

Office of School Facilities
Raul F. Perez, Chief Facilities Design & Construction Officer

SUBJECT: AUTHORIZATION TO AMEND (AMENDMENT NO. 1) THE GUARANTEED ENERGY PERFORMANCE CONTRACT (GEPC) MASTER AGREEMENT WITH HONEYWELL INTERNATIONAL INC., FOR GEPC PART 2 SERVICES AT ROBERT MORGAN SENIOR HIGH SCHOOL, PROJECT NO. 02089400

COMMITTEE: FACILITIES AND CONSTRUCTION

LINK TO STRATEGIC PLAN: EFFECTIVE & SUSTAINABLE OPERATIONAL PRACTICES

Introduction:

On April 29, 2020, the Board commissioned Honeywell International Inc. (Honeywell), as an Energy Services Company (ESCO) to provide GEPC services and assigned Honeywell the GEPC project at Robert Morgan Senior High School as an amendment to its GEPC Agreement, per School Board Policy 6330, *“Procedures for the Selection of Guaranteed Energy Performance Contract (GEPC) Services Firms”*, updated August 14, 2019 (Selection Procedures).

In accordance with the Selection Procedures, Honeywell negotiated for the GEPC project at Robert Morgan Senior High School, Project No. 02089400. Negotiations with Honeywell were successfully concluded, and Honeywell has agreed to provide the required GEPC PART 2 services.

School Profile:

Robert Morgan Senior High School is located at 18180 S.W. 122 Avenue, Miami, Florida 33177 on approximate 20 acres of land and is part of the South Region. The campus is comprised of 6 permanent buildings and covered walkways with a total of 221,241 GSF. The school site also includes a service drive and yard, and onsite parking.

GEPC Scope:

The GEPC scope includes upgrading Robert Morgan Senior High School’s infrastructure utilizing energy, water and operation & maintenance costs avoidance. Based on the Investment Grade Energy Audit (IGEA) analysis prepared by Honeywell and accepted by M-DCPS on April 12, 2022, which includes design, construction, maintenance, and Measurement & Verification (M&V) of the accepted Energy Conservations Measures (ECM) for up to twelve years, the ECM scope for this project includes, but is not limited to the following:

- ECM 1 - LED lighting upgrades
- ECM 2 - Water Conservation Upgrades
- ECM 3 - Building Management Systems
- ECM 4 - Chilled Water Systems Optimization
- ECM 5 - Chiller Plant Replacements
- ECM 6 - VAV Air Handling Unit Conversions
- ECM 7 - Cooling Tower Rejuvenation

The GEPC project must be programmed, designed, phased, coordinated, and constructed to maximize safety and minimize disruption to the existing, occupied campus.

All work shall be in accordance with the requirements in the GEPC Agreement, ESCo Special Conditions-1, State Requirements for Educational Facilities (SREF), the Florida Building Code (FBC), National Fire Protection Association, Florida Fire Prevention Code (life safety), barrier-free design guidelines, Florida Statutes, and District Standards and Policies.

GEPC (PART 2) Services:

Honeywell is required to be fully responsible for design, construction, training, 12 years of maintenance and Measurement & Verification (M&V) of ECM(s) and include an energy cost savings guarantee. The ESCo team must consist, at minimum, of an Architect, Engineers, M-DCPS pre-qualified Construction Contractors and M&V professionals.

