 85% of the net financial benefit proposed by Contractor in its proposal, unless changes in financial assumptions occur relative to those made in the RFP response, including factors such as the following: interest rate, finance term, energy rates, available New Hampshire Pay for Performance (P4P) funds, available utility or PUC rebate funds, available thermal renewable energy credit funds (RECs), added M&V or O&M requirements, changes in building codes, added costs for scope not providing additional energy savings such capital improvements or architectural enhancements, and extended or phased construction schedule, or
  - d. An agreement between the Contractor and the State that provides for an alternative compensation arrangement.

In these events, the State shall have no obligation to reimburse the Contractor forth cost of preparing the Detailed Feasibility Study and may use any information contained in the report or implement any of its recommendations with no cost or obligation to the Contractor.

4. Payment shall be paid within thirty (30) days after receipt of invoice. Said payment shall be made by means of a check mailed to the address in Paragraph 1.4 of this contract. Upon such payment, the Detailed Feasibility study shall be the property of the State.
5. If the total energy savings set forth in the Detailed Feasibility Study are within 15% of the Contractor's original proposal and the State enters into a Performance Contract with the Contractor based on the State's "Model Agreement for Guaranteed Energy Performance," the cost of the Detailed Feasibility Study shall be included in the cost of the Performance Contract.

## EXHIBIT C

### Special Provisions

**1. Delete the following language from 14.3:**

~~Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contract(s)ing Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification on the policy.~~

**And replace with:**

**The Contractor shall endeavor to provide the Contract(s)ing Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification on policy.**

Insert Certificate of Authority, SOS Authorization, Certificate of Insurance

**Exhibit 1**  
**Energy Savings Guarantee, Measurement and Verification Plan, and Commissioning Procedures**

In this Exhibit, document the methods that will be used to calculate energy savings and convert them to cost savings, including the baseline that savings will be measured against and any provisions for modifying the baseline. Information to be provided includes:

1. an Energy Baseline and the methodology used for the calculation of baseline energy consumption;
2. the method to measure energy savings for each energy type after Fossil Fuel Energy Conservation Measures have been installed;
3. the method to verify Fossil Fuel Energy Conservation Measures compliance with requirements of Standards of Service and Comfort;
4. the method of determining energy savings and compliance with Standards of Service and Comfort annually throughout the Term; and
5. the utility rate schedules to be used for calculating energy cost savings.

To establish the baseline, provide supporting documentation on:

1. building physical condition;
2. hours of use and occupancy;
3. area of conditioned space;
4. area of unconditioned space;
5. inventory of energy consuming equipment and systems;
6. energy consuming equipment operating conditions and loads;
7. standards of service and comfort observed (e.g. light levels and temperatures).

Indicate the commissioning procedures and performance tests that will be followed for each Fossil Fuel Energy Conservation Measure, prior to Fossil Fuel Energy Conservation Measure acceptance, that shall demonstrate full compliance with the design and implementation standards set forth in this Agreement.

Describe the manner in which the Contractor shall secure the energy savings guarantee.

ConEdison Solutions' Guarantee Agreement to the State is stated simply, as follows:

*"If the actual savings to the State, as measured according to the agreed-upon Measurement and Verification plan, does not equal or exceed the guaranteed energy savings stated in the Detailed Feasibility Study, then ConEdison Solutions shall pay to the state agency the difference between its guaranteed amount of savings and the actual savings achieved, multiplying such shortfall in guaranteed savings by the agreed-upon utility price in the year of such shortfall. Excess annual energy and cost savings obtained by the state agency beyond the contractor's annual guarantee will not be used as a credit by the ConEdison Solutions in any previous or subsequent years of the contract term and will not be applied for any shortfall in guaranteed energy or cost savings during the contract term. All energy unit and cost savings derived from the implementation of this project will be retained by the state agency and will not be shared in any capacity."*

Utilize the following table to indicate potential Annual Dollar Savings and the Energy Savings Guarantee.

Year	Annual Potential Energy Savings (\$)	Annual Guaranteed Energy Savings (\$)
1		
2		

3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
TOTAL		

**Annual Potential Savings:** These energy savings are the difference between the Baseline energy use and the energy use after implementation of the Fossil Fuel Energy Conservation Measures. This approach requires the adoption of a measurement and verification protocol for the life of the Agreement.

**Annual Guaranteed Savings:** The amount of Annual Measurable Savings the Contractor will guarantee is consistently achievable with this Agreement. The Annual Guaranteed Savings will be the basis for financing the Fossil Fuel Energy Conservation Measures outlined in this Agreement.

