

RESOLUTION NO. 24-323

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, RANKING RESPONSES TO THE REQUEST FOR PROPOSALS (RFP) NO. 24-002 FOR THE OWNERS REPRESENTATIVE FOR THE KEY WEST ENERGY SAVING AND RESILIENCY PROJECT; AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE AND EXECUTE A CONTRACT WITH THE HIGHEST RANKED FIRM, NV5 CONSULTANTS, INC.; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City issued a Request for Proposals (RFP) No.24-002 to identify a consultant to provide Owners Representative (OR) services for The Key West Energy Savings and Resiliency Project, that will consist of highly technical guidance in selecting and managing an Energy Services Company (ESCO)contract, as set forth in RFQ No. 22-004; and

WHEREAS, the RFQ outlines the professional services required to complete this project, and requires deliverables that will be issued via Task Order, including Administration, Technical Review, Financing Recommendations, and Post Construction Guarantee Monitoring; and

WHEREAS, on November 7, 2024, the City Clerk opened vendor submittals, four of which were deemed responsive; and

WHEREAS, on November 20, 2024, a Selection/Ranking Committee comprised of City staff ranked the four responsive RFQ submittals;

and determined NV5 Consultants, Inc. to be the highest-ranked proposer.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA AS FOLLOWS:

Section 1: That the vendor submittals for RFQ No.24-002 for Owners Representative services for The Key West Energy Savings and Resiliency Project are hereby ranked by the City Commission as follows:

- (1) NV5 Consultants, Inc.
- (2) Energia USA, Inc.
- (3) Facility Strategies Group, PLLC
- (4) Procon Consulting, LLC

Section 2: That the City Manager is authorized to negotiate and execute a contractual agreement with the top-ranked vendor, NV5 Consultants, Inc., in substantial conformance with the RFP, and as legally permissible pursuant to the City Charter, upon advice and consent of the City Attorney.

Section 3: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held  
this 12<sup>th</sup> day of December, 2024.

Authenticated by the Presiding Officer and Clerk of the  
Commission on 12<sup>th</sup> day of December, 2024.

Filed with the Clerk on December 12, 2024.

Mayor Danise Henriquez	<u>Yes</u>
Vice Mayor Lissette Carey	<u>Yes</u>
Commissioner Aaron Castillo	<u>Yes</u>
Commissioner Monica Haskell	<u>Yes</u>
Commissioner Mary Lou Hoover	<u>Yes</u>
Commissioner Sam Kaufman	<u>Yes</u>
Commissioner Donald "Donie" Lee	<u>Yes</u>

  
DANISE HENRIQUEZ, MAYOR

ATTEST:

  
KERI O'BRIEN, CITY CLERK



## MEMORANDUM

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Date: December 12, 2024

To: Honorable Mayor and Commissioners

Via: Todd Stoughton  
Interim City Manager

CC: Christina Bernaldi  
Director of Finance

From: Lucas Torres-Bull  
Procurement Manager

Subject: **File ID 24-6747 - Recommendation to Award Owner's Representative Services (RFP 25-002) to NV5 Consultants, Inc.**

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### **Introduction**

Staff recommends that the Mayor and Commission approve a resolution authorizing the City Manager to enter into an agreement with NV5 Consultants, Inc. for Owner's Representative Services related to the Key West Energy Saving and Resiliency projects, as outlined in RFP 24-002, and to approve any necessary budget amendments.

### **Background**

City of Key West staff are requesting the engagement of NV5 Consultants, Inc. to provide Owner's Representative services for the Key West Energy Savings and Resiliency Project. In accordance with procurement procedures, a Request for Proposals (RFP 24-002 – Owner's Representative for the Key West Energy Savings and Resiliency Project) was issued on September 28, 2024, at 8:30 AM (Eastern Daylight Time). The deadline for proposal submissions was established, and all responses were opened on November 6, 2024, at 3:00 PM (Eastern Standard Time).

Following the solicitation process, four proposals were received for the Owners Representative services. After evaluation, NV5 Consultants, Inc. was determined to be the highest-ranked proposer and is being recommended for award.

## **Purpose and Justification**

In FY23 the City budgeted funds to install energy efficient lighting at the Police Station, which bore a 120% return on investment within 12 months. For FY24 staff asked for funding to upgrade an additional 20% of our buildings but was only awarded enough to complete 5 buildings. This rate of self-funding would ensure our energy saving lighting upgrades would be completed by FY34, with no other energy or water or resiliency upgrades within that decade.

While self-financing is the most inexpensive method, some forms of financing, such as those available through Energy Service Companies (ESCOs), do not involve up front payment, and therefore no tangible draw upon City revenues. ESCO's achieve this by offering Investment Grade Audits and attributing a specific savings for each recommended efficiency upgrade. Once a client has chosen their preferred actions from the list provided by the Investment Grade Audit, the ESCO performs the services with agreed upon up front, 3<sup>rd</sup> party financing.

Once the efficiency upgrades are complete, the upgrades begin saving the client money through lower utility bills. Those saved funds are what is used to pay off the up front financing until the agreed upon debt is cleared. The annual savings are backed by the Investment Grade Audit, and if the actual savings fall short of estimated savings, the ESCO pays the difference.

