



STATE OF INDIANA

Michael R. Pence, Governor

DEPARTMENT OF ADMINISTRATION
Commissioner's Office

Indiana Government Center South
402 West Washington Street, Room W469
Indianapolis, IN 46204

Award Recommendation Letter

Date: February 13, 2013

To: Nate Day, Director of Strategic Sourcing
Indiana Department of Administration 

From: Teresa Deaton-Reese, CPPO, Senior Account Manager
Indiana Department of Administration

Subject: Recommendation of Selection for RFP 13-13
Energy Cost Savings Contract for the Indiana Department of Correction, (IDOC) Branchville Correctional Facility

Estimated Savings Amount of a 10 Year Contract: \$12,095,240.00

Based on the evaluation of our team, we recommend for selection Johnson Controls, Inc. to begin contract negotiations to provide Energy Cost Savings Projects for IDOC, Branchville Correctional Facility.

Of the annual contract value, Johnson Controls is committed to subcontract 1.97% to BC Forward and 11.53% to Sexson Mechanical (certified Minority Businesses) for a total of 13.51%, and 3.4% to Mel-Kay Electric Company, Inc., 1.64 % to Hi-Tech Sheet Metal, and 5.89% to Stones River Electric (certified Women's Businesses) for a total of 10.93%. Terms of the State's recommendations are included in this letter.

The evaluation team received proposals from three (3) vendors:

- Energy Systems Group (ESG)
- Johnson Controls, Inc. (JCI)
- Noresco

The proposals were evaluated by IDOA and a five (5) member evaluation team according to the following criteria established in the RFP:

- Adherence to Requirements (Pass/Fail)
- Management Assessment/Quality (30 points)
- Price (-25 - +25 points)
- Indiana Economic Impact (15 points)
- Buy Indiana/Indiana Company (10 points)
- Minority Business Participation (10 points + 1)
- Women-Owned Business Participation (10 points + 1)

The proposals were evaluated according to the process outlined in section 3.2 ("Evaluation Criteria") of the RFP. Scoring was completed as follows:

A. Adherence to Requirements

All proposals were reviewed for adherence to mandatory requirements. All respondents met these requirements and were then evaluated based on their business proposal, technical proposal, and cost proposal.

B. Management Assessment/Quality

Business Proposal

For the business proposal evaluation, the team considered each respondent's ability to serve the state regarding the following sections of the business proposal: company structure, company financial information, references, and experience serving similar clients.

Technical Proposal

For the technical proposal evaluation, the team considered each respondent's compliance with all local, State and Federal environmental and construction rules, savings guarantee for a period of 10 years following final completion of projects, qualified energy saving projects proposed, and the implementation and performance plans. The evaluation team's scores were based on a review of each respondent's proposed approach to each section of the technical proposal, Section 2.4, as well as specific questions that respondents were asked to respond to in the RFP and clarifications.

Results of the management assessment/quality evaluation are shown below:

Table 1: MAQ Scores

RESPONDENT	MAQ SCORE (30 Max)
ESG	21.6
JCI	28
Noresco	16.4

During business and technical proposal evaluation, the evaluation team observed the following regarding each respondent. This is not intended to be an exhaustive discussion of what the evaluation team considered, but attempts to highlight some of the primary considerations that led to the evaluation team's scores.

All respondents proposed the following projects:

- Laundry Improvements
- Lighting Upgrades
- Wastewater Treatment Plant Installation

ESG

ESG scored 21.6 out of the possible 30 qualitative points. Overall the team felt that this was a good proposal. The other projects proposed by ESG are: Natural Gas Utility Service, Natural Gas Distribution Piping, and Natural Gas Conversions. The replacement of propane altogether and replaced with natural gas is an excellent solution however the team felt that JCI's proposed project that combined a Biomass System was superior. This would allow IDOC to take advantage of historically low natural gas prices along with the low cost of waste wood. The team appreciated the addition and value of correctional professionals as a part of their implementation team.

