



Honeywell Building Solutions

**CONTRACT FOR TECHNICAL ENERGY AUDIT AND PROJECT  
PROPOSAL**

**FOR**

**CITY OF BRIGHTON, CO**

**PRESENTED BY**

**HONEYWELL BUILDING SOLUTIONS**

**NOVEMBER 14, 2014**

**ENERGY & ENVIRONMENTAL SOLUTIONS**



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Exhibit D – Project Cost and Pricing Elements	55	Includes cost calculation for the Technical Energy Audit/TEA, as well as the open book pricing model in Honeywell’s State contract with the CEO that will be used to determine the City’s cost for project implementation.

***NOTE: This draft is for review purposes, is non-binding and is subject to final internal approval at Honeywell and the City of Brighton.***

## Contract for Technical Energy Audit and Project Proposal

This Contract, dated November 26, 2014, is entered into by and between Honeywell International Inc., d/b/a Honeywell Building Solutions (hereinafter called “Contractor”), and the City of Brighton, Colorado, (hereinafter called the “City” or “Owner”).

WHEREAS, the Owner is the owner of a number of public facilities which consume energy and water; and

WHEREAS, the State of Colorado, Colorado Energy Office coordinates a program under § 29-12.5, C.R.S., under which approved entities may contract with local governments for Technical Energy Audits and Project Proposals; and

WHEREAS, the purpose of the Technical Energy Audit and Project Proposal is to identify energy conservation measures which, if implemented, will over a period of time justify the cost of the Technical Energy Audit and Project Proposal; and

WHEREAS, the parties wish to establish the terms and conditions under which Contractor will perform the Technical Energy Audit and Project Proposal, compensation for which will either be paid through an Energy Cost-Savings Contract to be later negotiated or, if no such Energy Cost-Savings Contract is entered into, such compensation will be paid directly to Contractor.

NOW, THEREFORE, the parties do hereby agree as follows:

### **1. EFFECTIVE DATE AND NOTICE OF NON-LIABILITY.**

This Contract shall not be effective or enforceable until it is approved and signed by the Owner or its designee (hereinafter called the “Effective Date”), but shall be effective and enforceable thereafter in accordance with its provisions. The Owner shall not be liable to pay or reimburse Contractor for any performance hereunder, including, but not limited to costs or expenses incurred, or be bound by any provision hereof prior to the Effective Date.

### **2. RECITALS**

#### **A. Authority, Appropriation, and Approval**

Authority exists in the law and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment and the required approval, clearance and coordination have been accomplished from and with appropriate elected and appointed Owner officials.

#### **B. Purpose and State’s Role**

This Contract is for political subdivisions to use to obtain a technical energy audit of their facilities from a CEO pre-approved private energy service company (ESCO). The purpose of the audit is to perform the Work set forth in §5, below.

### 3. DEFINITIONS

The following terms as used herein shall be construed and interpreted as follows:

#### A. Contract

“Contract” means this Contract, its provisions, attached exhibits, documents incorporated by reference under the terms of this Contract, and any future modifying agreements, exhibits, attachments or references incorporated pursuant to Owner’s Fiscal Rules and Policies; provided, however, Attachment 3 of Exhibit B is included for convenience only, and is not intended to be part of the “Contract.”

#### B. Work

“Work” consists of the tasks Contractor is to perform in order to fulfill its obligations under this Contract.

#### C. Goods

“Goods” means any physical item used, produced, or manufactured either separately or in conjunction with the Work performed and Services rendered hereunder.

#### D. Services

“Services” means services performed or tangible material produced either separately or in conjunction with the Work performed and Goods provided hereunder.

#### E. Subcontractor

Third-party vendors of goods and/or services to Contractor, for specific performance of the Work or Services, if any, are hereinafter referred to as “subcontractors.”

#### F. Parties

“Party” or “Parties” means one or both of the Owner and Contractor.

### 4. TERM and EARLY TERMINATION

#### A. Initial Term -Work Commencement

The initial term of this Contract shall commence on the Effective Date and terminate on November \_\_\_\_, 2016 or upon completion of Work, unless sooner terminated as provided for below, herein. Performance of the Parties’ respective obligations under this Contract shall begin as soon as practicable following commencement of the initial term.

#### B. Temporary Extension

At its sole discretion, the Owner, upon written notice to Contractor, may unilaterally extend the term of this Contract for a period not to exceed two months if the Parties are negotiating a replacement contract (and not merely seeking a term extension) at or near the end of any initial term or an extension thereof. The provisions of the Contract in effect when said notice is given, including, but not limited to prices, rates, and delivery requirements, shall remain in effect during said two-month extension. However, the two-month extension shall immediately terminate when and if a replacement contract becomes effective following the Owner’s approval and signature.

### **C. Early Termination**

This Contract is subject to early termination in accordance with the provisions of the Remedies section 15 below herein.

## **5. STATEMENT OF WORK**

### **A. Work**

Contractor shall perform a Technical Energy Audit at the location(s) listed in Exhibit C, attached hereto, in accordance with the Scope of Work described in Exhibit A, also attached hereto. The parties acknowledge that Exhibit C may be modified to include and exclude locations, but all such modifications shall be in writing and executed by both parties before such modifications are deemed effective. The audit shall determine the feasibility and cost of implementing energy and water saving measures for the Owner and, based on such determination, Contractor shall submit a Project Proposal setting forth a plan for implementing such measures through an Energy Cost-Savings Contract. Owner shall acknowledge acceptance of the Technical Energy Audit Report in a form substantially similar to Exhibit B attached hereto. Acceptance of the Technical Energy Audit Report shall not be construed as acceptance of the Project Proposal, but is simply acknowledgement that the Technical Energy Audit Report has been received and accepted by Owner. Owner shall see to it that the Notice of Acceptance of Technical Energy Audit Report (Exhibit B) is received by Contractor within thirty (30) days of Owner's receipt of the Technical Energy Audit Report.

Nothing in this Contract shall be construed to require Owner to enter into an Energy Cost-Savings Contract with Contractor. However, should Owner in its sole and absolute discretion choose to enter into an Energy Cost-Savings Contract based on Contractor's Project Proposal, such a contract shall be executed within sixty (60) days of Owner's delivery of the Notice of Acceptance of Technical Energy Audit Report (Exhibit B) to Contractor. The deadline for execution of the Energy Cost-Savings Contract may be extended upon request by Owner to allow Owner to secure third-party funding necessary for implementation of the measures found within Contractor's Project Proposal.

Any Energy Cost-Savings Contract entered into between the parties shall comply with § 29-12.5, C.R.S.

