



Better Schools
Partnership

A New Strategy

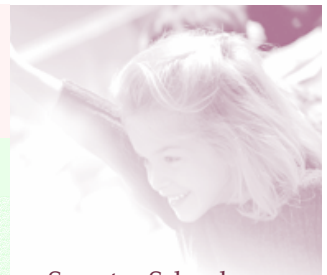
FOR SCHOOL RENEWAL

CEO Briefing

Smarter Schools
for Better Learning

A New Strategy

FOR SCHOOL RENEWAL



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The **Better Schools Partnership™** (BSP) is a powerful and proven new strategy to help CEOs with the problem of facility renewal. Over the years, many school boards have used money from facility budgets to fund programs. In addition, government funding has not kept pace with their needs. One undesirable result of this is the creation of a significant unfunded liability, or facility renewal 'funding gap.' Deteriorating school facilities and their related problems are a threat to quality of education, safety, stakeholder satisfaction and school competitiveness.

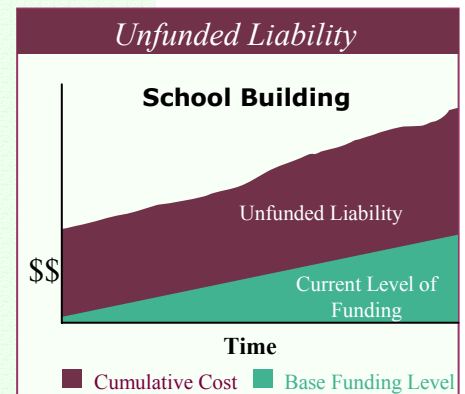
While provincial governments may come through with some new funding for school renewal, there are many competing demands. School board CEOs need strategies to help themselves.

New Strategy

The good news is that you may be sitting on an opportunity for school renewal.

Your problem of rising energy costs may actually be an opportunity for school renewal. Our experience has shown that for *every dollar a board spends on energy, up to five dollars' worth of school renewal can be created.*

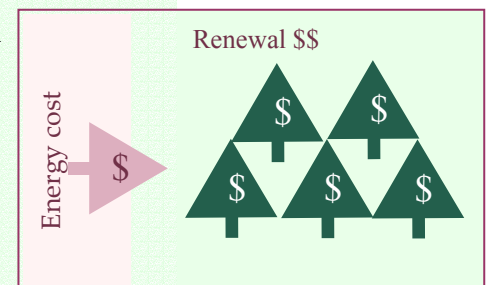
The old, so-called ESCO concept focused on reducing energy costs by retrofitting lighting, heating and air-conditioning systems. There was always a renewal impact but it wasn't addressed. The new BSP strategy focuses on school renewal funded by energy savings. This dramatic shift in thinking has resulted in a *performance breakthrough*, creating significant new opportunities for school renewal. The BSP is not a panacea – but it can have a major impact on school renewal.



New Results

Five Ontario school boards, representing over 15% of the total classroom space in Ontario, have used the BSP strategy to create approximately \$125 million in school renewal based on leveraged energy waste. These cases are documented. Results include:

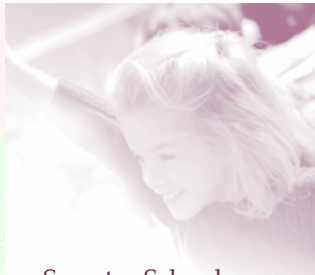
- Significant improvements in classroom quality and overall stakeholder satisfaction.
- Major shifts from reactive to preventive maintenance, including significant reductions in trouble calls and risk of instructional days lost because of school shutdowns.
- Improved competitiveness of facilities, enhancing staff retention and student enrollment.
- Greater satisfaction among parents and trustees.



This document describes the new solution components required to optimize school renewal funded by maximizing energy efficiencies.



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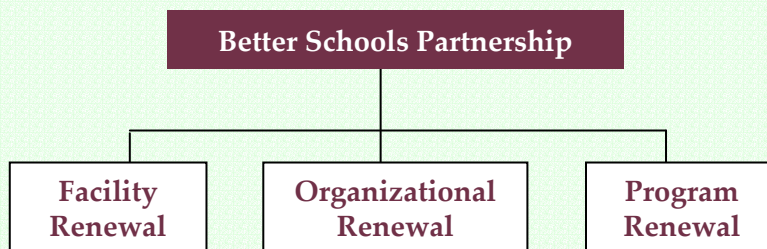
BSP Project Results