Office of Economic Opportunity (OEO) Review:

This GEPC project includes mandatory Small Business Enterprise (SBE) and/or Micro Business Enterprise (MBE) and Minority/Women Business Enterprise (M/WBE) Sub-consultant and Sub-contracting goals, and a Local Workforce Utilization Goal determined by the M-DCPS Goal Setting Committee, as follows:

Category		S/MBE	M/WBE
Design Phase:	Sub-consultant Goal	7.59%	2.41%
Construction Phase:	Sub-contractor Goal	10.21%	4.79%
	Local Workforce Utilization: <u>20%</u> County-wide Radius		

M-DCPS' OEO staff established the SBE/MBE and M/WBE certification status of the prime firm and each sub-consultant and sub-contractor, and verified the existence of a Memorandum of Understanding outlining roles and responsibilities, as follows:

LIST OF M-DCPS OEO CERTIFICATIONS FOR SUB-CONSULTANTS					
PRIME FIRM: Honeywell is not M-DCPS certified SBE/MBE or M/WBE					
SUB-CONSULTANTS FIRM NAME	ROLE OR RESPONSIBILITY	M/WBE CERTIFICATION CATEGORY	M/WBE GOAL (%) COMMITMENT	SBE/MBE CERTIFICATION CATEGORY	SBE/MBE GOAL (%) COMMITMENT
Nyarko Architectural Group, Inc.	Architecture	African-American 7-26-2022	-	SBE – T1 7-26-2022	-
Basulto & Associates, Inc.	Mechanical Engineer	Hispanic-American 10-21-2022	-	SBE – T1 10-21-2022	10%
SGM Engineering, Inc.	Electrical Engineer	Asian-American 1-12-2025	10%	-	-
S&F Engineers, Inc.	Structural Engineer	Asian-American 3-9-2025	-	SBE – T2 3-9-2025	-
Absolute Civil Engineering Solutions, LLC	Civil Engineer	Women 5-24-2024	-	SBE – T2 5-24-2024	-
Asset Builders, LLC, d/b/a Messam Construction	Construction	African-American 6-8-2025	-	SBE-T2 6-8-2025	-
In-House	M&V	-	-	-	-
TOTAL SUB-CONSULTANTS PARTICIPATION		M/WBE Mandatory Goal <u>2.41%</u>	10%	SBE/MBE Mandatory Goal <u>7.59%</u>	10%

Note:

Honeywell has exceeded the sub-consultant's participation goals for M/WBE and SBE/MBE. Subsequent to the negotiations, Honeywell increased diversity to their team by adding SGM Engineering, Inc., as Electrical Engineer, which holds M-DCPS SBE/MBE and M/WBE certificates.

LIST OF M-DCPS OEO CERTIFICATIONS FOR SUB-CONTRACTORS					
SUB-CONTRACTOR FIRM NAME	ROLE OR RESPONSIBILITY	M/WBE CERTIFICATION CATEGORY	M/WBE GOAL (%) COMMITMENT	SBE/MBE CERTIFICATION CATEGORY	SBE/MBE GOAL (%) COMMITMENT
Controls Systems Contracting, Inc.	Electrical Contractor	Hispanic-American 9-23-2024	-	SBE-T2 9-23-2024	8.8
Tirone Electric, Inc.	Electrical Contractor	Woman 6-3-2024	5.8	-	-
Canseco Electrical Contractors, Inc.	Electrical Contractor	Hispanic-American 8-15-2022	-	SBE – T1 8-15-2022	7.8
Hill-York Air Conditioning Services, Inc.	Mechanical Contractor	-	-	-	-
Hydrametrics	Plumbing Contractor	-	-	-	-
Air Light Energy Systems, Inc.	CHW Optimization Contractor	-	-	-	-
Electrical And Lighting Resources Inc.	LED Lighting Contractors	-	-	-	-
TOTAL SUB-CONTRACTORS PARTICIPATION		M/WBE Mandatory Goal <u>4.79%</u>	5.8%	SBE/MBE Mandatory Goal <u>10.21%</u>	16.6%

Note:

Honeywell has exceeded the sub-contractor's participation goals for M/WBE and SBE/MBE.

