VEREGY

Submittal of Qualifications for the Arkansas Energy Performance Contracting Program



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1. Executive Summary

Submit an Executive Summary providing a brief overview of your company's proposal to be accepted as a pre-qualified ESCO in the AEPC Program.

1.1 COMMITMENT TO COMPLY

Summarize your firm's commitment to comply with the policies, procedures and rules as outlined in the AEPC Program Rules Manual. (If changes are made to the manual, AEO will articulate those changes to all pre-qualified providers and require a receipt that they have been received.)

Veregy is honored for the opportunity to partner with the Arkansas Department of Energy and Environmental Quality – Arkansas Energy Office (AEO) and service public entities with Energy Performance contracts in the state of Arkansas. As a commitment to our partnership, we agree to comply with the policies, procedures and rules outlined in the AEPC Program Rules Manual, including the specific ESCO Program Responsibilities noted below:

- > Actively participate in the AEPC program by responding to at least one (1) project opportunity annually.
- Use current standardized AEPC documents, as posted on the AEO website (unless permission is granted otherwise).
- > Use current AEPC program standards for projects conducted through the program.
- Submit all project documents to both Owner and AEO for review in a timely fashion.
- Work to minimize conflict and misunderstandings by actively communicating with the Owner and the AEO if problems arise.
- Make a good faith effort to promote the AEPC program around the state of Arkansas.

1.2 MEETING MINIMUM QUALIFICATIONS

Summarize how your firm meets the minimum qualifications, stated in Part 1, Section 5.

(A) Veregy is properly licensed in the State of Arkansas as shown on our Certificate of Good Standing from the Arkansas Secretary of State.





(B) Certification as a Qualified Provider

Through the submittal of this proposal, Veregy will be reviewed by the AEO with pending approval to become a qualified provider in the Arkansas Energy Performance Contracting (AEPC) Program.

- (C) Is experienced in the design, implementation, measurement, verification, and installation of energy cost savings measures.
- (D) Has at least five (5) years of experience in the analysis, design, implementation, installation, measurement, and verification of energy efficiency and facility improvements;



Option B - Retrofit Isolation: All Parameter (Whole Facility) Measurement

IPMVP options describe the methods for measuring and verifying energy savings:

- Option C Whole Building
- Option D Calibrated Simulation

energy, and lower operations cost.

Stipulated – Calculate

We have the flexibility to adjust our scope of services for the needs of our customers. Veregy will work closely with your staff to determine the project scope, design, cost, energy and operational cost avoidance, and the need for ongoing support services and training as necessary.

After the project is completed, Veregy moves into the monitoring, operations, and maintenance phase. These activities result in projects producing the desired results for the clients—improved comfort, reduced

Veregy has successfully developed and implemented thousands of ECMs utilizing the International Performance Measurement and Verification Protocol (IPMVP), a standard used to guide the M&V of

documenting the performance of energy-saving measures in buildings and other facilities. Four main

energy efficiency and conservation projects. IPMVP provides a framework for evaluating and

- Auditing We conduct thorough assessments and audits of each facility to evaluate the existing infrastructure, systems, and processes, identifying areas for improvement and efficiency.
- Design Our experienced engineers develop detailed design plans, considering client requirements, industry best practices, and sustainability principles. We create innovative, cost-effective designs aligning with project objectives and optimizing resource utilization.
- Construction We offer end-to-end construction management services, overseeing the implementation of the design plans. Our skilled project managers coordinate all construction activities, ensuring adherence to quality standards, timelines, and budget constraints.
- M&V Monitoring We employ advanced monitoring techniques and technologies throughout the project lifecycle to track progress, identify potential risks, and meet project milestones. We provide regular progress reports to keep stakeholders informed. Veregy guaranteed energy savings projects have save our clients millions in energy savings.

Response to Arkansas Energy Performance Contracting Program Request for Qualifications

EXPERIENCE

Veregy has been providing these services through performance contracting legislation in various states for over 24 years, This proposal section summarizes the broad range of service experience available through Veregy for a Guaranteed Energy Performance Contract. A more detailed description of Veregy's approach to auditing, design, construction, training, monitoring, and operations and maintenance can be found throughout our response.

Our extensive experience in performance contracting has led us to develop a consistent set of best practices for our projects. The processes and procedures we have developed allow us to efficiently analyze your facilities, assemble a local team to implement the project and complete the project on time and budget.







- Operations After the construction phase, we facilitate a smooth transition into the operational phase. We assist in setting up operational procedures, implementing efficient systems, and optimizing training to ensure the new systems functions effectively and achieve desired outcomes.
- Maintenance Our firm recognizes the importance of ongoing maintenance to sustain the project's performance and longevity. We develop comprehensive maintenance plans, conduct routine inspections, and promptly address any issues to minimize disruptions and extend the lifespan of the infrastructure.
- Training We provide tailored training programs to equip your team with the necessary skills and knowledge to operate and maintain the project effectively. Our training sessions cover technical aspects, safety protocols, and best practices, empowering your personnel to handle routine tasks and address minor challenges.

By offering this comprehensive scope of services, Veregy aims to provide holistic support to our clients, ensuring successful project execution, optimal performance, and long-term sustainability.

(E) Has the ability to arrange or provide the necessary financing to support a guaranteed energy cost savings contract;

Financing

Veregy will work with the client to support any financing approach or preferred financial source beneficial to the client. Veregy has direct experience working with clients to assist them in securing the appropriate financing to support their projects. Our experience includes relationships with local and national lenders to ensure that our client's financing is structured to capture the lowest rate for a project compliant with legislative requirements. We will also explore opportunities for grants, rebates, and alternative financing vehicles where applicable.

Veregy is not a financial advisor, nor does Veregy directly finance projects. However, Veregy strongly understands these different funding choices and appreciates the number of options available because we know that each client finds the best value in other financing mechanisms. Therefore, Veregy has structured our prices and payment process in the most beneficial way for our clients, no matter how they choose to finance the project. Veregy does not make any money on the financing of a performance contract, so it is in the best interests of both Veregy and our clients to obtain the best rate available in the marketplace. Our services include the following:

- Identify the total project cost and annual savings.
- Solicit multiple financing proposals.
- > Investigation and coordination of rebates, grants, and low-interest financing opportunities.
- Work with qualified bank or bond counsel to develop financing.
- > Provide required performance and payment bond.
- Set up an escrow account to retain funds and generate ongoing investment interest.
- Set terms for pre-payment of financing or refinancing for improved interest rates.
- Determine the draw schedule and work with the client to maximize investment interest.
- The AEO will not pay on the financing until they have already started to achieve savings.



Mechanics of the Financing Arrangement

The mechanics of the financing arrangement can vary, depending on the financial vehicle you choose. For example, a low-interest loan involves different steps and timing than a bond issue. Various financing vehicles are available, and we will work with you and your financial council on the best-structured financing; some options are listed below.

- Bonds
- Tax Exempt Financing
- Municipal Lease
- Equipment Lease
- Power Purchase Agreement (PPA)
- Public-Private Partnerships (PPP or P3)
- Operations and Maintenance (O&M)
- Operations, Maintenance & Management (OMM)
- Design-Build (DB)
- Design-Build-Maintain (DBM)
- Design-Build-Operate (DBO)

- Design-Build-Operate-Maintain (DBOM)Build-Own-Operate (BOO)
- Design-Build-Own-Operate-Maintain (DBOOM)
- Design-Build-Finance-Operate-Maintain (DBFOM)
- Design-Build-Finance-Operate-Maintain-Transfer (DBFOMT)
- Build-Operate-Transfer (BOT)
- Energy as a Service (EaaS)
- Infrastructure as a Service (laaS)
- Controls as a Professional Service (CaaPS)
- Shared Savings

(F) Has the ability to perform under a contract that requires the person or business to guarantee the work performed by one (1) or more subcontractors;

As the turnkey provider of a guaranteed energy savings contract, Veregy assumes all risk for the performance contract from the initial design and engineering, scheduling, implementation, performance guarantee, cost guarantee, project management, project closeout, measurement and verification, and performance. All subcontracts are held by Veregy and are included in the performance contract.

VEREGY OVERVIEW

Veregy is an award winning, nationwide, NAESCO accredited Energy Services Provider (ESP) and has implemented over \$1.7B in energy saving projects, including energy performance contracts for hundreds of municipalities, school districts, airports, and higher education institutions. We provide our clients in Arkansas with an experienced, dedicated Arkansas Team, and specialize in facility improvements, water conservation, modernization of existing building systems and sustainable energy design. The focus of our efforts is aimed at reducing energy usage and the total cost of facility ownership for our clients. Our scope of services includes turnkey performance contracting, controls,



heating, ventilation, air conditioning, piping, plumbing, service/maintenance, retrofits, renovations, solar and DER, and pre-construction services. Veregy works with our individual clients to find the most appropriate source of financing for their project as well as stimulating the local economy by prioritizing that we hire and purchase locally.



Our technologies and services enable our clients to easily manage their facilities while optimizing natural resource consumption and minimizing environmental impact. We empower an end-to-end environmental and energy business process from reporting-to-reduction helping improve operational efficiency, maximize value, and manage risk.

Our deep expertise providing efficient energy solutions for energy projects of various sizes has taught us that there is no "one- size-fits-all" solution. Within our unique investigative energy audit process, we evaluate various technology choices and how best to employ them within facilities alongside of facility experts. Because we believe in giving our clients control of their choices, you will find our recommendations have clear pricing and paybacks associated with each energy conservation measure.

This approach encourages a long-term partnership rather than a short-term construction project. Veregy's evolving relationship with our clients is aimed at reducing energy and operational costs.

Professional Engineering Stats

Veregy strives for success in everything that we do, and our talented individuals are required for success. Withing our 450+ team of associates we are proud to say that within our ranks we have:

- 22 Professional Engineers
- 16 LEED/LEED AP Certified Professionals
- 30 Certified Energy Managers (CEM)
- 1 Certified Energy Auditor
- 1 Green Globe Professional
- 1 PMP Project Management Professional

Project Approach

At Veregy, we recognize that the success of any project is driven by trust and strong communication, which are the cornerstones of the long-lasting relationships we build with our clients. We believe that active collaboration between the Arkansas Department of Energy and Environment (ADEE), clients, architects, engineers, contractors, and constituents helps create and execute design ideas that enhance project success, and we ensure that every voice is heard along the way. Our senior leadership participates in the project from start to finish, and it is a point of pride for Veregy that the engineers you meet in the process are the ones you will be directly working with throughout the entirety of the project.

Veregy carefully schedules and tracks the performance of projects based on a critical path method to ensure the correct solution, materials, and equipment can be obtained while identifying sources of adequate manpower and resources for installation. We convene progress meetings at least weekly (more frequently as needed), both internally and with the AEO and client's personnel to keep all stakeholders informed of critical selections. The Project Manager (PM) develops and maintains a contract compliance matrix that facilitates quick reference of all solutions and materials, including them in the project schedule. The legal group provides quality assurance reviews to ensure that all contracts, safety and security requirements are followed down to subcontractors, thus avoiding the cost of delays that can result from contract mistakes.

Veregy's IGA to EPC Account Management Process

Veregy's Account Management process establishes a firm foundation for a successful EPC by opening clear channels of communication, giving detailed attention to IGA development, establishing partnerships for smooth implementation of ECMs and then following up with M&V, maintenance, and support programs.





- Qualification: The walk, run, fly process is guided by a series of onsite meetings with Veregy and the client. We listen to the client's story of past energy costs and concerns and work with the client to establish a systematic evaluation approach to accurately reflect potential savings. We continue to modify our targets based on audit results with the AEO and client team. This process continues as a partnership though the IGA and into the EPC. This phase involves many stakeholders and allows us to tailor our approach to meet the client's objectives and timing.
- 2. Energy Audit: Veregy conducts a facility evaluation based on the qualification process output. We work to identify the ECMs and consider owner driven FIMs that will generate the greatest savings while meeting the client's goals and objectives. During this evaluation we thoroughly record all relevant building information to develop savings models. Veregy has the resources and experience to provide ASHRAE Level 3 auditing for the client. During the audit phase we also establish clear baselines for systems performance and discuss any desires for commissioning and M&V protocols.
- 3. **Implementation:** Veregy's focus is straightforward, giving clients front-line technology and highly ranked system integrators at a cost factor that is substantially below larger competitors. Our vendor neutral approach along with our open book pricing model ensures the client has the input and control required for a successful project by a client's measures and allows them to not be pigeonholed by any one brand.
- 4. **Guarantee:** Veregy develops closeout programs with our clients to ensure the results we have projected. If requested or required, we can offer a savings guarantee, automated constant commissioning, holistic building model, predictive maintenance analytics as well as behavior modification programs. Our digital application, Energy Tracer, also provides monthly savings in real time).

Product Specification & Selection

Veregy is a design-build contractor with the ability and expertise to offer a turn-key project utilizing an array of products and solutions. Veregy is not a product representative company. We seek the best options for the client's business and ensure correct installation, flawless system operation and continuing support. Using our experience and relationships with multiple vendors and organizations, Veregy will make recommendations for products and solutions based on the client's input. Veregy will look at synergies between systems and solutions to recommend ECMs that work together and achieve more than the sum of the parts.

Vendor & Product Neutrality

As the client's energy services company, we find that best practice is to remain vendor and product neutral. We bring solutions forward for your input and final selection with the goal of delivering the best possible value for the client's EPC project. Veregy evaluates products that are not at the end of their life cycle. This ensures the customer gets the best product that will not be obsolete a year after it is installed.



Engineering and Specification Procedures

Veregy utilizes in-house and external engineering to support our partners. The creation of drawings and specifications are paramount to a successful IGA-EPC. We focus on the following quality assurance procedures when working with external engineering firms and our clients:

- Creation of Detailed Bid Specifications. This attracts professional contractors seeking to work on our team with a clear scope and process.
- Identification & Selection of Qualified Contractors. We identify high-quality contractors with client recommendations and invite them to bid. We evaluate their qualifications, check references, and conduct interviews. We choose subcontractors based on capabilities, quality, service, and value, not just the lowest price.
- Well-Structured Subcontractor Agreements. These protect Veregy and the client. The agreements incorporate insurance, bond requirements and liquidated damages as appropriate. We will use our legal team for quality assurance review of all client procurement and subcontracting activity to ensure that contract documents are properly structured and executed and that all client-specific requirements are restated in each subcontract.
- Quality Control and Monitoring for Compliance. Veregy actively manages the construction process to ensure high-quality work is completed on time. Our project team of engineering, construction and operations specialists meets prior to commencement of construction to review all aspects of the job including compliance with OSHA and other applicable regulations.

IGA Management

Members of the Veregy account management team have extensive experience working within the MUSH markets and are familiar with operational work environments, safety practices and standard procedures. In turn, our construction management approach will feel familiar to the client, with a focus on transparency, communication, and coordination with stakeholders. The team will work with the client to update our procedures, familiarize new team members with requirements and match current client standards. The IGA team will develop new policies around any items not already identified. Veregy will schedule work plan and coordination meetings with the client and stakeholders to review the project objectives, timelines, and obligations of each party to ensure the project success.

- Introduction of the team and review of responsibilities
- Review of the scope of work and project schedule including the client's calendar and events
- Review of the client's specific working conditions, badging, security, and training requirements
- Security and access requirements to all areas included in scope of work
- Work hours for site personnel and contractor staff
- Site safety and hazardous materials handling plan
- Required permits (e.g., confined space, hot work, local building, electrical, secure area)

Veregy realizes that producing the IGA will be a dynamic undertaking that will take considerable flexibility as new information flows in from the team, outside influences and the survey.