<i>DSB BSP Partners</i>	<i>Energy Cost /Yr \$ mill</i>	<i>Renewal Created \$mill</i>	<i>Term of Agreement</i>	<i>Ratio Ren: Energy</i>
1. Ottawa - Carleton	12	57	20 yrs	5:1
2. Grand Erie	4	16	15 yrs	4:1
3. Hastings & Prince Edward	3.1	10	12 yrs	3:1
4. Kawartha Pine Ridge	4	13	15 yrs	3:1
5. Thames Valley	10	40	12 yrs	4:1

BSP Strategic Objectives For School Boards

The goal of the BSP is to create Better Schools. There are three primary and related objectives:

- 1. Facility Renewal:** Maximize the conversion of energy waste to facility renewal to improve classroom quality, occupant safety and satisfaction, and facility competitiveness.
- 2. Organizational Renewal:** Include components in the BSP solution that will help build a culture of teamwork and partnerships to create new value in terms of facility quality and better learning.
- 3. Program Renewal:** In addition to enhancing program quality through better facilities, our objective is to find ways to add value directly to classroom programs.



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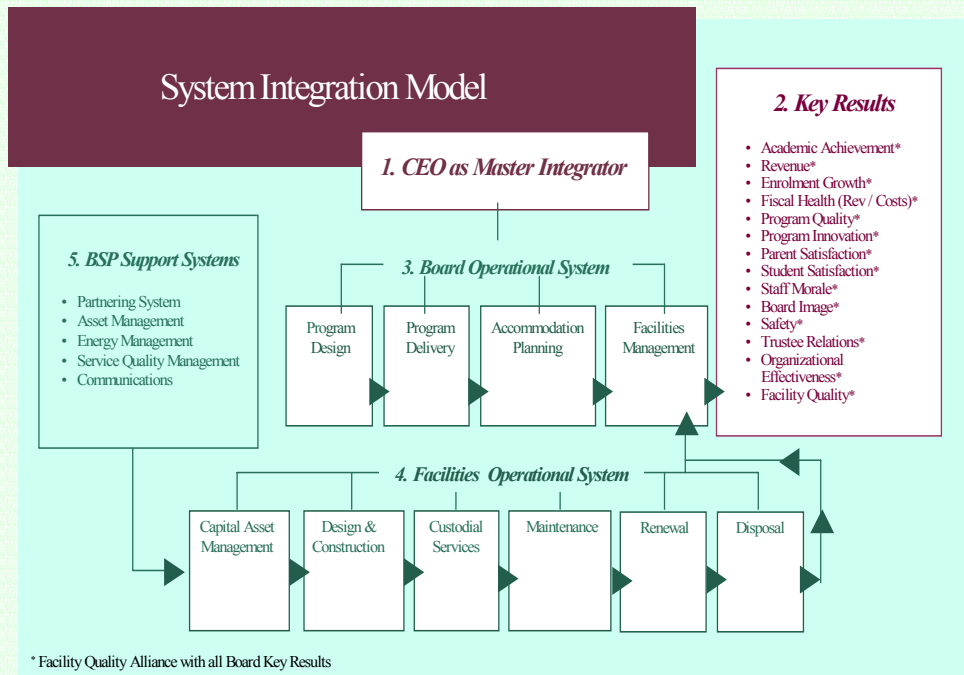
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BSP Solution Design

Below is a brief explanation of how the BSP solution is designed:



BSP Solution Model Premises:

- The CEO** is the top level leader of the management team's facility renewal objectives and partnership strategies.
- The shared goal is Board Key Results.** Facilities attaches strategically to all Key Results. Education priorities are best served when performance gaps, needs and objectives are identified as a management 'partnership' team.
- The Board's operational system** is a cross-functional process that is achieving the current Key Result outputs. The team must jointly identify constraints and and agree on high level facility renewal strategies.
- The Facilities System** is a cross-functional process that is producing current Key Results that align with the Boards Key Results needs. The Facilities management team must identify performance gaps and solutions.
- BSP Support Systems:** The BSP solution consists of solution components that integrates with Facilities current operational system to achieve Key Result objectives.



