



# *Performance Contracting*

---

## **Funding Capital Improvements Through Energy Savings**



# Performance Contracting or Guaranteed Energy Savings Contract

“A contract for the evaluation, recommendation, or implementation of energy conservation measures in which all payments are to be made over time from the energy savings guaranteed to exceed contract costs” .



# Definitions

**Energy Conservation Measure (ECM) - a specific equipment or process upgrade that saves energy or water.**

**Energy Savings Contractor (ESCO) - A company contracted to provide design and implement ECM's that result in a guaranteed energy savings.**



## 9 City Facilities

- City Hall and Annex
- Fire Station #2
- Public Works Operating Center
- General Services
- Solid Waste Management Administration
- Fleet Management
- Mist Lake
- Fire Administration
- North Durham Water Reclamation Facility



# Process

- Solicit proposals and select ESCO
- ESCO conducts detailed energy audit
- Gather and consolidate baseline energy data
- Obtain funding “buy in” from City Council
- Finalize terms of contract; Local Government Commission (LGC) to review final contract
- Formally award contract
- ESCO implements upgrades
- Annual Measurement and Verification of Savings