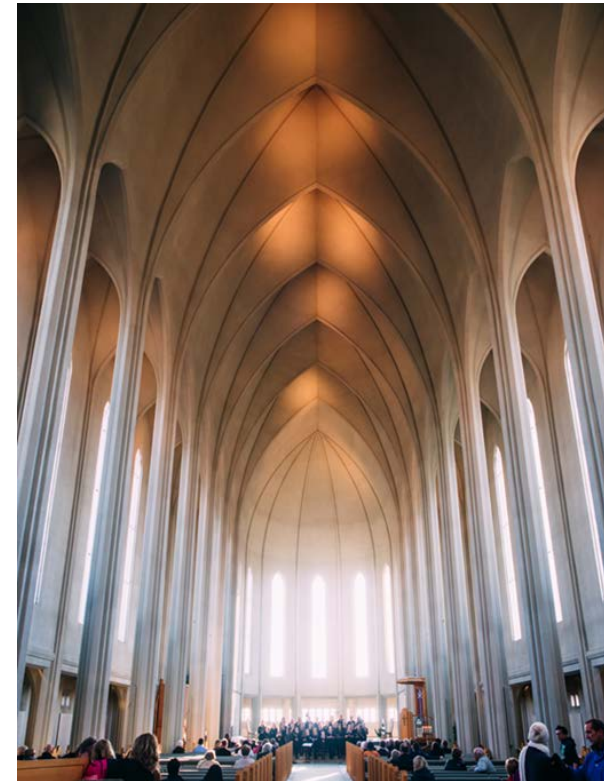


ENERGY STAR for Congregations: Finding A Contractor for Your Worship Facility



Working with contractors for efficiency upgrades

- Deciding when to hire a contractor
- Finding contractors/choosing the right contractor for your job
- Negotiating work/pricing
- Managing the project
- Ensuring the work is done to cost and is good quality
- Finalizing paperwork, payments, etc./understanding how to manage the new systems





When to hire outside work

For efficiency projects, ENERGY STAR recommends worship facilities start with “Sure Energy Savers” (Step 4 of the Action Workbook) and see what can be done first with staff/funds on hand****.

Larger projects may include:

- More advanced lighting
- HVAC upgrades/installation
- New insulation/windows/roofing
- Kitchen/water-using appliances

****Think about small projects in the broader context of your facility (don't spend a lot of time insulating windows if you are planning to replace them in 3 months).

ENERGY STAR for Congregations

"Climate change was the most important and serious challenge facing this generation. And today, it is without exception, the moral issue of our time."

- Reverend Sally Bingham, Interfaith Power & Light, speaking to the EPA ENERGY STAR 2016 Partner of the Year Award recipients



Did you know that most congregations can cut energy costs by up to 30% by investing strategically in efficient equipment, facility upgrades and maintenance?

RESOURCES FOR CONGREGATIONS

Use these resources as planning guides for implementing cost-effective energy improvement projects for your house of worship.

- [The ENERGY STAR Action Workbook for Congregations](#)
- [Workbook Summary](#)
- [Workbook Appendices](#)
- [ENERGY STAR Manual de acción para las congregaciones](#)
- [Cuadernillo de ENERGY STAR para congregaciones - Apéndices](#)
- [Click here for more Tools and Resources](#)



Some first steps

- Putting a project team together to help brainstorm ideas, do research, and delegate tasks can take pressure off of any church officials in the planning stage. Renovations can take a lot of work—it's better to plan for this up front.
- Once your team completes a walk through audit and identifies potential areas for work, consider a low cost/no cost energy audit to help develop a plan/prioritize work that you may hire contractors to perform.
- You can always contact ENERGY STAR if you are lost or unsure along the way.

Where you can focus: “a checklist”

- **Who** is responsible for implementing each of the project upgrades
- **Where** (and in how many places) in your property the project upgrades be implemented
- **What** your energy use was pre-project and how it has improved by using the ENERGY STAR Portfolio Manager tool to create a benchmark pre-upgrade
- **What** financial resources are devoted to the project and how they are being spent
- **When** the project upgrades will be completed





Finding contractors: how are worship facilities different?

