



Legislation Text

File #: 22-0522, Version: 1

**Contract Request Template (Contracts; IGAs; Leases)**

**Date Submitted: 5-2-22**

**Requesting Agency: Denver International Airport  
Division:**

**Subject Matter Expert Name: Carolina Flores  
Email Address: Carolina.Flores@flydenver.com  
Phone Number:**

**Item Title & Description:**

*(Do not delete the following instructions)*

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

**A resolution approving a proposed Contract between the City and County of Denver and McKinstry Essention, LLC concerning the energy and water conservation measures identified in the Investment-Grade Audit (IGA) performed at Denver International Airport.**

Approves an energy performance contract with McKinstry Essention, LLC for \$83,016,250 and for 7 (seven) years to implement the energy and water conservation measures identified in the Investment-Grade Audit (IGA) performed at Denver International Airport in Council District 11 (202161068). The last regularly scheduled Council meeting within the 30-day review period is on 6-13-22. The Committee approved filing this item at its meeting on 5-11-22.

**Affected Council District(s) or citywide? City Council District 11**

**Contract Control Number:** 202161068

**Vendor/Contractor Name (including any "DBA"):** McKinstry Essention, LLC

**Type and Scope of services to be performed:**

The DEN Energy Performance Contracting Implementation Services Agreement with McKinstry Essention, LLC (McKinstry) is to implement the energy and water conservation measures identified in the Investment-Grade Audit (IGA), with guaranteed and

measurable savings at Denver International Airport (DEN). Between 2019 and 2021, McKinstry audited over 8 million square feet in 11 facilities, plus six parking lots at DEN. The final IGA Audit Report contained a portfolio of energy and water efficiency projects with guaranteed annual savings of more than \$4.8 million. This Agreement will also include a three-year post-implementation measurement and verification period to ensure that the guaranteed savings are realized by DEN. By implementing these proposals, DEN will be able to achieve a 21% energy usage reduction, a 19% greenhouse gases (GHG) reduction, a 28% water usage reduction, and replace over \$58 million of aging assets. This project is crucial to DEN's strategic goals of becoming the most sustainable airport in the world, enhancing the customer experience, and maintaining what we have.

**Location (if applicable): DEN**

**WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts): 18% M/WBE.**

**Are WBE/MBE/DBE goals met (if applicable)?** McKinstry has committed to meeting the 18% goal.

**Is the contract new/a renewal/extension or amendment? New**

**Was this contractor selected by competitive process or sole source?**

This procurement qualifies for the Professional Preference exception under Memorandum No. 8B and will not be competitively procured.

The RFP for the original IGA contract was issued on October 5, 2018. Nine responsive proposals were received on November 16, 2018, and were reviewed by an independent evaluation panel for their ability to conduct an IGA and implement the proposed energy and water efficiency projects. Following the evaluation of the proposals, interviews were then conducted from March 14, 2019, through March 19, 2019. McKinstry was selected by the evaluation panel for direct negotiations and contract award. Implementation of this project is based on the results of the IGA, and the savings would not be guaranteed by any other firm.

DEN Legal has reviewed this request for a professional preference and has determined it meets the requirements for the Professional Preference exception under Memorandum No. 8B.

**For New contracts**

**Term of initial contract: 7 years**

**Options for Renewal:**

**How many renewals (i.e. up to 2 renewals)?**

**Term of any renewals (i.e. 1 year each):**

**Cost of initial contract term: \$83,016,250**

**Cost of any renewals:**

**Total contract value council is approving if all renewals exercised:**

**For Amendments/Renewals Extensions:**

**Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?**

***If length changing***

**What was the length of the term of the original contract?**

**What is the length of the extension/renewal?**

**What is the revised total term of the contract?**

***If cost changing***

**What was the original value of the entire contract prior to this proposed change?**

**What is the value of the proposed change?**

**What is the new/revised total value including change?**

***If terms changing***

**Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)**