

Common Myths about Performance Contracting

“Performance contracting sounds too good to be true”

Performance Contracting (PC), when executed by a reputable firm like Brady Trane, will save money and significantly enhance the indoor environmental quality of your facilities. PC is the only contracting vehicle available that can be guaranteed to deliver both energy efficiency and badly needed mechanical infrastructure with no additional appropriations required.

“We don’t have any funds for projects like this”

This is a major advantage of PC; no additional state, local appropriations or private dollars are required. Brady Trane will assist in arranging the project’s financing that will be paid back with the guaranteed energy savings realized from the new systems and equipment. The Performance Contract and the finance agreement terms are customized to meet your needs.

“We can’t afford to risk losing any money”

The customer is a real winner since Brady Trane guarantees the amount of the project’s energy savings and will write a check for any energy savings shortfalls as defined in the contract.

“We don’t know how to get started”

Brady Trane is happy to assist in getting organized for the RFP process. You may also contact the State Energy Office for additional assistance since they have a suggested model. Templates specifically for K-12, community colleges, universities, and others will be available at some point in the future.

“What we really need is some new, modern, efficient equipment”

New efficient equipment is one of the main benefits provided by PC. All new equipment is paid for over time with the guaranteed energy savings, not state or county appropriations. Often this is equipment which the customer could not afford to purchase due to lack of funds.

“Our maintenance staff can do all this work. We don’t need to hire an outside contractor”

Most in-house staffs don’t have the time to properly implement a comprehensive energy efficiency systems retrofit. Additionally, delaying the decision to implement a Performance Contract usually costs more than any savings captured by executing an in-house program.

“Energy service companies do not keep their promises”

Brady Trane professionals spend hundreds of hours preparing estimates and proposals that are based on sound engineering and industry best practices. In the unlikely event that the annual guaranteed energy savings are not achieved, Brady Trane will write a check for the difference per the terms of the contract.

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“Energy service companies keep too much of the savings”

Some energy savings contracts consist of very basic “behavior modification” training and other methods. These programs claim to be “risk free” as fees are not paid to the vendor unless savings are achieved. These vendors then keep up to 40% of their calculated savings and the customers are locked in to a contract for up to four years. This can cost the customer hundreds of thousands or even millions of dollars! Under a Performance Contract, the customer keeps 100% of the savings which are used to invest in the new equipment provided under the Performance Contract.

“I have heard horror stories about performance contracting”

Over the past several sessions, the North Carolina legislature has shown its strong support for PC by raising the limit on loans for state government Performance Contracts from zero to \$50 million to \$100 million to the current \$500 million limit.

Today’s PC is different than those contracts that were popular in other states several years ago. The PC process has undergone significant improvements and refinements and is now delivering real tangible and verifiable savings to state and local governmental units across North Carolina. All PC in NC require a performance guarantee and are delivered by NC Pre-Certified Energy Service Companies (ESCOs). Not only are the public Performance Contracts in NC guaranteed, these guarantees must be backed by financial instruments that are “investment grade” and all Performance Contracts are approved by the NC Local Governmental Commission (if local) or by the NC Council of State (if state agency or University).

Why choose Brady Trane as your energy service company (ESCO)?

Brady Trane is a well-established North Carolina company with a reputation for integrity, performance and customer satisfaction. Brady Trane completed NC’s FIRST Energy Saving Performance Contract for a state agency— The North Carolina Museum of Art. This contract has resulted in annual energy and water savings of over 60% totaling nearly \$600,000 annually. Additionally, the new equipment and systems are providing a very high quality indoor environment that is helping to protect our state’s art treasures so that they may be enjoyed by NC citizens for generations. Additional successful projects include Wayne County Public Schools, Durham Public Schools and The University of North Carolina at Greensboro.

While a Performance Contract will result in significant energy savings without additional appropriation of tax dollars, this is a construction project. We are professional builders and Brady Trane can build a successful project because we bring extensive experience, the highest quality personnel, proven processes and an uncompromising commitment to customer satisfaction.

Brady Trane is the only approved ESCO with its corporate headquarters in North Carolina. By choosing Brady Trane, you also benefit North Carolina employees, their families and the local economy.

Need more information?

Contact Tim Gasper (919) 232-5727 or Aaron Rittenhouse (919) 232-5748 at Brady Trane’s office in Morrisville. You may also contact Phil Kirk, Director of Brady Energy Services at (919) 232-5746. Len Hoey at the State Energy Office may be contacted at (919) 733-1891.

Or check out these links on the web:

NC State PC Toolkit: http://www.landofsky.org/wrp/Performance_Tool.htm

Energy Services Coalition: <http://www.energyservicescoalition.org/>

Brady Energy Services: www.bradyenergyservices.com



Phone: (800) 849-1915

Emergency Service: (800) 594-3010
(nights and weekends)