### **B. Time of Performance**

The Work shall be completed during the initial term or any extension thereof.

### **C. Goods and Services**

Contractor shall procure goods and services necessary to complete the Work provided for herein.

### **D. Employees**

All persons employed hereunder shall be considered Contractor's or subcontractors' employee(s) for all purposes and shall not be employees of the Owner for any purpose.

## **6. CONTRACTOR COMPENSATION**

### **A. Compensation Basis and Amount**

The amount of Contractor's compensation for the Technical Energy Audit and Project Proposal shall be determined in accordance with the "TEA Pricing" Section in Exhibit D, which shall be applied only to facilities actually audited by Contractor. The Owner shall not be liable to pay or reimburse Contractor for any performance hereunder prior to the Effective Date.

### **B. Payment Through Energy Cost-Savings Contract Funding Mechanisms**

Should Owner and Contractor enter into an Energy Cost-Savings Contract as contemplated under Section 5 (A) above, any compensation owed to Contractor attributable to completion of the Technical Energy Audit and Project Proposal shall be paid exclusively through the funding mechanisms set forth in the Energy Cost-Savings Contract.

### **C. Payment in the Absence of Energy Cost-Savings Contract**

Should Owner and Contractor not enter into an Energy Cost-Savings Contract as provided under Section 5 (A) above, Owner shall remit payment to Contractor for the full amount of all compensation owed to Contractor attributable to the completion of the Technical Energy Audit and Project Proposal. Any such compensation due under this sub-section shall be paid within one hundred twenty (120) days of Owner's delivery of Exhibit B. Provided, however, that if the deadline for entering into the Energy Cost-Savings Contract is extended as allowed in sub-section 5 (A) above, the deadline for payment of compensation under this sub-section shall likewise be extended.

### **D. Project With Insufficient Savings**

The parties acknowledge that one purpose of the Technical Energy Audit is to enable Contractor to identify potential energy savings measures which, if implemented, will provide Owner with funding options sufficient to pay for the costs of implementing such savings, as well as to fully or partially fund other needed improvements to the extent permitted by CRS §29-12.5.

Should the Contractor determine at any time during the Technical Energy Audit that savings cannot be attained to meet Owner's requirements, as required by CRS §29-12.5 and as defined elsewhere herein, the Technical Energy Audit shall be terminated by written notice by the Contractor to Owner. In this event this Contract shall be terminated and the Owner shall not be liable to pay Contractor, in whole or part, the Compensation to Contractor specified in this Section 6.

### **E. Available Funds-Contingency-Remedies**

The Owner is prohibited by law from making fiscal commitments beyond the term of its current fiscal period. Therefore, Contractor's compensation is contingent upon the continuing availability of Owner appropriations as provided in §19.2 of the provisions set forth in Section 19 hereof (the "Colorado Special Provisions"). If federal appropriations or Contracts fund this Contract in whole or in part, the Owner's performance hereunder is contingent upon the continuing availability of such funds. Payments pursuant to this contract shall only be made from available funds encumbered for this Contract, and the Owner's liability for such payments shall be limited to the amount remaining of such encumbered funds. If Owner funds are not appropriated, or otherwise become unavailable to fund this Contract, the Owner may immediately terminate the Contract in whole or in part without further liability in accordance with the Termination for Cause subsection of the Remedies section of this Contract. All payments are subject to the general Remedies section of this Contract.

## **F. Return of Funds**

Any funds paid to Contractor hereunder which are not expended in connection herewith shall be refunded by Contractor within 30 days of termination hereof. Any funds not required to complete Contractor's obligations hereunder shall be de-obligated by the Owner. If Contractor receives overpayments, Contractor shall refund all excess funds to the Owner within 30 days of the later of:

- (1) the receipt of such funds, or
- (2) the determination of such overpayment. Under no circumstances shall unexpended or excess funds received by Contractor under this Contract be refunded or paid to any party other than the Owner.

## **G. Erroneous Payments-Remedies**

Payments made to Contractor in error for any reason, including, but not limited to overpayments or improper payments may, at the Owner's sole discretion, be recovered from Contractor by deduction from subsequent payment under this Contract or other contracts between the Owner and Contractor, or by other appropriate methods.

## **7. REPORTING-NOTIFICATION**

Reports and analysis required under this section shall be in accordance with procedures and in such form as recommended by the State of Colorado – Colorado Energy Office/CEO, unless the parties agree otherwise.

### **A. Litigation**

Within 15 days after being served with any pleading or process filed in a legal or administrative proceeding in any court or administrative agency related to this Contract, Contractor shall notify the Owner of such action and deliver copies of such pleadings, subject to any applicable confidentiality restrictions, to the Owner's principal representative in accordance with the Notice section of this Contract.

### **B. Remedies**

Contractor's failure to provide reports and notify the Owner in a timely manner in accordance with this section may result in the delay of payment of funds and/or termination under Section 16 of this Contract.

## **8. CONTRACTOR RECORDS**

Contractor shall make, keep, maintain and allow inspection and monitoring of the following records:

### **A. Maintenance**

Contractor shall maintain a complete file of all records, documents, communications, notes and other written materials, electronic media files or communications, pertaining in any manner to the Work. Contractor shall maintain such records for (i) a period of three years after the date this Contract is completed or terminated or final payment hereunder, whichever is later, or (ii) for such further period as may be necessary to resolve any pending matters, or (iii) until an ongoing audit has been completed and its findings have been resolved.

## **B. Inspection**

Contractor shall permit the Owner or any other duly authorized agent of a governmental agency to audit, inspect, examine, excerpt, copy and/or transcribe Contractor's records related to this Contract and for a period of three years following termination hereof or final payment hereunder, whichever is later, to assure compliance with the terms hereof or to evaluate Contractor's performance hereunder.

## **C. Monitoring**

Contractor also shall permit the Owner or any other duly authorized agent of a governmental agency, in their sole discretion, to monitor all activities conducted by Contractor pursuant to this Contract using any reasonable procedure, including, but not limited to: internal evaluation procedures, examination of program data, special analyses, on-site checking, and formal audit examinations.

## **9. CONFIDENTIAL INFORMATION-OWNER RECORDS**

Contractor acknowledges that it may become privy to confidential information in connection with its performance hereunder, including, but not limited to Owner records, personnel records, and information concerning individuals, including without limitation individual and customer utility bills and other data.

### **A. Confidentiality**

It shall be Contractor's responsibility to keep all Owner records and information confidential at all times and to comply with all laws and regulations concerning confidentiality of information to the same extent applicable to the Owner. Any request or demand for information in the possession of Contractor made by any third party shall be immediately forwarded to the Owner's principal representative for resolution.

