



STATE OF WEST VIRGINIA
DEPARTMENT OF MILITARY AFFAIRS AND PUBLIC SAFETY
DIVISION OF CORRECTIONS



EARL RAY TOMBLIN
GOVERNOR

JIM RUBENSTEIN
COMMISSIONER

JOSEPH C. THORNTON
SECRETARY

Office of the Commissioner
1409 Greenbrier Street
Charleston, WV 25311-1068
Telephone 304.558.8045
Facsimile 304.558.8048

June 27, 2011

The Honorable Jeff Kessler, Acting Senate President
State Capitol Building, Room 227M
1900 Kanawha Boulevard, East
Charleston, WV 25305

The Honorable Richard Thompson, House Speaker
State Capitol Building, Room 234M
1900 Kanawha Boulevard, East
Charleston, WV 25305

LEGISLATIVE

JUN 28 2011

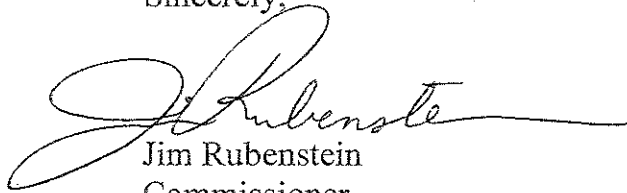
MANAGER

Dear Sirs:

Pursuant to provisions §5A-3B-2 of the West Virginia code we are sending you this notice with attached consensus recommendation, and proposal on energy-savings contract that we intend to enter on or about July 27, 2011.

If you require any additional information, please contact Ad Oji or Patricia Withrow at 304-558-2036, extension 53456 or 53462, respectively.

Sincerely,


Jim Rubenstein
Commissioner

JER/ao
Attachment

Cc: Aaron Allred, Manager Legislative Services,
Dave Tincher, Director of Purchasing



STATE OF WEST VIRGINIA
 DEPARTMENT OF MILITARY AFFAIRS AND PUBLIC SAFETY
 DIVISION OF CORRECTIONS



EARL RAY TOMBLIN
GOVERNOR

JIM RUBENSTEIN
COMMISSIONER

JOSEPH C. THORNTON
SECRETARY

Office of the Commissioner
 Building 84
 1409 Greenbrier Street
 Charleston, WV 25311-1068
 Telephone 304.558.8045
 Facsimile 304.558.8048

MEMORANDUM

TO: Tara L. Lyle, Senior Buyer, Purchasing Division

CC: Mike Sheets, Assistant Director, Purchasing Division

FROM: Evaluation Committee – Division of Corrections

DATE: June 10, 2011

RE: Award Recommendation COR61431

The Evaluation Committee has met and do recommend the energy savings project be awarded to the vendor with the highest score Johnson Controls, Incorporated. By our signatures affixed below, we the undersigned submit herewith the final scores for COR61431.

<u>Vendor</u>	<u>Technical Score</u>	<u>Cost Score</u>	<u>Final</u>
Constellation Energy	52	21.97	73.97
Johnson Controls	66	16.12	82.12*
Noresco	53	14.90	67.90
Siemens	52	30.00	82.00

COR61431 Evaluation Committee

Kathryn Felitsky 6-3-11

Kathryn Felitsky/Accounting Tech/W.Va. Division of Energy

Marie Butler 6/3/11

Marie Butler/Executive Secretary/W.Va. Division of Energy

Bill Willis 6/6/11

Bill Willis/Energy Development Specialist/W.Va. Division of Energy

Kelly A. Bragg 6/3/11

Kelly Bragg/Energy Development Specialist/W.Va. Division of Energy

Ad Oji 6/6/11

Ad Oji/Procurement Officer/Division of Corrections



Performance Contract Project Proposal

This document summarizes the project proposed as part of RFP COR61431. The final project scope, cost and savings are dependent on completing the Investment Grade Audit and the final Energy Conservation Measures (ECM) selected by the West Virginia Division of Corrections.

The attached Scope Matrix summarizes the scope, by ECM, to be installed at each facility. The attached Financial Proforma includes the cost estimates for the project. The cost estimates include the cost of installation, modifications or remodeling, including the costs of design, engineering, and installation. The ongoing services for Measurement and Verification are identified in the Financial Proforma. Estimated amounts of energy operating costs reduction and debit service are also identified in the Financial Proforma.

The savings, or reduction of energy operating costs, are guaranteed. The scope identified in this proposal, pending completion of the Investment Grade Audit and final ECM selection by the West Virginia Division of Corrections, exceeds the minimum five percent savings and satisfies any debt service required.



Project # 2- ARRA Leveraging Scope Matrix

Project #2 demonstrates the impact of leveraging the ARRA funding and maximizes the improvements that can be made at the WV DOC facilities. ARRA legislation encourages entities to leverage ARRA funding through performance contracting. The ECMs included in Project #2 are denoted with a "X" under each facility.

This project uses the utility rates provided in the RFP and addendums. Project #2 has an installed cost of \$18,602,891 and a net benefit of \$1,943,164 over the 15 year term. The financial information for the project is contained on the following section.