Transition from IGA to EPC

At the completion of the IGA, Veregy will provide a list of proposed ECMs for the client's review and discussion. We will include scope, proposed solution, cost, and predicted savings. We will prepare a solution and design document for bidding. If the proposed ECM remains in the project, we will prepare final design documents and stamp any required drawings. Once final pricing is received internally and from the local bidders, we conduct a submittal review. We then prepare a commissioning and acceptance plan to present to the client for review and approval. After the ECM books are submitted to the client,



Veregy will set up the final review session for ECM selection and support the client EPC project selection by offering a complete overview of how each possible combination would affect the overall project. At the end of the IGA process Veregy will provide the IGA Report and an EPC Contract to the AEO and client for review and approval.

EPC Construction Management

Once an EPC project has been accepted by the team and approved by the AEO and the client, Veregy will transition into the implementation phase and begin the design-build project. The Project Manager (PM) will schedule project meetings, including a kickoff meeting with the client's personnel and stakeholders.

During this meeting, Veregy recommends that the team review the project objectives, selected ECMs, timelines, and obligations of each party to ensure the project success. Specific discussion items for this work plan and development coordination meeting include, but are not limited to:

- Review of the scope of work and preliminary EPC project schedule
- > Project contact information for all stakeholders, including any subcontractors
- Security and secure area access to all areas included in the EPC scope of work
- Work hours for site personnel and contractor staff, including scheduled calendar events
- Site safety and hazardous materials handling plan
- Required permits (e.g., confined space, hot work, local building, electrical, secure area)
- Anticipated project impacts during construction
- Special operational requirements such as research, IT or housing areas
- Staging areas, trailers, material storage and lockable space

Implementation

Using the client approved ECM designs and specifications, Veregy's PM will then begin the implementation of the EPC project in a collaborative effort with the site personnel, sub-contractors, and vendors. Project management procedures employed by Veregy minimally include the following:

- PM directs the subcontractors, work schedules based on coordination meetings with client.
- PM requires subcontractors to submit status reports (daily, weekly).
- PM conducts weekly construction meetings unless directed otherwise by the client or the agreed schedule. Updates will include the work completed and "look ahead" discussions to keep the client informed of the next affected areas.
- PM generates meeting minutes and distributes them electronically to the client's project team. In order for the minutes to be accepted by the team, we will request a positive response from our client representative within five business days of transmittal.
- PM inspects work during site visits and reviews work with subcontractors. All deficiencies and punch list items are noted. As soon as practical, following these walk-throughs, Veregy will establish a timeline and provide it to the subcontractors for completion of open items.
- PM schedules site walk-throughs with the client's personnel to verify that substantial completion is attained, and design requirements have been met.
- PM documents all changes to the work and receives appropriate approvals before initiating any changes to the scope of work.

1.3.



FIRM'S EXPERTISE IN ENHANCING AEPC PROGRAM

Summarize how your firm's expertise and approach will enhance the effectiveness and reputation of the AEPC Program.

Our approach is to be a good partner to our clients and to the agencies who have oversight, by acting responsibly within the intent of the legislation in an open and transparent manner. These are typical activities and not necessarily done sequentially:

- Meet with the AEO and offer our marketing team and resources, reconfirm legislation and requirements from approving agencies. Understand current marketing efforts underway by AEO and determine how we can assist with either resources or expertise.
- > Obtain lobbyist and/or legal representation in the State.
- Secure consultants in the State, for vertical markets (K-12, Muni, State). This activity includes contractual relationships with former superintendents, city and county managers, and legislators.
- Expand our Arkansas team with additional local sales, development, and engineering team members to reside and work in the market.
- Sales team to get involved with local community by volunteering and associations.
- Build network of local subcontractors.
- Partner with the AEO at conferences for presentations at organizations such as ASBA to promote the EPC program.
- Participate and support organizations our clients belong to such as the City Managers Association, Municipal League, Airport Operators Association, Rural Education Association, School Board Association, etc.
- Volunteer at schools and build renewable energy and sustainability educational programs such as those shown on the next pages with Veregy's work in Colorado.





Benchmarking/Energy Star Portfolio Manager/CEO Data Jam Pre-Conference Work Session

70th Annual CASBO Conference

Pueblo Convention Center

\$125 pre-conference fee includes lunch



APRIL 19, 2023 9AM - 2PM

Hosted by energy management experts, this workshop covers the basics for utilizing ENERGY STAR Portfolio Manager (ESPM), the free EPA-created tool used nationally for benchmarking building energy usage. Learn how to use ESPM for compliance with benchmarking your district buildings. "Energy Performance for Buildings" HB21-1286.

The Colorado Energy Office will also host a free Data Jam where building and property owners can work with State experts to enter their building's energy data into Portfolio Manager. This will give you the chance to walk through the benchmarking process with experts, ask questions about the State's new benchmarking program, as well as get the chance to come into compliance with the State's program before the June 1st deadline. Register for this Data Jam here.



COLORADO Energy Office







EREGY





OUR MISSION: ACCESS Housing empowers families in our community who are experiencing homelessness with the solutions to achieve housing stability and self-sufficiency.

Tiny Home Village

THV

Highlights

2023 March/April www.acchouse.org



THE COOLEST PROJECT AROUND! By Ashlee Kruger and Ashley Dalzell

As of May 2022, ACCESS Housing and the Five Star Education Foundation are collaborating in a creative endeavor inspired by I think the idea is cool because we're not only able to learn about construction elements, but we're also able to give back to our community. -Construction student Luca

students of the FutureForward at Washington Square school in Adams12 Five Star School District. The students enrolled in the construction pathway are learning how to build tiny homes to house homeless youth and families in need of transitional housing and wrap-around services. Each home is complete with a functioning kitchen and full operating bathroom. Unit #1 is now complete and sits in ACCESS Housing's parking lot ready for a permanent home. The students are busy building Tiny Home #2 due for completion at the end of April 2023.

In accordance with ACCESS Housing's strategic plan to expand their physical capacity through non-congregated transitional housing, ACCESS Housing is busy procuring land, applying for Adams County ARPA funds, and forming a talented volunteer task force that will help develop the land and build the infrastructure for the tiny homes permanent placement.

ACCESS Housing's Task Force hopes to have a completed project by late September with Tiny Home #1 and #2 ready for occupancy by Thanksgiving! If you are looking to donate or be involved, please contact Ashley Dalzell, Executive Director for ACCESS Housing or Ashlee Kruger, Chair of THV Task Force.

Ashlee Dalzell - ashley.dalzell@acchouse.org Ashlee Kruger - akruger@veregy.com



SPECIAL THANK YOU TO OUR TASK FORCE: Ashlee Kruger Mark Kieffer Ashley Dalzell Sarah Kruger Todd Roebken Katie Radavich

Brandy Radey Deborah Sawatzky Jeff Nelson

DONATE

TODAY

Bonnie Birge

ACCESS Housing Signs Proposal to Purchase Land Next door

ACCESS Housing Receives Verbal Commitment from Adams County for \$485K in American Rescue Plan Act (ARPA) funds in Feb 2023

Presentation to County Commissioners for Projected **Budget and Release of Funds** Anticipated for April

Tiny Home Village Task Force Forms in Jan 2023

Five Star Education Foundation and FUTUREFORWARD Students **Deliver First of Five Tiny** Homes in June 2022

> 6978 Colorado Blvd Commerce City, CO 80022 303-289-7078 acchouse.org



1.4 PERMISSION TO SHARE SOQ PUBLICLY

State your permission for AEO to share your SOQ publicly (online, electronically, print) and acknowledge that your SOQ may be used by public entities to help select which ESCOs to interview for EPC projects.

Veregy provides our permission for our SOW to be shared publicly which is part of the process to bring energy savings and sustainability to more entities within the state of Arkansas.

Veregy openly provides our permission to AEO to share our SOQ publicly through mediums that include online, electronic, and print. We welcome public and private entities to use this document to help as a means to further energy efficiency and sustainability within the state.



36 YRS Industry Experience

\$1.7 BIL Energy Savings Projects

1,000s Buildings Optimized

400+ Veregy Professionals

8 BIL kWhs of Energy Saved

20 BIL

Gallons of Water Saved

12.4 BIL

Carbon Dioxide Pounds Reduced

2. Company Overview

2A. HISTORY AND FOCUS OF COMPANY

Describe the history and focus of the company, including:

a) Structure and evolution of firm;

Veregy is a Limited Liability Company and an award-winning, nationwide, Energy Services Provider (ESP) comprised of 9 industry leading brands with long and distinguished histories in the industry. We can trace our roots back 36 years when we began to make our name working with school districts and municipalities throughout the nation. Veregy originated as Midstate Mechanical in Arizona as a mechanical contractor. As the company evolved its services into energy, a separate division was formed called Midstate Energy, which eventually expanded and merged with 9 regional brands throughout the country.

Our corporate headquarters are located at 3312 E Broadway Road, Phoenix, AZ 85040. The Central Region headquarters are located at 16647 Chesterfield Grove Rd., Chesterfield, MO 63005 and will be the primary office serving Arkansas clients.

Veregy provides energy efficiency solutions, including facility improvements, renewable energy technologies, facilities maintenance, and digital services. Our team of energy professionals serves a wide range of markets, including K-12, Higher Education, Municipalities, Commercial, Healthcare, and Aviation.

Veregy employs over 400 professionals with vast experience and backgrounds in energy efficiency expertise. With over 70 engineers on staff, Veregy has the resources and dedication to provide long-term value to clients by reducing energy consumption while improving occupant comfort. Across the nation, Veregy has provided customers with over \$1.7 billion in energy savings projects through projects of all shapes and sizes.

b) Number of years in energy efficiency related business;

Veregy has offered energy performance contracting for over 23 years. Our previous parent company, Control Technology & Solutions, has been in energy efficiency business for 23 years (i.e., Founded in 2000). After the consolidation of 9 brands nationwide, a new LLC was formed in 2022: Veregy, LLC..



c) Number of public energy-efficiency projects completed by your firm or key member of your firm over the past five years; number under \$1 million in project cost; number over \$1 million in project cost. NUMBER OF PROJECTS IN PAST 5 YEARS:

Veregy has completed 256 separate energy performance contract projects in the last five years.

PROJECTS UNDER \$1 MILLION

Veregy has completed 102 separate energy performance contract projects under \$1 million in project costs in the last five years.

PROJECTS OVER \$1 MILLION

Veregy has completed 152 separate energy performance contract projects over \$1 million in project costs.

2B. INDUSTRY ACCREDITATIONS AND MEMBERSHIPS

Provide information on any accreditations and/or memberships in any industry organizations (e.g. Arkansas Advanced Energy Association (AAEA), Energy Services Coalition (ESC), National Association of Energy Service Companies (NAESCO)).

NAESCO & DOE

Veregy is one of only 14 NAESCO Accredited Energy Service Providers nationwide and on the Department of Energy (DOE) Qualified List of Energy Services Companies. In earning this accreditation, Veregy has been determined to possess the technical and managerial proficiency to develop a full range of comprehensive energy efficiency projects and the qualifications to provide a full range of energy services, including energy audits, design engineering, energy consulting, maintenance services, and the verification of energy savings.







Affiliations and Associations

At Veregy, we support industry associations and rely on these joint ventures for knowledgesharing and networking opportunities. Our employees are encouraged to become members of the associations we support, where they gain valuable knowledge through relevant tools, white papers, webinars, and sometimes updates on legislation impacting our clients. Veregy and our employees proudly support and partner with the national and state affiliations below.





Professional Engineering Licensure and Certifications

Veregy licensed professionals maintain an array of certifications and licenses, including Certified Energy Manager (CEM) certifications and LEED professional designations, to name a few. Veregy currently has over 450+ employees nationwide, allowing us to self-perform a vast majority of the deliverables associated with a comprehensive project. This includes:

- 352 Construction and Implementation Specialists
- Credentialed In-house Engineers
- Certified Project Management Professionals

Professional Engineering Stats

Veregy strives for success in everything we do, and talented individuals are required to succeed. We are proud to say that within our ranks are:

- 22 Professional Engineers (Many licensed in multiple states)
- > 16 LEED/LEED AP Certified Professionals
- 30 Certified Energy Managers (CEM)
- 1 Certified Energy Auditor
- 1 Green Globe Professional
- > 4 Record Holders of the National Council of Examiners for Engineering and Surveying Certification

Safety

Veregy has 29 employees with their OSHA 30 certificate, 17 with OSHA 10, 1 with OSHA 500, and 1 with OSHA Excavation certification.



3. Management and Staffing

3A. PROJECT MANAGEMENT AND STAFFING

a) Organizational Structure

Show a typical/generic organization chart for or implementing and managing a project.

Below is a high-level organization chart detailing our key personnel. Depending on the size and complexity of the project, we will collaborate with Arkansas clients to determine the number of project managers, engineers, managers and subcontractors we will need to deploy; ensuring a project meets its targets and constraints.





b) Project Responsibility

In a single table, list your personnel pool of individuals who will potentially be assigned responsibility for each task and phase of a project under the AEPC Program. Also include any added expertise and capability of staff available through other branch offices, subcontracts, etc., that can provide back-up strengths to your firm. Include the office location for each individual, branch office or subcontractor.

Name	Title	Staff or Sub.	Potential Role	Academic/ Professional Qualifications	Level of Expertise	Base Location
Kerry Becton	Account Executive	Staff	Account Management	Bachelor's Degree	Expert	Jacksonville, AR
John Shaw	Director of Sales, Central South Region	Staff	Account Management	Bachelor's Degree Over \$200M in K- 12, City, and County Veregy projects to-date. ICMA, MCMA, ILCMA, TCMA, SLACMA, SWICMA, HCC, MML	Expert	Chesterfield, MO
Jeremy Shivers	Manager of Regional Operations	Staff	Operations	Bachelor's Degree Business Management MBA: Business Administration OSHA 30 Procore Certified	Expert	Springfield, MO
Josh Hannoy	Director of Operations, Central Region	Staff	Operations	Bachelor's Degree NABCEP Associate & PV, OSHA 30, Various electrical safety training certifications	Expert	Chesterfield, MO
Amy Nemeth	Performance Assurance Manager	Staff	M&V	Bachelor's Degree in Mechanical Engineering, PE Certified Energy Manager (CEM) Certified Measurement & Verification, Professional (CMVP)	Expert	Shawnee, KS



				ASHRAE		
Mike Tennenbaum	Controls Division Manager	Staff	Technology	Bachelor's Degree in Mechanical Engineering OSHA 10, TNAX,	Expert	Chesterfield, MO
Eli Hannoy	Manager of Solutions, Development and Engineering	Staff	Energy	Implementation of millions in EPC's.	Expert	Indianapolis, IN
John Mihulka	Regional Operations Manager	Staff	Energy	Bachelor's Degree in Mechanical Engineering LEED AP BD+C, and PE Certified Energy Manager (CEM) Certified Energy Auditor Green Building Engineer (GBE)	Expert	Chesterfield, MO
Scott Brown	Director of Solutions, Development and Engineering	Staff	Solutions Development	Bachelor's Degree in Mechanical Engineering, PE Masters in Aerospace Engineering Certified Energy Manager (CEM) LEED AP ASHRAE AEE	Expert	Indianapolis, IN
Tara Turnage	Design Assistant III	Staff	Solutions Development	NCIDQ Industry experience since 1986 With Veregy since 2005	Expert	Chesterfield, MO
Rodney Bridger	Project Developer III	Staff	Operations	Bachelor's Degree Business Management MBA: Business Administration OSHA 30 Procore Certified	Expert	Chesterfield, MO



Al Willis	Vice	Staff	Leadership	Bachelor's Degree	Expert	Chesterfield,
	President			In Construction		MO
	Central			Management		
	Region			Ŭ		
	Ū			Procore Certified		
				Springfield		
				Contractors		
				Association		



c) Approach to Subcontracting

Describe the types of services (both professional and construction services) that your company offers in-house and the services typically offered through subcontractors.

Veregy performs tasks associated with project design, engineering and analysis, commissioning, operations, maintenance, and measurement and verification. Veregy will utilize its in-house team of engineers to provide an IGA to our clients. Veregy will tap into local resources when applicable and advantageous to the client. We have vetted and created relationships with many subcontractors with a local presence. When we enter into an IGA with a client, Veregy will start by requesting a list of registered vendors and/or successful contractors they have worked with from the purchasing and operations departments. Veregy will combine the client's list with our firm's list of local, vetted contractors.

