

A Catalyst for Trend Control Sales

Smith-Boughan Case Study

by the Building Advisor™



Smith-Boughan Mechanical Services has provided a very diverse array of engineering, fabrication, construction, and maintenance services throughout the west central Ohio area for nearly 75 years and is no stranger to the energy services business. Long time employee and President Sam Halker stated, “We

originally became involved in the energy services business in the mid-eighties as a result of the energy audits we were performing for clients, which resulted in numerous energy performance contracts. In a way we were ‘green’ before the green movement became popular, reflected as green was transitioned into our corporate logo at the time.” By the mid-nineties, new construction business opportunities became more plentiful, resulting in less focus on the energy retrofit business. Faced with fewer new construction opportunities as a result of the recent economic recession, Halker stated “management wanted to look for ways that we could create project opportunities as opposed to simply being at the mercy of the economy.”

With that in mind, they decided to explore opportunities to re-establish their energy services using the latest technology available. As a member of the Mechanical Service Contractors of America (MSCA), the staff attended numerous webinar sessions sponsored by MSCA relating to energy service opportunities. Lance Buettner, another long-time employee and General Manager of Sales at Smith-Boughan, was assigned the task of evaluating product and service capabilities from different equipment vendors and preparing a cost/benefit analysis for the company’s investment consideration.

After going through what Buettner calls “an intensive and lengthy assessment of product and service offerings” in the energy performance space in 2010, the company chose BuildingAdvice, an industry proven energy services delivery platform, for its ability to increase profitability through differentiated services focused on reducing building energy waste. Smith-Boughan sought “a very clean approach,” and the simplicity, automated capabilities and flexibility of reporting

Smith-Boughan’s Strategy

1. Purchased BuildingAdvice in September, 2010
2. Trained staff in six weeks
3. By October, 2010, offered energy benchmarks to existing base of clients for value add to service group
4. **Drove four benchmarks from assessments to audits in two months, resulting in \$453,500 in project work**
5. Uses BuildingAdvice support team to assist in customizing reports to each client’s technical background
6. Receives overwhelmingly positive customer response to reports
7. Will provide benchmarks on annual/semiannual basis to existing service agreement client base, as well as each renewal and new client

through BuildingAdvice's comprehensive program fit Smith-Boughan's needs. The company invested in BuildingAdvice in September, 2010, and began five training sessions throughout October and November getting staff up to speed.

Before that training was complete, Smith-Boughan began offering complimentary energy benchmark reports to its existing base of clients in October, and immediately identified savings opportunities. Four energy benchmarks led to the next tier of energy services, Energy Assessment Reports, for three clients. By December 2010, Buettner had driven two major clients toward Energy Audit Reports resulting in over \$450,000 worth of project work and an estimated \$36,779 in annual energy savings.

One building housed Lima's Lutheran Social Services within its two-story, 20,715 square foot structure, in addition to several operating entities of Coleman Professional Services. Lutheran Social Services is a nonprofit organization offering health and welfare services to over 80,000 individuals within a 24-county area.

Lutheran Social Services Building

Square footage: **20,715**
Annual energy spend: **\$37,900**
Energy Audit performed: **October, 2010**
Project work proposed: **\$88,500;**
including Trend BAS building controls system
Project work completed: **February, 2011**
Annual energy savings predicted: **\$8,189**
Ongoing energy service agreement secured

The building had been through a major renovation eleven years ago which included new mechanical and lighting control systems, but Buettner was hearing horror stories about tenant comfort issues, and the building's energy spend was close to \$2.00 per square foot or \$37,900 per year.

The BuildingAdvice Energy Audit Report showed the control system to be, in Buettner's words "all over the place." By installing a new building controls system, costing \$88,500, BuildingAdvice projected savings of \$8,189 annually.

The nonprofit approved the building controls system installation, which was completed in February 2011, and Smith-Boughan was able to secure an ongoing performance service agreement. By Spring of 2011, year-ago utility bill comparisons showed a vast savings benefit. They will re-benchmark in August.

Another building Smith-Boughan executed an Energy Audit Report on is a three-story, 44,460 square foot building with an annual energy spend of \$72,316. The medical office building is managed by CB Richard Ellis and owned by a professional condominium association. The vintage 1990s packaged VAV units and combination DDC/pneumatic controls system for each floor were part of the staggering energy spend, and executives at CB Richard Ellis were eager to address it.

Smith-Boughan submitted a \$365,000 project proposal, which included rebuilding all rooftop units with VFD installation, new VAV boxes and new temperature controls system for the building, as well as new lighting and domestic hot water systems to achieve a total energy savings of \$28,579 per year.

Building ownership and management were "very receptive" to the proposal (see box above, "Smith-Boughan's Strategy"), and were actively seeking all cost avoidance in both operation and in capital measures.

Energy rebates totaling close to \$18,000 for the project are in the application approval process with the local utility, American Electric Power (AEP Ohio)'s GridSmart® incentive program, making the project even more accessible for the building ownership. Smith-Boughan actively pursues energy rebates from local utilities on all energy performance projects, as well as tax credits on private sector projects. The company works with local utilities like AEP as well as Dayton Power and Light and Toledo Edison, all of which have rebate programs, on a regular basis. Like many local utilities, AEP Ohio offers seminars for business customers, and sponsors business events that help promote energy efficiency and AEP Ohio's programs.

Final completion of the proposed work on the medial office building is slated for July 1, 2011, and a performance service agreement was secured.

Smith-Boughan immediately maximized its use of BuildingAdvice by driving complimentary benchmark reports from assessment to audit level, resulting in over \$450,000 of project work over a few months. Buettner estimates he can keep his BuildingAdvice kit busy for six months with existing clients alone. Moreover, BuildingAdvice Energy Benchmark Reports provided "overwhelmingly positive customer response" in contrast to the benchmarking services previously used. With custom-configuration of the reports through BuildingAdvice, Smith-Boughan tailors each report to suit customers' individual needs and background. In reconfiguring and rebranding BuildingAdvice reports to best present the information to each individual client, Buettner found support from AirAdvice to be "exceptional," providing a "very user friendly" resource on reconfiguring reports.

Smith-Boughan's management team is currently re-evaluating their business plans so they can best accommodate the anticipated project opportunities as a result of the investment they've made in the BuildingAdvice products and services.

Medical Office Building

Square footage: **44,460**
Annual energy spend: **\$72,316**
Energy Audit performed: **December, 2010**
Project work proposed: **\$365,000; including rooftop units, VFDs, VAV's, Trend temperature controls system, lighting upgrade and domestic hot water system**
Project work completion (estimated): **July, 2011**
Annual energy savings predicted: **\$28,579**
Energy rebates: **Potential for up to \$18,000 from AEP Ohio**
Ongoing Energy Service Agreement secured

About AirAdvice and BuildingAdvice™

AirAdvice is a Portland, OR company that is an acknowledged leader in developing cutting edge technology and programs for improving buildings' energy efficiency and performance. The BuildingAdvice™ energy services program enables commercial HVAC professionals, energy consultants, and engineers to use automated benchmarks, assessments, and audits to deliver cost savings and greener buildings for their clients through energy efficiency.

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