

# Performance Contracting Project FAQs

## What is Performance Contracting?

Performance Contracting (PC) is an effective and proven method for addressing capital improvement projects without an upfront cost. PC is a procurement tool that allows agencies to leverage the savings gained from making facilities more efficient to pay for those improvements. The City of Deerfield Beach identified the need for efficiency and infrastructure improvements and PC as a solution to this need.

## What are the benefits of this project?

- This project will generate cost savings for the City, and it will allow funds to be used more efficiently.
- Per Florida Statute, there are no upfront costs associated with this project. No payments will be made from the City's funds until the project is complete and the City starts to realize savings.
- The investments will reduce the City's energy use, improve resiliency, and reduce the City's carbon footprint.
- The technology utilized in this project will lay the groundwork for smart city development.
- This project will foster sustainability awareness throughout the community.

## What's an Investment Grade Audit?

An Investment Grade Audit is an in-depth analysis of facilities and operations. The analysis identifies inefficiencies and opportunities to save, makes recommendations on the most effective improvements, and pairs those improvements with a savings guarantee.

## Who is Siemens?

Siemens is one of the world's largest producers of energy-efficient, resource-saving technologies, focusing on the areas of electrification, automation and digitalization. Siemens was selected for the City's PC project through a competitive solicitation process.

## What is DFB's benefit to partnering with Siemens?

Some of these projects could be completed without assistance from a third party. However, partnering with a technology giant like Siemens will make the overall program more successful.

- Siemens provides a corporate savings guarantee to ensure the calculated savings are attained.
- The Investment Grade Audit provided an in-depth analysis of City facilities to identify the most fruitful projects and create the basis for the savings guarantee.
- The Siemens team brings a vast array of technical expertise to the project that the City wouldn't otherwise have access to.
- Because of the long-term contract, Siemens will act as a community partner in the City and assist with furthering the City's sustainability goals.

## How does this project benefit residents and the community?

This project is intended to reduce internal operational costs to the City. By investing in these improvements, the funds that would have normally been spent on facility electricity and operations can now be used more efficiently and bring better service to the community.

In addition to the primary scope of the project, Siemens will also be partnering with the City to host community outreach workshops throughout the process. These workshops are intended to extend the impact of this program beyond City facilities and out into the community.

## How much is the City investing in this project?

The improvements through this project equate to a \$9.2 million investment in efficiency and smart-city technology. Over the course of 17 years, the City is guaranteed to save \$15 million on electricity, water and operational costs. The investment will be paid for using these savings over a 15-year term.

## What improvements are included and where are they?

	BSO West	Central City Campus A	Central City Campus B	Constitution Park	Fire Station 102	Fire Station 66	Highlands Community Center	Middle School Athletic Complex & Aquatic Center	Old School House	Oveta-McKeithen Gym	Oveta-McKeithen Park	Pier Building	Pioneer Park	Sullivan Park	Teen Center	West Water Plant
Building Automation	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X
Building Envelope Improvements	X	X	X	X	X	X		X		X	X		X		X	X
Compressed Natural Gas Station		X	X													
Geothermal Heat Pump Replacements								X								
HVAC Replacements	X	X	X	X	X	X		X		X					X	X
Irrigation Controller						X					X					
LED Lighting Retrofits	X	X	X		X	X		X		X	X		X		X	X
Pool Pump Variable Frequency Drives								X								
Sand Filtration System								X								
Solar					X			X						X		
Water Conservation Retrofits	X	X	X	X	X	X	X		X			X	X		X	

## What is a Smart City?

A smart city is a city that utilizes data and technology to manage assets and resources more efficiently. Similar to other “smart” technologies, smart buildings:

- Increase productivity
- Enhance systems performance
- Reduce costs
- Create future adaptability

## Are there laws that define this style of procurement?

Florida Statute 489.145 established the use of Energy Savings Performance Contracting to encourage agencies to invest in energy conservation measures that reduce energy consumption, produce cost savings for the agency, and improve the quality of indoor air in public facilities.

### Key Provisions of the Law

- Guaranteed Results – both financial and technical performance
- Project is self-funding
- Savings are verified through an annual measurement and verification process
- Agreements may be up to 20 years
- Performed by state qualified Energy Services Company (ESCO)