



MEMORANDUM

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P.O. Box 4100 ♦ FRISCO, COLORADO 80443

**TO: MAYOR AND TOWN COUNCIL**  
**FROM: HILARY SUEOKA, ENVIRONMENTAL PROGRAMS MANAGER**  
**RE: CONTRACT AWARD FOR INVESTMENT GRADE AUDIT**  
  
**DATE: NOVEMBER 14, 2023**

**Summary and Background:** The Town of Frisco owns a wide variety of buildings. Structures vary in age and use type, each with specific energy uses and requirements. While some energy audits have been performed in the past, Town staff struggles to keep up with latest technology while performing routine maintenance and planned upgrades for all Town-owned buildings.

The State of Colorado offers an Energy Performance Contracting (EPC) program that provides technical and contracting assistance to interested municipalities. In June 2023, staff enrolled in this program and were able to gain access to resources to assist with a Request for Proposals (RFP) and contracting process.

The first step of an Energy Performance Contract is an Investment Grade Audit (IGA). An RFP was issued for an EPC in September 2023, and three proposals were received by the published deadline. Staff thoroughly reviewed all proposals and is recommending a contract with McKinstry. McKinstry is a state-approved Energy Services Contractor (ESCO). Entering into a contract with a state-approved ESCO would help staff to assess and prioritize energy efficiency upgrades. Working with an ESCO gives a holistic picture of the municipal building needs based on Town goals, building use, and occupant requirements.

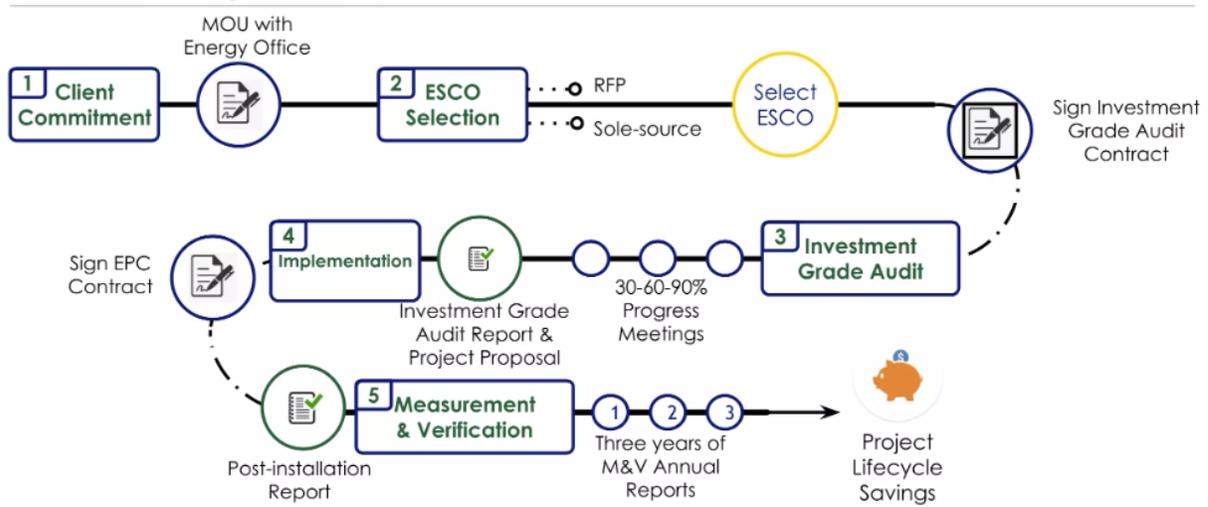
**Analysis:** The RFP for Energy Performance Contracting was distributed to the State's list of pre-approved ESCOs on September 1, 2023. A site visit was conducted on September 15, 2023 and all proposals were due on September 29, 2023 at 3 pm. The Town received three proposals by the deadline. Each proposal was reviewed, and each ESCO interviewed by staff on October 11, 2023.

Proposers and not to exceed costs are listed below:

- McKinstry: \$17,794
- Willdan: \$18,669
- Yearout Energy: \$17,794

Based on the experience, familiarity with EPC in similar mountain towns, and staff capacity, Town staff recommends Town Council accept the proposal from McKinstry. Per the contract, IGA reporting will be completed no later than 10/24/2024. Following completion of the IGA and Report & Project Proposal, Town staff will review the proposal and pending approval, will return to Council to begin an EPC Contract. The separation of contracts allows both Town and McKinstry staff to pursue grant funding for project implementation. McKinstry is dedicated to assisting Town staff search, apply, and report on any grants that may help fund project implementation.

## EPC: 5-Step Process



The graphic above from the Colorado Energy Office demonstrates the EPC process. Frisco is currently between “Select ESCO” (yellow circle), and “Sign Investment Grade Audit Contract.”

**Financial Impact:** The contracted amount for the IGA with McKinstry is \$17,794. This project is budgeted in the 2023 and 2024 Capital Project budget. The idea behind Energy Performance Contracting is the costs are paid out of energy savings. Although the contract at this point is exclusively for the IGA (with no immediate energy savings associated), this cost could still be paid from future energy savings once implementation begins and energy savings are realized. McKinstry will provide the Town with an IGA Report no later than one year from IGA contract execution. Once implementation begins, costs are paid out of energy savings. To pay back the total cost faster, Town may apply grant or capital funding toward implementation measures – to be decided upon after the audits are complete and McKinstry has provided the Town with an IGA report.

**Alignment with Strategic Plan:** Contracting with McKinstry for an Investment Grade Audit of Town buildings is supported by the following strategic objective and associated pillar: Core Services: Environmental stewardship and reducing the effects of climate change.

**Environmental Sustainability:** An Investment Grade Audit and Energy Performance Contracting more generally fulfills many goals of energy reduction and is identified as a strategy under the Municipal buildings section in the Town's Energy Action Plan, adopted by Council in October 2022.

**Staff Recommendation:** Staff recommends approval to award the Investment Grade Audit contract to McKinstry.

**Approved By:**

Tom Fisher, Town Manager  
Diane McBride, Assistant Town Manager  
Leslie Edwards, Finance Director

**Attachments:**

Attachment 1 – McKinstry proposal  
Attachment 2 - Contract  
Attachment 3 – Resolution 23-34