

BENEFITING FROM AN INFRASTRUCTURE UTILITY

CONVERT PROBLEM INFRASTRUCTURE TO MODERN AND RELIABLE SO YOUR TEAM CAN FOCUS ON THEIR CORE MISSIONS.



IMPORTANT CONSIDERATIONS



Stimulates the Economy

More than 50% of an infrastructure project cost is for individuals to design, manage, site prepare, install, commission, and service. With your approval, we use local firms to provide these services.

A large infrastructure project can employ literally hundreds of individuals from highly skilled to those just needing an opportunity.

When people know their essential infrastructure is well maintained, effective and efficient, their confidence and productivity increase. New business is attracted as employers know they can engage staff with a high "quality of life."



Lowens Operating Costs

Essential infrastructure is just that: essential. When it fails, there is no choice, it must be fixed.

This is always expensive (rarely budgeted), time consuming (scarce qualified resources), and distracts everyone from their core mission.

Even after all the emergency labor, expediting of parts, and managing the disruptions, the infrastructure is still old, unreliable and costly. These costs are both direct (energy, water, maintenance, waste) and indirect (inefficient for users).

New infrastructure eliminates these costs. By designing for durability, the use fee is so small that actual monthly operating costs decline.



Higher Quality

Our prioritization of reliability, durability and safety leads to robust engineering, premium upgradable products, 24x7 monitoring, and extended performance warranties which improve most institutions' capital availability and thus their RFQ/RFP.

Furthermore, unlike an ESCO, PPP, or UESC, we NEVER markup their costs or services.

They know the lowest long-term cost is their most expensive offering but regardless of RFP/RFQ writers' intent, such a bid will not win.



Given a target credit rating, at times your balance sheet capacity will allow for adding debt, like revenue bonds. If the local economy is healthy or there is a visible emergency, non-debt bonds like general obligation bonds, can add capital.

With the new GASB and FASB accounting standards, the PPP's, PPA's, EPC's, UESC's, and concession agreements can no longer be off balance sheet. This adversely affects your financial ratios and thus credit.

Auditors and credit agencies are now pushing for beyond end of useful life infrastructure (deferred maintenance) to be estimated and added as a liability, again adversely affecting credit.

Investments by utilities where the obligations is a monthly use, capacity or availability payment has no affect on your balance sheet. So SP can invest in any amount. This eliminates your deferred maintenance, increases the market value of your facilities and thus improves your balance sheet thus capital capacity.

▶▶ Faster

Infrastructure projects are rarely a political priority due to their inability to be completed during an incumbent's term.

Competitors for re-election then point to such projects as failures. Few understand the process requirements which result in years passing. Thus when budgets are debated, only inadequate infrastructure maintenance is accomplished.

SP is different. We use best-practices that are highly efficient. We are also continuous buyers with already negotiated risk assessed vendor terms and conditions. When SP uses its own funds, financial decisions can be made promptly whether in regards to deposits, change orders, hold backs, progress payments, insurance claims or vendor missteps.

Our [TIMELINE](#) demonstrates our full alignment with your priorities as a utility service versus the traditional purchase or public works procurement.

⚡ Reduced Energy / Water / Waste

The largest user of energy and water is infrastructure. 70% of the U.S. grid is consumed by electric motors.

50% of that energy is the infrastructure around water. That's substantial, and remarkably we lose 30% of the water from leaks.

New pumps and motors are 60%-70% more efficient than end-of-life ones; they easily pay for themselves.

Real-time water meters immediately detect and quantify leaks, while increasing water revenues due to their accuracy.

Nothing reduces carbon, water or energy more than modernization of infrastructure.

and risk analysis that is merit based. Quality providers are excited by this and are aggressive to win the business.

A 5%-40% lower procurement cost results which is enhanced by: cash incentives, limited intermediators, national contracts, vendor driven engineering and extended warranties.

While labor, management, engineering, and site prep is the same, having equipment that is twice the cost results in only a 25% increase to the project cost but will last twice as long, problem free with very low ongoing maintenance costs. The result? Our use fee for the most expensive infrastructure is lower than the value-engineered (RFQ/RFP) infrastructure.

🛠 Better jobs

Infrastructure has experienced quantum leaps in new materials, sensors, controls, networking, and mobile software.

Old infrastructure simply doesn't have this. Attracting and retaining individuals interested in "quality of life" frequently don't want the jobs.

Given the scarcity of qualified people, budgets have to grow just to pay the market and cover high turnover.

Robustly engineered infrastructure simply doesn't unexpectedly fail. The 24x7 remote monitoring, informs of maintenance needs long in advance so parts and service can be efficiently scheduled.