Local firms often offer the best response at a lower cost and are familiar with the and the local environment. We prefer subcontractors who the client has had a previous positive experience with and understands the client's job site requirements as well as how to work in occupied facilities.

Description	Self-Perform	Subcontract	Warranty	Commissioning	Financing
Energy Audits	YES				
Utility Rate and Tariff Review	YES	YES			
HVAC / Component & System Replacements	YES	YES	YES	YES	YES
Interior & Exterior Lighting Retrofit / Replacement	YES	YES	YES	YES	YES
Wastewater	YES	YES	YES	YES	YES
BAS / DDC Controls / FMX	YES	YES	YES	YES	YES
Water: Domestic & Irrigation Modern- ization and Efficiency Upgrades	YES	YES	YES	YES	YES
Water Meters AMR, AMI	YES	YES	YES	YES	YES
Solar Procurement, PPA Evaluation	YES	YES	YES	YES	YES
Battery Storage Systems	YES	YES	YES	YES	YES
Weatherization	YES	YES	YES	YES	YES

3.B. ARKANSAS STATE CONSTRUCTION REQUIREMENTS

Describe your firm's approach to complying with the Arkansas State licensing and labor requirements.

At Veregy, we understand that adherence to Arkansas State licensing and labor requirements is not just a legal obligation, but a cornerstone of trust and quality in the services we provide. Our commitment to compliance is unwavering, ensuring that every aspect of our operation not only meets but exceeds state and federal standards.



Licensing and Certifications

Our team proactively pursues all necessary state-specific licenses, ensuring that our qualifications are not only current but also comprehensive. This includes specialized certifications that may be required for specific projects, reflecting our dedication to excellence and our commitment to delivering services that are both reputable and reliable.

Labor Requirements

Veregy stands firmly behind ethical labor practices. We ensure that our workforce complies with all state and federal labor laws, emphasizing fair labor standards, workplace safety, and equal employment opportunities. Our approach is to foster a work environment that is not only compliant but also inclusive and respectful, aligning with our core values of integrity and respect for people.

Permitting and Regulatory Compliance

Navigating the complexities of regulatory compliance is a challenge we embrace with rigor and professionalism. Our experienced team diligently works to secure all necessary permits, thoroughly understanding and adhering to local, state, and federal regulations. This meticulous attention to detail ensures that every project we undertake is compliant, environmentally responsible, and aligned with community standards.

Holistic Approach

Our approach is holistic, integrating energy-efficient solutions with sustainable practices to not only meet but anticipate the needs of our clients. We believe in consistent communication, keeping our clients informed at every stage of the project. This transparent workflow allows us to address any concerns promptly and ensures that the project vision is realized efficiently and effectively.

Commitment to Excellence

Entrusting Veregy with your project means partnering with a firm that brings a commitment to excellence and a proven track record of success. Our comprehensive services, from initial design to final implementation, are tailored to realize your vision for new building additions or new construction with precision and foresight.



4. Company Financial Status

4.A.A. FINANCIAL SOUNDNESS AND PROFITABILITY

Provide a description of the financial soundness and expected stability of the company.

Veregy takes pride in its excellent financial position within the industry. At Veregy, we provide the benefits of a local company but also the financial structure and experience to take on any size project on a national level. Our balance sheet and working capital positions are strong, and as a result, we have a bonding capacity of \$300 million. Veregy is in an excellent position to bond, perform and financially guarantee the savings for our clients.

вмо	BMO Bank N. A. 1850 N. Central Ave. Suite 1500 Phoenix, AZ 85004
January 17, 2024	
Laura Falcone Veregy LLC 3312 E. Broadway Rd Phoenix, AZ 85040	
Re: Veregy, LLC; Veregy West, LLC; Veregy East, LLC; Vereg	y Central, LLC
Dear Laura Falcone,	
The purpose of this letter is to provide you with a bank r currently held at BMO for Veregy, LLC and the rel	eference regarding the existing accounts ated entities listed above.
The Veregy, LLC relationship was established in March 2023 satisfactory rating with no overdrafts on any accounts. Belo and related entities as of the date of this letter:	3 and accounts have maintained a ow are the aggregate balances of Veregy, LLC
 Daily Balance - Moderate 8 figure Current Available Balance - Medium 7 figure 	
If there is anything we can do to be of assistance, please le	t us know.
Thank you,	
Velia Fernandez	
Velia Fernandez Commercial Banking Service Associate <u>velia.fernandez@bmo.com</u> 602-407-6742	



4.A.B. PROFITABILITY

Provide a description of the company's profitability with supporting documentation covering the past three calendar years.

Veregy is a highly profitable, stable, well capitalized, and financially strong firm. The below chart demonstrates our actual and estimated profitability:

	Actual FY 2020 (\$'000)	Actual FY 2021 (\$'000)	Actual FY 2022 (\$'000)	Actual FY 2023 (\$'000)
EBITDA	\$54.8M	\$42.4M	\$42.3M	\$50.3M
REVENUE	\$383.8M	\$311.1M	\$304.5M	\$365M

4.A.C. FINANCIAL REPORT

Attach a financial report summary as an appendix, showing the company's most recent 12month audited financials including, at a minimum: Balance Sheet, Income Statement, Statement of Cash Flow, and Statement of Financial Conditions. Include the name, address, and telephone number of the preparer.

Please refer to Appendix B for Veregy's LLC.'s, audited 2023 Financial Statements. Please note Veregy, LLC's financial information is **confidential**.

4.B. BONDING

Include responses to the following:

4.B.D. CURRENT BONDING RATING (MAXIMUM PROJECT SIZE FIRM CAN BOND)

Our bonding rating is A- and a maximum of \$125M for a single project/\$300M for an aggregate bonding program.

4.B.E. CURRENT BONDING CAPACITY

Our bonding capacity is more than \$300 million. We will provide a surety bond for the project equal to 100% of the cost of the project. This bond will protect our client from any deficiency or completion of the project.

4.B.F. AMOUNT OR PERCENTAGE OF BONDING CAPACITY CURRENTLY OBLIGATED

Veregy's current obligated bond amount is \$140M bonded.

4.B.G. CURRENT BONDING RATE

Our bond rate is \$7 per \$1000.



4.B.H. CONFIRMATION THAT THE COMPANY IS BONDABLE FOR 100% OF A PAYMENT BOND ON A PROJECT

We will provide a surety bond for the project equal to 100% of the cost of the project.

4.B.I. CONFIRMATION THAT THE COMPANY IS BONDABLE FOR 100% OF A PERFORMANCE BOND ON A PROJECT

We will provide a surety bond for the project equal to 100% of the cost of the project.

4.B.J. LETTER FROM A LICENSED SURETY AS EVIDENCE OF ABILITY TO BOND FOR PAYMENT AND PERFORMANCE

Please see the following page.



Marsh McLennan Agency 825 Maryville Centre Drive | Suite 200 Chesterfield | MO 63017 T +1 314 594 2700 MarshMMA.com

September 7, 2023

RE: The Veregy Companies

To Whom It May Concern,

Marsh McLennan Agency is pleased to provide surety credit for The Veregy Companies. During our relationship with The Veregy Companies we have never had a question as to respects to workmanship or their ability to perform.

The current surety The Veregy Companies is SiriusPoint America Insurance Company. SirusPoint America Insurance Company has a AM Best rating of A- (Excellent) with a financial strength of XV (\$2 Billion or greater) and S&P Long Term Debt Rating of BBB. The Veregy Companies has the technical expertise, equipment, labor force to successfully perform projects at the \$125,000,000 single /\$300,000,000 aggregate bonding program. They currently have \$160,000,000 available in bonding capacity.

Should a project be awarded to and accepted by The Veregy Companies, we are prepared to consider providing the required bonds on their behalf. Any bonds are subject to acceptable review of the contract terms and conditions, bond forms, confirmation of financing, and any other underwriting considerations at the time of the request. It should be understood that any arrangement for bonds is strictly a matter between The Veregy Companies and SiriusPoint America Insurance Company. We assume no liability to third parties or to you if for any reason we do not execute said bonds.

Please feel free to contact me if you have any questions regarding The Veregy Companies or their surety bond programs.

Sincerely,

Audren P. Thom

Andrew P. Thome, CEO

A business of Marsh McLennan Marsh & McLennan Agency LLC Your future is limitless."



5. Marketing Approach

Briefly describe your firm's proposed approach to promoting and marketing the AEPC Program both in concert with AEO and in your individual marketing efforts for EPC.

Marketing Capabilities

In addition to approach to enhancing the AEPC program outlined in Section 1, the Arkansas Department of Energy and Environment will have Veregy's marketing department at your disposal to support the education, communication, and development of all promotional support you need to showcase and celebrate the Arkansas Department of Energy and Environment's project.

Veregy's full-service marketing department is staffed with public relations and social media marketing professionals to make your ribbon cutting a success. As a value add to all our projects, our marketing department is available to you pre- and post-construction to collaborate on media campaigns and cobranded or co-sponsored events.

Some of what we have to offer:

- Advertising
- Signage
- Ribbon Cutting
- Community Events
- Community Relations
- Media Relations
- Social Media
- Video Production
- Photography
- Merchandise and Apparel
- Event and Tradeshow Marketing
- Brochures and Collateral
- Web Design
- Copywriting/Editing
- And More!



Veregy is committed to giving back to our clients and continually look for creative ways to impact the classroom beyond the built environments we change. Below are a few examples of what we have done with our clients.



Lesson Plans Integrating Your Project and Technology



STEM Energy Curriculum (Wind Power)





6. Reporting Approach

Describe your firm's approach to providing signed copies of contracts and measurement and verification reports to AEO in a timely manner. In addition, describe how you will meet the requirements for providing project performance metrics, described in detail in the Program Manual.

At Veregy, our dedicated Account Manager for Arkansas, Kerry Becton, and the project team will work closely with the AEO and clients to fully understand project and client needs and work with the project team to create an accurate and fully customized and executed contract in a timely and satisfactory manner. Communication about contract status and timeframes will be discussed with stakeholders and we will work to deliver all contracts and communications in a timely and consistent manner. Veregy can outline our high level methodology as follows:

Timely Delivery of Signed Contracts and M&V Reports

Veregy ensures the timely delivery of all contractual documents and M&V reports by adhering to a structured project management and documentation process. This includes:

- **Preparation and Review:** All contracts and M&V reports are prepared and reviewed by qualified personnel to ensure accuracy and completeness before submission.
- **Scheduled Submissions:** Adhering to a predefined schedule agreed upon with AEO, ensuring all documents are submitted on or before the due dates.
- **Confirmation of Receipt:** After submission, Veregy follows up with AEO to confirm receipt of the documents and address any immediate questions or concerns.
- Meeting Requirements for Project Performance Metrics

Veregy's approach to providing detailed project performance metrics is comprehensive, ensuring transparency and accountability throughout the project lifecycle. This approach includes:

- **Initial Baseline Measurement:** Conducting thorough initial assessments to establish baseline data for energy usage and operational efficiency.
- **Regular Monitoring:** Implementing continuous monitoring technologies to track real-time performance against the established baselines.
- **Performance Reporting:** Regularly updating AEO with detailed performance reports that include not only energy savings but also other relevant operational metrics.
- Adherence to Standards: Following all relevant local, state, and federal guidelines, including those specified in the AEO Program Manual, to ensure that all performance metrics meet regulatory standards and best practices.
- **Use of Advanced Analytics:** Employing advanced data analytics to interpret the collected data, providing insights not just on performance but also on potential areas for further improvement.
- Quality Assurance and Compliance
 - Quality Control Checks: Regular quality control checks and audits are conducted to ensure the integrity of the data reported and the compliance of the implementation processes with the contractual obligations.
 - **Stakeholder Engagement:** Engaging with AEO and other stakeholders through regular meetings and communications to discuss project progress, performance metrics, and compliance status.
 - **Training and Capacity Building:** Providing training for client staff as needed to ensure everyone is knowledgeable about the tools and methods used for measurement, verification, and reporting.

Documentation and Archiving



- Secure Storage: All contracts, M&V reports, and performance data are securely stored in compliance with data protection regulations.
- Accessibility: Ensuring that all documents and reports are easily accessible to authorized AEO personnel for audit and review purposes.
- **Archiving:** Maintaining comprehensive archives of all project-related documents for a specified period, as required by AEO or as best practice in the industry.

By following these methodologies, Veregy demonstrates its commitment to fulfilling the requirements set forth by the Arkansas Energy Office, ensuring both compliance and high standards of project execution and reporting. This structured approach not only meets but aims to exceed the expectations of the AEO in terms of timeliness, accuracy, and comprehensiveness of the information provided.



7. Technical Approach

7.A. INVESTMENT GRADE AUDIT

Provide a description of the process your company uses to develop a typical audit in the types of facilities that will participate in the AEPC Program. Note any changes that will be made to comply with the requirements of the AEPC Program. Provide a recent sample investment grade audit as an electronic attachment. The audit should be representative of a recent energy efficiency project in a government facility. Provide verification that the sample audit was conducted by the members of the company's team who will be participating in the AEPC Program.

The Investment Grade Audit (IGA) process is a comprehensive assessment conducted by Veregy to identify opportunities for energy efficiency improvements within a client's infrastructure. This process involves systematically examining various energy systems and operational practices to provide datadriven recommendations to reduce energy consumption and enhance overall efficiency.

Data Collection and Analysis

The IGA process begins with collecting and analyzing relevant data related to the clien's energy usage, facility infrastructure, and operational procedures. The data collection phase involves reviewing utility bills, conducting on-site inspections, and gathering information on equipment specifications and performance.

Energy Systems Evaluation

Next, the energy optimization team evaluates the performance of existing energy systems, including HVAC (Heating, Ventilation, and Air Conditioning), lighting, water heating, and other equipment. This assessment includes an analysis of equipment age, condition, energy consumption patterns, and operational efficiency.

Financial Analysis

A critical component of the IGA process is the financial analysis, which assesses the cost-effectiveness of potential energy-saving measures. This analysis involves calculating the return on investment (ROI), payback periods, and life-cycle cost projections for various energy efficiency upgrades and operational improvements.

Recommendations and Implementation Plan

Based on the evaluation and financial analysis findings, the energy optimization team develops a set of tailored recommendations and an implementation plan for the client. These recommendations may include equipment upgrades, retrofitting initiatives, behavior-based strategies, and renewable energy integration. The implementation plan outlines the recommended actions, associated costs, timeline, and anticipated energy savings.

Measurement and Verification

Following the implementation of energy-saving measures, the IGA process includes ongoing measurement and verification (M&V) to assess the effectiveness of the improvements. The M&V phase involves monitoring energy consumption, tracking performance metrics, and conducting periodic evaluations to validate energy savings and ensure that implemented measures deliver the expected results.



The Investment Grade Audit is a strategic approach to identifying and implementing energy efficiency measures that align with the client's goals and objectives. By conducting a thorough assessment and providing data-driven recommendations, energy optimization companies help clients reduce energy costs, enhance operational efficiency, and minimize environmental impact, ultimately contributing to long-term sustainability and profitability.

7.B. STANDARDS OF COMFORT AND CONSTRUCTION SPECIFICATIONS

Provide a brief description of the standards of comfort the company generally uses for light levels, space temperatures, ventilation rates, etc. in the facilities intended for the AEPC Program and any flexibility for specific needs of the public entity.

When working in State owned facilities in Arkansas, it is Veregy's intent to comply with all applicable existing building codes at the local, state, and federal level in place at the time of project implementation. The intent of the Veregy approach will be compliance with IBC 3401 and 3403 when working in existing buildings. Our intent for compliance would also include National Codes reference as part of the Arkansas Sate Codes, such as the International Energy Conservation Code.