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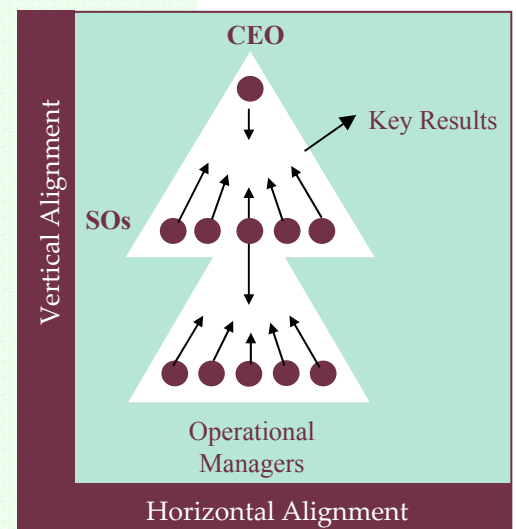
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Better Schools Partnership Solution Model

This is a brief outline of the main components of the BSP solution model. Each has been added to create new value in terms of our primary objectives: Facility renewal, organizational renewal and program renewal and their impacts on school board Key Results.

1. Better Schools Partnership Management Framework

- *BSP Strategy Lab* aligns executive and operations teams with the renewal strategy to maximize impact on facility quality, program quality and enrollment.
- Creates a 360° facility renewal partnership vision for maximum results and provides a framework for managing partnerships in an integrated manner.
- Added value for CEO: A method for managing all strategic partnerships.



2. Asset Management System

- Employs RECAPP, the software system most commonly used by school boards to determine an objective FCI (Facility Condition Index). This allows you to accurately determine your unfunded liability and the level of risk in your renewal backlog in terms of school shut down and safety.
- Links Asset Management with Energy Management to maximize conversion of energy waste to renewal.
- Provides a decision-making framework for your team to set renewal priorities funded by energy savings.
- Provides a framework for establishing a comprehensive asset renewal strategic plan.
- Provides regular reports to management on changing facility conditions.
- Becomes an on-going part of your asset management system.



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3. Energy Management Program

The BSP Energy Management program focuses on adding value to two primary components:

a. Energy Systems Component: (Turning energy waste into *facility* renewal.)

Opportunity Assessment: Ameresco Canada conducts a comprehensive assessment of your systems, (using RECAPP data where possible) to determine the full need for replacement plus the needs that can be funded by energy savings. The Facilities team determines which of the renewal needs will be addressed through the Energy Program (deferred renewal, organizational renewal or program renewal). The total package must fit within the payback time frame selected by senior management. Typically a board can reduce deferred renewal by 40% with a comprehensive program.

Strategies To Maximize Renewal: Based on the assessment, we work with your team to apply a number of strategies for leveraging energy savings and current budget dollars for maximum renewal impact.

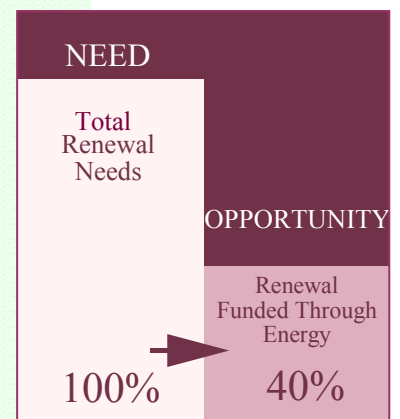
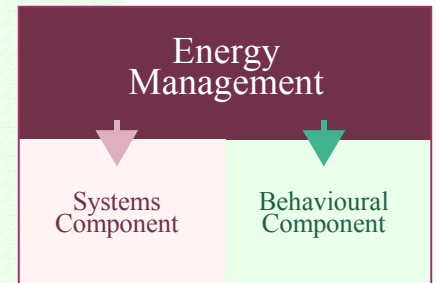
Project Partnership: The Ameresco Canada team partners with your team to implement the project in the most effective manner to minimize disruption in the classroom, to keep principals informed and to maximize value added for the Facilities staff.

b. Behavioural Component: (Turning energy waste into *program* renewal.)

The behavioural component of energy management addresses issues such as turning off lights and computers. Conventional conservation awareness programs come and go, often with little lasting impact. We've taken a different approach: the goal is to achieve savings and program value through a student-driven program called EarthCARE.

EarthCARE is an activity-based curriculum designed to help students and staff become environmental stewards. Our unique youth engagement process involves students as action-oriented leaders who encourage energy savings and conservation within their schools and in the community. Teachers find exciting resources in the program that are tied to their curriculum and engage students actively in their learning.

EarthCARE achieves its goals through a comprehensive framework of partnerships involving students, teachers, custodians, managers and superintendents. The spin-off effect is an enhanced culture of partnership and better relationships.