From Worship Facilities Magazine article, April 2015

(http://www.worshipfacilities.com/article/selecting_a_building_contractor):

- All experts agree that a good church contractor is an experienced church contractor.
- Contractors with an expertise in commercial space but no church building experience can make errors, including incorrect space proportions, poor integration of technology, and compromised sound and lighting.
- Daniel McCabe, project manager for Continental Construction Management Inc., based in Albuquerque, New Mexico, specializes in retail and church construction. What's the difference between churches and commercial real estate? *"The same commercial building codes are in effect for both places,"* says McCabe, *"but churches need more parking space and more bathrooms than code requires. They're gathering places and their hallways and movement need to be larger than other areas."*

Finding a contractor

Depending on how big or complex a project is, you might hire a:

- General Contractor, who manages all aspects of a project, including hiring and supervising subcontractors, getting building permits, and scheduling inspections
- Energy efficiency contractor, who installs particular products like lighting or HVAC
- Architect, who designs additions and major renovations—especially ones involving structural changes
- Designer or design/build contractor, who provides both services





Finding a contractor

- If you can, hire a local contractor who knows local codes, rules, and dealers. Good local contractors will know all the good local sub-contractors.
- Search your own congregation to see if any members are contractors (with a good track record).
- Ask members of your congregation for suggestions of who they might have used in the past.
- Contact CCFM for help: <http://www.ccfm.net>
- Ask CSIP (Conservation and Sustainability Interfaith Partnership) at: (773) 577-4109
- Talk to state organizations such as Wisconsin Focus on Energy <https://www.focusonenergy.com>
- Use the ENERGY STAR Service and Product Providers Database: <https://www.energystar.gov/buildings/facility-owners-and-managers/existing-buildings/save-energy/expert-help>

Information to ask from prospective contractors #1

- ✓ **References:** Ask the contractor to provide multiple current references that your team can contact about the work the contractor has performed.
- ✓ **Is licensed and insured:** Make sure the contractor is licensed and insured. Especially make sure that the contractor carries workers' compensation insurance.
- ✓ **Follows regulations:** Ask the contractor to certify that their work conforms to state and local regulations and codes.





Information to ask from prospective contractors #2

- ✓ **Has efficiency experience:** Make sure the contractor has experience with and will use ENERGY STAR labeled energy-efficient equipment as specified in the project designs.
- ✓ **Has efficiency rebate knowledge:** Many energy efficiency projects are eligible for utility, state, or federal rebates. Ask your contractor about these opportunities in advance. Many rebates require pre- AND post- project tests to prove upgrade performance.
- ✓ **Has church experience:** Ask about the contractor's past work specifically with churches.





Information to ask from prospective contractors #3

- ✓ **Availability and communication skills:** Check the contractor's availability, and make sure they have good communication skills.
 - ✓ How many other projects are they concurrently working on?
 - ✓ Ask about their ability to work within your operating constraints. Some projects may be very loud and dirty—if your church has a child care center onsite, can the loud tasks be scheduled in advance?
- ✓ **Provides cost estimates, in writing:** Ask the contractor to provide a cost estimate in writing for any work they will do before signing any contract.



Selecting a contractor: by qualification

- Identify the contractor(s) your team is interested in considering and assess their qualifications (prior slides).
- This option allows your team to work more intimately with the contractor to specify details of the work they will do, and negotiate the extent to which they will assist your team.
- Selecting a contractor based on qualification does not allow you to negotiate prices or scope of work with multiple contractors simultaneously. Instead, your team will need to be familiar with the typical costs in your area for the types of projects your congregation is implementing.



Selecting a contractor: competitive bid

- To select a contractor by competitive bid, issue a Request for Proposal (RFP) to which prospective contractors interested in undertaking your project will bid for the job.
- Pay attention to the proposed scope of work; not all bidders will offer to undertake all tasks listed in the RFP.
- Your team can negotiate the proposed scope of work and proposed contract cost between contractors, encouraging the contractors to lower their prices and expand their proposed scope of work.
- This can take more time, however and may be only useful for larger projects.



