

## AGENDA

### UTILITIES SERVICE BOARD MEETING

Utilities Service Board Room  
City of Bloomington Utilities  
600 E Miller Dr.  
Bloomington, Indiana 47402

Amanda Burnham, President  
Megan Parmenter, Vice President  
Jeff Ehman  
Seth Debro  
Jim Sherman  
Kirk White  
Molly Stewart  
Jim Sims, ex officio  
Scott Robinson, ex officio

Monday, August 14th, 2023

#### **4:30 p.m. Engineering Subcommittee**

- Debro, Chair
- Ehman
- White
- (alternate) Burnham

- I. Call to order
- II. Guaranteed Savings Contracts Presentation - Tina Wolff & Jeremy Hardy
- III. Petitions and communications\*
- IV. Adjournment

\* Public comment will be limited to 5 minutes per person



## City of Bloomington Utilities | Guaranteed Savings Contracting

8.14.2023

# AGENGA

- Safety Moment
- About the GSC Code
- GSC Procurement in Application
- Contracting for GSC
- GSC Savings Calculations
- Path Forward



# SAFETY MOMENT

## SCHOOL DAYS



**CHOOSE TO BE A  
GOOD EXAMPLE**

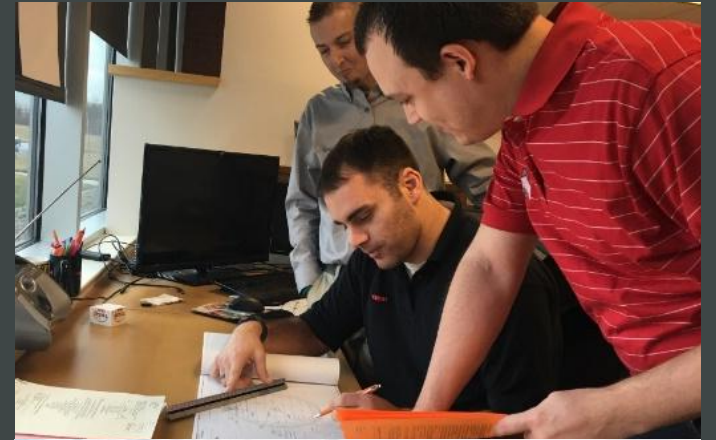
# ABOUT GUARANTEED SAVINGS CONTRACTS (GSC)

- GSC is one of the five ways to hire a Contractor in Indiana
- GSC focuses on re-investment in existing systems and infrastructure
  - Upgrades in technologies
  - Reductions in operational costs
  - Improvements in energy profiles
- GSC Providers carry both engineering and contractors licenses

	Design / Bid / Build	Construction Manager as Constructor	Guaranteed Savings	Public-Private Agreements	Design / Build
Indiana Code	36-1-12	5-32	36-1-12.5	5-23	5-30
Year originated	1981	2014 / 2017	1993	1997	2005
Competitive selection	Bid	Proposal	Proposal	Proposal	Quals + Proposal + GMP

# PROCUREMENT USING GSC

- Early selection of a Contractor
  - Participates during design to develop costs and schedules
  - Works as a partner to the designer for constructability
  - Development of a Guaranteed Maximum Price
- No obligation until GMP is accepted and the contract is executed
- Contract models
  - Single Project Style: scope for a single project (most similar to bid)
  - Program Style:
    - Single agreement and calculation of savings
    - Scope, schedules, and budget amended by phases
  - Master Service Agreement Style
    - Single agreement
    - Scope, schedules, budget and savings amended by phases



# GSC CONTRACTING APPROACH

- Build off CBU Standard Agreement
  - Modify to point to the appropriate codes
  - Incorporate GSC language on savings
  - Exhibits for scope and savings definitions
- Kokosing proposes use of Time & Materials Not-to-Exceed Contract
  - Monthly Pay Applications on a Schedule of Values, reconciled to actual costs
  - As project progresses, remaining unspent budget are identified as savings.
- Savings can be:
  - Returned to CBU as a deductive change order
  - Applied to additional scopes (with no additional Provider Fee)
  - Rolled to offset GMP for future phases or task orders
- Use of Limited Notice to Proceed

## Project Savings Examples

Higher than budgeted efficiency

Lower than budgeted materials cost

Change in construction equipment used

Scope removed

CBU self-performs activities

Reduction in subcontractor costs

Alternative construction approach shortens time, increases efficiency

Shorter project time reduces General Construction costs

# GSC SAVINGS CALCULATIONS

- Savings Calculated must be greater than cost of the project
- Stipulated versus Actual Savings
- Concept of Deferred Capital Savings
- Operational & Maintenance Savings
  - Not restricted to CBU as the beneficiary
  - Internal cost savings
  - External cost savings
- Energy Savings
  - Present versus Future
  - Standard versus Actual

## Calculated Savings Examples

Reduced OT for staff

Reduced / Eliminated staff time for a task

Reduced clean-up for flooding

Reduced cost to customers for interrupted service


Elimination or reduction of contract services

Reduced electric bill due to increased motor efficiency

Reduced electric bill due to addition of Variable Frequency Drive (VFD)



# GSC PATH FORWARD

1. Resolution to authorize CBU to work with Kokosing
  2. Kokosing supports CBU and Designer to price, schedule, and Value Engineer the designs
  3. Kokosing works with CBU attorney on agreement language and savings calculations
  4. Kokosing submitted a GMP proposal included price, scope, and schedule
  5. CBU accepted GMP Proposal
  6. Kokosing integrates proposal into GSC Agreement & Exhibits
  7. Kokosing develops required internal savings report
  8. Contract submitted for authorization
  9. Kokosing submits executed contract to Indiana DLGF
  10. Addition of next Phase or New Task Order
- 

**TOGETHER, WE  
CAN BUILD IT ALL**

**kokosing**   
INDUSTRIAL