As stated in the building code, "the policy of the state building program to bring existing structures into conformance with current codes as much as possible with the intended scope of the project". Building Code Compliance is only part of our approach and we understand Arkansas has boards and State inspectors for various components of systems that may fall into an energy project scope (e.g., boiler inspection) and we will help to ensure client compliance.

The current EPC Schedule has a defined process to determine if each ECM will require a code review and identification of the cost associated with each review to include field inspection, if required.

Light Levels

Veregy would seek to provide a level acceptable to comply with IEEE 2012 for energy intensity. But for clear metrics we seek the following:

Room Type	Light Level (Foot Candles)	Light Level (LUX)	IECC 2015 Lighting Power Density (Watts Per SF)
Classroom - General	30-50 FC	300-500 lux	1.24
Conference Room	30-50 FC	300-500 lux	1.23
Gymnasium – Exercise/Workout	20-30 FC	200-300 lux	0.72
Laboratory (Classroom)	50-75 FC	500-750 lux	1.43
Laboratory (Professional)	75-120 FC	750-1200 lux	1.81
Library – Stacks	20-50 FC	200-500 lux	1.71
Library – Reading Studying	30-50 FC	300-500 lux	1.06
Lobby – Office/General	20-30 FC	200-300 lux	0.9
Office – Open	30-50 FC	300-500 lux	0.98
Office – Private/Closed	30-50 FC	300-500 lux	1.11

Space Temperatures

Space temperatures can vary greatly depending on occupied/unoccupied programs, for occupied buildings we seek to maintain a temperature consistent with OSHA recommendations, of the range of 68 degrees to 76 degrees for occupied buildings.



Carbon Dioxide Standard Levels

The recommendations in ASHRAE standard 62-1989 that we seek to maintain in the occupied period are:

- Classrooms and conference rooms 15 cfm per occupant (person)
- Solution Office space and restaurants: 20 cfm per occupant
- Hospitals 25 cfm per occupant
 - *- 1 cfm (ft3/min) = 1.7 m3/h = 0.47 l/s

During the audit process Veregy will document each of these areas then compare them back to State requirements. We will then review these findings and comparisons with the clients to discuss any efficiency adjustment that can be made to establish the path to compliance. Once all parties have agreed we have accurately established a correct path, we can discuss any baseline increase/decrease that may be needed.

7.C. BASELINE CALCULATION METHODOLOGY

Provide a brief description of the methodology normally used by the company to compute the baseline of energy and water use for a facility. Include a discussion of how the public entity is engaged for development of an agreement on the baseline.

The baseline energy measurements, analysis, and M&V methodologies for post-installation monitoring are consistent with IPMVP guidelines, industry standards, and benchmarks. We are consistent with the Federal Energy Management Program (FEMP) document titled *M&V Guidelines: Measurement and Verification for Federal Energy Projects, Version 4.0.* Our recommended methodologies for each project balance the cost and benefit of long-term monitoring to demonstrate that guaranteed savings occur at the least cost possible.

The general equation used to calculate energy savings is:

Savings = \sum (Baseline Energy – Post-Installation Energy) ± Adjustments

This calculation differs in its application depending on the M&V methodology used. For options A and B, the baseline energy is determined as the sum of the baseline energy consumption calculated for each of the ECMs in the project. For example, for a project that includes a lighting upgrade only, the baseline energy would be determined solely by the lighting system calculated energy consumption. For such a situation, utility bills are collected and compiled primarily for benchmarking purposes only. Option C's baseline energy is determined directly from the utility bills since that is the essence of option C. Option D determines the baseline energy by creating an energy model using various inputs corresponding to the project ECMs. The following presents our approach for establishing baseline energy and calculating the Savings.

Veregy's Process for Developing the Baseline

Veregy has developed a multi-step process that incorporates all energy sources, energy uses, and independent variables, including but not limited to operating hours, equipment efficiencies, and weather. Through this process, we arrive at accurate baseline energy values that are essential for the savings calculations and agreed upon by the client.



Steps	Description
1 Initial Interview	Veregy's project engineers meet and work closely with the client to get familiarized with the facility and learn how the facility and its systems operate. This will involve gathering facility equipment operating schedules, occupancy schedules, current setpoints, and information on any space conditioning issues.
2	We then collect and tabulate utility bills for the most recent 12-month period. It is a
Collect, Tabulate, & Correct Utility Bills	common occurrence for the utility data set to have either missing or erroneous data. At this stage, the raw utility data will be corrected. Missing data and/or erroneous data will be estimated or corrected by various means.
3 Develop Multivariate Regression Model	After the utility data is compiled and corrected as described in Step 2, we use <i>Metrix 4</i> , a multivariate linear regression software, to develop the regression equations for heating and cooling degree days. These equations form the basis for routine weather adjustments to the baseline. A routine adjustment is made for factors affecting energy consumption that is expected to change. By normalizing the utility data for weather, the baseline energy data can be accurately compared against the post-installation data, even though the actual weather will differ annually. A <i>Metrix</i> model is prepared for each utility meter or submeter (electricity, natural gas, steam, chilled water, etc.) independently.
4 On-Site Data Collection	We record preliminary on-site data for any systems affecting the facility's energy use. This is part of the normal routine for identifying ECMs. Still, this site data is also used as the basis for baseline operating conditions regardless of the M&V methodology that is used. This will include information such as hours of operation, space temperature setpoints, etc. The preliminary data-gathering process is essential for establishing these parameters based on actual field data.
5 BAS Trend Data	Where there is an existing BAS that has trending capability, we will extract key parameters from available trend data. Trend data may include equipment schedules, space temperature setpoints, supply air temperature setpoints, equipment percent capacity hours of operation and other parameters.
6 Field Measurement and Data Loggers	In some situations, involving large-scale or complex ECMs, the data collected in Steps 2, 4, and 5 may not be sufficient to establish a baseline energy value for a given ECM accurately. For these situations, our engineers will gather additional field data, including electrical kW measurements of equipment such as pump and fan motor loads, chiller loads, and lighting panel loads. In addition, various data loggers are installed to trend key parameters such as space temperatures, air handler air temperatures, CO ₂ concentrations, and operating hours for lighting, HVAC, and other major energy equipment.
7 Non-Routine Adjustments	The final step for establishing baseline energy involves making any necessary non- routine adjustments to the utility data. A non-routine adjustment occurs when an unpredictable change to the facility or its operation occurs that affects energy consumption. These adjustments are handled on a case-by-case basis and will be clearly documented. When Option C is used, the resulting output of this step establishes the baseline energy.

7.D. ADJUSTMENTS TO BASELINE

Provide a brief discussion of typical factors that can impact the calculated baseline and the company's general approach to adjusting the calculated baseline if one or more of these factors are present. Include how the public entity is involved for agreement on any adjustments.

Like any successful partnership the need to modify and change over time must be present for the partnership to grow and continue. The same approach should be present in an Energy Savings


Guarantee as the building and its existing conditions, as defined in the baseline spend, will need to be changed over the life of a long-term agreement. The method to accomplish this change in an Energy Performance Contract is accomplished via a Baseline Adjustment. A baseline energy spend for a facility is nothing more than a snapshot during a given period.

Over the course of time, the snapshot can change due to many factors. This change creates the need for the parties to consider Baseline Adjustments. Such adjustments are often necessary due many factors, some of which are explained below.

Some items that often drive baseline adjustments are:

- Energy Price Changes
- Weather
- Code Changes
- Major Changes in the Facility Function
- Operational Hours
- Loads
- Increased populations, staff and enrollment
- System Performance and PM programs

The key to successful working thru the need for a baseline adjustment is communication with the client. Veregy works to engage clients on a straightforward path and communicate the need for an adjustment via our findings in the field. Supported with data and building models to demonstrate and capture the impact of any potential baseline adjustment. Before any adjustment is accepted by the client we consider the burden of proof to be on our shoulders to communicate the existing conditions effectively and need for the client to consider a baseline adjustment.

Baseline Adjustment

This section outlines other types of adjustments to the baseline that are referred to as non-routine adjustments. Non-routine adjustments to the baseline may be necessary at the onset of a project to account for unusual circumstances as well as during the performance period. Pre-installation non-routine baseline adjustments may include such things as:

- Planned operating schedule changes.
- Planned and funded facility equipment upgrades outside the scope of the project.
- Planned and funded facility square footage modifications, including both additions and demolition.
- Changes to the facility's mission that would impact energy and water use.
- Equipment not commissioned properly.

Any baseline assumptions made will be clearly documented and discussed with the client. Complete and thorough recording of the baseline assumptions and conditions that exist pre-installation is critical since, after installation, the original baseline conditions are no longer present.

Post-installation non-routine baseline adjustments may be required as well. With modern continuous monitoring and commissioning software, Veregy engineers can monitor the performance of facility equipment to the extent the client permits. The new intelligence built into the software can identify non-optimal settings and conditions, and flag them so that Veregy can be alerted when these changes happen. Veregy can provide testing and inspection on ECMs in real-time.



Incident	Post-Installation Non-Routine Baseline Adjustments
User Participation	Client overwrites BAS / HVAC Control Strategies. Solution: Periodic or constant monitoring of EMS setpoints and system parameters, which provide alarms when key setpoints are overridden, or control strategies are not put into place. Should baseline modifications be required, this method will allow Veregy to better determine exactly what was changed and when.
Equipment Calibration Malfunctions	HVAC and other energy-saving equipment can experience calibration malfunctions, and tolerance creep causing excessive usage, reduced performance, and other issues that degrade energy saving and reduce the efficacy and life span of the equipment. Solution : Similar to the solution for user participation-caused adjustments, our ability to monitor EMS setpoints and system parameters and provide alarms when key setpoints are outside tolerance allows for quick identification and correction.
Major Changes to the Facilities	Significant occupancy changes occur in a facility. This can happen when normal business hours are extended, after-hour events are common, or a facility adds a non-insignificant number of employees to meet a new mission requirement. Solution: In some cases, the new run time, as affected by the occupancy change, can be calculated and utilized to adjust the baseline. In another case, where a new chiller plant was installed, for example, if chiller usage was measured from year to year, the fluctuations in building occupancy and weather, along with any changes in chiller control, would affect the annual savings numbers. Instead, and as suggested in a sample DOE FEMP M&V plan, the chiller load profile is captured during the base year. This chiller load profile represents how many ton-hours of cooling is done annually. The chiller load profile is developed ideally from 12 months of chiller trend data. It is engineered into the form of a total cooling plant Cooling Tons vs. Operating Ambient Temperature (OAT) curve, which can then be applied to Typical Meteorological Year (TMY) weather data. By applying the Cooling Tons vs. OAT to TMY weather data, the M&V process develops a consistent baseline cooling profile which can be used in the performance guarantee. Each post-installation year, the chiller plant kW/ton is calculated and is then applied to the cooling load profile we have just described. Any smaller changes in occupancy should not affect the energy savings calculations significantly.
Equipment Maintenance Issues	Facility equipment that is not operated or maintained properly can impact savings immediately and degrade the equipment at an accelerated rate causing reduced savings progressively over time. Solution: Ensure installed equipment is operated and maintained in accordance with performance specifications and original equipment manufacturer maintenance manuals. If Veregy is performing the O&M, deficiencies are identified and corrected quickly to minimize savings impacts. We involve our engineers and M&V staff during the design and implementation phases of the project to assist with assessing the state of the current O&M program and help design the most appropriate program post-installation to ensure savings can be achieved. This assessment helps us identify equipment and processes requiring attention during our training sessions with the client.

Savings Calculations

The procedure for the calculation of savings involves a comprehensive analysis of the existing facilities that are generally performed during an Investment Grade Audit (IGA). During the IGA, the project development engineers will collect critical site operating data to calculate energy savings projections for the various ECMs. Collecting site data typically involves various methods, including downloading historical operating trend data from an existing BAS system, installing portable data loggers for several days, modeling energy, and taking spot measurements using portable meters.

Operational & Maintenance Savings

The usual and customary recurring costs for operating the systems should also be identified and included in a Life Cycle Cost Analysis (LCCA). These costs are associated with the ongoing



maintenance, repair, and replacement of components associated with the systems being compared. The differences in the present value of these costs over the system's life cycle or valuation period are operational savings.

Operational costs, other than utility costs, fall into two areas, the first being ongoing maintenance activities, typically performed on an annual basis. Another area of operational costs that should be included in an LCCA is those associated with major repairs and replacements. Veregy determines these operational costs by utilizing information in a national database compiled by Whitestone Research and found in *The Whitestone Building Maintenance and Repair Cost Reference Manuals*.

Cost Savings

Energy cost savings are reductions in the cost of energy and related O&M expenses from a base cost established through a methodology. Guaranteed cost avoidance will be determined in accordance with the methodology(s), operating parameters, formulas, and constants as described above and/or defined in our Contract Agreement and/or additional methodologies defined by Veregy that may be negotiated with the client at any time.

Baseline energy use will be determined through a utility bill analysis on each affected facility for a reconciliation of guaranteed cost avoidance. The contract agreement will give the baseline e baseline energy use, energy rates, and year. Amy Nemeth, Energy Engineer and M&V Specialist, along with our vendor agnostic Orchestrate platform, will deliver real time consumption and savings data, so that the team (along with our engineers) can self-monitor savings for transparency. This real time data can promote proactive management as well as alert teams to emergencies or irregularities, allowing quick adjusts and continued savings. Real time and transparent data measurement is important to managing a performance contract.



Arkansas Energy Performance Contracting Program



8. Company Scope of Services

Provide a brief description that highlights your firm's capabilities to provide services for the following items. Include as many as possible to validate firm's capabilities.

8.A. ENERGY CONSERVATION MEASURES (ECM) AND FACILITY IMPROVEMENT MEASURES (FIM)

This proposal section will detail the broad range of ECMs and FIMs available through Veregy for an AEO project. All successful projects are predicated on a partnership with the client and open, honest dialogue about the goals and methods desired. Veregy will work very closely with your staff to determine the project scope, design, and energy and operational cost avoidance, which is typically a result of bundling a combination of the ECMs and FIMs outlined in this section.

Lighting

LED Lighting Systems (Indoor and Exterior)

During our audit process, our engineers will identify the existing lighting systems at the facilities and evaluate improvement opportunities. The typical retrofit will include LED applications, looking to replace current systems. Our preferred option is to replace all ballasts with LED tube and driver combinations. We only use products that we can obtain with a 10-year manufacturer warranty. In the last two years, we have had two of North America's largest LED retrofit projects, Peoria Unified School District, IL, and Scottsdale Unified School District, AZ. Although much of the lighting in your facilities may have been upgraded from T12 to T8 over the years, there often remain opportunities for additional improvements. Veregy's proposed upgrades will reduce the facilities' overall energy footprint by installing new, high-efficiency LEDs and lighting controls.

Veregy had two of North America's largest LED retrofit projects, Peoria Unified School District, IL, and Scottsdale Unified School District, AZ.

Occupancy Controls

Occupancy-based controls and motion sensors for interior and exterior lights, vending machines, HVAC thermostats with wireless sensors, and the computer shut down/power-up software is a quick and costeffective way to reduce energy. Even though a facility may employ some of the most energy-efficient lighting technologies, the potential for energy savings can be increased by implementing advanced lighting controls. Occupancy and vacancy sensors can significantly decrease run hours in parts of the building with variable occupancy. This includes offices, conference rooms, staff break areas, restrooms, storage areas, maintenance rooms, janitor closets, and corridors. While you may have these controls in some spaces, as a part of the detailed lighting audit, Veregy will determine additional areas that will produce the greatest opportunity for energy savings and develop a plan for implementing the appropriate strategy to add the most value to the space.



Daylighting and Daylighting Controls

During a detailed lighting audit, Veregy will identify the spaces that are candidates for daylighting control and perform a study to analyze the feasibility of implementing daylighting systems with photocell control to eliminate or reduce electrically powered lights when the desired light level can be achieved by natural light. Photocell controls can maintain minimum light levels with or without an electrically powered lighting system.