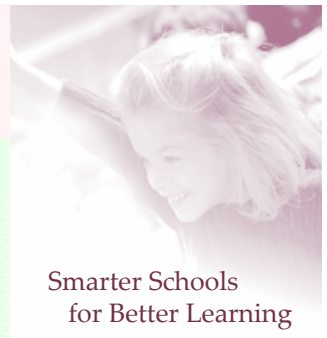
"The partnership extends to the students. It is an important educational goal to ensure that the next generation is more responsible in their use of energy than previous generations."

*Peter Moffatt,
Director of education,
Grand Erie District
School Board*



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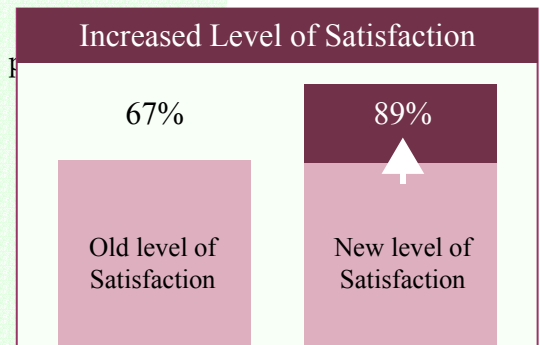
4. Service Quality System (SQS):

Most boards have undergone significant staff reduction in recent years. This has reduced service quality, strained relationships and stressed staff. The goal of the SQS is to rebuild service capacity, regain high levels of service quality and improve relationships and staff morale. The board that piloted the program increased customer satisfaction from 67% to an average score of 89% three years running.

Features:

Five step quality management system model that marries management with partnering for maximum results.

- Assessment of your current system.
- Support to facility management team to redesign and continuously improve service delivery processes.
- A Management Partnering component to align with management's needs.
- A School Partnering component to align with principals.
- A Partnering Index to measure progress.
- A Supplier Partnering component to extract more value.
- An Employee Partnering component to address employee needs.



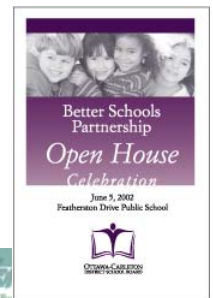
5. Communications Component

The communications component of the BSP is built into the project management methodology. The goals are to create awareness of improvements both internally and externally. We use a multi-media approach that includes events, newsletters, poster campaigns, Web sites and press releases to broadcast your school board's key messages:

- We are fiscally responsible and proactive in using our existing resources to create better schools.
- We are improving the learning environment, despite the fiscal challenges we face.
- We are environmental leaders and role models for the community.

Two important outcomes of the communications component are:

- a. Internal customer awareness of what has been done; and
- b. Staff recognition for a job well done.



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Advantages of Partnering For Facility Management

Sometimes facility teams react to the BSP strategy by feeling that they should be doing the renewal themselves. The objective reality is that it is more cost effective to do it in partnership. These are some of the reasons why our clients prefer partnerships:

1. **Partnering enables facility management to create *more renewal, faster for internal education partners.*** The BSP achieves three to five times more renewal than conventional energy retrofits. It is typically accomplished within two years.
2. **Partnering enables a shift from reactive to preventive maintenance,** which results in less wasted time, improved customer satisfaction and better morale.
3. **Partnering is more cost effective than doing it yourself.** Partnerships enable you to collapse the cycle time of the whole project. The margin that you pay us is more than covered in energy cost avoidance and volume buying.
4. **Partnering puts you in control.** We provide the process for identifying and developing opportunities for renewal. Your team makes the decisions on priorities.
5. **Partnering guarantees performance.** Energy savings and renewal performance are guaranteed.
6. **Partnering improves management's leverage.** It enables your team to focus on relationship management and other things that generate more value for your customers.
7. **Partnering enables facility management to provide added program value.** (See EarthCARE in Energy Management section.)
8. **Partnering enables you to acquire other added value organizational renewal components** of your choosing whether in the standard BSP model or not.

Partnering is about shifting from protecting one's piece of the pie to working with others to make the pie bigger.

Partnering is about getting more of what you want with less risk.

Partnering is about leverage.