Another type of contracting: Performance Contracting

- A performance contract is where a congregation hires an Energy Services Company (ESCO) to develop, install, finance, and verify energy efficiency improvements.
- In return for the ESCO assuming the up-front costs associated with the investments, the congregation agrees to give the ESCO a portion of its energy savings over a period of time specified in the contract.
- This is more common for larger energy use facilities to make it worth the ESCO's expense—if you manage a smaller property, you will most likely use a local contractor rather than an ESCO.



Another type of contracting: Performance Contracting

- This may be attractive from an immediate financial standpoint; remember that the level of control exerted by the contractor may be high (you won't have all the control).
- The ESCO will receive a portion of the energy savings for a contractually specified length of time after the energy project is completed.
- Bottom line: if you have a large facility and do not have resources to implement larger projects/monitor energy management, a performance contract may be a good option.

A note on costs

- The cheapest price, is not always the least expensive solution in the long run. Some energy efficiency upgrades do cost more upfront but can save money over the long term. Look at payback times when evaluating equipment.
- Contractors who are problem solvers and willing to be collaborative can help save money even without participating in the design.
- Once construction has commenced, change orders can be very costly, and can increase the project's total cost by as much as 20% as a result of poor planning.





Negotiate the contract #1

The contract should be clear and concise and include the who, what, where, when, and cost of your project. Before you sign a contract, make sure it includes:

- the contractor's name, address, phone, and license number (if required)
- an estimated start and completion date
- the payment schedule for the contractor, subcontractors, and suppliers
- the contractor's obligation to get all necessary permits
- how change orders are handled.
- a detailed list of all materials including each product's color, model, size, and brand. If some materials will be chosen later, the contract should say who's responsible for choosing each item and how much money is budgeted for it.



Negotiate the contract #2

- information about warranties covering materials and workmanship, with names and addresses of who is honoring them—the contractor, distributor, or manufacturer. The length of the warranty period and any limitations also should be spelled out.
- what the contractor will and won't do. For example, is site clean-up and trash hauling included in the price? Ask for a "broom clause" that makes the contractor responsible for all clean-up work, including spills and stains.
- any promises made during conversations or calls. If they don't remember, you may be charged extra.



Managing the project

- The most important aspects of the construction phase are found in managing the cost, quality, and progress of the work.
- For longer projects, schedule regular meetings with the contractor to keep up to date on progress.
- Keep all paperwork related to your project in one place. This includes:
 - copies of the contract
 - change orders
 - a record of all payments
- You may want to keep a log or journal of all phone calls, conversations, and activities. You also might want to take photographs as the job progresses. These records are especially important to understand the work done, if you need it for a future report on progress, or if you have problems with your project — during or after construction.



Payments for work

- Don't make the final payment until you are satisfied.
- Besides being satisfied with the work, you also need to know that subcontractors and suppliers have been paid. You should ask your contractor for lien waivers for proof of payment to subcontractors.
- Know the limit for the final bill (some state or local laws limit the amount by which the final bill can exceed the estimate, unless you have approved the increase).
- Know when you can withhold payment if necessary.

After work is completed

- Remember to follow up on rebates: the contractor may be done with the work and eager to move on, but if rebates require a new energy audit (blower door test, etc.), make sure the contractor completes the rebate-required work, so you get rebates while still eligible.
- Ensure that more than one person from your congregation reviews the new equipment, operating procedures, etc. with the contractor to understand how to manage the building.
- Ask questions of the contractor if you don't understand something after the work is complete.
- Keep inputting bills in Portfolio Manager to track progress.





Resources

- <https://www.consumer.ftc.gov/articles/0242-hiring-contractor#Finding>
- https://www.energystar.gov/index.cfm?c=heat_cool.pr_contractors_10tips
- <https://www.energystar.gov/congregations>
- <https://www.energystar.gov/buildings/service-providers>
- <https://www.energystar.gov/buildings/facility-owners-and-managers/existing-buildings/save-energy/expert-help>
- <https://www.energystar.gov/buildings/tools-and-resources/introduction-energy-performance-contracting>
- http://www.worshipfacilities.com/article/selecting_a_building_contractor
- http://www.worshipfacilities.com/channel/category/design_construction
- <http://www.dsireusa.org>