### **B. Notification**

Contractor shall notify its agent, employees, sub-contractors and assigns who may come into contact with confidential information that they are subject to the confidentiality requirements set forth herein, and shall provide each with a written explanation of such requirements before they are permitted to access information.

### **C. Use, Security, and Retention**

No confidential information of any kind shall be distributed or sold to any third party or used by Contractor or its agents in any way, except as authorized by the Contract and as approved by the Owner. Contractor shall provide and maintain a secure environment that ensures confidentiality of all Owner records and other confidential information wherever located. Confidential information shall not be retained in any files or otherwise by Contractor or its agents, except as set forth in this Contract and approved by the Owner.

### **D. Disclosure-Liability**

Disclosure of Owner records or other confidential information for any reason may be cause for legal action against Contractor or its agents by third parties, and defense of any such action shall be Contractor's sole responsibility.

## **E. PUBLIC RECORDS LAW DISCLOSURES**

Contractor acknowledges that, as a governmental entity, Owner may be required to disclose public records pursuant to the Colorado Open Records Act (§24-72-201, et. seq.). Contractor agrees that, should any public records in its possession be requested for production by Owner pursuant to a bona fide request under the Open Records Act, Contractor will provide such documents without charge to Owner.

## **10. CONFLICT OF INTEREST**

### **A. Definition and Appearance**

Contractor shall not knowingly engage in any business or personal activities or practices or maintain any relationships which conflict in any way with the full performance of Contractor's obligations hereunder. Contractor acknowledges that with respect to this Contract, even the appearance of a conflict of interest is harmful to the Owner's interests. Absent the Owner's prior written approval, Contractor shall refrain from any practices, activities or relationships that reasonably appear to be in conflict with the full performance of Contractor's obligations to the Owner hereunder.

### **B. Specific Prohibitions**

Contractor's and sub-Contractor's officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from Contractor, potential contractors, or parties to sub-agreements. Contractor's employees, officers, and agents or any permitted sub-Contractor shall not knowingly participate in the selection, award, or administration of this Contract or sub-Contract if a conflict of interest or the appearance thereof would occur. Such a conflict would arise when any of the following has a financial or other interest in the firm selected for award, to-wit:

- i. an employee, officer or agent;
- ii. any member of the employee's immediate family;
- iii. an employee's partner; or
- iv. an organization, which employs, or is about to employ, any of the aforementioned.

### **C. Determination by Owner-Default**

If Contractor is uncertain whether the appearance of a conflict of interest exists, Contractor shall submit to the Owner a disclosure statement setting forth the relevant details for the Owner's consideration. Failure to promptly submit a disclosure statement or to follow the Owner's direction in regard to the apparent conflict shall be considered a material default of this Contract.

### **D. Code of Performance**

Contractor and sub-contractors, if any, shall maintain a written code of standards governing the performance of their respective employees, agents, and contractors engaged in the award and administration of this Contract. Contractor shall provide a copy of such code to the Owner within 15 days of the Owner's written request therefore.

## **11. WARRANTIES**

### **A. Services and Goods**

During the term of this Contract, Contractor, as part of Contractor's obligations hereunder and at no additional cost to the Owner, warrants, as follows:

#### **i. Specifications**

All Services performed and all Goods delivered shall meet the specifications set forth in this Contract, which are acceptable to the Owner.

#### **ii. Suits, Claims, and Actions**

There are not nor will there be any pending or threatened suits, claims, or actions of any type with respect to the Services or Goods provided, and

#### **iii. Liens and Encumbrances**

All Services performed and Goods provided are and shall remain free and clear of any liens, encumbrances, or claims arising by or through Contractor or any party related to Contractor.

### **B. Standard And Manner Of Performance**

Contractor shall perform the Work in accordance with the reasonable and customary standard of care, skill and diligence provided by a professional person or company in performance of similar Work.

### **C. Inspection and Verification**

The Owner reserves the right to inspect all Services and Goods provided hereunder at all reasonable times and places to verify that they conform to the requirements of the Statement of Work section of this Contract.

### **D. Remedies**

If the Contractor breaches any of its warranties, the Owner may require Contractor to promptly perform the Services or provide Goods again in conformity with Contract requirements, at no additional cost to the Owner. Owner acknowledges that Contractor may be able to fulfill this obligation by repairing promptly or replacing only defective parts, equipment or materials. If such breaches cannot be cured, the Owner may, in addition to any other remedies provided or in this Contract, require Contractor to take necessary action to ensure that future performance conforms to the provisions of this Contract; and equitably reduce the payment due to Contractor to reflect the reduced value of the Services performed or Goods provided. Any reduction, delay or denial of payment under this provision shall not constitute a breach of Contract or default by the Owner.

## **12. REPRESENTATIONS**

### **A. Licenses, Permits, Etc.**

Contractor warrants that as of the Effective Date it has, and that all times during the term hereof it will have, at its sole expense, all licenses, certifications, approvals, insurance, permits, and other authorizations required by law to perform the Services and/or deliver the Goods specified herein. Additionally, all employees of Contractor performing services under this Contract shall hold the required licenses or

certification, if any, to perform their duties. Contractor, if a foreign corporation or other entity transacting business in the State of Colorado, further certifies that it currently has obtained and shall maintain any applicable certificate of authority to do business in the State of Colorado and has designated a registered agent in Colorado to accept service of process. Any revocation, withdrawal or non-renewal of licenses, certifications, approvals, insurance, permits or any such similar requirements necessary for Contractor to properly perform this Contract, shall be deemed to be a default by Contractor and grounds for termination for cause of this Contract.

### **B. Legal Authority**

Contractor warrants that it possesses the legal authority to enter into this Contract and that it has taken all actions required by its procedures, by-laws, and/or applicable laws to exercise that authority, and to lawfully authorize its undersigned signatory to execute this Contract and to bind Contractor to its terms. The person signing and executing this Contract on behalf of Contractor hereby represents, warrants, and, guarantees that they have full authorization to do so.

### **C. Tax Exempt Status**

The Owner represents that it is not liable for any sales, use, excise, property or other taxes imposed by any federal, state or local governmental authority, nor for any Contractor franchise or income related tax. No taxes of any kind shall be charged to the State. The Owner's FEIN # is \_\_\_\_\_ and its tax exempt # is \_\_\_\_\_.

## **13. INSURANCE**

Contractor shall obtain and maintain insurance as specified below herein at all times prior to the termination or expiration of this Contract:

### **A. Worker's Compensation**

Worker's Compensation Insurance as required by state statute, and Employer's Liability Insurance covering all of the Contractor's employees acting within the course and scope of their employment.