LED Street Lighting

Veregy will audit the lighting fixtures installed along your public roads and streets owned by AEO. The type of lighting retrofitted may vary depending on factors such as the lighting project's location, purpose, and budget. LED street lighting improves safety by reducing the risk of accidents, crime, and other incidents in poorly lit areas. It also helps to create a sense of community and can enhance the aesthetic appeal of public spaces. Additionally, LED street lighting can reduce operating costs by reducing the need to replace bulbs.

Network Controls, Motion, and Light Sensors

Street lighting network controls, motion sensors, and lighting sensors can provide several benefits for municipalities, including:

- Energy savings: Municipalities can reduce the energy used for street lighting using lighting controls and sensors. This can result in significant cost savings on energy bills.
- Reduce light pollution: Street lighting controls and sensors can reduce light pollution by dimming or turning off lights when unnecessary. This can improve the quality of life for residents and help preserve natural habitats for wildlife.
- Improved safety: Motion sensors can detect movement and turn on lights, making it easier for pedestrians and drivers to see and navigate in low-light conditions. This can help reduce the risk of accidents and improve overall safety.
- Longer lifespan for lighting fixtures: By reducing the time that lights are on, street lighting controls and sensors can extend the lifespan of lighting fixtures. This can result in cost savings on maintenance and replacement of lighting fixtures.
- Customized lighting schedules: Lighting controls and sensors can be programmed to turn on and off at specific times or under specific conditions, allowing municipalities to customize lighting schedules based on the community's needs. This can improve energy efficiency and reduce costs.

Overall, street lighting network controls, motion sensors, and lighting sensors are an effective way for municipalities to reduce energy consumption, improve safety, and reduce costs associated with maintaining and replacing lighting fixtures.

Gun Shot Detection Control

Veregy will investigate options to incorporate gunshot detection on outdoor lighting fixtures. This technology uses acoustic sensors or microphones to identify and locate the sound of gunshots. Gunshot detection systems typically use algorithms to analyze the audio data and distinguish gunshots from other loud noises, such as fireworks or construction noise. If a gunshot is detected, law enforcement and emergency responders are alerted of the location. This safety feature can be evaluated if desired.



Solar Lighting

Veregy will investigate areas where solar lighting is appropriate and beneficial if applicable. Because solar lighting is flexible and versatile, it can be used in various settings and applications, including street lighting, parking lots, pathways, and outdoor areas where connecting to traditional electricity sources may be difficult or expensive.

Stadium Field Lighting

Our team has deep expertise and knowledge in installing and retrofitting LED stadium and sports field lighting. We have completed over 200 installations nationwide for higher education, K-12 school districts, park districts, and sporting complexes. The typical sports and stadium lighting on most fields is a 1500-watt Metal Halide. The savings of LED at 1050 watts on the light and the ballast can save 40 percent on energy, plus additional benefits like instant-on, no maintenance, and customized lighting sequencing. Veregy will complete an analysis for LED sports lighting if the AEO chooses to explore this conservation measure.

Building Automation and Digital Services

Building Automation Systems Integrations

As part of our audit process, our engineers audit the client facilitates to determine how the HVAC is being controlled. Veregy's team will review the temperature control systems in all the buildings and identify opportunities for improvement, replacement, or Rx Commissioning. Our approach is to be vendor-neutral and understand how to preserve the capital investment already made in the existing system. Our recommendations and solutions often include migration to update the control systems and increase operator training.

Typically, updated and expanded DDC systems will allow more accurate and reliable space



temperatures, more flexible equipment scheduling, and space temperature setbacks based on occupancy. It will also empower maintenance staff to better control, troubleshoot, and generally understand the operation of the heating, ventilating, and air conditioning systems.

We also offer an integrated solution to tie all your building and control systems together called Orchestrate. The system allows a single access point for all your control and automation technologies and ancillary products outside energy systems, such as work order management, facility scheduling, and surveillance.

Digital Services

Veregy offers many platforms to unify your complex, fragmented, and labor-intensive facility management systems into a collaborative, user-friendly platform with our digital services modules.

- Orchestrate Integrate disparate facility systems into a single, user-friendly platform to drive greater operational efficiencies and savings.
- Automation Composer Implement vendor-neutral building automation systems that are easy to use, maintain, and expand.



- Facility Conductor Virtual engineering support to monitor your systems remotely, automate tedious tasks, and continuously reduce energy and operational expenditures.
- Energy Master Monitor, analyze, and manage energy consumption. Gain timely insights into which systems are consuming excess energy, act, and watch your energy bills decline.

HVAC

Heating Systems, Central Plants, Fuel Switching

In Veregy's extensive experience, we have found most heating system retrofits (whole system) and modernizations will not pencil out an attractive payback without some support from other ECMs; however, we often find that component change out, or system recommissioning will yield a solution that is accretive to the project. The other opportunity that typically delivers higher payback is either a fuel switch opportunity or the decentralization of the central plant, depending on the distribution system. For the strategy around the fuel switch to be viable, the client needs to understand what the new system will require and the new requirement for logistics to provide the infrastructure to ensure the new system can work. If the client's desired outcome is for the project to have a new central plant, Veregy has an extensive history of modernizing the heating plant system.

Ventilating Systems

Veregy has direct experience working with clients to ensure that these systems – particularly the fans/air distribution in these systems, are under control and functioning. This often includes the installation of variable frequency drives (VFD) on larger fan motors and interlinking of the systems and the BAS to ensure use in the occupied periods and ensure that the building meets all requirements for fresh air. Another attractive measure is to convert constant volume systems to variable air volume systems where possible.

Cooling Systems

Veregy has the experience to access system performance, and with the clients, input makes decisions on the financial viability of modernization for the system or system replacement. We must understand more about the building than just this equation, as these are long payback items. The building lifecycle analysis must be considered when reviewing the cooling systems. Our approach is to remain vendorneutral and understand the systems the client's team can support after completing the project. A common ECM isolates parts of a building that don't have to run or have different occupancy schedules from the larger central plant (auxiliary chiller). The opportunity to provide this solution must match the site and building conditions. When considering new chilled water systems, our goal is to look at many options, which can include:

- Direct chiller replacement Removing the existing chiller and replacing it with a new chiller of the same size but with improved efficiency.
- New chiller and rebuild existing chiller Installing a new chiller in place of the removed chiller and performing repairs on the existing chiller.
- Modular chillers (partial redundancy) Removing the existing chiller and installing two smaller chillers, providing partial but not full redundancy.
- Variable flow chiller system Reconfiguring to a variable primary flow chilled water system to gain additional energy savings with variable flow pumping.

We will coordinate with facility staff to minimize impact and downtime on building services. The new chiller plant configuration will provide a more reliable cooling system and reduce energy and operational costs. When replacing rooftop equipment and split systems, our team will focus on installing equipment with a



higher seasonal energy efficiency ratio (SEER) rating and replacing existing fan systems with constant volume to variable air volume (VAV) or VFD systems on fan motors.

Other

Building Envelope

For many of our clients, a building envelope audit uncovers many opportunities for savings. A building envelope audit includes inspecting the building's exterior components, such as walls, roofs, windows, and doors, to enhance its energy efficiency, durability, and occupant comfort. Veregy will perform building thermographic images and site evaluations to determine the areas of air leakage before and after sealing and weather stripping. Caused by pressure differences due to wind, chimney (or stack) effect, and mechanical systems, air leakage has been shown to represent the single largest source of heat loss or gain through the building envelopes of nearly all types of buildings. Typical savings through this ECM tend to be in the 10% to 25% range. Beyond representing the potential for energy savings, uncontrolled air leakage can affect the thermal comfort of occupant's air quality through the ingress of contaminants from outside, the imbalance of mechanical systems, and the structural integrity of the building envelope through moisture migration.

Retro-Commissioning (RCx) Services

A significant amount of energy can be saved in existing buildings while improving environmental comfort by ensuring your facilities operate at original design specifications. RCx is a process of evaluating and optimizing the performance of existing building systems and equipment and a cost-effective way to improve the performance of existing buildings, reduce energy consumption, and improve occupant comfort and productivity.

Plug Load Management

Plug load management (PLM) solutions that can save money and improve efficiency. PLM helps users visualize and understand their plug load to the individual device. Users can see the number and types of loads in each building. More importantly, they can analyze energy usage patterns of devices, groups of devices, and facilities. At the same time, PLM lowers energy expenses by automating plug load control. Instead of running 24/7, devices are powered off when buildings are empty.

Motors and Variable Frequency Drives

For all our customers, Veregy investigates the feasibility of installing more efficient motors on pumps and fans and opportunities for applying VFDs. The development process includes measuring the motor power consumption to ensure the motors are not oversized and looking for utility incentives to assist in funding the replacement of the motors with more efficient units. VFDs can be evaluated and applied to chilled water pumping systems, hot water pumping systems, and fans for air handling unit systems.

Healthy Building Certifications

If AEO is interested, our engineers will pursue health and wellness certifications like WELL, Fitwel, LEED IAQ, and RESET to create healthier building environments. These certifications can provide significant benefits, including improved occupant health and well-being, increased productivity, cost savings, marketability, and environmental sustainability. Building owners and operators can create a more comfortable, productive, and sustainable environment by investing in healthy building certifications.



In addition to certifications, Veregy can identify and implement low-cost, practical strategies to help bring safer-healthier building environments:

- Increase outdoor air ventilation.
- Improve MERV rating of media filters to improve indoor air.
- Supplement with portable air cleaners such as needlepoint bipolar ionization.
- > Verify ventilation and filtration performance and increase ventilation if necessary.
- Install no-contact infrastructure in public spaces and restrooms.
- > Audit classroom lighting to improve student focus and visual clarity.

Utility Management

Veregy will review each opportunity we engage in to ensure the client's cost for the utility is at its lowest rate possible. By building the baseline and then disaggregating the loads, we can often find areas for improvement in the rate tariff. Our engineering team recently found a client, Scottsdale Unified School District, AZ, nearly \$250,000 per year by providing them information regarding a rate plan change that they could take advantage of with any capital cost. Our approach during the IGA will be to present a program that will allow ongoing review of utility data and allow our clients to access management reports, preparing them to make informed choices around managing their utilities.

Our engineering team recently found Scottsdale Unified School District, AZ, nearly \$250,000 per year by implementing a rate plan change.

Laboratories

Veregy has found opportunities in many laboratories, especially when fume hoods are present. This ECM would provide variable volume exhaust systems that would reduce lab exhaust and conditioning of makeup air for unused hoods during occupied and unoccupied hours for energy savings and use the existing manifold system to take the exhaust to a new high plume exhaust fan system. The ECM will separate the hood from the general exhaust to provide independent control of both. New exhaust and supply valves for all spaces can be provided. Additionally, the ECM will typically include new controls system modifications with a lab controller that can track fume hood exhaust valve flows based on sash position and reduce airflows of associated supply valves.

Kitchens and Dining Rooms

For kitchens, we typically find opportunities in LED lighting and exhaust systems. Installing variable speed drives will be added to the kitchen hood exhaust and make-up air fans. Fan speed will be reduced based on exhaust air temperature (new temperature sensor to be provided for exhaust duct).

Traffic Signals

During our audit, Veregy engineers will investigate saving opportunities by retrofitting incandescent traffic signals. Traffic signals, pedestrian crossings, streetlights, parking lot lights, decorative lighting, landscape lighting, exit signs, chandeliers, night lights, MR-16s, emergency phone call stations, indicators, obstructions, channel letter signs, fluorescent signs, etc. The low energy consumption and long life of LEDs make this technology extremely cost-effective. LED traffic signals use significantly less energy than traditional incandescent traffic signals, resulting in lower energy bills and reduced greenhouse gas emissions. LED signals have a longer lifespan, reducing maintenance costs and replacement frequency.



Some LED traffic signs can also be equipped with smart features such as pedestrian push buttons, motion sensors, and adaptive lighting capabilities, resulting in further energy savings and better traffic flow.

Long-Term Planning

Sustainability Planning

Evaluating green building and sustainable design practices, including renewables as part of efficiency projects, has become standard for Veregy. All project evaluations conducted by Veregy's in-house engineers look at components that will make them the most efficient and environmentally friendly. Veregy has evaluated green roofs, rainwater catchments, Energy Star building certification, stormwater run-off strategies, and solar roofs. Our staff members are trained to seek innovative solutions and creative opportunities to augment your building's sustainability goals.

Realizing the vision of a sustainable future by cost-effectively planning for AEO facility is a value-add that Veregy offers. This planning requires strategies that sustainably integrate operating processes and the most appropriate technologies aligned with the client's long-term strategic plans. Veregy's method includes these steps:

- Assess current sustainability practices Evaluate your facility's sustainability efforts, including energy and water usage, waste management, transportation, and application of renewable technologies.
- Set sustainability goals Based on the assessment, set achievable goals for improving sustainability at your facility. These goals should be specific, measurable, attainable, relevant, and time-bound.
- Develop a sustainability plan Create a detailed plan that outlines the steps you need to take to achieve your sustainability goals. This can include upgrading to energy-efficient equipment, implementing a recycling program, or reducing water usage.
- Engage stakeholders Involve employees, customers, suppliers, and other stakeholders in your sustainability efforts. This can include providing education and training on sustainability practices, encouraging participation in sustainability programs, and soliciting feedback and ideas through surveys.
- Monitor and measure progress Regularly track your progress towards achieving your sustainability goals. This will help you identify areas to improve and adjust your sustainability plan.
- Report on sustainability performance Veregy can monitor and report your achievements and progress. These reports can be shared with stakeholders and will help build support for your sustainability efforts and encourage continued engagement.
- Regularly review Veregy will review, collaborate, and update your plan to ensure you're progressing continuously toward your sustainability goals.

Decarbonization Planning

Like sustainability planning, Veregy works with many clients to prepare for decarbonization. This is a more long-term approach focused on implementing energy reduction and installing renewable technologies. Along with the steps taken for sustainability planning, Veregy includes the following.



- Assess current energy use Gather data on the facilities' energy consumption, including electricity, natural gas, and transportation. This will help identify areas where the AEO can reduce its carbon footprint.
- Investigate the economics of renewable technologies Veregy will assess the demand load for each facility, location, siting, structure, and Net Metering guidelines.

Electric Vehicles and Infrastructure

Electric Vehicles

Veregy provides a holistic approach to EV Systems and solutions to fit any need. Our holistic approach to enabling successful EV fleet adoption by schools and local government includes turnkey EV design build services, EV Charger solutions and designs, Electrical infrastructure assessments and upgrades, general contracting and construction management, operations and maintenance, and software platform integration. Veregy also offers value-added services such as fleet transition planning, grant writing, and distributed energy resource solutions that complement EV and infrastructure.

Veregy will work with the client to identify the best EV infrastructure and charger type. We are experienced in designing and installing various types of chargers and software, including Level 1 (120V AC) chargers, the most basic type of EV charger. Level 2 (240V AC), the most common charger for home and public, DC Fast Charger (Level 3), is typically used for public charging stations or commercial settings.

Electric Vehicle Charging

Veregy provides complete, beginning-to-end electric vehicle infrastructure solutions. These solutions include but are not limited to design-build services, electrical infrastructure and charger installation and commissioning, software integrations, and operations and maintenance services. Federal funding is available for electric school bus fleets and municipal transit buses.

Water

Plumbing

Veregy engineers have developed several plumbing retrofit projects that replace plumbing fixtures and flush valves with new lower-flow units, install low-flow aerators on faucets, and in some cases, automatic controls on the fixtures. Old diaphragm flush valves have a historically high maintenance cost to keep the rubber diaphragms from not leaking. Veregy replaces these valves with piston-style flushometers that require little maintenance over their life and dramatically reduce the leakage rate.