The ESCO based method of upgrading existing building efficiency is well used by corporations and local governments across the nation. Here in Florida, Fort Lauderdale has ESCO'd millions of dollars' worth of projects since 2004. Miami Dade County has ESCO'd since 1998. Governments as small as Deerfield Beach and as large as the State of Florida have ESCO'd.

Staff from the cities above and other multiple governments provided many hours of consultation to assist Key West staff in preparation to administer this project locally. Staff also interviewed 3rd party financiers, Department of Energy & Environmental Protection Agency staff, and ESCO Owners Representatives. Staff attended a National Energy Services Company Conference which granted us access to their executive director.

Due to the highly technical nature of the projects, City staff was strongly advised by other local governments to also hire an Owners Representative, at least through the first cycle of ESCO projects. The role of an Owners Representative is to guide the City through all aspects of the ESCO process to ensure both quality control of energy efficient upgrades and to maximize municipal savings for their client, in this case the City of Key West. In April of 2024, staff pitched the idea to the City Manager, City Attorney and Finance Director and then presented to the City Commission during the first Budget Workshop in July. When the FY24 budget was finalized on October 1, staff finalized and released the RFP for an Owners Representative (OR).

An Owners Representative is a crucial part of the City's first foray into ESCO contracting and will assist us in not only obtaining a well negotiated contract with a reputable ESCO, but also to navigate the highly technical audits, recommended projects, construction documents and financing.

The contract scope of work lays out stepwise tasks which will be negotiated and brought to the City Commission according to procurement guidelines. These include:

- OR assists City with RFP for ESCO and with ESCO submittal ranking.
- Commission authorizes ESCO ranking and contract.
- ESCO completes Investment Grade Audits
- OR conducts technical review and recommends project selection and financing.

- Commission authorizes first cycle of projects and financing for those selected projects.
- ESCO completes projects
- Financing repayment begins via realized savings from efficiencies.
- Assuming a successful process, the Commission authorizes the next cycle of projects.

This resolution supports the following Key West Forward Strategic Plan Priorities:

- Priority 2 - Adaptation/Sea Level Rise: Goal 1: Build municipal capacity and establish long-range funding plans; Goal 2: Short term critical projects/plans; and Goal 3: Long term adaptation plans
- Priority 4 - Environmental Protection: Goal 1 Energy Efficiency and Resilience; and Goal 4: Water Efficiency and Resilience.

### **Procurement**

There are no financial obligations associated with the ranking or entering into a contract with any of the listed firms. Project assignments will be issued on a task order basis, with respective fees approved for each task order in accordance with City Ordinance.

Typically, much of an Owner's Representative's fees can be financed as part of the approved project package. However, since this is the City's first time undertaking such a project, the City has set aside \$50,000.00 within the Adaptation and Sustainability budget (108 3807 538 4600) to cover these fees upfront. These funds do not come from the General Fund but are provided through a cash award from the Department of Energy's National Renewable Energy Laboratory.

### **Recommendation**

City of Key West staff recommends that the Mayor and Commission approve a resolution authorizing the City Manager to enter into an agreement with NV5 Consultants, Inc. for Owner's Representative Services for the Key West Energy Savings and Resiliency projects, as specified in RFP 24-002, and to approve any necessary budget amendments, subject to legal review and city commission approval.

### **Attachments:**

Resolution

Cover Memo

Final Scores and Ranking

#1-NV5

#2-Energia

#3-Facility Strategies Group

#4-Procon

Original RFP Document

ESCO Owners Representative RFQ 24-002  
 Evaluation Proposal Ranking  
 Key West City Hall, Commission Conference Room  
 Wednesday, November 20, 2024, 2PM-3PM

Master Rankings from Panelist Group

- Panelists
- 1 David Allen
  - 2 Gary Moreira
  - 3 Janice Sliwko
  - 4 Sheetal Almas

Panelist Score Verification Initials

*[Handwritten initials for David Allen, Gary Moreira, Janice Sliwko, and Sheetal Almas]*

Moderator Signature

*[Handwritten signature of Allison Higgins]*

Allison Higgins, Resiliency Manager  
 City of Key West

Evaluation Panel Scoring

Selection Criteria	POINTS	ALLOWED	Energla	FSG	NV5	Procon
Expertise in ESCO Selection (Includes RFP Review)	10		7.75	7.375	8.75	4.75
Expertise in Contract Negotiation and Technical Review Services	10		7.5	8	8.75	5.25
Expertise in Investment Grade Audits	20		15.75	13.5	16.75	10
Expertise in Adaptation Surveys	5		3	2.75	3.25	2
Expertise in Financing	10		6.5	5.25	8.25	4.25
Expertise in construction / Implementation / Commissioning	20		15.5	10.75	16	15.25
Expertise in Post-Construction Guarantee / Monitoring	10		6.5	6.25	8.5	6.25
Knowledge of Key West	5		2.375	3.75	4.125	3.25
Base Cost Score	10		0	0	0	0
	10		10	6.6	5.2	5.8

Total Average Points

110	74.9	64.2	79.6	56.8
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Ranking

2	3	1	4
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