### **B. General Liability**

Commercial General Liability Insurance written on ISO occurrence form CG 00 01 10/93 or equivalent, covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows:

- i. \$1,000,000 each occurrence
- ii. \$1,000,000 general aggregate; and
- iii. \$1,000,000 products and completed operations aggregate

If any aggregate limit is reduced below \$1,000,000 because of claims made or paid, the Contractor shall immediately obtain additional insurance to restore the full aggregate limit and furnish to the Owner a certificate or other document satisfactory to the Owner showing compliance with this provision.

### **C. Automobile Liability**

Automobile Liability Insurance covering any auto (including owned, hired and non-owned autos) with a minimum limit as follows: \$1,000,000 each accident combined single limit.

#### **D. Additional Insured**

The Owner shall be named as additional insured on the Commercial General Liability and Automobile Liability Insurance policies (leases and construction contracts require additional insured coverage for completed operations on endorsements CG 2010 11/85, CG 2037, or equivalent).

#### **E. Primacy**

Coverage required of the Contract shall be primary over any insurance or self-insurance program carried by the Owner.

#### **F. Cancellation**

The Insurance shall include provisions preventing cancellation or non-renewal without at least 30 days prior notice to the Owner.

#### **G. Subrogation Waiver**

All insurance policies in any way related to the Contract and secured and maintained by the Contractor as required herein shall include clauses stating that each carrier will waive all rights of recovery, under subrogation or otherwise, against the Owner, its agencies, institutions, organizations, officers, agents, employees, and volunteers.

#### **H. Satisfactory Insurers**

All insurance policies and coverages required hereunder shall be issued by reputable insurance companies satisfactory to the Owner.

#### **I. Certificates**

Contractor shall provide certificates evidencing insurance coverage required hereunder to the Owner within 10 business days of the Effective Date or before commencement of Contractor's performance hereunder, whichever occurs first. No later than 15 days prior to the expiration date of any such coverage, Contractor shall deliver the Owner certificates of insurance evidencing renewals thereof. At any time during the term hereof, the Owner may request in writing, and the Contractor shall thereupon within 15 days supply to the Owner, evidence satisfactory to the Owner of compliance with the provisions of this section.

### **14. DEFAULT-BREACH**

#### **A. Defined**

In addition to any breaches or defaults specified in other sections of this Contract, including, but not limited to the Colorado Special Provisions, the failure of either Party to perform any of its obligations hereunder entirely, partially, or in satisfactory manner, including, but not limited to, performing them in a timely manner, constitutes a default or breach. The institution of proceedings under any bankruptcy, insolvency, reorganization or similar legislation, by or against the Contractor, or the appointment of a receiver or similar officer for the Contractor or any of its property, and such proceedings or appointments are not vacated or fully stayed within 20 days after the institution or occurrence thereof; shall also constitute a default.

## **B. Notice and Cure Period**

In the event of a default or breach, notice of such shall be given in writing by the aggrieved Party to the other Party in the manner provided in the Notice section of this Contract. If such default or breach is not cured within 30 days of receipt of written notice or cure of the default or breach has not begun within said period or has not been pursued with due diligence, the aggrieved Party may terminate this Contract by providing written notice thereof, given in the manner provided for in the Notice section of this Contract, effective 15 days from the date the notice of termination was received.

## **15. REMEDIES**

If Contractor is in default under any provision of this Contract including, but not limited to the Colorado Special Provisions, the Owner shall have all of the remedies listed in this section in addition to all other remedies set forth in other sections of this Contract and as available at law or in equity. The Owner may exercise any or all of the remedies available to it, in its sole discretion, concurrently or consecutively.

### **A. Early Termination in the Public Interest**

The Owner is entering into this Contract for the purpose of carrying out the public policy of the Owner, as determined by its elected and appointed officials. If this Contract ceases to further the public policy of the Owner, the Owner, in its sole discretion, may terminate this Contract in whole or in part. Exercise by the Owner of this right shall not be deemed a breach of the Owner's obligations hereunder. This subsection shall not apply to a termination of this Contract by the Owner for cause or default by Contractor, which shall be governed by the Termination for Cause and/or Default subsection of this Remedies section.

#### **i. Method and Content.**

The Owner shall give written notice of termination to Contractor in accordance with the notice provisions of §14, above, and §16, below, specifying the effective date of termination and whether it affects all or a portion of this Contract.

#### **ii. Obligations and Rights.**

To the extent specified in the termination notice, Contractor shall not incur further obligations or render further performance hereunder past the effective date of such notice, and shall also terminate outstanding orders and subcontracts with third parties. However, Contractor shall complete and deliver to the Owner all Services and Goods not terminated by the termination notice and may incur obligations as are necessary to do so within the Contract terms. In the sole discretion of the Owner, Contractor shall assign to the Owner all of Contractor's right, title, and interest under such terminated orders or subcontracts; provided that Owner assumes Contractor's liabilities and obligations related to the right, title and interest so assigned. Upon termination, Contractor shall take timely, reasonable and necessary action to protect and preserve property in the possession of Contractor in which the Owner has an interest. All finished or unfinished documents, data, studies, research, surveys, drawings, maps, models, photographs, and reports or other materials prepared by Contractor under this Contract or materials owned by the Owner in the possession of Contractor shall be delivered by Contractor to the Owner and shall become the Owner's property. Contractor shall complete and deliver to the Owner all Services and Goods not terminated by the termination notice and may incur obligations as are necessary to do so within the Contract terms.

#### **iii. Payments.**

If this Contract is terminated by the Owner for any reason other than for Cause as described in subsection B of this Section 15, Contractor shall be paid an amount which bears the same ratio to the total compensation as the Services satisfactorily performed or the Goods satisfactorily delivered or installed bear to the total Services and Goods covered by this Contract, less payments previously made.

Additionally, if the Contract is less than 60% completed, the Owner may reimburse Contractor for a portion of actual out-of-pocket expenses (not otherwise reimbursed under this Contract) it incurred that are directly attributable to the uncompleted portion of Contractor's obligations hereunder; provided that reimbursement shall not exceed the maximum amount payable to Contractor.

## **B. Termination for Cause and/or Default**

If Contractor fails to perform any of its obligations hereunder with such diligence as is required to ensure their completion in a timely manner and such non-performance continues following notice, the Owner may notify Contractor in writing of such non-performance which written notice specifies a cure period. If Contractor thereafter fails to promptly cure such non-performance within such time, the Owner, may, at its option, terminate this entire Contract or such part of this Contract as to which there has been delay or a failure to properly perform. Exercise by the Owner of this right shall not be deemed a breach of its obligations hereunder.