Wastewater Treatment Plants

Several energy efficiency solutions can be implemented at wastewater treatment plants to reduce energy consumption and lower operating costs. Veregy will investigate opportunities to upgrade to high-efficiency motors and drives, implement variable frequency drives, cogeneration, and energy management systems, and install energy recovery systems, such as biogas generated from anaerobic digesters. Veregy's engineers will investigate all traditional energy reduction measures such as lighting, building envelope, HVAC, etc. Wastewater treatment plants often use 60% of a municipality's budget and are ideal for solar applications.



Low-Flow Fixtures

Veregy has found significant opportunities for savings from water conservation upgrades that include retrofitting and installing new plumbing fixtures and controls. This measure will provide greater equipment reliability, improve inventory uniformity, and reduce maintenance requirements. Typical we address domestic water consumption by:

- > Replacing existing china, toilets, urinals, and sinks with ultra-low flow fixtures and or flush valves.
- Replace high-flow showerheads and aerators with low-flow pressure-compensating units.
- Replacing the fixtures and adding controls will reduce water flow through the fixtures, thereby saving water and sewer costs. The reduced heated water flow through the plumbing fixtures so the client will also save energy costs.
- > Updating kitchen equipment to include low-flow sprayers and foot pedals on sinks.
- Other domestic areas for investigation are ice machines and cooling tower deduct meters where towers are present and local codes allow.

Sewer Systems

Veregy engineers have developed several projects for sewer collection systems, resulting in reduced operating costs. One of the cost drivers for a sewer treatment system is the inflow of stormwater into the sewer, resulting in higher lift station pumping costs and sewer treatment costs. Veregy can manage inflow and infiltration studies to determine the source of the water leakages.

Irrigation Systems

Veregy has found opportunities for water savings in irrigation systems. These opportunities typically include metering, isolation of irrigation meters, and ensuring proper distribution and coverage, combined with better control of the system tied to moisture or atmospheric conditions.

Water Meters

Replacement of aging water meters will increase water revenues. High non-revenue water (NRW) can indicate inaccurate water meters. Municipalities with 10% or greater NRW can achieve meter accuracy gains by replacing water meters that can be redistributed to help cover the project's cost. Veregy's turn-key water meter program includes replacement meters, Automatic Meter Reading (AMR), leak detection, and billing software.

Lift Stations, Pump Stations, and Wells

Veregy will investigate opportunities to increase energy efficiency, such as high-efficiency pumps, variable frequency drives, insulation to reduce heat loss, and control systems to regulate water flow and adjust pump speed based on demand. Flow valves, timers, and SCADA systems can improve efficiency at pump stations in several ways. Veregy engineers will investigate applications where applicable to help improve the efficiency of pump stations by optimizing flow rates, scheduling equipment operation, monitoring and controlling equipment, and analyzing data to identify areas for improvement. This can result in significant cost savings, improved system performance, and reduced energy consumption.



Leak Detection

Leak detection can provide significant benefits, including conservation of resources, cost savings, improved system performance, environmental protection, and public health protection. By investigating leak detection technologies and programs, Veregy can analyze and ensure that your systems operate efficiently, sustainably, and effectively. Leaks in water supply systems can result in significant water loss and increased operational costs. By identifying and repairing leaks quickly, leak detection can help reduce water loss and associated costs, resulting in cost savings for municipalities and customers.

Billing System Integration

Integrating a water meter billing system can provide several benefits for water utilities and customers, including accurate billing, timely billing, improved meter reading efficiency, better data analysis, and customer engagement. Investigating water meter billing systems, water utilities, and municipalities can improve their operations' efficiency and effectiveness while providing better customer service.

Pool Systems

Pools offer many opportunities for cost, water, and energy savings. Veregy engineers and project managers have applied various measures for our customers, including installing pool covers, leak repairs, and alternative heating methods.

Distributed Energy Resources

Renewable Energy Systems

Veregy has an extensive portfolio of renewable energy projects and presently generates over 200 MWs of renewable power with over 60 local government, education, and other customers across the country. We have national resources available to quickly evaluate, design, implement, monitor, and manage a renewable system for you. The EPA has recognized our project at Tucson Unified School District as the largest solar project in the US that was completed without leveraging local utility incentives. Scan the QR code to learn more about the EPA Green Power Partnership - Top 30 K12 Schools.



Solar

Our approach maximizes lower monthly utility costs by reducing the amount of electricity clients must buy from the local electric company or cooperative. Solar installations can also help lock in lower utility rates and protect against rate hikes from traditional grid-supplied electricity. Veregy's solar solution includes solar energy systems, battery and energy storage, renewable energy optimization, live system monitoring, operations, and maintenance and service.

Solar thermal can be successfully applied to various heat demands, including domestic water heating, space heating, and drying. New exciting areas of applications are being developed, in particular solar-assisted cooling. System design, costs, and solar yield are being constantly improved.

As an added solution, Veregy has a dedicated roofing subject matter expert who can assist in the design and estimating of rooftop solar installations. This solution includes roof restoration, solar energy systems, incentive and rebate applications, and live system monitoring.

Our talent pool of gifted solar engineers means we can design and build tailored solar solutions for our clients. These projects can range from a small carport installation to sprawling multi-site microgrids connected to their battery storage systems and anything in between.





Solar Awards

Our recent awards evidence Veregy's long-standing commitment to delivering exceptional solar projects to similar clients. In 2022, Solar Power World ranked Veregy #38 among the Top 50 commercial solar providers nationwide. More recently, in 2023, Veregy's MSD of Wayne Township Project was selected by Solar Builder Magazine as Commercial & Industrial (C&I) 2023 Project of the Year. The MSD Wayne Township is an 845-kW project for one of the largest school districts in central Indiana. Through this project, MSD Wayne achieved net zero emissions for three of the district's buildings, and the school will save more than \$58 million in energy costs over the next 25 years. This project is poised to be one of the largest K-12 Guaranteed Energy Savings Contracts in the state of Indiana.



The 845-kW MSD of Wayne Township Solar Project is one of the largest K-12 guaranteed energy savings contracts in Indiana.

Microgrid

More than just a backup for the grid, a microgrid can reduce energy costs or connect with local resources that are otherwise too small or unreliable for traditional grid use. This lets communities and facilities become more energy-independent and environmentally friendly. A microgrid – a local energy grid that can disconnect from the conventional grid and run autonomously- provides our clients with resiliency. It can operate while connected to the grid but run independently using local energy generation during storms, power outages, or emergencies. It can run on distributed generators, batteries, and renewable resources like solar panels.

Battery Storage

Our battery storage solutions provide a modern approach to demand response for facilities. Facilities are given the ability to shift load during peak periods and the ability to implement emergency response protocols. Outside of emergency response, the best value of our battery solutions is attained through charging when electricity is cheap and dissipating when electricity is expensive.

Waste to Energy (WTE)

Veregy's distributed energy team will explore opportunities for waste-to-energy with your municipality. Many large counties and cities will explore the simple payback of anaerobic digestion, gasification, and landfill gas recovery. WTE can effectively reduce the amount of waste sent to landfills and generate renewable energy.

Geothermal Systems

Ground source heat pumps, or geothermal systems, are the most energy-efficient HVAC technology available today. During the summer, the geothermal heat pump extracts heat from the building and transfers it back to the circulating fluid in the ground loop system, where it is transferred into the cooler earth. During the winter, fluid circulating through the ground loop system absorbs heat from the earth and distributes it throughout the building. The geothermal heat pump then absorbs and transfers this heat to the heated space. These systems efficiently use the earth to provide heating and cooling most cost-effectively.

Veregy focuses on building heating, ventilating, and air conditioning (HVAC) systems to determine energy conservation opportunities and operational savings. Typical HVAC energy conservation projects include the conversion of dual duct HVAC systems and Multi-zone HVAC systems to Variable Air Volume Systems, replacing variable inlet vanes on fans with variable frequency drives, replacing electric duct



heaters with hot water systems, replacing electric boilers with gas or oil-fired boilers and converting air cooled chillers to water-cooled systems. The current system's age, condition, energy use, operating efficiency, and effectiveness will all play a part in determining the best alternative solutions for improvement. The Veregy difference in this effort is that our team of in-house engineers will not only evaluate this from an engineering perspective, but we will also interview the users in the space to determine existing system issues that may be fixed without significant capital expenditure.

8.B. PROJECT DEVELOPMENT AND IMPLEMENTATION:

Investment Grade Energy Auditing (ASHRAE Level 3 audit)

Veregy has sufficient resources and experience to provide this level of auditing for our clients.

Financing Knowledge: Municipal-tax-exempt lease purchase, Bonds, Self-Financed, other

Veregy will work with the client to support any financing approach or preferred financial source beneficial to the client. Veregy has direct experience working with clients to assist them in securing the appropriate financing to support their projects. Our experience includes relationships with local and no ional lenders to ensure that our client's financing is structured to capture the lowest rate for a project compliant with legislative requirements. Where applicable, we will also explore opportunities for grants, rebates, and alternative financing vehicles.

Veregy is not a financial advisor, nor does Veregy directly finance projects. However, Veregy strongly understands these different funding choices and appreciates the number of options available because we know that each client finds the best value in other financing mechanisms. Therefore, Veregy has structured our prices and payment process in the most beneficial way for our clients, no matter how they choose to finance the project. Veregy does not make any money on the financing of a performance contract, so it is in the best interests of both Veregy and our clients to obtain the best rate available in the marketplace.

- Our services include the following:
- Identify the total project cost and annual savings.
- Investigation and coordination of rebates, grants, and low-interest financing opportunities.
- Work with qualified bank or bond counsel to develop financing.
- Provide required performance and payment bond.
- Set up an escrow account to retain funds and generate ongoing investment interest.
- Set terms for pre-payment of financing or refinancing for improved interest rates.
- Determine the draw schedule and work with the client to maximize investment interest.
- The client will not pay on the financing until they have already started to achieve savings.

Mechanics of the Financing Arrangement

The mechanics of the financing arrangement can vary, depending on the financial vehicle you choose. For example, a low-interest loan involves different steps and timing than a bond issue. We have several financing vehicles and will work with you on the best-structured financing; several options are listed below.

- Bonds
- Tax Exempt Financing
- Municipal Lease
- Equipment Lease
- Power Purchase Agreement (PPA)
- Design-Build-Operate-Maintain (DBOM) Build-Own-Operate (BOO)
- Design-Build-Own-Operate-Maintain (DBOOM)



- Public-Private Partnerships (PPP or P3) Operations and Maintenance (O&M) Operations, Maintenance & Management (OMM)
- Design-Build (DB)
- Design-Build-Maintain (DBM)
- Design-Build-Operate (DBO)
- Design-Build-Operate-Maintain (DBOM)

- Design-Build-Finance-Operate-Maintain (DBFOM)
- Design-Build-Finance-Operate-Maintain-Transfer (DBFOMT)
- Build-Operate-Transfer (BOT)
- Energy as a Service (EaaS) Infrastructure as a Service (IaaS)
- Controls as a Professional Service (CaaPS)
- Shared Savings

Identification of and application for utility rebates

Veregy is experienced in working vigorously on our client's behalf to procure any utility rebates, incentives, or grants available for energy efficiency upgrades and renewable energy projects. We have been extremely successful at researching, applying, justifying, and securing utility rebates, incentives, and grants.



The local utilities or state organizations often provide financial support for projects that accelerate energy efficiency and expand the use of renewable energy resources. Veregy has secured over

\$31 Million in grants and incentives for our clients. We have a history of working with the local utilities to determine if there are any eligible incentives for the proposed scope of work. We will then apply for those incentives on behalf of the client to help fund the project. Many utility incentive programs across the U.S. cover a myriad of items, including such things as:

- Standard utility incentives: lighting, lighting controls, refrigeration, water heating, swimming pool heat pumps, commercial cooking equipment
- Custom utility incentives: cooling, building envelope, HVAC, hood exhaust efficiency, compressed air, motors, exterior lighting, and more.
- Retro-Commissioning (RCx) incentives: projects that optimize overall building performance.
- New construction incentives: incentives for designing and installing higher efficiency equipment and systems than the code standard or planned design.

Federal Grants

- Infrastructure Investment and Jobs Act (IIJA): The Infrastructure Investment and Jobs Act provides funding for capital improvements and upgrades, mostly centered around energy efficiency and implementing clean school and transit buses.
- Inflation Reduction Act (IRA): The Inflation Reduction Act provides direct pay tax incentives to public entities that install renewable technologies, including solar and battery storage. Rebates range from 30-50 percent.



 Additional Grants: Many federal agencies, such as the Bureau of Reclamation, Department of Energy, Department of Transportation, the Environmental Protection Agency, etc., offer incentives through low-interest funding and grants for projects that address historic preservation, water conservation, and accelerated energy conservation. There are too many to list; however, Veregy will tap into internal and external grant resources to ensure we investigate all the client project options.

Commissioning of projects and retro-commissioning of existing buildings

Veregy initiates the development of a commissioning plan during the first stages of a guaranteed energy saving project so that it can be integrated into the processes for design, construction, startup, functional testing, training, acceptance, and measurement and verification (M&V). As part of our effort to meet project performance guarantees, we will focus commissioning efforts on the planned project goals.

Veregy follows the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) commissioning benchmark and all current guidelines published by the Department of Energy (DOE), United States Green Building Council (USGBC), and Federal Energy Management Program (FEMP).

The project implementation will culminate with a commissioning period where final adjustments will be made to the system(s) installed to ensure the project's goals are met. As the commissioning period begins, as-built drawings will be finalized by our engineering and digital services teams. The M&V team will verify that the monitoring equipment is calibrated and working correctly and that O&M manuals are assembled and periodically updated. During the commissioning period, Veregy and the client must coordinate the witnessing by the client.

The M&V or performance phase begins as the project is being commissioned. Veregy's M&V team begins tracking energy consumption at the client facilities. It extends the commissioning period with continuous commissioning and fine-tuning of the systems and equipment installed. Simultaneously, Veregy's project management team and contractors will review the system and equipment O&M procedures with the client personnel and thoroughly train them on their operation to ensure that the intent of the design is being achieved along with the guaranteed energy savings. Veregy's entire project team will be available throughout the performance phase to offer any support, training, or assistance as required. Veregy can also provide full O&M of the systems installed, thereby relieving the client of that responsibility.

A significant amount of energy can be saved in existing buildings while improving environmental comfort by ensuring our client's facilities operate at original design specifications. RCx is a process of evaluating and optimizing the performance of existing building systems and equipment and a cost-effective way to improve the performance of existing buildings, reduce energy consumption, and improve occupant comfort and productivity.

Identification of asbestos and other hazardous materials and abatement, recycling or disposal, as applicable

Implementing an energy savings program often involves removal of existing building materials to accommodate new mechanical or electrical systems. Veregy recycles such materials whenever possible. We collect them during the demolition phase and contact a local recycling agency for drop-off or pickup.

Veregy has never been cited by any regulatory agency for inappropriate handling, transportation, or disposal of hazardous materials. It is our goal and practice to identify potential hazardous materials up front during project development. We will work with the client to identify the potential existence and location of asbestos, lead, PCBs, mercury, and/or mold and then devise a plan to deal with the material during the project.



During the construction phase, our Project Manager will coordinate with our clients, and appropriate hazardous waste agencies to ensure the proper disposal and documentation of all such materials. Our project team will see to it that hazardous waste manifestos are signed by the correct parties and filed in accordance with Environmental Protection Agency (EPA) and Department of Transportation (DOT) requirements.

We close this loop with the client to provide sufficient chain of custody documentation for all removed material.

Construction/Constructability

Our approach to facility improvement measures (FIMs) includes additions and new constructions designed with sustainability and efficiency in mind. We realize that each facility presents unique challenges and opportunities, so our team of experts tailors every project to the specific needs and goals of the client.

When it comes to new construction, we prioritize energy-efficient designs from the get-go. Leveraging cutting-edge technologies and sustainable materials, we aim to minimize the environmental impact of the new building while maximizing its operational efficiency. This leads to significant reductions in operating costs, providing a win-win situation for both the environment and the client's budget.

