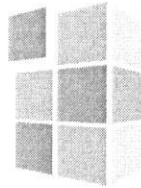


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AMERICAN COUNCIL OF ENGINEERING COMPANIES



Kirk J. Simoneaux, P.E.  
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## AST ENGINEERS

June 29, 2016

Mr. William J. Wilson  
Office of State Buildings  
Post Office Box 44001  
Baton Rouge, LA 70804

RE: Central Chilled Water Facilities (CCWF) RFI Evaluation  
AST Project No. 15-8190

*Evaluation of Response by Bernhard Energy, LLC to the Request for Information for Public Private Partnership Related to the State of Louisiana's Central Chilled Water Facilities in Baton Rouge, Louisiana  
Project No. 01-107-15A-DOA, Part 01*

Dear Billy:

We have continued our review of the above-referenced Request for Information (RFI) based on the original documentation submitted and the subsequent updated versions.

Our expertise does not allow us to comment on the legal aspects nor the economic advantages/disadvantages of the RFI. We only reviewed the MEP engineering aspects of the RFI. We offer the following comments:

- After each review, questions were presented to Bernhard Energy, LLC via emails and/or meetings held at your office. Each revision further "tweaked" the original proposal based on comments/suggestions offered.
- As originally discussed, the State currently owns all of the equipment and piping for both plants as they currently exist and are operating. Bernhard Energy, LLC proposes to extend the piping to other non-state institutions and market the chilled water with a portion of the sales being credited to the State. The portion of the credit (i.e., 38% of the total collected amount) appears to be low given the fact that the State currently owns all the equipment and is producing and distributing the chilled water. Bernhard Energy, LLC commented that 38% was the best they could offer.
- A "Request for Information" (RFI) is defined as a standard business process whose purpose is to collect written information about the capabilities of various suppliers. It is used primarily to gather information to help make a decision on what steps to take next. RFI's are commonly used to develop a Request for Proposal (RFP). We suggest that the State of Louisiana has completed the RFI process and can now use the RFI information to develop and finalize an RFP, should the State choose to pursue this endeavor.

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Mr. William J. Wilson  
June 29, 2016  
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- Although the latest submittal has become a better product (offer) for the State of Louisiana as compared to the first submittal, in our opinion, the adoption of this agreement would not be advantageous for the State of Louisiana in its current form. One of the major issues with contracts of this nature (energy savings) is quantifying the actual energy savings on an ongoing basis. The latest formula submitted for these calculations, although simplified from the original submittal, remains, in our opinion, very cumbersome.

Based on our assessment and analysis, we recommend the current response to the RFI not be accepted by the State of Louisiana as a final proposal/contract.

Yours very truly,

  
\_\_\_\_\_  
Kirk J. Simoneaux, P.E.  
ASSAF, SIMONEAUX, TAUZIN  
& ASSOCIATES, INC.

KJS/dcd