### **i. Method and Content**

The Owner shall give written notice of termination to Contractor in accordance with the notice provisions hereof specifying the effective date of termination and whether it affects all or a portion of this Contract.

### **ii. Obligations and Rights**

To the extent specified in the termination notice, Contractor shall not incur further obligations or render further performance hereunder past the effective date of such notice, and shall also terminate outstanding orders and subcontracts with third parties. However, Contractor shall complete and deliver to the Owner all Services and Goods not cancelled by the termination notice and may incur obligations as are necessary to do so within the Contract terms. In the sole discretion of the Owner, Contractor shall assign to the Owner all of Contractor's right, title, and interest under such terminated orders or subcontracts; provided that Owner assumes Contractor's liabilities and obligations related to the right, title and interest so assigned. Upon termination, Contractor shall take timely, reasonable and necessary action to protect and preserve property in the possession of Contractor in which the Owner has an interest. In the sole discretion of the Owner, Contractor shall assign to the Owner all of Contractor's right, title, and interest under such terminated orders or subcontracts. All finished or unfinished documents, data, studies, research, surveys, drawings, maps, models, photographs, and reports or other materials prepared by Contractor under this Contract shall be delivered by Contractor to the Owner and shall become the Owner's property.

### **iii. Payments**

The Owner shall only reimburse Contractor for accepted Services and Goods received up to the date of termination and, if after termination, it is determined that Contractor was not in default or that Contractor's action/inaction was excusable, such termination shall be treated as a termination for other than Cause and the rights and obligations of the Parties shall be the same as if this Contract had not been terminated for cause, as described above herein.

### **iv. Damages and Withholding**

Notwithstanding any other remedial action by the Owner, Contractor also shall remain liable to the Owner for any damages sustained by the Owner by virtue of any default under this section by Contractor and the Owner may withhold any payment to Contractor for the purpose of mitigating the Owner's damages, until such time as the exact amount of damages due to the Owner from Contractor is determined. Further, the Owner may withhold amounts due to Contractor as the Owner deems necessary to protect the Owner against loss because of outstanding liens or claims of former lien holders

and to reimburse the Owner for the excess costs incurred in procuring similar goods or services. Contractor shall be liable for excess costs incurred by the Owner in procuring from third parties replacement Services or substitute Goods as cover.

### **C. Remedies Not Involving Termination**

The Owner, its sole discretion may exercise the following remedies in addition to its other remedies, to-wit:

#### **i. Suspend Performance**

Suspend Contractor's performance pending necessary corrective action as specified by the Owner without entitling Contractor to adjustment in price/cost or schedule; and/or

#### **ii. Withhold Payment**

Withhold payment to the Contractor until corrections in services are satisfactorily completed and /or acceptable goods are provided; and/or

#### **iii. Deny Payment**

Deny payment for those services not performed and/or not provided and which due to circumstances caused by the Contractor cannot be performed, or if performed, would be of no value to the Owner; provided that any denial of payment must be reasonably related to the value of work or performance lost to the Owner; and/or

#### **iv. Removal**

Demand removal of Contractor's employees, agents, or subcontractors whom the Owner deems incompetent, careless, insubordinate, unsuitable, or otherwise unacceptable, or whose continued relation to this Contract is deemed to be contrary to the public interest or not in the Owner's best interest, all such cases being within the sole discretion of Owner.

## **16. NOTICE and REPRESENTATIVES**

### **A. Notice**

All notices required to be given hereunder shall be hand delivered with receipt required or sent by certified or registered mail to such Party's principal representative at the address set forth below. In addition to hard-copy notice, notice also may be sent by e-mail to the e-mail addresses, if any, set forth below. Either Party may from time to time designate by written notice substitute addresses or persons to whom such notices shall be sent. Unless otherwise provided herein, all notices shall be effective upon receipt.

### **B. Representatives**

The individuals listed below are the principal representatives of the respective Parties. With respect to the Owner's representative(s), they have authority to inspect and reject goods and services, approve invoices for payment, and act otherwise for the Owner, except with respect to the execution of modifications to or termination of this Contract. For the purposes of this Contract, the official representative(s) and addresses of the Parties are:

**i. Owner:**

Name:	Margaret Brocklander
Title/Position:	Director of IT & Facilities
Local Government	City of Brighton
Address:	500 South 4th Avenue
Address:	Brighton, CO 80601
Tel	(303) 655-2319
Mobile	(303) 301-5575
E-Mail	<a href="mailto:mbrocklander@brightonco.gov">mbrocklander@brightonco.gov</a>

With a copy to:

Name:	Manuel Esquibel
Title/Position:	City Manager
Local Government	City of Brighton
Address:	500 South 4th Avenue
Address:	Brighton, CO 80601
Tel	(303) 655-2043
E-Mail	<a href="mailto:mesquibel@brightonco.gov">mesquibel@brightonco.gov</a>

**ii. Contractor:**

Contractor Name:	Honeywell Building Solutions
Contractor Rep. Name:	Gary Bergard
Title/Position:	Manager of Business Development
Address:	4224 Tamarack Court
Address:	Boulder, CO 80304
Tel	303-442-5700
Fax	303-736-4414
Mobile	303-589-5219
E-Mail	<a href="mailto:gary.bergard@honeywell.com">gary.bergard@honeywell.com</a>

**17. GOVERNMENTAL IMMUNITY**

Notwithstanding any other provision to the contrary, nothing herein constitutes a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions of the Colorado Governmental Immunity Act, §CRS 24-10-101, et seq., as amended. Liability for claims for injuries to persons or property arising from the negligence of the Owner, its departments, institutions, agencies, boards, officials, and

employees is controlled and limited by the provisions of the Act and the risk management statutes, CRS §24-30-1501, et seq., as amended.

## **18. MISCELLANEOUS**

### **A. Binding Effect**

Unless otherwise provided herein, all provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, legal representatives, successors, and assigns.

### **B. Modification**

This Contract is subject to such modifications as may be required by changes in Federal or Colorado State law, or their implementing regulations. Any such required modification automatically shall be incorporated into and be part of this Contract on the effective date of such change, as if fully set forth herein. Except as specifically provided herein, no modification of this Contract shall be effective unless agreed to in writing by both Parties in an amendment to this Contract, properly executed and approved in accordance with Owner home rule statutes and fiscal rules.

### **C. Entire Understanding**

This Contract represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged herein. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or affect whatsoever, unless embodied herein.