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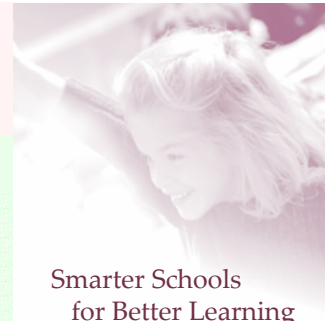
Six Critical Success Factors:

These factors underline the growing success of BSP programs:

- 1. Goal alignment:** Everyone identifies with the *shared goal of improving the classroom* – to achieve as much renewal as possible, as soon as possible. All decisions are evaluated through the lens of the impact on the classroom.
- 2. CEO as Integrator:** CEOs actively support the facilitation of strategic goal alignment and the integration of Facilities Management with the School Superintendents and other Departments to generate the most value.
- 3. Partnering Approach:** Partnerships are facilitated starting at the top of the organization and extending to all parties involved. The result is new value at every level.
- 4. Integrated Solution Components:** The BSP solution components are integrated. Each adds value to the other. In addition, solution components integrate across all Facility functions to create more value.
- 5. Depth of Experience:** The BSP strategy has been developing and improving since 1996. Our team has over 30 years of experience working with school boards and has successfully completed retrofits in over 2000 schools across Canada.
- 6. Financial Strategy & Structure:** Financial structures are jointly developed with clients. The BSP employs a variety of new financial strategies to maximize the leveraging of energy waste dollars and budget dollars to create maximum school renewal and the best returns on investment.



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Steps to Get Started

You may be wondering, “Will this work for me? What’s *my* opportunity? Where do I start?” We can help you to navigate the steps.

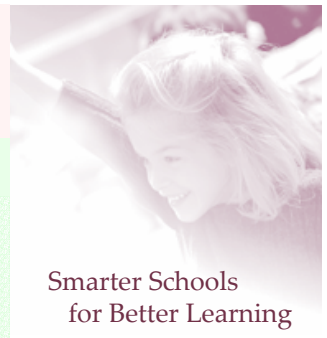
- 1. Clarify your real unfunded liability.** In our experience, school boards underestimate their renewal funding gap by as much as 300%. We can help you to make an educated guess as to your real unfunded liability based on our experience and our benchmarks. We can also advise you on how to do an in depth assessment if and when it is appropriate.
- 2. Determine your magnitude of opportunity for converting energy waste for school renewal.** Again this is often underestimated by a wide margin because people are not aware of strategic advances that allow boards to create more renewal. By comparing your energy costs to Ameresco’s benchmarks for your region we can help you to establish a realistic estimate of the amount of renewal you can achieve with no additional cost, how much of your liability you can eliminate, and what strategic results you can achieve in terms of renewal.
- 3. Align your management teams with high level strategic goals.** It is essential to have strategy and goal alignment at the executive team level and between the executive level and the operational level. We can help you to accomplish this with a Executive Level *Facility Renewal Strategy Lab* conducted by a third party.
- 4. Design your facility renewal partnership Request for Qualification (RFQ), selection criteria and selection process.**
- 5. Select your partner.**
- 6. Co-design and implement your optimal solution model.**



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Our Satisfied Customers Speak Out...

"Facilities, through this BSP, has become a central component in all decision-making regarding programs."

Jim Grieve, quoted when Ottawa-Carleton Director where they did a \$50 million program. Jim is now Director of Peel District School Board and is beginning a new renewal program with us.



"It's a real win-win-win situation. The kids get some education on these issues, they get a better environment in which to learn and, of course, we save some money."

Jim Libbey, Chair of the Board, Ottawa-Carleton DSB



"The Better Schools Partnership gives staff, trustees and students an important role to play in revitalizing their schools. Everyone in the District benefits, including the environment, and that's a positive thing."

Gerry Kuckyt, Superintendent of Business and Treasurer, Grand Erie DSB



"By updating and renewing those assets, the Board can provide buildings that operate better and an improved learning environment for students, teachers and support staff."

Mark Galonski – Controller of Facilities Services, Kawartha Pine Ridge DSB

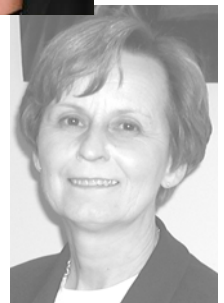


"Our Better Schools Partnership with Ameresco is a wonderful venue for positive public relations. We are able to share energy conservation successes at our schools with parents and the greater community."

Maggie Melenhorst – Manager of Communications and Information Services, Ottawa-Carleton DSB

"The more you fix up schools, the more the students and the staff take pride in the school and the more they tend to take care of it," says Catherine Glover.

Catherine Glover – Principal, Centennial Secondary School, Hastings and Prince Edward DSB



"You need to be able to demonstrate to the Board that the savings are there and the advantages of early renewal are there. I really believe that some of the environmental education components of the new program are going to do as good a job as any at selling it."

Peter Moffatt – Director of Education, Grand Erie DSB



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