🏢 Exceeds Resiliency Goals

There is an abundance of old and fragile essential infrastructure running at maximum capacity due to community growth and inability to redevelop.

As a general risk mitigation for all parties, SP always over engineers new infrastructure resulting in a highly resilient system.

We also use modular design principles to remove single points of failure. Since our customers are month-to-month, it is critical for the systems to be reliable, safe and efficient. Termination from a utility like SP is fast and easy, thus we are 100% aligned by design with all resiliency initiatives.

Risks may include poor design, unknown costs, non-performing vendors, misuse of funds, politics in sourcing, underfunded maintenance, new materials and technologies difficult to evaluate, early obsolescence and changing priorities.

SP eliminates all of these.

↔ Flexibility by Design

Where SP owns the infrastructure, by contract you can terminate at any time and take over the assets.

Taxpayers are fully protected by SP having no termination fees or penalties. The cost of assets is driven by the real world remaining useful life versus some arbitrary accounting timeline.

A 3rd party, approved by you, determines useful life and our fully transparent accounting has all actual costs to prorate against.

This protects against accounting having only depreciated 50% while there is almost no remain useful life. This would result in you paying money out without receiving value back - this goes against SP's ethics.

Customers who want to fund project(s) themselves for any combination or portion of the infrastructure will find it easy with SP. Since SP adds no margin to its capital sources, SP is agnostic and can be a true partner in identifying best funding sources whether on or off balance sheet.

💡 Promotes Innovation

Billions have been spent developing highly impactful new materials, devices, sensors and software for infrastructure.

Unfortunately, these are virtually never included in RFQ/RFP procurements as they are outside both the writers and evaluation committees expertise.

Furthermore, determining the materiality of risks associated is daunting. Most institutions allow only highly structured information gathering from vendors and therefore cannot reach the comfort level needed for essential infrastructure.

These dynamics have resulted in startup capital leaving infrastructure innovation. SP's role to both source and risk manage solves this dilemma and making it possible for institutions to greatly benefit



SP – THE CLEAR ALTERNATIVE

A service procurement for SP allows you to avoid the complex, time consuming and expensive process of a purchase or public works infrastructure project. While all procurements need to carefully follow all applicable rules, procuring a utility agreement is very different than that required by EPC's, PPP's, PPA's, UESC's, PACE and all forms of multi-year contracting.

Use of the SP utility is financially flexible. On one asset, you may decide to do a bond, on another a grant, on another SP unsecured funds, use SP to match a grant or fill-in for an unexpected cost increase. Your master agreement with us does not change. We modernize your essential infrastructure and keep it continually maintained, reliable, safe and modern regardless of capital sourcing. SP's assumption of ownership, responsibilities and risks, creates a clear alternative.

We can fund 0% to 100% of all costs including the ongoing monitoring, maintenance and replacements. Our simple service agreements give customers premium solutions with **no cash outlay, required guarantees, security interests or collateral**. Our platform can materially improve your balance sheets, operating costs and asset values. Your commitment is to pay for usage, capacity or availability rates pre-determined and agreed to prior to any work being done.

	Term Length	Ownership Risks	Agreement Complexity	Is it CAPEX?	Maintenance Included	Upgrades Included	Fees to Cancel	Required Guarantees
Sustainability Partners LLC	Monthly	YES	Simple 10 page	NO	YES	YES	NO	NO
Loan	6-20 years	NO	Complex 15 page	YES	NO	NO	YES	YES
Lease	6-10 years	NO	Complex 20 page	YES	NO	NO	YES	YES
Financing Agreement	3-10 years	NO	Complex 25 page	YES	NO	NO	YES	YES
ESCO	7-30 years	YES	Complex 120 page	YES	NO	NO	YES	YES
Ordinary Sharing Agreement	10* years	YES	Average 7 page	YES	NO	NO	YES	YES

CONVERT YOUR INFRASTRUCTURE TO A SERVICE





✉ info@s.partners

📍 300 Park Avenue, 13th Floor
New York, NY 10022

📍 3133 W. Frye Road, Suite 101
Chandler, AZ 85226

© Copyright 2020 Sustainability Partners LLC | All Rights Reserved





CONVERT PROBLEM INFRASTRUCTURE TO MODERN AND RELIABLE SO YOUR TEAM CAN FOCUS ON THEIR CORE MISSIONS.



Identify your critical infrastructure challenges and sign a simple SP utility services agreement.



SP sources all the resources required to completely solve those challenges.



When satisfied, you approve and issue a Notice to Proceed.



SP oversees the delivery, installation, commissioning and your training. When satisfied, you issue a certificate of completion.