Project Schedule:

Honeywell has agreed to the following schedule:

- Board Commissioning Amendment 1 July 20, 2022
- Phase II/III - 100% Design submittal September 30, 2022

Note: Construction Commencement is predicated on Phase IV - BCC approval no later than October 28, 2022 (expedited BCC review)

- Phase V - Construction Commencement Date..... November 7, 2022
- Phase V (A) - Construction to Substantial Completion..... October 2023
- Phase V (B) - Final Completion/Closeout..... November 2023
- Phase VI - Warranty October 2024
- Phase VII - Full Maintenance Services and M&V for 12 years October 2035

GEPC Budget: \$7,850,768

Terms & Conditions:

The GEPC cost includes the IGEA, design, construction, training, full maintenance services, M&V of ECM(s), and the guarantee of the energy cost savings for a period of 12 years. Honeywell has agreed to a GEPC total outlay of \$7,850,768

District has agreed to the following GEPC Cash Flow Analysis:

ECMs Cost	Maintenance Cost	M&V Cost	IGEA	Total Outlay	Total Savings	Cumulative Cash Flow
\$5,586,931	\$1,719,050	\$448,537	\$96,250	\$7,850,768	\$7,850,769	\$1

The Cumulative Cash flow is \$1 at the end of 12 years.

The total ECMs cost for design & construction is \$5,586,931, which excludes the \$96,250 IGEA report fee. The District will buy selective equipment for a total of \$492,242 via Owner-Direct Purchase; therefore, the total cost to be paid for the ECMs is reduced to \$5,094,689 plus \$96,250 for the IGEA report, for a total of \$5,190,939.

GEPC (PART 2) - DESIGN & CONSTRUCTION PHASE DESCRIPTION	% OF FEE	FEE
IGEA Report, 100% (completed/accepted by M-DCPS)	1.85%	\$ 96,250
Phase II/III – Construction Documents, 100% (completed/accepted by M-DCPS and approved by BCC)	12.34%	\$ 640,491
Phase IV - Permitting	-	-
Phase V (A) - Construction of ECM 1 through ECM 7	51.48%	\$ 2,672,519
Phase V (A) - Start up and Commissioning	17.16%	\$ 890,840
Phase V (A) – Substantial Completion	8.58%	\$ 445,420

Phase V (B) – Punch List	4.29%	\$ 222,710
Phase V (B) - Final Completion/Closeout	4.29%	\$ 222,710
TOTAL FEE:	100%	\$5,190,939

Honeywell has agreed to a total fee for full Maintenance, M&V and training services for a total combined value of \$2,167,587. The District will make annual payment for Maintenance Services in advance of each contract year.

CONTRACT YEAR	GEPC & FULL SERVICE MAINTENANCE *	M&V **	TRAINING SERVICES
1	\$108,000	\$40,025	\$0
2	\$113,400	\$41,026	-
3	\$119,070	\$42,052	-
4	\$125,024	\$32,692	-
5	\$131,275	\$33,509	-
6	\$137,838	\$34,347	-
7	\$144,730	\$35,206	-
8	\$151,967	\$36,086	-
9	\$159,565	\$36,988	-
10	\$167,543	\$37,913	-
11	\$175,921	\$38,861	-
12	\$184,717	\$39,832	\$0
TOTAL FEE	\$1,719,050	\$448,537	\$0

* GEPC Maintenance and Full Service Maintenance is required on the chiller plants and in all associated equipment, and all Energy Management System components reused and new (Refer to “Other Terms & Conditions” for escalation methodology).

** Escalation rate at 2.5%

Honeywell has agreed to a total energy, operations, and cost avoidance over the term of the GEPC contract as follows.

GUARANTEED ENERGY COST SAVINGS AND ENERGY REBATES & TAX REDUCTION						
YEAR	ENERGY SAVINGS *	OPERATIONAL SAVINGS	179D ** & REBATES	CAPITAL COST AVOIDANCE		TOTAL SAVINGS
1	\$320,159	\$116,041	\$76,212	ECM 3 - BMS System	\$132,000	\$644,412
2	\$329,764	\$119,522			\$132,000	\$581,285
3	\$339,656	\$123,107			\$132,000	\$594,764
4	\$349,846	\$126,801			\$132,000	\$608,647
5	\$360,342	\$130,605			\$132,000	\$622,946
6	\$371,152	\$134,523			\$132,000	\$637,675
7	\$382,286	\$138,558			ECM 5 - Chiller	\$132,000

