COMMERCIAL PARTNER

TRANSWESTERN

Implementation Model: Good, Better…BEST Standards of Sustainability

ORGANIZATION TYPE
Commercial Real Estate, Property Management

BARRIER
Lack of advanced benchmarking system, procedures to identify cost-effective opportunities, and methods to rate and track performance in energy efficiency and sustainability

SOLUTION
Good, Better…BEST Standards of Sustainability

OUTCOME
Able to identify individual buildings that excel in energy efficiency and sustainability, assist properties to achieve goals and promote continuous improvements at Transwestern-managed properties

Overview

Transwestern wanted to ensure that it could continue to achieve high levels of energy efficiency performance across its managed office portfolio and meet the company's commitments to energy efficiency as a partner of the Better Buildings Challenge and as a recipient of the ENERGY STAR® Sustained Excellence Partner of the Year Award. However, like others, Transwestern faced common barriers to achieving greater efficiency in commercial buildings such as identifying cost-effective efficiency opportunities and having a method to obtain data needed to establish a baseline from which to improve. In order to overcome these barriers in its managed office portfolio, Transwestern created the Good, Better …BEST Standards of Sustainability, which established sustainability best practices and minimum standards for energy efficiency.

A rating system was created to gauge level of participation by property managers and improvements at each property, as well as to provide a way to benchmark performance against Transwestern's own portfolio-wide averages. Transwestern used each property's ENERGY

STAR score as one of the criteria for ranking energy efficiency. As part of the Good, Better …BEST Standards of Sustainability, Transwestern also conducted energy benchmarking, developed and implemented building operations plans, and created a building mechanical profile. The Good, Better …BEST model, now being utilized by property managers and operations staff throughout Transwestern's managed office portfolio, allows energy conservation measures to be easily identified and mechanical efficiency issues to be quickly resolved so energy efficiency performance can continue to improve.

TRANSWESTERN's Playbook

Policies

Transwestern's Sustainability Services group, together with the firm's Innovation and Quality Assurance team, developed standards of sustainability policies describing the way Transwestern-managed office buildings will be operated and maintained going forward. That directive, which was communicated to all Transwestern property managers and building engineers, stated that all office buildings will:

1. Benchmark in the Environmental Protection Agency's (EPA) ENERGY STAR Portfolio Manager, input all metered utilities each month and pursue certification plaques for all eligible buildings. Industrial properties are also required to register and benchmark with Portfolio Manager, and input all metered utilities each month.

2. Complete a no- and low-cost operations and maintenance checklist annually; and implement all initiatives applicable to the property.

3. Identify and present to owners all energy-saving lighting and re-lamping opportunities that meet a 2.5 year simple payback or better, incorporating local utility company rebate programs found at www.dsireusa.org (all capital projects must be pre-approved by owner).

The new policy established a standard for energy usage, annual engineering audits, and building operating plans.

Process

Transwestern used comprehensive communication and training to make property managers and engineers aware Good, Better…BEST Standards of Sustainability is the preferred way to operate and maintain Transwestern's managed office portfolio.

Transwestern's Innovation and Quality Assurance Team explained the Good, Better…BEST system in detail to the firm's senior level property managers, who in turn, helped property managers in their respective regions understand and implement sustainability best practices. Property managers and engineers were introduced to the Good, Better …BEST model through a 15-minute webinar, which has been archived as a resource on Transwestern's intranet, TranSource.

Transwestern Sustainability Services created the role of Sustainability Experts to assist property managers and engineers in understanding and implementing the Good, Better …BEST practices. The experts answer questions on the ENERGY STAR program, ENERGY STAR's Portfolio Manager tool, benchmarking, energy conservation measures, LEED® certification and all other sustainability-related matters such as waste management, sustainable purchasing and water efficiency. The Sustainability Experts streamline the education and information dissemination process, serving as the single point of contact for properties in each Transwestern region.

Transwestern instituted a monthly engineering call to review the more than 300+ buildings benchmarked in its ENERGY STAR Master Account, as well as correct errors and outdated meter entries in its ENERGY STAR Portfolio Manager account. The monthly calls serve as a way for the Sustainability Services, and Innovation and Quality Assurance teams, to collaborate with regional engineering leaders on sustainability best practices and discuss how to best implement changes.