JCI

JCI scored 28 out of the possible 30 qualitative points. Overall the team felt that JCI's proposal was outstanding. JCI's proposal was comprehensive, innovative, and creative, not only addressing all items in the RFP, but exceeding the objectives by offering many different types of solutions compared to other proposals received. The other projects proposed by JCI are: Biomass Furnaces, Site Gas Conversion, Gas Main Installation, Gas Main Contingency, Upgrade of HVAC Equipment, Geothermal, Building Envelope Improvements, Pipe Insulation, Kitchen Hood Ventilation Improvements, Solar Thermal, Hydrological Study and Test Well. The replacement of propane altogether and replaced with natural gas is an excellent solution and the proposal of both the biomass system and a natural gas system is great way to take advantage of both low cost natural gas and low cost waste wood at the same time. JCI's response to this RFP well exceeded the objectives set forth in the requirements.

Noresco

Noresco scored 16.4 out of the possible 30 qualitative points. Overall the team felt that Noresco's proposal was marginal. The other projects proposed by Noresco are: Domestic Water Well System Installation, Biomass Boiler, Propane Tank Relocation, and Electric Rate Correction. The team liked the project of a well water solution however concerns were noted that the well water solution was somewhat risky without the Study and Test to see if this is a viable project. The team also like the biomass project but felt JCI's proposed project that combined the project with a natural gas system to take advantage of additional resources was superior. Noresco's proposal also did not completely eliminate the use of propane, as JCI's proposal did, even though its use poses a danger in a correctional setting. The proposed solutions lacked the level of innovation when compared to other respondents' proposals.

Savings Proposal

Savings was measured against the state's baseline cost of 15M for this scope of work. Respondents were measured only against the baseline for the total savings proposed in the respective cost proposals. Savings scoring points were assigned as follows:

- Respondents who meet the state's current baseline savings will receive zero (0) cost points.
- Respondents who propose an increase to the state's current savings will receive positive points at the same rate as bid increasing cost.
- Respondents who propose a decrease to the state's current savings will receive negative points at the same rate as bid lowering cost.
- Respondents who propose a 10% increase to the state's current baseline savings will receive all of the available cost points.
- If multiple respondents increase savings below 10% of the current baseline, an additional 5 points will be added to the respondent proposing the highest savings to the state.

All respondents were given the opportunity to improve their savings score through a best and final offer. The updated savings proposal was submitted in a timely manner. The updated savings score are reflected in table 2. No respondent was able to meet the desired baseline of IDOC.

The scoring for step 2 of the evaluation process is outlined below:

Table 2: Savings Scores

Respondent	Savings Score (30 Max)	Savings Proposed
ESG	-25	\$10,543,135.00
JCI	-25	\$12,095,240.00
Noresco	-21	\$13,688,828.00

All respondents were deemed viable for contract award and moved forward to the final evaluation step – IDOA Indiana Economic Impact, Buy Indiana, and Minority and Woman-Owned Business Participation scoring.

D. IDOA Scoring

IDOA scored the respondents in the following areas – Buy Indiana (10 points), Indiana Economic Impact (15 points), and Minority and Women Business Participation (10 points each) using the criteria outlined in the RFP. When necessary, IDOA clarified certain Buy Indiana, Indiana Economic Impact, and Minority and Women Business Participation information with the respondents.

Table 3: Final Overall Evaluation Scores

Respondent	Management Assessment/ Quality Score (25 max)	Savings Score (30 max)	Buy Indiana (10 max)	Indiana Economic Impact (15 max)	MBE (10 max + 1 bonus)	WBE (10 max + 1 bonus)	Total Score (100 max + 7 bonus)
ESG	21.6	-25	10	3.54	3.75	3.75	17.64
JCI	28.0	-25	10	15.00	11.00	11.00	50.00
Noresco	16.4	-21	0	4.96	10.00	10.00	20.36

Award Summary

During the course of evaluation, the state scrutinized all proposals to determine the viability of the proposed business solutions to meet the goals of the program and to meet the needs of the state. The team evaluated proposals based on the stipulated criteria outlined in the RFP document.

The term of the contract shall be for a period of 11.8 years from the date of contract execution.



Teresa Deaton-Reese, Senior Account Manager
Indiana Department of Administration