8	\$393,755	\$142,715		Plant Replacement \$107,658 ECM 7 - Cooling Tower Rejuvenation	\$132,000	\$668,470
9	\$405,568	\$146,997			\$132,000	\$684,564
10	\$417,735	\$151,407			\$132,000	\$701,141
11	\$430,267	\$155,949			\$132,000	\$718,216
12	\$443,175	\$160,627			\$132,000	\$735,802
TOTAL	\$4,543,705	\$1,646,851	\$76,212		\$1,584,000	\$7,850,768

* Electrical and water saving.

** Rebate associated credits.

Other Terms & Conditions:

- The ESCo has agreed to the terms and conditions of the Master Agreement, Amendment No. 1, and the subsequent addendums to Amendment No. 1; and will commence PART 2 services upon Board commission.
- Cost Avoidance must be structured to be sufficient to cover all annual payments. In no event the total installation and maintenance cost (Total Outlay) shall exceed the cost avoidance guarantee for the work under this amendment.
- Due to the current economic inflation rates, the District and Honeywell negotiated a variable escalation rate capped at 5% based on the Consumer Price Index (CPI). The maintenance cost provided herein, is based on the highest variable escalation rate of the negotiated agreement, 5% for negotiation purpose.
- The Letter of Credit shall be issued following the commencement of the Guarantee and shall be renewed annually in each of the 12 years representing the year's Guaranteed Energy Cost Savings. The Letter of Credit shall be in place prior to the start of each applicable year at a financial institution approved by the District.
- The ESCo is committed to complete Phase V - Construction no later than September 30, 2024, and fully invoice and warranty the work no later than December 1, 2024.
- The ESCo shall maintain no less than a \$1,000,000 Professional Liability Insurance practice policy with a maximum deductible of \$50,000, Workers' Compensation/Employers' Liability Insurance, Commercial General Liability Insurance, and Automobile Liability Insurance, all as specified in the Agreement.
- The ESCo is required to report monthly on SBE/MBE and M/WBE Utilization to OEO. All compliance reporting shall be submitted through the M-DCPS Online Diversity Compliance System; and
- This Amendment may be terminated by the Board by written notice when it is in the interest of the Board and the sole discretion of the Board; whereas, the ESCo may terminate the Amendment by written notice to the Board within thirty (30) calendar days after Notice of Non-Appropriation is delivered by the Board.

Project Funding:

Fund	Commitment Item	Funds Center	Program	Function	Funded Program
372000	567000	1891100	15110000	740000	02089400
445000	568000	1737100	54411431	740000	02089400

Prior Commissions:

The Board has commissioned Honeywell for the following service within the last three years:

- GUARANTEED Energy Performance Contract (GEPC) Services for PART 1 - GEPC Master Agreement
Date of Commission: 4/29/20

Principal Responsible to the Board:

The Principal designated to be directly responsible to the Board for Honeywell International Inc., is Alfred Guerrero, Senior Business Consultant for the Building Solutions Business Unit of Honeywell International Inc. The firm's local office is at 9315 N.W. 112 Avenue, Miami, Florida 33178.

RECOMMENDED:

That The School Board of Miami-Dade County, Florida, authorize an amendment (Amendment No. 1) to the Guaranteed Energy Performance Contract (GEPC) Master Agreement with Honeywell International Inc., for GEPC PART 2 Services at Robert Morgan Senior High School, Project No. 02089400, as follows:

- 1) A total fee of \$7,850,768 for the design, construction, training, full maintenance services, Measure & Verifications of ECMs, and the guarantee of the energy savings up to 12 years; and
- 2) ECMs scope and all terms and conditions as set forth in the Master Agreement, Amendment No. 1 and the body of the agenda item.

CV:cv