### **D. Severability**

Provided this Contract can be executed and performance of the obligations of the Parties accomplished within its intent, the provisions hereof are severable and any provision that is declared invalid or becomes inoperable for any reason shall not affect the validity of any other provision hereof.

### **E. Counterparts**

This Contract may be executed in multiple identical original counterparts, all of which shall constitute one agreement.

### **F. Waiver**

Waiver of any breach of a term, provision, or requirement of this Contract any right or remedy hereunder, whether explicitly or by lack of enforcement, shall not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.

### **G. Assignment-Novation**

Except as otherwise specifically provided in **Exhibit A**, Contractor's rights and obligations hereunder are personal and may not be transferred, assigned or subcontracted, and novations shall not occur, without the prior, written consent of the Owner. Any attempt at assignment, transfer, subcontracting, or novations without such consent shall be void. All subcontracts/subcontractors approved by Contractor or the Owner shall be subject to the provisions hereof. Contractor shall be solely responsible for all aspects of subcontracting arrangements and performance. Contractor shall be solely responsible for all subcontracting arrangements, directions, and performance, including, but not limited to, delivery of Goods

and performance of Services. Contractor shall require and ensure that each subcontractor assents in writing to all of the provisions hereof, including indemnifying the Owner as required under the Colorado Special Provisions, below herein.

#### **H. Third Party Beneficiaries**

Enforcement of this Contract and all rights and obligations hereunder are reserved solely to the Parties, and not to any third party. Any services or benefits which third parties receive as a result of this Contract are incidental to the Contract, and do not create any rights for such third parties.

#### **I. Survival of Certain Contract Terms**

Notwithstanding anything herein to the contrary, provisions of this Contract requiring continued performance, compliance, or effect after termination hereof, shall survive such termination and shall be enforceable by the Owner if Contractor fails to perform or comply as required.

#### **J. Jurisdiction and Venue**

All suits, actions, or proceedings related to this Contract shall be held in the State of Colorado and the Parties hereby agree that venue shall be proper in the County of Adams.

#### **K. Captions**

The captions and headings in this Contract are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions.

#### **L. Rule of Contraction**

While the Owner drafted this Contract, the Parties agree that this Contract shall not be strictly construed against the drafter.

#### **M. Order of Precedence**

The provisions of this Contract shall govern the relationship of the Owner and Contractor. In the event of conflicts or inconsistencies between this Contract and its exhibits and attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:

- i. Main body of this Contract, including the Colorado Special Provisions; then**
- ii. Exhibit A, then**
- iii. Exhibit B, then**
- iv. Exhibit C, then**
- v. Exhibit D.**

#### **N. LIMITATION OF LIABILITY**

In no event will Contractor be liable for any special, incidental, indirect, speculative, remote, consequential, punitive or exemplary damages, whether arising out of or as a result of breach of contract, warranty, tort,

(including negligence), strict liability, mold, moisture, indoor air quality, or otherwise, arising, related to, or in connection with the services, equipment, materials, or any goods provided hereunder.

**O. REPORT DISCLAIMER**

In the event Owner and Contractor do not execute an Energy Cost-Savings Contract for work included in the Audit Report, Contractor shall have no responsibility to Owner or others for any use of the Audit Report, or any documents, information or services provided by Contractor.

**19. COLORADO SPECIAL PROVISIONS**

The following Colorado Special Provisions apply to all Contracts except where noted in italics.

**19.1. OWNER’S APPROVAL.**

This contract shall not be deemed valid until it has been approved by the Owner or designee.

**19.2. FUND AVAILABILITY.**

Financial obligations of the Owner payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

**19.3. INDEMNIFICATION.**

Contractor shall indemnify, save, and hold harmless the Owner, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred to the extent they are caused by any negligent act or omission by Contractor, or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract.

**19.4. INDEPENDENT CONTRACTOR.**

Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither contractor nor any agent or employee of contractor shall be or shall be deemed to be an agent or employee of the Owner. Contractor shall pay when due all required employment taxes and income taxes and local head taxes on any monies paid by the Owner pursuant to this contract. Contractor acknowledges that contractor and its employees are not entitled to unemployment insurance benefits unless Contractor or a third party provides such coverage and that the Owner does not pay for or otherwise provide such coverage. Contractor shall have no authorization, express or implied, to bind the Owner to any agreement, liability or understanding, except as expressly set forth herein. Contractor shall provide and keep in force workers' compensation (and provide proof of such insurance when requested by the Owner) and unemployment compensation insurance in the amounts required by law and shall be solely responsible for its acts and those of its employees and agents.

**19.5. NON-DISCRIMINATION.**

Contractor agrees to comply with the letter and the spirit of all applicable Owner, State and federal laws respecting discrimination and unfair employment practices.

**19.6. CHOICE OF LAW.**

The laws of the State of Colorado, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this contract. Any provision of this contract, whether or not incorporated herein by reference, which provides for arbitration by any extra-judicial body or person or which is otherwise in conflict with said laws, rules, and regulations shall be considered null and void.

Nothing contained in any provision incorporated herein by reference which purports to negate this choice of law or prohibition of arbitration in whole or in part shall be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this contract, to the extent that this contract is capable of execution. At all times during the performance of this contract, Contractor shall strictly adhere to all applicable federal and State laws, rules, and regulations that have been or may hereafter be established.

#### **19.7. SOFTWARE PIRACY PROHIBITION.**

Governor's Executive Order D 002 00. No Owner or other public funds payable under this contract shall be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies that, for the term of this contract and any extensions, Contractor has in place appropriate systems and controls to prevent such improper use of public funds. If the Owner determines that Contractor is in violation of this paragraph, the Owner may exercise any remedy available at law or equity or under this contract, including, without limitation, immediate termination of this contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.

#### **19.8. EMPLOYEE FINANCIAL INTEREST. CRS §24-18-201 and §24-50-507.**

The signatories aver that to their knowledge, no employee of the Owner has any personal or beneficial interest whatsoever in the service or property described in this contract.

#### **19.9. PUBLIC CONTRACTS FOR SERVICES. CRS §8-17.5-101.**

Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this contract, through participation in the E-Verify Program or the Department program established pursuant to CRS §8-17.5-102(5)(c), Contractor shall not knowingly employ or contract with an illegal alien to perform work under this contract or enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract. Contractor (a) shall not use E-Verify Program or Department program procedures to undertake pre-employment screening of job applicants while this contract is being performed, (b) shall notify the subcontractor and the Owner within three days if Contractor has actual knowledge that a subcontractor is employing or contracting with an illegal alien for work under this contract, (c) shall terminate the subcontract if a subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If Contractor participates in the Department program, Contractor shall deliver to the Owner or political subdivision a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and comply with all of the other requirements of the Department program. If Contractor fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., the contracting State agency, institution of higher education or political subdivision may terminate this contract for breach and, if so terminated, Contractor shall be liable for damages.