SP keeps the infrastructure maintained, reliable and modern while billing you for usage.



From day 1, you retain all the benefits of a higher quality operating environment, savings, rebates, incentive and increased facility valuations.



IMPORTANT CONSIDERATIONS



Stimulates the Economy

More than 50% of an infrastructure project cost is for individuals to design, manage, site prepare, install, commission, and service. With your approval, we use local firms to provide these services.

A large infrastructure project can employ



Lowers Operating Costs

Essential infrastructure is just that: essential. When it fails, there is no choice, it must be fixed.

This is always expensive (rarely budgeted), time consuming (scarce qualified resources), and distracts everyone from their core



Higher Quality

Our prioritization of reliability, durability and safety leads to robust engineering, premium upgradable products, 24x7 monitoring, and extended performance warranties which improve most institutions' capital availability and thus their RFQ/RFP.



literally hundreds of individuals from highly skilled to those just needing an opportunity.

When people know their essential infrastructure is well maintained, effective and efficient, their confidence and productivity increase. New business is attracted as employers know they can engage staff with a high "quality of life."

Frees up Capital

Reasonably predictable revenues and costs like labor, utilities, leases and debt service create a well defined capital capacity.

Given a target credit rating, at times your balance sheet capacity will allow for adding debt, like revenue bonds. If the local economy is healthy or there is a visible emergency, non-debt bonds like general obligation bonds, can add capital.

With the new GASB and FASB accounting standards, the PPP's, PPA's, EPC's, UESC's, and concession agreements can no longer be off balance sheet. This adversely affects your financial ratios and thus credit.

Auditors and credit agencies are now pushing for beyond end of useful life infrastructure (deferred maintenance) to be estimated and added as a liability, again adversely affecting credit.

Investments by utilities where the obligations is a monthly use, capacity or availability payment has no affect on your balance sheet. So SP can invest in any amount. This eliminates your deferred maintenance, increases the market value of your facilities and thus improves your balance sheet thus capital capacity.

Faster

Infrastructure projects are rarely a political priority due to their inability to be completed during an incumbent's term.

Competitors for re-election then point to such projects as failures. Few understand the process requirements which result in years passing. Thus when budgets are debated, only inadequate infrastructure maintenance is accomplished.

SP is different. We use best-practices that are highly efficient. We are also continuous buyers with already negotiated risk assessed vendor terms and conditions. When SP uses its own funds, financial decisions can be made promptly whether in regards to deposits, change orders, hold backs,

mission.

Even after all the emergency labor, expediting of parts, and managing the disruptions, the infrastructure is still old, unreliable and costly. These costs are both direct (energy, water, maintenance, waste) and indirect (inefficient for users).

New infrastructure eliminates these costs. By designing for durability, the use fee is so small that actual monthly operating costs decline.

Lower Cost

SP optimizes for the lowest monthly use fee, not project cost. With no capital constraints, agnostic to vendors, contractors, politics, and capital providers, we source on comprehensive economic and risk analysis that is merit based. Quality providers are excited by this and are aggressive to win the business.

A 5%-40% lower procurement cost results which is enhanced by: cash incentives, limited intermediators, national contracts, vendor driven engineering and extended warranties.

While labor, management, engineering, and site prep is the same, having equipment that is twice the cost results in only a 25% increase to the project cost but will last twice as long, problem free with very low ongoing maintenance costs. The result? Our use fee for the most expensive infrastructure is lower than the value-engineered (RFQ/RFP) infrastructure.

Better jobs

Infrastructure has experienced quantum leaps in new materials, sensors, controls, networking, and mobile software.

Old infrastructure simply doesn't have this. Attracting and retaining individuals interested in "quality of life" frequently don't want the jobs.

Given the scarcity of qualified people, budgets have to grow just to pay the market and cover high turnover.

Robustly engineered infrastructure simply doesn't unexpectedly fail. The 24X7 remote monitoring, informs of maintenance needs long in advance so parts and service can be efficiently scheduled.

Furthermore, unlike an ESCO, PPP, or UESC, we NEVER markup their costs or services.

They know the lowest long-term cost is their most expensive offering but regardless of RFP/RFQ writers' intent, such a bid will not win.

Reduces Risks

Essential infrastructure that is unreliable, unsafe and costly puts the entire community at risk. While replacing it is critical, doing so is also filled with risk.

Risks may include poor design, unknown costs, non-performing vendors, misuse of funds, politics in sourcing, underfunded maintenance, new materials and technologies difficult to evaluate, early obsolescence and changing priorities.

SP eliminates all of these.

Flexibility by Design

Where SP owns the infrastructure, by contract you can terminate at any time and take over the assets.

