

## **REQUEST FOR BOARD ACTION**

### **HENDERSON COUNTY BOARD OF COMMISSIONERS**

**MEETING DATE:** Monday, November 5, 2012

**SUBJECT:** Performance Contracting

**PRESENTER:** Marcus Jones

**ATTACHMENTS:** No

#### **SUMMARY OF REQUEST:**

With the rising cost of energy, and utility companies increasing rates the Engineering department would like to explore the option of performance contracting. Engineering would hire a company, after issuing an RFQ to perform energy efficiency updates. The company hired would guarantee a certain percentage cost savings (percentage to be further determined) and improvements would be paid for by money borrowed by Henderson County. If the projected percentage of savings is not met the chosen company will reimburse Henderson County for the deficient. If a higher percentage of cost savings is met Henderson County will be able to keep the difference. This potential partnership is a win win situation for Henderson County; we would become more energy efficient while paying for the upgrades with our cost savings.

The Engineering department is only requesting to move forward with exploring performance contracting as an option for energy efficiency. Engineering would come back before the board before any agreements are reached.

#### **BOARD ACTION REQUESTED:**

**Direct the County Engineer to move forward with exploring performance contracting to save on energy costs.**

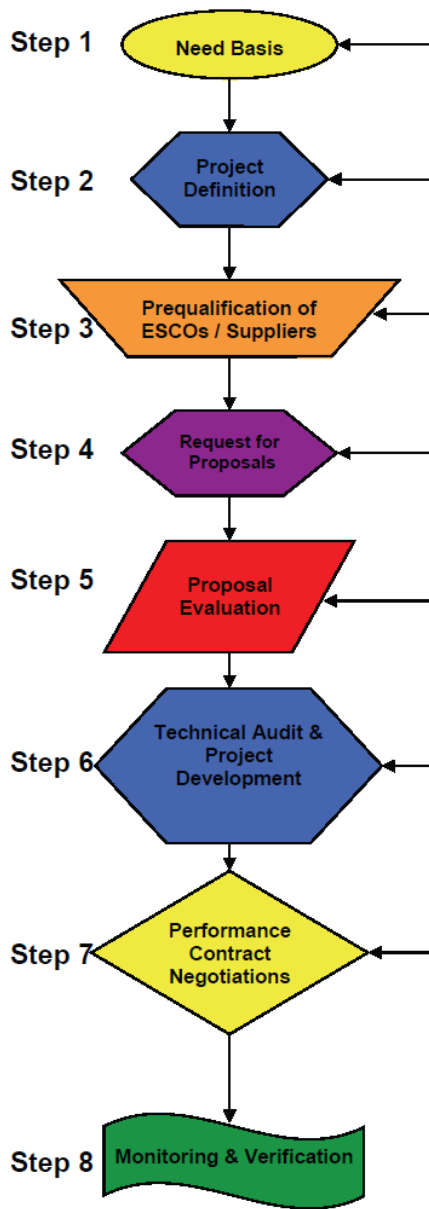
#### **Suggested Motion:**

*I move to direct the County Engineer to move forward with exploring performance contracting to save on energy costs.*

# Henderson County Engineering

## Performance Contracting





# Basic Steps for Performance Contracting



- HC Engineering will use State of NC templates for RFQ and contract
- Responding ESCO's must be prequalified by the NC State Energy Office
- NC State Energy office is available for assistance and must approve all proposals.
- No cost to the County until the Investment Grade Audit is performed, positive cash flow throughout the entire process.
- Many other NC Counties and Municipalities have used this tool for energy savings.
- The Local Government Commission must approve the project.