#### **19.10. PUBLIC CONTRACTS WITH NATURAL PERSONS. CRS §24-76.5-101.**

Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS §24-76.5-101 et seq., and (c) has produced one form of identification required by CRS §24-76.5-103 prior to the effective date of this contract.

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**THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT**

**\* Persons signing for Contractor hereby swear and affirm that they are authorized to act on Contractor's behalf and acknowledge that the Owner is relying on their representations to that effect.**

**CONTRACTOR:**

For: **Honeywell International Inc.**

Name: Gary Bergard

Title: Manager of Business Development

**OWNER:**

For: **City of Brighton**

Name: Manuel Esquibel

Title: City Manager

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Signature

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Signature

**ATTEST:**

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Natalie Hoel, City Clerk

**APPROVAL AS TO FORM:**

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Margaret R. Brubaker, Esq., City Attorney

## **Exhibit A -- Technical Energy Audit & Project Proposal Contract Scope of Work for the City of Brighton**

### **Overview:**

This Exhibit sets forth the initial and potential subsequent scopes of work under this Contract. (i) Initial: Upon execution of this Contract, Honeywell will undertake all tasks required to prepare and submit to the City for review the complete PFS or “Level 1” assessment report, as described below and in Attachment 1, at no cost to the City. (ii) Subsequent: Honeywell will complete and submit to the City the standard, base technical energy audit, as also described in Attachment 1, and any and all of the work described in Attachments 2, 3, 4 or 5, only upon the finalization of a written amendment to this Contract, agreed to and executed by both Honeywell and the City. See Exhibit D for related cost and City approval information.

1. ***Exhibit A – Attachment 1:*** The technical energy audit activities and deliverables to meet Colorado Energy Office (“CEO”) guidelines pursuant to a standard, base technical energy audit and project proposal (TEA) for facilities/buildings

Language is also provided to address audit services and deliverable requirements beyond a standard, base CEO Technical Energy Audit (TEA) that are required by the City to evaluate and make specific decisions concerning HVAC and other non-energy savings improvements that are identified by the City and Honeywell during the Preliminary Feasibility Study (“PFS”), also referred to as the “Level 1” assessment and report, for inclusion in the TEA.

2. ***Exhibit A – Attachment 2:*** Description of audit services and deliverable requirements that are beyond the base document provided by the CEO Technical Energy Audit (TEA) guidelines for buildings that are required by the City for the development of a Sustainability Management System (“SMS”) Plan.
3. ***Exhibit A – Attachment 3:*** Description of audit services and deliverable requirements beyond a standard, base CEO Technical Energy Audit (TEA) that are required by the City to evaluate and make specific decisions concerning its water metering system. In particular, this will include evaluation of water metering system upgrades, including reduction of customer-based apparent water loss and associated lost billings, and integration of all water meters into a single fixed based advanced meter infrastructure (AMI) for improved labor efficiency, streamlining of data gathering, customer billing, and improved customer service.
4. ***Exhibit A – Attachment 4:*** Description of audit services and deliverable requirements beyond a standard, base CEO Technical Energy Audit (TEA) that are required by the City to evaluate and make specific decisions concerning its Wastewater Enterprise System energy efficiency & process improvements.
5. ***Exhibit A – Attachment 5:*** Description of audit services and deliverable requirements beyond a standard, base CEO Technical Energy Audit (TEA) that are required by the City to evaluate and make specific decisions concerning its Water Enterprise System energy efficiency & process improvements.

6. **Exhibit A – Attachment 6:** This Attachment includes a representative example of worksheets from the Excel based interactive financial modeling tool, also known as the “IFM”, that will developed and refined iteratively by Honeywell during all three levels of project development. This model will be used to present line item cost, savings, package options and cash flow modeling for the purpose of allowing the City to narrow down the list of potential improvements for inclusion in the implementation contract. This Excel model will be used interactively with the City and provided to the City by Honeywell as both a hard and soft copy deliverable during and at the conclusion of the three levels of project development.

In the event that we are unable to establish a “self-funded” solution for Attachments 1, 3, 4 and/or 5, the TEA process will end for the respective Attachment, and the project development fees for these Attachments will be waived in their entirety, except for purchased and installed water meters.

“Self-funded” means that:

1. Multi-year, government or commercial 3<sup>rd</sup> party loan or loans for the City avoid or eliminate any need for capital budgeting or funding, after taking into account any capital contributions, grants or other sources of funds, as described in the interactive financial model that is subject to review and approval by the City. An example of the form of interactive financial model is set forth in Exhibit A – Attachment 6.
2. The annual financial impact for the City from energy and operational savings, which are guaranteed, plus the estimated projected financial benefit from reduced water loss in the system, due in part to increased water meter accuracy, would be equal to or greater than the annual debt service for a period of up to 20 years.

“Guaranteed” means that:

- A. A specific level of energy and operational savings will be covered by a Honeywell guarantee, with payment made for defined shortfalls.
- B. Water meter accuracy will be guaranteed for a multi-year term, statistically sampled each year, and if actual accuracy is less than the guarantee in any given year, then Honeywell would issue a penalty payment to the City based on the accuracy shortfall and base year consumption/usage and rates.

In addition, the new/replacement fixed-base meter reading system (Advanced Metering Infrastructure/AMI) is expected to initially have an average 98%+ effective read rate.

## **Exhibit A – Attachment 1**

### **Scope of Work and Checklist for Audit Services to be included in a Colorado Energy Office Technical Energy Audit (“CEO TEA”) Contract for Building Energy Efficiency**

This Attachment 1 defines the audit scope of work to be provided by Honeywell under the standard, base CEO technical energy audit (“TEA”) for buildings. In the event that additional services are required by the City to develop HVAC and other non-energy savings improvements that are identified by the City and Honeywell during the Preliminary Feasibility Study (“PFS”), then these services will be added at the direction of the City following the fee costing model in Exhibit D.