Utilize the following table to indicate Guaranteed Annual Energy Savings in appropriate energy units.

Year	Electric Energy (kWh)	Electric Demand (kW)	Natural Gas (Therms)	Wood Chips (tons)	Water & Sewer (gallons)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

14					
15					
16					
17					
18					
19					
20					
TOTAL					

**Form E-2: Summary of Proposed Fossil-Fuel-Energy Conservation Measures – (Cost Only)**

Transfer from Form E-2 to show the total project cost for every FFECM category.

**Summary by Category for All Buildings**

Measure I.D. Category	Project Costs (\$)
	<b>(A) Total Project Costs</b>
Lighting	\$1,290,207
HVAC and Plumbing Measures	\$1,101,520
Building Controls and Monitoring	\$1,333,335
Motors and VFDs	\$747,865
Building Envelope	\$13,923
Renewable Energy Systems	\$5,897,771
Additional Measures	\$524,593
<b>TOTALS</b>	<b>\$10,909,392</b>

**Form E-2: Summary of Proposed Fossil-Fuel-Energy Conservation Measures – Cost and Savings**

Specify, for each proposed Fossil Fuel Energy Conservation Measure, the projected annual energy savings (in units of kWh, kW, Therms, gallons, and dollars).

Measure I.D. Category	Project Costs (\$)	Annual Savings					Simple Payback (No Financing) (A) / (F)	Fossil Fuel Savings (kBtu)		
		(B) Electric kWh	(C) Electric kW	(D) Natural Gas Therms	(E) Water Gallons	(F) Total Savings		Electric (B) x 0.43 x 3.413	Natural Gas (D) x 100	Total Fossil Fuel Savings
Lighting	\$1,290,207	728,738	253	-10,260	0	\$68,871	18.7 years	1,069,488	-1,025,963	43,526
HVAC and Plumbing Measures	\$1,101,520	1,308,580	106	98,013	285,600	\$197,080	5.6 years	1,920,458	9,801,281	11,721,739
Building Controls and Monitoring	\$1,333,335	1,516,868	0	119,543	0	\$211,754	6.3 years	2,226,140	11,954,269	14,180,410
Motors and VFDs	\$747,865	1,253,992	134	0	0	\$109,261	6.8 years	1,840,347	0	1,840,347
Building Envelope	\$13,923	825	0	4,115	0	\$3,193	4.4 years	1,211	411,482	412,692
Renewable Energy Systems	\$5,897,771	275,000	0	281,773	0	\$106,283	55.5 years	403,587	28,177,293	28,580,880
Additional Measures	\$524,593	400,324	38	0	0	\$34,687	15.1 years	587,512	0	587,512
<b>TOTAL</b>	<b>\$10,909,392</b>	<b>5,484,327</b>	<b>532</b>	<b>493,184</b>	<b>285,600</b>	<b>\$731,130</b>	<b>14.9 years</b>	<b>8,048,744</b>	<b>49,318,362</b>	<b>57,367,106</b>

As noted in the RFP, each building must meet the 20-year payback requirement on its own. Measures must be easily separated by building for ease of calculating loan repayments, as each building makes payments from a separate fund. Please see attached list for a detailed breakdown of measures by building.





CONSOLIDATED EDISON SOLUTIONS, INC.

SECRETARY'S CERTIFICATE

I, Paul F. Mapelli, do hereby certify that I am the Secretary of Consolidated Edison Solutions, Inc. ("Company"), and that I am authorized to provide this certificate.

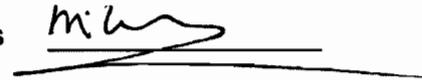
I further certify that the undersigned officer has been at all times since a date prior to the date of this certificate duly elected or appointed to the office set forth opposite his name, that the signature of such officer shown below is his true and correct signature, and that he is authorized to execute energy services contracts, in amounts not to exceed \$5,000,000, in the name of and on behalf of the Company, including, but not limited to, contracts with the State of New Hampshire Department of Administrative Services.

NAME

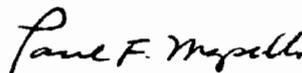
TITLE

SIGNATURE

Michael W. Gibson Vice President, Energy Services



IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Company this 15<sup>th</sup> day of November, 2013.



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Paul F. Mapelli  
Secretary

# State of New Hampshire Department of State

## CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CONSOLIDATED EDISON SOLUTIONS, INC. a(n) New York corporation, is authorized to transact business in New Hampshire and qualified on February 6, 2003. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 21<sup>st</sup> day of October, A.D. 2013

A handwritten signature in cursive script, reading "William M. Gardner".

William M. Gardner  
Secretary of State