	Mt Olive	Huttonsville	Pruntytown	Denmar
Lighting Retrofit	X	X	X	X
Lighting Upgrade	X	X	X	X
Vending Machine Power Management	X	X	X	X
Building Envelope Improvements	X	X	X	X
Window Replacement		X	X	
Domestic Water Conservation	X	X	X	X
Waste Management Compactor Retrofit		X	X	X
Steam Trap Replacement / Repair		X	X	X
Heating Hot Water and Steam Boiler Replacements	X		X	X
Piping, Tank and Large Valve Insulation		X	X	X
Domestic Hot Water Heater and Converter Replacements	X	X	X	X
Solar Thermal Domestic Hot Water Systems for Cell Blocks & Kitchens	X	X	X	X
Direct Expansion (DX) Controllers	X	X	X	X
Air Handling Unit Replacements				
Pump and Fan Motor Replacements	X	X	X	X
Kitchen Hood Exhaust Replacement		X	X	
Dishwasher Replacement	X	X	X	X
Maximicer - Ice Machine Retrofit	X	X	X	X
Primary Variable Flow Pumping	X	X		
Energy Management System	X	X	X	X
Walk-In Box Controls/Temperature Monitoring	X	X	X	X



	Mt Olive	Huttonsville	Pruntytown	Denmar
Window Film Installation	X	X	X	X
Transportation Asset Management				
Perimeter Security System Installation				
Utility Rate Analysis and Demand Response				
Computer Power Management	X	X		X
Intelli-Hood Kitchen Hood Control System	X	X	X	X
Laundry System Upgrades	X	X	X	X
Kitchen Equipment Replacement		X	X	X
High Efficiency Transformer Installation Pruntytown only		X	X	
Solar Photovoltaic System - 100 kW	X	X		X
Convert Constant Volume to Variable Flow Systems	X	X	X	X
Hydrokinetic Turbine Array				
Wind Turbine - 100 kW				
Embedded Piezoelectric Energy Harvesting				



Financial Proforma Project # 2-ARRA Leveraging

Project Cost	\$18,602,891
ARRA Fund	\$4,500,000
Financed Project Cost (1)	\$14,102,891
Financed Term (months)	180
Annualized interest Rate:	4.25%
Escalation Rates for Annual Fees:	2.0%

Escalation Rates by Utility & Fuel	
Electric:	3.0%
Natural Gas	2.5%
Fuel Oil:	2.5%
Steam:	3.0%
Water:	3.0%
Coal:	3.0%

Year	Electric Cost Savings	Gas Cost Savings	Fuel Oil Cost Savings	Steam Cost Savings	Water Cost Savings	Other Cost Savings*	Total Cost Savings	Guaranteed Cost Savings	Annual Service Fees	Financing Payment	Net Savings
1	\$275,655	\$404,133	\$461,776	\$0	\$85,979	\$54,938	\$1,282,481	\$1,282,481	\$64,250	\$1,217,281	\$950
2	\$283,924	\$414,236	\$473,321	\$0	\$88,558	\$56,037	\$1,316,076	\$1,316,076	\$65,535	\$1,248,281	\$2,260
3	\$292,442	\$424,592	\$485,154	\$0	\$91,215	\$57,158	\$1,350,561	\$1,350,561	\$66,846	\$1,280,281	\$3,434
4	\$301,215	\$435,207	\$497,283	\$0	\$93,951	\$58,301	\$1,385,957	\$1,385,957	\$68,183	\$1,313,281	\$4,494
5	\$310,252	\$446,087	\$509,715	\$0	\$96,770	\$59,467	\$1,422,290	\$1,422,290	\$69,546	\$1,347,281	\$5,463
6	\$319,559	\$457,239	\$522,458	\$0	\$99,673	\$60,656	\$1,459,585	\$1,459,585	\$70,937	\$1,378,281	\$10,367
7	\$329,146	\$468,670	\$535,519	\$0	\$102,663	\$61,869	\$1,497,868	\$1,497,868	\$72,356	\$1,398,281	\$27,231
8	\$339,021	\$480,387	\$548,907	\$0	\$105,743	\$63,107	\$1,537,164	\$1,537,164	\$73,803	\$1,423,281	\$40,080
9	\$349,191	\$492,397	\$562,630	\$0	\$108,915	\$64,369	\$1,577,502	\$1,577,502	\$75,279	\$1,433,281	\$68,942
10	\$359,667	\$504,707	\$576,695	\$0	\$112,183	\$65,656	\$1,618,908	\$1,618,908	\$76,785	\$1,393,281	\$148,842
11	\$370,457	\$517,324	\$591,113	\$0	\$115,548	\$66,969	\$1,661,412	\$1,661,412	\$78,320	\$1,343,281	\$239,810
12	\$381,571	\$530,257	\$605,891	\$0	\$119,015	\$68,309	\$1,705,042	\$1,705,042	\$79,887	\$1,343,281	\$281,874
13	\$393,018	\$543,514	\$621,038	\$0	\$122,585	\$69,675	\$1,749,830	\$1,749,830	\$81,485	\$1,343,281	\$325,064
14	\$404,808	\$557,102	\$636,564	\$0	\$126,263	\$71,068	\$1,795,805	\$1,795,805	\$83,114	\$1,343,281	\$369,410
15	\$416,953	\$571,029	\$652,478	\$0	\$130,051	\$72,490	\$1,843,000	\$1,843,000	\$84,777	\$1,343,281	\$414,943
TOTAL	\$5,126,879	\$7,246,883	\$8,280,541	\$0	\$1,599,112	\$950,067	\$23,203,482	\$23,203,482	\$1,111,102	\$20,149,215	\$1,943,164

*Waste management savings are based on data provided on the RFP Document

This Proforma is indicative of the current financing conditions, assumptions and savings projections and is subject to adjustment upon final financing arrangements