In case of facility additions, we conduct a comprehensive analysis of the existing structures and systems to identify opportunities for improvement. Our additions seamlessly integrate with the current building infrastructure, enhancing functionality without compromising efficiency.

System design engineering (mechanical, electrical, etc.)

Veregy will provide the client a list of proposed Energy Conservation Measures or ECM's for review and discussion. We will include a scope and proposed solution. Based on the complexity of the ECM, along with client input we will select a qualified local engineering firm to provide a detailed solution. We will ask that the firm prepare a solution and design documents for bidding. If the proposed ECM remains in the project we will instruct the engineering firm to prepare final design documents and stamp any required drawings to meet State and local oversight. Once final pricing is received from the local bidders, we ask the engineer to assist with submittal review. We then ask the engineering team to prepare a commissioning and acceptance plan that we then present to the client for review and approval.

Project/Construction Management

Veregy will have the proper license, permits and plan to implement projects and achieve our traditional level of high client satisfaction. From the proposal phase, Veregy will ensure continuity from initial project design through construction, commissioning, and system turnover. Our team will be responsible for the accomplishment of all the key elements required – ensuring a successful project implementation and performance of the improvements. Veregy will select and assign a dedicated Project Manager (PM) to the opportunity. During the Development Phase we will work with the client to prepare and review a constructability plan for each ECM. Our review will include site specific information and a client review of the overall ECM objectives. Once all energy conservation measure (ECM) designs and specifications have been developed, presented to the client, and approved, the PM will then begin the implementation of the project in a collaborative effort with the site personnel. Project management procedures employed by Veregy minimally include the following:

- > PM directs the subcontractors' work schedules based on coordination meetings with the client.
- > PM requires subcontractors to submit status reports (daily, weekly).



- PM conducts weekly construction meetings unless directed otherwise by the client. Updates will include the work completed and "look ahead" discussions to keep the clients informed of the next affected areas.
- PM generates meeting minutes from meetings and distributes electronically to the client's project team. In order for the minutes to become accepted by the team, Veregy requests a positive response from the client representative within five business days of transmittal (unlike the standard practice of considering a lack of response as tacit acceptance).
- PM schedules informal kickoff meetings with a representative for each affected building and coordinates future work with this individual to meet the operational requirements of that facility.
- PM inspects work during site visits and reviews work with subcontractors. All deficiencies and punch list items are noted at this time. As soon as practical following these walk-throughs, we will establish a timeline and provide it to the subcontractors for completion of open items.
- PM schedules site walk-throughs with the client's personnel to verify that substantial completion is attained, and design requirements have been met.
- PM documents all changes to the work and receives appropriate approvals before initiating any changes to the scope of work.
- PM redlines documents and generates the project "as-builts," which are provided to the client in the project turnover package.

Procurement, Bidding, Cost estimating

We understand our clients' concerns regarding paying a fair price after they choose a single energy services company to manage their energy savings programs. Veregy's procurement process has several advantages for both the client and the ESCO. We promote transparent and accurate price comparisons: Clients can see and compare the direct costs of ECMs and FIMs from multiple bidders.

- Saves time: Clients and Veregy can concentrate on selecting and implementing the best energy conservation measures without wasting time with pricing negotiations.
- Enhances flexibility: Clients will be able to make informed decisions about options and measures quickly, knowing that additional ECMs could be added to the base contract easily at a later date, if desired.

Bidding and Cost control measures are inherent to Veregy's time-tested project management methods and include the following:

- We provide a no-change-order price to the client.
- > We use a competitive procurement process while accommodating any particular client preferences for materials and labor. We uphold stringent qualification requirements for vendors and subcontractors.
- Our Project Managers track all material and labor on a daily and weekly basis and report progress to executives via percent-complete reporting. This same information is used for accounting and invoicing.
- Veregy and its subcontractors carefully schedule and track the performance of projects based on the critical path method to ensure the timely purchase and delivery of material and equipment and the availability of adequate manpower and resources. We convene progress meetings at least weekly (more frequently if necessary), both internally and with facility staff, in order to keep all interested parties informed of critical dates.

8.C. SUPPORT SERVICES:

8.C.A. Measurement and Verification of Savings

The intent of Measurement and Verification (M&V) is to quantify the energy, water, and cost savings resulting from improvements in energy- and water-consuming systems. The process used to make those adjustments varies on the option selected, which often depends on the measure being implemented, the complexity of those measures, the amount of risk or uncertainty in the expected savings, and cost-effectiveness.



Veregy has successfully developed and implemented thousands of ECMs utilizing the International Performance Measurement and Verification Protocol (IPMVP), a standard used to guide the M&V of energy efficiency and conservation projects.

8.C.B. Equipment Warranties

Veregy is transparent in this area. We typically do not start any warranty on any ECM until the entire project is finished. During the construction period, we take that warranty risk until the project is completed. Upon client acceptance of the project, we will pass the warranty from the equipment manufacturer to our clients.

8.C.C. Calculation and Reporting of Emissions Reductions

Veregy's Digital Platform (Orchestrate) provides real-time data and reporting on GHG reductions on a dashboard accessible to faculty and staff. Conversions are provided so viewers can understand the positive impact the project is having on the environment.



8.C.D. Marketing & Promotion of the Arkansas EPC Program

We agree with and find the ADEQ contract requirements of the selected ESCO are well-defined. We define in Section 1 the approach that Veregy will take to build the program in the State and support its objectives.

8.C.E. Performance Guarantee

Energy cost savings are reductions in the cost of energy and related O&M expenses from a base cost established through a methodology. Guaranteed cost avoidance will be determined in accordance with the methodology(s), operating parameters, formulas, and constants as described above and/or defined in our Contract Agreement and/or additional methodologies defined by Veregy that may be negotiated with the client at any time. Baseline energy use will be determined through a utility bill analysis on each affected facility for a reconciliation of guaranteed cost avoidance. The contract agreement will give the baseline energy use, energy rates, and year.

As outlined in the Arkansas Energy Performance Contract Manual, Veregy will provide the mandatory one year of M&V post-Final Completion and any additional years of M&V services desired by the owner at an agreed upon cost included in the contract.



8.C.F. Insurance Per Contract Requirements

Veregy maintains insurance to protect against claims that may arise during implementation of the project. The Commercial General Liability Insurance we purchase includes premises- operations (including explosion, collapse and underground coverage), elevators, independent contractors, completed operations, and blanket contractual liability on all written contracts, all including broad form property damage coverage. Veregy's Commercial General and Automobile Liability Insurance is written for not less than limits of liability at Commercial General Liability Combined Single Limit \$1,000,000 each occurrence, \$2,000,000 Product and Completed Operations, and Commercial Automobile Liability Combined Single Limit \$1,000,000 each occurrence. Customer shall purchase and maintain all risk full cost replacement property insurance. Veregy always maintains Worker's Compensation Insurance in accordance with the laws of the State. Additional insurance coverage, if required, can be provided by Veregy.

8.C.G. Application for an Energy Star Label and LEED Certification

During the IGA process we will discuss with the client the approach they desire to establish, such as an Energy Star Baseline and/or LEED baseline for facilities in the project scope. If the client desires to have the project track and quantify the impact that the project has on these objectives we will include this part of the project deliverables and reporting.

8.C.H. Training of Maintenance Staff and Occupants

Veregy views our clients' training as one of our more essential services. Our training process incorporates lessons from implementing energy service projects for more than 1,000 public facilities. Properly operating and maintaining the equipment we install is key to a systems' performance and ensuring you get the most from the project. If you have questions following the project close-out or even in a year or two when you have a new hire, Veregy wants our client to call on us. Veregy will work with solution providers, vendors, subcontractors, and your team to develop a customized training program that will ensure the proper operation and maintenance of the systems cost-effectively and enhance the operators' skill sets. We typically provide an overview training session for staff upon substantial completion. All training can be customized for our client's needs and held on-site or at a convenient location. Video of training sessions may be provided as well for future use by the staff, and equipment orientation during system start-up is included in our base scope of work.

8.C.I. Hazardous Material Handling

All work completed by Veregy under contract will be in compliance with all applicable federal, state, and local laws, rules, and regulations regarding waste disposal and treatment/disposal of any hazardous materials that could result from the project. Work will be in accordance with sound engineering and safety practices, and in compliance with all rules relative to the premises. Veregy will be contractually responsible for the removal of any asbestos or other hazardous material required for the project. Veregy is an EPA Lead-Safe Certified Firm for Renovations, and our full-time project manager on-site will also be an RRP-certified renovator.

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8.C.J. Long-Term Maintenance Services on Energy Systems

O&M manuals have a vital role to play as a reference source for the client. The life of a building and its systems will exceed the period of service if well operated and maintained. It is therefore essential for the client to rapidly acquire a clear understanding of the proper operational and maintenance needs involved. Only in this way will safety and economy of operation be maintained. The preparation and presentation of a well-prepared O&M manual is therefore an essential part of any building services installation contract.

The Veregy Project Manager will assemble an Operation and Maintenance Manual for the client. This manual will include cut sheets as well as any other pertinent data with regards to all items installed under this scope of work. Potential items included in this manual could be (if applicable): a detailed description of the systems installed, equipment schedules, parts identification and recommended spares, spares policy, system commissioning/test data, system operation (specific), maintenance (general), names and addresses of manufacturers, index of drawings, detailed operating and performance data, commissioning/test data, and manufacturer's literature.



9. Project History

In a single table, list ALL public energy efficiency projects developed and implemented by your locally represented firm or its key members within the past five (5) years; Indicate whether project was through your firm or a key member's previous firm. For the Project Timeline entry, include key milestone dates, such as year IGA signed, IGA completed, contract signed and/or construction completed.

Project Name	Facility Type	City & State	Project Size (\$)	Project Size (SF)	Total Annual Energy Savings (Dollars)	Total Annual Energy Savings (MMBtu)	Project Acceptanc e	Firm
Bloom Vernon LSD	K-12 Schools	South Webster, OH	\$999,950	174,117	\$75,900	7,867	4/1/2019	Veregy
Cape Girardeau County Ph 2	State/ Local Gov	Cape Girardeau, MO	\$3,698,766	74,631	\$39,279	1,426	1/1/2021	Veregy
City of Florissant Phase 2	State/ Local Gov	Florissant, MO	\$3,930,069	157,775	\$60,281	2,057	8/1/2020	Veregy
City of Mission	State/ Local Gov	Mission, KS	\$3,231,605	116,041	\$112,799	6,901	5/1/2023	Veregy
City of North Vernon	State/ Local Gov	North Vernon, IN	\$5,036,000	NA (Solar)	\$245,415	9,112	1/29/2019	Veregy
City of Washington, MO	State/ Local Gov	Washington, MO	\$642,450	74,839	\$23,800	1,181	10/1/2019	Veregy
Community R- VI Ph 2	K-12 Schools	Ladonnia, MO	\$1,870,736	87,491	\$17,396	7,285	4/1/2020	Veregy
C-Tec of Licking County	K-12 Schools	Newark, OH	\$1,740,215	328,000	\$50,017	2,670	5/1/2020	Veregy
East Moline SD 37 Ph 2	K-12 Schools	East Moline, IL	\$11,170,59 3	282,000	\$86,125	5,442	5/1/2021	Veregy
Fairfield Union Local School District	K-12 Schools	Lancaster, OH	\$1,199,775	312,567	\$120,504	5,178	6/1/2018	Veregy
Florence Unified	K-12 Schools	Florence, AZ	\$7,897,340	1,556,47 3	\$427,402	11,211	9/1/2019	Veregy
Frankton-Lapel Community Schools	K-12 Schools	Anderson, IN	\$4,585,255	NA (Solar)	\$160,579	6,156	8/15/2019	Veregy
Great Hearts Charter	K-12 Schools	Scottsdale, AZ	\$2,177,315	1,269,01 7	\$178,939	5,468	6/1/2019	Veregy
Harmony- Emge SD 175 #71-19-044	K-12 Schools	Belleville, IL	\$1,207,510	113,736	\$37,033	2,598	9/1/2020	Veregy
Huntley CSD #158	K-12 Schools	Algonquin, IL	\$691,995	234,341	\$19,389	906	8/1/2022	Veregy



Jersey CUSD #100	K-12 Schools	Jerseyville, IL	\$10,737,15 5	131,200	\$12,968	1,107	3/1/2019	Veregy
Kennett #39	K-12 Schools	Kennett, MO	\$8,101,955	50,980	\$25,527	1,049	8/1/2020	Veregy
Lake Land College	College/ Universit y	Mattoon, IL	\$1,311,740	413,000	\$37,698	1,532	2/1/2021	Veregy
Lebanon R-III Phase 2	K-12 Schools	Lebanon, MO	\$980,054	443,616	\$72,943	2,430	1/1/2021	Veregy
Lincoln Co R-3	K-12 Schools	Troy, MO	\$6,102,690	275,810	\$69,714	3,414	3/1/2020	Veregy
Littleton Elementary School District	K-12 Schools	Cashion, AZ	\$2,425,000	651,092	\$115,890	4,394	1/1/2019	Veregy
Manchester LSD	K-12 Schools	Manchester, OH	\$1,540,560	186,524	\$65,262	3,290	7/1/2019	Veregy
McHenry HSD Ph 1	K-12 Schools	McHenry, IL	\$8,291,865	182,000	\$106,000	4,594	12/1/2019	Veregy
McHenry HSD Ph 2	K-12 Schools	McHenry, IL	\$7,388,295	282,000	\$86,125	5,442	5/1/2021	Veregy
Mt. Vernon R- V Ph 3	K-12 Schools	Mount Vernon, MO	\$2,604,290	89,664	\$16,241	478	4/1/2023	Veregy
Northwest Fire District	Other	Tucson, AZ	\$4,030,017	NA (Solar)	\$178,616	3,927	11/13/2019	Veregy
Patoka CUSD 100	K-12 Schools	Patoka, IL	\$702,330	44,556	\$26,922	1,632	11/1/2020	Veregy
Pemiscot County Special SD	K-12 Schools	Hayti, MO	\$1,186,310	59,000	\$12,584	442	2/1/2019	Veregy
Reynoldsburg Schools	K-12 Schools	Reynoldsburg , OH	\$15,410,26 0	1,175,31 6	\$412,671	22,997	4/1/2019	Veregy
Rochester CUSD 3A	K-12 Schools	Rochester, IL	\$928,410	363,612	\$23,915	893	3/1/2022	Veregy
Roosevelt Elementary School District	K-12 Schools	Phoenix, AZ	\$11,636,19 0	1,462,22 5	\$617,920	18,721	3/22/2020	Veregy
Triad CUSD 2	K-12 Schools	Troy, IL	\$2,806,320	231,401	\$114,755	5,452	12/1/2020	Veregy
Trimble LSD	K-12 Schools	Glouster, OH	\$931,330	185,155	\$61,601	4,354	12/31/2019	Veregy
Union R-IX	K-12 Schools	Union, MO	\$1,230,125	366,744	\$95,767	4,103	12/1/2019	Veregy
Valley Metro Bus Facility - Solar	Other	Mesa, AZ	\$4,102,220	NA (Solar)	\$158,010	7,306	5/12/2020	Veregy
Washington School District	K-12 Schools	Washington, MO	\$1,668,440	707,077	\$82,651	2,910	8/1/2022	Veregy
Waterloo CUSD 5	K-12 Schools	Waterloo, IL	\$3,330,895	491,160	\$83,551	2,509	7/1/2021	Veregy
West Plains R- VII	K-12 Schools	West Plains, MO	\$2,346,683	81,114	\$19,956	717	11/1/2020	Veregy
Zane Trace LSD	K-12 Schools	Chillicothe, OH	\$1,903,650	216,401	\$26,219	1,050	4/1/2020	Veregy



10. Project References

Provide detailed information for a maximum of three (3) public energy efficiency projects your firm completed or were completed by members of your locally represented firm, which can be used for references. Expand on the information provided in the previous section to give details on individual projects. Include the following information on each project as a minimum (maximum five pages per project reference).

