

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF TRUSTEES
OF THE MONROE COUNTY COMMUNITY COLLEGE DISTRICT

Board of Trustees Room, Z-203
La-Z-Boy Center
5:00 p.m., December 15, 2014

Members present: William J. Bacarella Jr., Joseph N. Bellino Jr., William H. Braunlich, James DeVries, Marjorie A. Kreps, L. Lauer, and Mary Kay Thayer

Also present: Jack Burns, Randy Daniels, Dan Hamman, Brian Lay, Denice Lewis, Molly McCutchan, Joe Verkennes, Sue Wetzel, Grace Yackee, and Penny Dorcey (secretary)

1. Chair Bacarella called the meeting to order at 5:03 p.m. The purpose of the meeting is to discuss the 2014 Presidential Evaluation of Dr. Kojo A. Quartey, waive purchasing procedures for the Energy Savings Performance Contracting (ESPC) Project, and to discuss the Board Self-evaluation.

2. Purchasing Procedures – EPSC Project

It was moved by Mr. Braunlich and seconded by Mrs. Thayer that the Board authorizes waiving the requirement for a Sealed Bid for the Energy Savings Performance Contracting (ESPC) procurement process per Procedure 6.01, Purchasing Procedures.”

Sue Wetzel, Vice President of Administration, stated that Procedure 6.01, Purchasing Procedures, requires the college to move into a sealed bid process for all purchases exceeding \$20,000; however, as per the last bullet under Sealed Bids, the procedure does allow for deviations from the process with the “approval of the College President, and/or the Board of Trustees.”

Wetzel explained that the college sealed bid process is problematic for the Energy Savings Performance Contracting (EPSC), as it is a unique procurement process in that the Energy Services Company (Ameresco) engineers solutions that include the calculation of energy savings and a guarantee for the savings. In the State of Michigan, the Community College Act of 1996 lists the requirements for Energy Savings Performance contracting, and does not require a competitive bid process for subcontractors.

Wetzel cited several reasons why the standard and best practices for selecting subcontractors to be used in ESPC necessitates that a sealed bid process not be used. Pertinent information included on the *Ameresco - Energy Savings Performance*

Contracting Subcontractor Selection Process handout (attached).

The motion carried.

3. Presidential Evaluation

It was moved by Mrs. Thayer and seconded by Mrs. Kreps that the Board go into closed session at the request of Kojo A. Quartey, President, to discuss his periodic personnel evaluation.

A roll call vote was taken as follows:

[7] Ayes: M. Kreps, M. Thayer, W. Braunlich, W. Bacarella,
L. Lauer, J. Bellino, J. DeVries

[0] Nays: None

Open session reconvened at 6:35 p.m.

6. Board Self-Evaluation Discussion

The Board Self-Evaluation Committee includes Mr. Braunlich, Mrs. Kreps and Mrs. Thayer. The committee will begin meeting in January and will give a progress report at the January 26, 2014 Board meeting. Chair Bacarella appointed Dr. Quartey to the committee as well.

7. *It was moved by Mrs. Thayer and seconded by Dr. DeVries that the meeting be adjourned.*

The motion carried, and the meeting adjourned at 6.36 p.m.

Respectfully submitted,

William J. Bacarella Jr.
Chair

Linda S. Lauer
Secretary

prd

These minutes were approved at the January 26, 2015 Board of Trustees meeting.

Ameresco – Energy Savings Performance Contracting

Subcontractor Selection Process

Energy Savings Performance Contracting (EPSC) is a unique procurement process in that the Energy Services Company (ESCO) engineers' solutions that includes the calculation of energy savings and guarantees those savings will be achieved on a year to year basis as long as the ESCO is under contract and performing annual measurement and verification services. In the State of Michigan, the Community college Act of 1996 lists the requirements of Energy Savings Performance contracting. It does not require a competitive bid process for subcontractors.

The standard and best practices for selecting subcontractors to be used in ESPC necessitates that a sealed bid process is not used for the following reasons:

1. The ESCO assumes the construction risk and the responsibility for the performance of the work through the guarantee. ESCO's will not want to necessarily guarantee the work of the lowest cost bidder.
2. The development process for an ESPC includes generating energy calculations that will be used in the guarantee and is based upon the unique and particular ways that various subcontractors will implement the work. Since the ESCOs calculations are tied to the subcontractors' work, the process to also evaluate energy savings is not defined in a sealed bid process and would be very difficult and unique to add to the sealed bid process.
3. The unique features of materials and equipment being bid out offers not only variable pricing but also variable levels of energy efficiency, savings and performance reliability which is used to determine subcontractor selection.
4. The development process is collaborative with the subcontractors meaning that the selection of the subcontractors occurs in multiple stages. Different subcontractors approach a scope of work uniquely and this offers a series of advantages and disadvantages that need to be evaluated as the design evolves. As a result, by the time the audit document is ready to be submitted to the College an approved by the College, subcontractors will have been evaluated on price, performance , and design approach including energy savings contributions by the time the "best value" subcontractor is vetted out by the ESCO.
5. The vetting process requires multiple site visits and an ongoing discussion of project development and subcontractor proposal.
6. In the final stages of developing the technical audit, the subcontractors are required to provide the ESCO with a final fixed price with their unique sand

detailed scope work. These subcontractors' proposals are different based upon their unique approach.

7. The clients work collaboratively with the ESCO to determine subcontractors to include in the development process and in developing the scope of work. Because a sealed bid approach is not common in the ESPC process and the development of bid specifications isn't the common approach, the engineering costs to the client are reduced and the risk of project scope creep and project cost creep are eliminated (unless the client makes significant changes to the scope of work after the technical audit is submitted).