Taxpayers are fully protected by SP having no termination fees or penalties. The cost of assets is driven by the real world remaining useful life versus some arbitrary accounting timeline.

A 3rd party, approved by you, determines useful life and our fully transparent accounting has all actual costs to prorate against.

This protects against accounting having only depreciated 50% while there is almost no remain useful life. This would result in you

progress payments, insurance claims or vendor missteps.

Our [TIMELINE](#) demonstrates our full alignment with your priorities as a utility service versus the traditional purchase or public works procurement.

Reduced Energy / Water / Waste

The largest user of energy and water is infrastructure. 70% of the U.S. grid is consumed by electric motors.

50% of that energy is the infrastructure around water. That's substantial, and remarkably we lose 30% of the water from leaks.

New pumps and motors are 60%-70% more efficient than end-of-life ones; they easily pay for themselves.

Real-time water meters immediately detect and quantify leaks, while increasing water revenues due to their accuracy.

Nothing reduces carbon, water or energy more than modernization of infrastructure.

All our nation's sustainable goals can be achieved by competently addressing deferred maintenance, end-of-life infrastructure.

Exceeds Resiliency Goals

There is an abundance of old and fragile essential infrastructure running at maximum capacity due to community growth and inability to redevelop.

As a general risk mitigation for all parties, SP always over engineers new infrastructure resulting in a highly resilient system.

We also use modular design principles to remove single points of failure. Since our customers are month-to-month, it is critical for the systems to be reliable, safe and efficient. Termination from a utility like SP is fast and easy, thus we are 100% aligned by design with all resiliency initiatives.

Promotes Innovation

Billions have been spent developing highly impactful new materials, devices, sensors and software for infrastructure.

Unfortunately, these are virtually never included in RFQ/RFP procurements as they are outside both the writers and evaluation committees expertise.

Furthermore, determining the materiality of risks associated is daunting. Most institutions allow only highly structured information gathering from vendors and therefore cannot reach the comfort level needed for essential infrastructure.

These dynamics have resulted in startup capital leaving infrastructure innovation. SP's role to both source and risk manage solves this dilemma and making it possible for institutions to greatly benefit from these advances.

paying money out without receiving value back – this goes against SP's ethics.

Customers who want to fund project(s) themselves for any combination or portion of the infrastructure will find it easy with SP. Since SP adds no margin to its capital sources, SP is agnostic and can be a true partner in identifying best funding sources whether on or off balance sheet.

SP – THE CLEAR ALTERNATIVE

A service procurement for SP allows you to avoid the complex, time consuming and expensive process of a purchase or public works infrastructure project. While all procurements need to carefully follow all applicable rules, procuring a utility agreement is very different than that required by EPC's, PPP's, PPA's, UESC's, PACE and all forms of multi-year contracting.

Use of the SP utility is financially flexible. On one asset, you may decide to do a bond, on another a grant, on another SP unsecured funds, use SP to match a grant or fill-in for an unexpected cost increase. Your master agreement with us does not change. We modernize your essential infrastructure and keep it continually maintained, reliable, safe and modern regardless of capital sourcing. SP's assumption of ownership, responsibilities and risks, creates a clear alternative.

We can fund 0% to 100% of all costs including the ongoing monitoring, maintenance and replacements. Our simple service agreements give customers premium solutions with **no cash outlay, required guarantees, security interests or collateral**. Our platform can materially improve your balance sheets, operating costs and asset values. Your commitment is to pay for usage, capacity or availability rates pre-determined and agreed to prior to any work being done.

	Term Length	Ownership Risks	Agreement Complexity	Is it CAPEX?	Maintenance Included	Upgrades Included	Fees to Cancel	Required Guarantees
Sustainability Partners LLC	Monthly	YES	Simple 10 page	NO	YES	YES	NO	NO
Loan	6-20 years	NO	Complex 15 pages	YES	NO	NO	YES	YES

	years		15 page					
Lease	6-10 years	NO	Complex 20 page	YES	NO	NO	YES	YES
Financing Agreement	3-10 years	NO	Complex 25 page	YES	NO	NO	YES	YES
ESCO	7-30 years	YES	Complex 120 page	YES	NO	NO	YES	YES
Ordinary Sharing Agreement	10* years	YES	Average 7 page	YES	NO	NO	YES	YES

CONVERT YOUR INFRASTRUCTURE TO A SERVICE

SUSTAINABILITY PARTNERS

📞 480-845-0400

✉ info@s.partners

📍 300 Park Avenue, 13th Floor
New York, NY 10022

📍 3133 W. Frye Road, Suite 101
Chandler, AZ 85226