REFERENCE 1: CITY OF MISSION, KS

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Project Detail	Response
Project Identification	Owner Name: CITY OF MISSION, KANSAS
	City/State: Mission, KS
	Facility Type: Municipal
Contact Information	Name/Title: Penn Almoney, Director of Public Works
	Phone: (913) 722-8210
	Email Address: palmoney@missionks.org
Project Size	Number of Sites: 3 locations
	Total Square Footage: 116,041 SF (Plus Street Lights)
Project Dollar Amount	Total Contract Amount: \$3,231,605
Source of Funding	Description: Municipal Lease 15 years
Source of Funding	Company's Role: Company worked with clients to review multiple Tax-Exempt Lease quotations from market.
Brojast Datas	Baseline Period: 2017 – 2019
Project Dates	Contract Date: 7/8/2021
	Installation Period: Sept 2021 – August 2022
Contract Terms	15-year repayment term, following the construction period.
Project Personnel	Ellie Blankenship, Energy Sales
	Amy Nemeth, Project Development
	Jason Brushwood, Operations Manager
	Paul Stigge, Project Manager
Project Schedule & Status	The project was completed on schedule and the energy project is closed.



Project Detail	Response
List of Improvements:	 LED Lighting / Controls HVAC Improvements (RTU's, Chiller, Boilers, Bipolar Ionization, Pump Controller and VFDs, Destratification Fans Weatherization RCx Hypochlorite Generator Citywide LED Traffic Lighting Retrofit

Table 10.11: City of Mission Project Performance

The savings guarantee was achieved for this project utilizing IPMVP Option A using pre-and post-measurements for the lighting improvements and the Pool Smart pump controller and variable frequency drive; and IPMVP Option D was utilized for the remainder of the ECMs.

Units	Guaranteed Annual Energy Savings	Actual Energy Savings Year 1	Actual Energy Savings Year 2	Actual Energy Savings Year 3	Actual Energy Savings Year 4
kWh	1,290,098	1,290,098			
kW	1,584	1,584			
MMBTU	2498.8	2498.8			
Gallons	0	0			
Operational	\$38,181	\$38,181			

REFERENCE 2: KENNETT 39 SCHOOLS, KENNETT, MO

Table 10.1.1-10:

Project Detail	Response
Project Identification	Owner Name: KENNETT 39 SCHOOL DISTRICT City/State: Kennett, MO Facility Type: Public School District
Contact Information	Name/Title: Dr. Chris Wilson Phone: (573) 717-1100 x104 Mobile: (573) 717-6171 Email Address: cwilson@kennett.k12.mo.us
Project Size	Number of Sites: 2 locations Total Square Footage: 50,980 SF
Project Dollar Amount	Total Contract Amount: \$8,101,955



Project Detail	Response
Source of Funding	Description: Municipal Lease – 15 years Company's Role: Company worked with clients to review multiple Tax-Exempt Lease quotations from market.
Project Dates	Baseline Period: 09/2016 – 08/2017 Contract Acceptance Date: 7/6/2020 Installation Period: 8/2018 – 9/2019
Contract Terms	15-year repayment term, following the construction period.
Project Personnel	Bob Bennett, Energy Sales John Mihulka, Project Engineer Rodney Bridger, Project Development Jason Becker, Operations Manager
Project Schedule & Status	The project was completed on schedule for all phases. This was the third project of seven completed with the District to date.
List of Improvements:	 ECM 1: Construction of a new energy efficient 26,900 SF Jr. High facility replacing the existing 3 story facility deemed well past its useful life. New building includes LED lighting, high efficiency HVAC and controls system, energy efficient windows, and high insulation values. ECM 2: Construction of new energy efficient 10,400 SF Early Childhood facility replacing a 4,500 one story school building deemed well past its useful life. New building includes LED lighting, high efficiency HVAC and controls system, energy efficient windows, and high insulation values. ECM 2: Construction of new energy efficient 10,400 SF Early Childhood facility replacing a 4,500 one story school building deemed well past its useful life. New building includes LED lighting, high efficiency HVAC and controls system, energy efficient windows, and high insulation values. ECM 3 & 4: LED lighting retrofit and window replacements in 13,680 SF 6th Grade facility.

Table 10.11: Kennett 39 School Project Performance

Veregy and the District developed a project scope to build a new Middle School and drastically reduce energy and maintenance costs. Relocating the Early Learning Center to the Masterson campus with a new kindergarten wing, allowed better utilization of staff and maximum learning opportunities for all students.

The savings guarantee was achieved for this project utilizing IPMVP Option A using pre-and post-measurements for the lighting and window improvements. IPMVP Option D was utilized with calibrated simulation of the post-installation energy consumptions for the new construction replacing energy inefficient school buildings.

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	Guaranteed Annual	Actual	Actual	Actual	Actual Energy
	Energy Savings	Energy	Energy	Energy	Savings
		Savings	Savings	Savings	Year 4
Units		Year 1	Year 2	Year 3	
kWh	307,554	307,554			
kW	0	0			
MMBTU	1047	1047			
Gallons	0	0			
Operational	\$32,600	\$32,600			

REFERENCE 3: WEST PLAINS R-VII SCHOOL DISTRICT

Project Detail	Response
Project Identification	Owner Name: WEST PLAINS R-VII SCHOOL DISTRICT City/State: West Plains, MO Facility Type: Public School District
Contact Information	Name/Title: Dr. Wesley Davis, Superintendent Phone: (417) 256-6150 Email Address: Wesley.davis@zizzers.org
Project Size	Number of Sites: 1 location Total Square Footage: 82,114 SF
Project Dollar Amount	Total Contract Amount: \$2,346,683
Source of Funding	Description: Municipal Lease – 15 years Company's Role: Company worked with clients to review multiple Tax-Exempt Lease quotations from market.
Project Dates	Baseline Period: 1/2019 – 12/2019 Contract Date: 7/8/2021 Installation Period: September 2021 – August 2022
Contract Terms	15-year repayment term, following the construction period.
Project Personnel	Keegan Corrigan, Energy Sales Rory Stegeman, Project Development Jason Brushwood, Operations Manager Jeremy Shivers, Project Manager
Project Schedule & Status	The project was completed on schedule for all phases and is closed. This project was the second of four projects completed with the District to date.
List of Improvements:	 Replacement of 54 RTUs and split system units with Installation of Building Automation System to take advantage of setback, fan control strategies, demand control ventilation and economizer options.

Table 10.3.1-10: Past Five Years of Energy Performance Contracting Projects



Table 10.3.11: West Plains R-VII Project Performance

The savings guarantee was achieved for this project utilizing IPMVP Option D. The building was simulated using Equest 3-65. A baseline model was construction sand tuned to the existing utility data. Baseline efficiencies were typical 2005 standards, SEER 14.5 and HSPF of 7.7. This model was altered to reflect the new system efficiencies of SEER 17 and HSPF of 8.9.

	Guaranteed Annual Energy Savings	Actual Energy	Actual Energy	Actual Energy	Actual Energy Savings
Units		Savings Year 1	Savings Year 2	Savings Year 3	Year 4
kWh	438,593	438,593			
kW	0	0			
MMBTU	987.7	987.7			
Gallons	0	0			
Operational	\$35,263	\$35,263			



11. Cost and Pricing

11.A. INVESTMENT GRADE AUDIT (IGA) COSTS

Please describe your company's approach to IGA Pricing.

Veregy acknowledges that all ESCOs in the AEPC Program are required to use the AEO-developed IGA costs in their competitive proposals to public entities, and in no case shall the prices in the table be exceeded. The cost for the IGA is based on cost per square foot and is intended to be the market rate for an IGA.

IGA Pricing per SF	Under 250K	250-500K	500K +

However, as provided by the AEPC Program, if a specific project includes systems or facilities other than typical buildings (e.g. waste water treatment, baseball fields, pools, street lighting, etc.), Veregy may provide estimated additional costs in its IGA pricing proposal. The public entity and Veregy will negotiate final costs prior to execution of the IGA and Project Proposal contract.

11.B. FUEL ESCALATION

Please describe your company's approach to fuel escalation rates.

At Veregy, we meticulously analyze historical fuel consumption trends and market data to develop a comprehensive and dynamic fuel escalation rate strategy. Our approach ensures that our clients are protected from unexpected increases in fuel costs while maintaining transparency and flexibility throughout the contract term.

11.C. EQUIPMENT/LABOR COST COMPETITION

Describe your company's process to solicit bids on equipment/labor or to ensure price/cost competition and the best value for the public entity.

Equipment and Product Neutral

As the client's energy services company, we find a best practice is to remain vendor and product neutral. We bring solutions forward for input and final selection; no product, system or solution is integrated into the project without the client's approval.

Employing Local Subcontractors

Veregy employees typically perform tasks associated with project design, engineering and analysis, commissioning, operations and maintenance, and measurement and verification, while our in-house project managers supervise the subcontractors who install the ECMs. This arrangement allows for greater participation by local firms and women and/or minority-owned businesses, which helps to control costs and keep dollars in the local community.

Local job creation is imperative to many clients and Veregy seeks to support this initiative by looking first to the local community for qualified subcontractors. These firms often offer the best response at a lower cost and are familiar with the client and the local environment. We prefer subcontractors that the client has had a previous positive experience with and understands the Arkansas Energy Office agreements.



Responsible Subcontractor Management

Veregy uses rigorous procedures to recruit and select qualified subcontractors and manage their performance. First, we identify potential contractors through client and trade referrals, trade publications, chambers of commerce, etc. We are familiar with many electrical, mechanical, and controls contractors in Arkansas, and we will seek to expand that list. When screening potential new subcontractors, we review several variables, similar to the Arkansas Energy Office pre-qualify process.

Veregy typically reserves final selection of subcontractors until after the contract award and after the scope of the ECMs has been selected and well defined.

We believe a competitive bidding process among subcontractors results in better quality and a better price for the work performed. Our process involves the following steps:

- Creation of detailed bid specifications to attract professional contractors seeking to work with professional clients.
- Identification and selection of qualified contractors. We identify high-quality contractors through client and trade referrals, trade publications, chambers of commerce, previous work on our projects, and client recommendation and invite them to bid. We evaluate their qualifications, check references for projects of similar type and scope, and conduct interviews. We choose subcontractors based on capabilities, quality, service, and value, not just the lowest price.
- Well-structured Subcontractor Agreements protect Veregy and the client. The Agreements incorporate insurance, bond requirements, and liquidated damages as appropriate. Veregy in-house legal team provides quality assurance review of all procurement and subcontracting activity to ensure that contract documents are properly structured and executed and that all terms and conditions required by the client are restated in each subcontract.
- Quality control and monitoring for compliance. Subcontractor management involves more than finding a good contractor and signing a contract. Veregy actively manages the construction process to ensure high-quality work is completed on time. Our project team of engineering, construction, and operations specialists meets prior to commencement of construction to review all aspects of the job including compliance with OSHA and other applicable regulations. Thereafter, the team meets weekly to confirm that work is on schedule, plan contingencies, and document compliance with OSHA and other regulations. Both construction problems and individual project completions are well documented to determine the need for corrective action or payment.

In the event that key employees from a subcontractor become unavailable, or if the subcontractor becomes unavailable, Veregy will expedite a re-bid for the work and will exercise the performance bond.

Veregy will meet with the clients regularly to compare notes on project and subcontractor performance. We will withhold final payment to a subcontractor until all punch list items are completed and the system has been installed properly.

11.D. OPEN BOOK PRICING

Open book pricing is full disclosure by the contractor to the public entity and AEO of all costs and markups for materials, labor, and services received during the project development, implementation, construction, and performance period phases. Open book pricing requires that all costs, including itemized costs of subcontractors and vendors, are fully disclosed if requested by the public entity at any time during a project, not just at the closing of the project. Describe your company's approach to open book pricing and its method for maintaining cost accounting records on authorized work performed under actual costs for labor and material, or other basis requiring accounting records.



Open Book Pricing Model

In open book pricing, Veregy will fully disclose all costs, including all costs of subcontractors and sub-tier vendors. Veregy will maintain cost accounting records on authorized work performed showing actual costs for labor and materials, or other basis requiring accounting records. Veregy will provide access to records and preserve them for a minimum of three years and if any federal funds are used to support the Contract, for five years. The retention period runs from the date of payment for the relevant goods or services by the Issuer or from the date of termination of the Contract, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

We understand our clients' concerns about paying a fair price after they choose an energy services contractor to manage their energy savings programs. Open-book pricing has several advantages for both the client and the energy services company. We have reviewed and are comfortable in being able to use the AEO's pricing matrix to ensure open and transparent pricing for our projects in Arkansas.

- Promotes Transparent and Accurate Price Comparisons: Clients can see and compare the direct costs from multiple bidders.
- Saves Time and Resources: When you partner with Veregy the focus will be around selecting and implementing the best energy conservation measures without wasting time with pricing negotiations.
- Enhances Flexibility: Clients will be able to make informed decisions about options and measures quickly, knowing that additional energy conservation measures can be added to the base contract easily at a later date.
- Facilitates Auditing: If an audit is in process clients will be able to review our records for at least three years or longer.

In the interest of complete pricing transparency, Veregy, LLC provides the client one of the most detailed project breakouts during the Investment Grade Audit (IGA) phase of the project. It includes subcontractor, vendor, internal, and material costs, overhead, and profit information.

Diligent Accounting and Record Keeping

To track project costs, Veregy utilizes a detailed construction budget worksheet developed by the assigned Project Team. The budget worksheet details and forms the basis for all anticipated project expenditures, both external and internal. The Project Manager submits the worksheet for a rigorous review process that requires signatures by the Veregy Department Managers. Strict adherence and control of costs are assured, as no modifications to the costs within the budget worksheet are allowed during construction unless re-approved by the same review team. Once completed this will be mapped over to the AEO's required forms for submission to the client and AEO for review.

For accounting, Veregy uses the Viewpoint accounting system and associated applications to track, manage, and report all project costs. Viewpoint software is a widely used accounting system for federal government contractors. The job cost system tracks all costs expended on a project basis. Real-time reports are available in a web-based system for our employees, wherever they are located.

COST CONTROL MEASURES

Cost control measures are inherent to Veregy's time-tested project management methods and include the following:

- We provide a no-change-order price to the client.
- > We procure materials on behalf of the client in order to leverage our purchasing power.



- We generally use a competitive procurement process while accommodating any particular client preferences for materials and labor. We uphold stringent qualification requirements for vendors and subcontractors.
- Our project managers track all material and labor on a daily and weekly basis and report progress to executives via percent-complete reporting. This same information is used for accounting and invoicing.
- Veregy and its subcontractors carefully schedule and track the performance of projects based on the critical path method to ensure the timely purchase and delivery of material and equipment and the availability of adequate manpower and resources. Careful scheduling and effective communication with the client minimize costly delays. We convene progress meetings at least weekly (more frequently if necessary), both internally and with facility staff, in order to keep all interested parties informed of critical dates.

11.E. OPEN BOOK PRICING

Once the public entity has selected a project scope, estimated project costs and open-book pricing elements will be negotiated and become part of the final EPC proposal and contract. The pricing table format to be used is provided as the AEPC Cost & Pricing Tool.

For the purposes of the IGA contract, an ESCO may provide estimated cost percentage ranges for each of the elements. Once the IGA is completed and final scope is developed, the ESCO will provide true costs and for which each category must fall within the proposed percentage range. ESCOs agree to use the cost and pricing values when developing a final IGA and EPC Project Proposal.



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Please refer to worksheet on the next page for the AEO Cost and Pricing Tool spreadsheet, specifically the Project Estimate Worksheet and the Cost Estimate Summary Worksheet.





Cost Estimate Summary			
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Appendix A: Electronic Sample Investment Grade Audit Report

A sample IGA is provided in an electronic version as requested in the RFQ documentation.


Appendix B: Veregy's Annual Financial Statement

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