

September 24, 2013

**MEMORANDUM TO THE TRUSTEES**

**FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER**

**SUBJECT: Energy Management Center – Development  
and Implementation Services – Contract Award**

**SUMMARY**

The Trustees are requested to approve the award of a contract to Talisen Technologies, Inc., (“Talisen”) of St. Louis, Missouri for services related to the development and implementation of the Authority’s Energy Management Center (“EMC”), including software and licensing fees, for a term of up to five years and an amount not to exceed \$1.79 million.

**BACKGROUND**

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for procurement contracts involving services to be rendered for a period in excess of one year.

The Authority proposes to develop a centralized EMC that will provide real-time energy management services to its customers. The EMC will serve as a virtual hub for continuous monitoring, analysis, forecasting and management of facility energy (electricity and gas) supply, consumption and costs. The EMC will help participating customers reduce energy use and expenses by identifying operation and maintenance improvements and cost-effective energy efficiency measures and also reducing peak demand, where possible. Similar monitoring services have been proven to reduce energy consumption by at least five percent through the identification of no-cost and low-cost measures. As an ongoing resource, the EMC will help ensure customers achieve significant and sustained energy and cost savings.

The EMC will be used to support the implementation of Build Smart NY, Governor Andrew Cuomo’s initiative authorized under New York State Executive Order 88, requiring all state agencies and authorities to reduce their source energy utilization intensity by 20% within seven years. The Authority serves as the manager and implementer of the Build Smart NY initiative. The EMC will also provide effective measurement and verification (“M&V”) tools for energy efficiency projects as well as additional tools and services to support the Authority’s demand response program. The Authority expects to see increased activity in its energy efficiency and demand response programs as a result of this program.

Eligible customers for the EMC will include all public sector entities (electricity and energy efficiency customers) and businesses that participate in the Authority's economic development programs. Target buildings will include office buildings, university campuses, healthcare facilities (including hospitals), transit facilities, garages and warehouses.

A qualified vendor will oversee management of the EMC for the first year and will train NYPA staff in the use of the data system and tools. Thereafter, daily management of the EMC will be transferred to NYPA. The Authority will dedicate two full time equivalent staff to oversee the implementation of the EMC in the first year and management of the EMC in subsequent years, including day-to-day customer analytical support. The Authority envisions charging a fee per energy meter monitored and estimates the costs for the service will be more than paid for by the savings customers will realize from the EMC.

## DISCUSSION

The Authority solicited proposals from qualified vendors for the EMC through a Request for Proposals ("RFP"), Q13-5487FS, advertised in the New State *Contract Reporter* on June 6, 2013. One hundred and twenty (120) companies downloaded the RFP. On July 3, 2013, the proposal due date, thirteen (13) proposals were received.

A cross-departmental Evaluation Committee reviewed the 13 proposals for technical capability to fulfill the requirements of the RFP. The Committee evaluated the qualifications and experience of each vendor, the functionality of the proposed system, and the range and quality of services offered to support the system, as further discussed in the award recommendation documents.

After a thorough evaluation of the proposals, proposed costs and subsequent interviews, the Evaluation Committee determined that Talisen is the most technically qualified bidder. Talisen's solution is being effectively used in its current form by numerous customers. Talisen has extensive experience with complex government projects, including work for the State of Missouri and United States Department of Agriculture, and these projects are comparable to the work The Authority will require. The company successfully helped the State of Missouri achieve a planned ten-year 20% energy reduction target in four years. The proposed team has demonstrated its ability to manage the Authority's project effectively and be responsive to both Authority and customer needs.

The services provided by Talisen will include:

1. Centralized Data System - Establish a centralized data system that will collect and maintain data from local data collection devices at each participating customer site.
2. Local Data Collection Software - Provide vendor neutral software for customer local data collection devices to connect with customer data measurement tools (meters, data loggers, building management systems) and the centralized data system. Data at each customer site will be aggregated by the local data collection devices which will transmit the data regularly to the centralized data system.

3. Analysis and Reporting Tools - Provide software for analytical and reporting functions, including monitoring of electricity and thermal (gas) energy use, basic energy analysis (comparisons, trends), advanced analysis (anomaly detection, alarms, monitoring and verification support), financial analysis (rate assessment, bill verification), and support for demand response programs. Functionality will also include configurable dashboards and reports that can be customized by user profile.
4. System Upgrades - Develop system enhancements, functionality and interfaces, as needed, to support Build Smart NY, Energy Efficiency M&V, Demand Response and other Authority programs.
5. Data Analysis, Training and Technical Support - During the first twelve months of implementation, analyze energy consumption data for all buildings connected to the EMC and make recommendations for customer energy usage reduction; train Authority staff on the management of the system and use of the analytical and reporting tools; train customers in use of dashboard and interpretation of reports. Provide on-going technical support to Authority staff after the first twelve months, as needed.
6. Customer Outreach - Assist Authority in developing plans to market EMC services to other potential customers.
7. Pilot Project and EMC Roll-Out - Connect the Authority's White Plains office building and three to four additional pilot sites at customer facilities to the EMC. Connect additional facilities to the EMC as more customers enroll.

### FISCAL INFORMATION

The total award amount of up to \$1.79 million will be made from the Operating Fund. This award includes funds for EMC data system design and implementation, assistance with EMC management, Authority staff training, and on-going technical support.

### RECOMMENDATION

Chief of Staff to the President and Chief Executive Officer, the Senior Vice President – Economic Development and Energy Efficiency, the Senior Vice President – Strategic Planning, and the Director of Energy Policy recommend that the Trustees approve the award of a contract to Talisen Technologies, Inc. for services related to the development and implementation of the Energy Management Center, including software and licensing fees, for up to a five-year term and an amount not to exceed \$1.79 million.

For the reasons stated, I recommend the approval of the above requested actions by adoption of a resolution in the form of the attached draft resolution.

Gil C. Quiniones  
President and Chief Executive Officer

Att.  
Energy Management Center - Award

**RESOLUTION**

RESOLVED, That in accordance with the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, approval is hereby granted to award a contract in the amount of up to \$1.79 million for the development and launch of an Energy Management Center to the firm listed below, as recommended in the attached memorandum of the President and Chief Executive Officer;

<b><u>Consultant</u></b>	<b><u>Contract Approval</u></b>	<b><u>Completion Date</u></b>
Talisen Technologies, Inc.	<u>\$1.79 million</u>	on or about 10/15/2018 (or five years after the actual effective date)

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.