



Legislation Text

File #: 230804, Version: 1

230804

SUBSTITUTE 1

060153, 091066, 091269, 181474, 221233

ALD. DIMITRIJEVIC

Substitute resolution authorizing the Department of Public Works to issue a Request for Proposals for a guaranteed energy savings performance contract for City of Milwaukee buildings and facilities. This resolution authorizes the Department of Public Works, working in collaboration with the Department of Administration-Environmental Collaboration Office, to issue a Request for Proposals seeking proposals from qualified energy savings companies (ESCOs) to identify, install, commission, and monitor the savings performance of energy conservation improvements (ECMs), including renewable energy generation and storage, made to City of Milwaukee buildings and facilities. Such guaranteed energy savings performance contracts allow municipalities and other entities to pay for energy and cost-saving ECMs through savings on future utility and operating costs. The Request for Proposals seeks to identify an ESCO that the City of Milwaukee Department of Public Works and Environmental Collaboration Office to design, install, and guarantee energy conservation measures at various City facilities. This approach also allows identified ECMs, particularly renewable energy projects, to utilize federal elective payments, made possible by the Inflation Reduction Act, to reduce the system cost to the City and the amount of capital needed to fund the projects. Such guaranteed energy savings performance contracts have been utilized by the City of Milwaukee in the past for ECMs at the Safety Academy, the City's traffic signal system, and the Milwaukee Public Libraries. Whereas, On June 20, 2023 the Common Council adopted Resolution File Number 221233 adopting the City of Milwaukee Climate and Equity Plan, and its goals of reducing citywide greenhouse gas emissions 45% by 2030 and achieving net-zero GHG emissions by 2050 while fighting racial economic inequity through expansion of green jobs that pay at least \$40,000 per year; and

Whereas, Section 66.0133, Wis. Stats., permits local governments to enter into a performance contract with a qualified provider to reduce energy or operating costs if the amount spent on the energy conservation and system improvement measures are not likely to exceed the amount to be saved in energy and operation costs over a specified period of time; and

Whereas, The Department of Public Works and Department of Administration-Environmental Collaboration Office will identify the most financially advantageous proposal from qualified energy savings companies to design, supply, install, commission, potentially finance and monitor the savings performance of energy conservation improvements in City of Milwaukee buildings and facilities; and

Whereas, Each performance contract shall provide that all payments, except obligations on termination of the contract before its expiration, shall be made over time as energy savings are achieved and energy savings shall be guaranteed by the qualified energy saving company for the entire term of the contract; and

Whereas, Wis. Stat. § 66.0133 also provides that before entering into such a performance contract the local governing body shall solicit bids or competitive sealed proposals from qualified providers and may award the performance contract to the qualified provider that best meets the needs of the local government unit, which need not be the lowest cost provider, after receiving a detailed report from the qualified provider containing estimates of all costs and a savings guarantee; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of Public Works is authorized to issue a Request for Proposals for energy conservation measures relating to City of Milwaukee buildings and facilities and the Department of Public Works and Department of Administration-Environmental Collaboration Office will develop a subcommittee of staff to review and evaluate proposals; and be it

Further Resolved, That the City Comptroller is directed to transfer \$30,000 from the Department of Administration (1510) to the Department of Public Works (5010) from the Better Buildings Challenge capital account BU110160500 so the Department of Public Works can encumber up to \$30,000 in account 0321-5010-006300-BU110160500 for costs associated with an investment-grade audit, to be performed by the selected energy savings company; and be it

Further Resolved, That the Department of Public Works shall not enter into contract with a qualified energy savings company as a result of this RFP without further approval from the Common Council.
Department of Public Works & Environmental Collaboration Office

LRB179455-1
Jeff Osterman
10/05/2023