

Q&A Addendum

Energy Savings Performance Contract Financing RFP# 062121

This document provides question and answer information pertaining to the above captioned RFP.

REMINDER: It is the Respondent's responsibility to thoroughly read and examine the entire RFP document and any addenda to this RFP.

Posted 6/30/2021:

1. I would like to know if your agency is interested in financing solutions that are not tax-exempt financing such as an energy-as-a-service model for the RFP. **We are not interested in that type of financing solution for this particular engagement. This could be an option for future energy solutions.**
2. Is there an available scope of work available from Entegriy that details out the project, equipment, and anticipated savings? **Attachment A of the Entegriy contract has Scope of Work documents for every individual measure, by User Group. The Scope of Work has been attached.**
3. Anticipated project cost? Section 2 references \$11MM and Section 14-C references \$13MM. **The contract with Entegriy totals \$10,860,896 which was rounded to \$11MM. Total cost of the project is estimated at roughly \$11.5MM. We have an approved not-to-exceed number for financing from our Board of Trustees of \$13MM.**
4. Based on the plans for sub-dividing and budgeting for user groups, would UofA require financing documentation to reflect the portion funded for each user group and invoicing to reflect individual user groups? **It would be good to have an overall summary, but have detail for each tranche of the funding in order to be able to track debt service vs. savings by user group.**
5. Will a performance bond be available to support the construction contract? **Yes, performance bond in the same amount as the contract is provided by Hartford Fire Insurance Company.**
6. What is the University's preferred repayment mode (monthly P&I, quarterly P&I, or semi-annual interest with annual principal payments)? **We can be flexible with this. In the past, the financing associated with these types of energy savings projects have had a quarterly P&I schedule.**
7. Can you please confirm that the bid requires 30/360 interest calculation? **This would be preferable.**
8. Please provide an update on the University's Return to Campus plan for faculty and staff and the Fall 2021 semester.
 - a. Student Housing: **University leadership intends to follow traditional housing practices during the 2021-22 academic term.**
 - b. Face-to-face classes: **The University of Arkansas is planning for a return to traditional in-person courses this fall.**
 - c. Athletics: **The University of Arkansas plans to return to full capacity this Fall in side Donald W. Reynolds Razorback Stadium and at all athletic events.**
 - d. Projected Enrollment: **Total reported enrollment for the Fall 2020 term was 27,562 which was up slightly over the prior year. Currently, early indications are that enrollment will remain strong for the Fall 2021 term.**
9. The proposal states the financing will be a general obligation of the Board of Trustees, backed up by the guaranteed savings generated by the project supplemented by other revenues generated across the different User Group. Please confirm the legal entity party to the financing agreement. Will the general revenues of the

Fayetteville Campus be pledged to the financing? **The financing agreement will be between the lending institution and the Board of Trustees of the University of Arkansas.**

10. Does the UofA have prior experience working with Entegriy Energy Partners? **Entegriy has performed the services of doing the Investment Grade Audit in connection with this overall energy savings project. Entegriy has also provided commissioning, energy modeling and sustainability consulting services at the University for over a decade.**
11. Will the University require a performance Bond from Entegriy Energy Partners? **Yes, see #5 above.**
12. Please discuss upcoming debt plans. **The University currently has no plans to issue additional debt, nor has any permission to do so been granted by the University of Arkansas Board of Trustees.**
13. What is the impact of the COVID-19 pandemic on the financial performance (revenues, expenses) of the UofA? **The University in continuing to assess the overall impacts of the COVID-19 pandemic on financial performance. We believe the University has managed to perform well through prudent management of resources, traditional conservative budgeting processes and continued strong philanthropic support. Enrollment for the 2020-2021 academic year was actually slightly higher than previous years. In addition, support received from the various Federal COVID relief acts has acted to provide additional direct support to the University's students, and to the University itself.**
14. Please provide student enrollment for Fall 2021. **See #8 – d. above.**
15. Please provide dollar break-out of each ECM:
 - a. **\$6,654,934.84 LED Lighting**
 - b. **\$1,453,521.48 Bldg envelope improvements**
 - c. **\$1,748,621.74 Retro-commissioning (utilizing existing HVAC controls and equipment to optimize bldg. performance)**
 - d. **\$69,762.71 HVAC equipment Upgrades**
 - e. **\$135,816.75 Fault-Detection Diagnostics**
 - f. **\$71,530.06 Sustainability**
 - g. **\$81,631.68 Telecomm Billing**
 - h. **\$52,811.71 Thermal Blankets**
 - i. **\$18,922.00 Synch Drives**
 - j. **\$546,914.82 Side Stream Filtration**
 - k. **\$586,575.21 Induction Generator**
 - \$11,421,043 Total (est)**
16. Please confirm the amount you would like to use for proposal purposes - \$11MM or \$13MM? **See #3 above.**
17. What is the estimated total percentage of hard equipment costs vs. soft labor and installation costs? **Hard (75%), Soft (25%)**
18. How many buildings will be included in the installation? **86**
19. Estimated project percentage at each location:
 - a. **15.23% Athletics**
 - b. **1.79% Bookstore**
 - c. **1.74% Campus Dining**
 - d. **61.37% Campus E&G**
 - e. **6.51% Transit**
 - f. **13.36% AR Union & Utilities**
 - 100%**

20. Can the University provide a copy of the Project Savings Analysis for the 10yr term?

Year	Projected Savings				Financial Performance		
	Energy Reduction Savings	Maintenance Savings	Avoidance Savings	Total Savings	Annual Debt Service ¹	Cash Flow	Cumulative Balance
0	\$344,046	\$23,464	\$0	\$367,511	\$0	\$367,511	\$367,511
1	\$1,032,139	\$70,393	\$202,422	\$1,304,954	\$1,304,954	\$0	\$367,510
2	\$1,037,300	\$72,505	\$208,495	\$1,318,299	\$1,304,954	\$13,345	\$380,855
3	\$1,042,486	\$74,680	\$214,749	\$1,331,916	\$1,304,954	\$26,961	\$407,817
4	\$1,047,699	\$76,920	\$221,192	\$1,345,811	\$1,304,954	\$40,857	\$448,673
5	\$1,052,937	\$79,228	\$227,828	\$1,359,993	\$1,304,954	\$55,039	\$503,712
6	\$1,058,202	\$81,605	\$234,663	\$1,374,469	\$1,304,954	\$69,515	\$573,227
7	\$1,063,493	\$84,053	\$241,702	\$1,389,248	\$1,304,954	\$84,294	\$657,521
8	\$1,068,810	\$86,575	\$248,954	\$1,404,338	\$1,304,954	\$99,384	\$756,905
9	\$1,074,154	\$89,172	\$256,422	\$1,419,748	\$1,304,954	\$114,794	\$871,699
10	\$1,079,525	\$91,847	\$264,115	\$1,435,487	\$1,304,954	\$130,533	\$1,002,231
Total	\$10,900,791	\$830,441	\$2,320,541	\$14,051,774	\$13,049,542	\$1,002,231	\$1,002,231

¹Estimate used for planning purposes only.

21. Is the University contributing any of its own capital into the project costs? **Yes. With projected total project cost in the neighborhood of \$12MM, and the contract with Entegry at \$10.8MM, we would expect to contribute up to \$1.2MM in cash reserves.**