It took Transwestern approximately two years to develop, launch and begin implementation of the Good, Better …BEST program. A team of six people spent 18 months designing the program's best practices and measurement matrix. Transwestern utilizes existing team members to develop, implement and provide support to the program, which includes monthly follow-ups.

Tools and Resources

The Good, Better …BEST matrix evaluates each building's standing in five core operational areas. The matrix shows the extent to which a building has adopted the written sustainability best practices, outlining the program's scope, goals and performance metrics, and showing how each property ranks with energy performance benchmarking, annual energy audits and its building operations plan. It also tracks development of the mechanical profile that describes a building's mechanical systems, electrical systems and equipment − including heating, cooling, ventilation, lighting and all other building control systems.

The level of energy efficiency achievements at each building are defined in terms of the Good, Better …BEST scale. The following are the criteria for each ranking:

- **Not Rated:** The property is not benchmarked in ENERGY STAR or has a score under 50.
- **Good:** The property has an ENERGY STAR score of 51 – 65 and the data is current in Portfolio Manager.
- **Better:** The property has an ENERGY STAR score of 66 – 74, data is current and water data is also benchmarked in ENERGY STAR.
- **BEST** (aligned with LEED standards): The property has an ENERGY STAR score of 75 or above, is EPA labeled and water is benchmarked in ENERGY STAR.

If and when the majority of buildings reach the "BETTER" level for energy efficiency, the standards will increase so that Transwestern managed office buildings are always improving their efficiency.

Transwestern developed the Good, Better …BEST calendar to help property managers and engineers plan their buildings' operations and maintenance a year in advance. The calendar provides reminders to complete specific tasks related to Good, Better …BEST, such as

updating ENERGY STAR with energy and water usage, completing a waste audit, communicating with tenants about sustainability and completing the annual engineering audit. It also allows property managers and engineers a visual timeline to help plan the building's operations and maintenance a year in advance.

Additional tools and resources available on Transwestern's internal web include checklists and detailed instructions on how to complete an annual property inspection for office and industrial properties.

Tools:

- Good, Better, …BEST Standards of Sustainability and Matrix
- ENERGY STAR New Building Profile Template
- Good, Better…BEST Pre Engineering Audit Checklist

Measuring Success

Transwestern Sustainability Services annually surveys its managed office portfolio through an online survey. The questions in the survey correspond to the Good, Better…BEST matrix. Based on each individual property's response to the survey, a scorecard is created, ranking the building against the matrix. The building's sustainability is measured through the survey and individual building's scorecard.

Tools:

- Good, Better… BEST 2012 Sustainability Survey
- Good, Better… BEST Building Scorecard

Outcomes

Transwestern's commitment to energy efficiency has a positive impact on each property in its managed office portfolio, making it more likely for leasing brokers to recommend the asset to their clients. Transwestern's sustainability pledge also makes it easier for the firm to market the property to potential tenants when it is leasing the building and possible investors when it is selling the asset. Ultimately, Transwestern's reputation benefits as well.

Transwestern wanted to go above and beyond participation in numerous sustainability programs, such as the Department of Energy's Better Buildings Challenge and ENERGY STAR Partner of the Year. Good, Better …BEST Standards of Sustainability demonstrates how Transwestern's energy efficiency commitments are being implemented in the field. The Good, Better …BEST model is a reporting tool for owners, tenants and Transwestern's leadership, showing the energy efficiency and sustainability of each office property in the portfolio. The annual Good, Better …BEST reports produce a clearly defined snapshot of how each property is performing in core operational areas and will provide documentation of improvements as those milestones are achieved in the future.

So far, Transwestern's Good, Better …BEST model has directly resulted in a 32% increase from the previous year in the number of Transwestern managed office properties that completed the sustainability survey in 2012. It has also resulted in an 8% performance increase in energy and water operational areas, which comes from an increase in Transwestern managed office properties benchmarking energy and water use in ENERGY STAR's Portfolio Manager. Transwestern's Portfolio Manager Master Account has an average ENERGY STAR performance score of 81.