#### **Standard CEO TEA building energy efficiency scope:**

1. **Data and Information.** Collect data and background information from Owner concerning facility operation and energy use for the most recent three years from the effective date of this Contract as follows:
  - a. Building square footage.
  - b. Construction data of buildings and major additions including building envelope.
  - c. Utility company invoices.
  - d. Occupancy and usage information.
  - e. Description of all energy-consuming or energy-saving equipment used on the premises.
  - f. Description of energy management procedures utilized on the premises.
  - g. Description of any energy-related improvements made or currently being implemented.
  - h. Description of any changes in the structure of the facility or energy-using or water-using equipment.
  - i. Description of future plans regarding building modifications or equipment modifications and replacements.
  - j. Drawings, as available (may include mechanical, plumbing, electrical, building automation and temperature controls, structural, architectural, modifications and remodels).
  - k. Original construction submittals and factory data (specifications, pump curves, etc.), as available.
  - l. Operating engineer logs, maintenance work orders, etc., as available.
  - m. Records of maintenance expenditures on energy-using equipment, including service contracts.
  - n. Prior energy audits or studies, if any.
  
2. **Identify Potential Measures**
  - a. Interview individuals with knowledge of the facility such as the facility manager, maintenance staff, subcontractors and occupants of each building regarding:
    - i. Facility operation, including energy management procedures.
    - ii. Equipment maintenance problems.
    - iii. Comfort problems and requirements.
    - iv. Equipment reliability.
    - v. Projected equipment needs.
    - vi. Occupancy and use schedules for the facility and specific equipment.
    - vii. Facility improvements – past, planned and desired.
  - b. Survey major energy-using equipment, including, but not limited to, lighting (indoor and outdoor), heating and heat distribution systems, cooling systems and related equipment, automatic temperature control systems and equipment, air distribution systems and equipment, outdoor ventilation systems and equipment; exhaust systems and equipment; hot water systems, electric motors, transmission and drive

systems, special systems such as kitchen/dining equipment and swimming pools, renewable energy systems, other energy using systems, water consuming systems, such as restroom fixtures, water fountains and irrigation systems.

- c. Perform "late-night" surveys outside of normal business hours or on weekends to confirm building system and occupancy schedules, if deemed necessary.
  - d. Develop a preliminary list of potential energy, water and operational cost saving measures. Consider the following for each system:
    - i. Comfort and maintenance problems.
    - ii. Energy use, loads, proper sizing, efficiencies and hours of operation.
    - iii. Current operating condition.
    - iv. Remaining useful life.
    - v. Feasibility of system replacement.
    - vi. Hazardous materials and other environmental concerns.
    - vii. Owner's future plans for equipment replacement or building renovations.
    - viii. Facility operation and maintenance procedures that could be affected.
    - ix. Capability to monitor energy performance and verify savings.
3. **Base-Year Consumption.** Establish base-year consumption and reconcile with end-use consumption estimates.
- a. Establish appropriate base year consumption by examining utility bills for the past three years for electricity, gas, propane, steam, water, and any other applicable utilities. Present base year consumption in terms of energy units (kWh, kW, ccf, Therms, gallons, or other units used in bills), in terms of energy units per square foot, in terms of dollars, and in terms of dollars per square foot. Describe the process used to determine the base year (averaging, selecting most representative contiguous 12 months, removal of anomalies, or other statistical or weather-normalized method). Consult with facility personnel to account for any anomalous schedule or operating conditions on billings that could skew the base year representation. Contractor shall account for periods of time when equipment was broken or malfunctioning in calculating the base year.
  - b. Estimate loading, usage and/or hours of operation for all major end uses of total facility consumption including, but not limited to: lighting, heating, cooling, motors (fans, pumps, and other pertinent), plug loads, and other major energy and water using equipment. Where loading or usage are highly uncertain (including variable loads such as cooling), Contractor shall use its best judgment, spot measurements or short-term monitoring. Contractor should not assume that equipment run hours equal the operating hours of the building(s) or facility staff estimates.
  - c. Reconcile annual end-use estimated consumption with the annual base year consumption. This reconciliation shall place reasonable "real-world" limits on potential savings. Propose adjustments to the baseline for energy, water and operational cost saving measures that shall be implemented in the future.
4. **Preliminary Analysis.** Also referred to as a "preliminary feasibility study" or "PFS", this includes developing a preliminary analysis of potential energy, water and operational cost saving measures.
- a. List all potential opportunities, whether cost-effective or not. Consider technologies in a comprehensive approach including, but not limited to: lighting and daylighting systems, heating/ventilating/air conditioning equipment and distribution systems, controls systems, building envelope, motors, kitchen equipment, pools, renewable energy systems, irrigation systems, other special equipment, water and operational cost saving devices.
  - b. Identify measures which appear likely to be cost effective and therefore warrant detailed analysis. Level 1 cost and savings data, which will consist of line item simple payback calculations for potential ECMs,

will be presented in an Excel based interactive financial modeling tool that allows for “what if” line-item inclusion/exclusion and an overall cash flow model.

- c. For each measure, prepare a preliminary estimate of energy, water or operational cost savings including description of analysis methodology, supporting calculations and assumptions used to estimate savings.
5. **Preliminary Meeting.** Meet with Owner to present preliminary analysis prior to complete analysis. Describe how the projected project economics meet the Owner’s terms for completing the Technical Energy Audit and Proposal Contract. Discuss assessment of energy use, savings potential, project opportunities, and potential for developing an energy Cost-Savings contract. Develop a list of recommended measures for further analysis. The Owner shall at its discretion, have the option to reject any presented calculations of savings, potential savings allowed, or project recommendations.
6. **Savings and Cost Analysis.** Analyze savings and costs for each mutually agreed to energy, water and operational cost saving measure and any mutually agreed to capital improvement measures.
  - a. Follow the methodology of the American Society of Heating, Refrigeration, and Air Conditioning Engineers (ASHRAE) or other nationally-recognized authorities following the engineering principle(s) identified for each retrofit option.
  - b. Level 2 cost and savings data will be provided, which will consist of line item cost and savings calculations for potential ECMs, and will be presented in an Excel based interactive financial modeling tool (the “IFM”) that allows for “what if” line-item inclusion/exclusion and an overall cash flow model.
  - c. For those ECMs that are selected for full development by the City after the presentation of Level 2 cost and savings figures, Level 3 costs will be developed based on an adequate level of Mechanical, Electrical, and Plumbing (MEP) schematic design (SD) and/or design development (DD) level plans and specifications, and other forms of acceptable competitive bidding documents to allow the establishment of guaranteed maximum pricing (“GMP”) or firm fixed pricing for each ECM. City may provide Honeywell with subcontractors and suppliers to include in competitive bidding process, and has the right to approve the final selection of subcontractors and suppliers. These line item costs will be presented in an updated Excel based interactive financial modeling tool (“IFM”) to allow for additional or final “what if” line-item inclusion/exclusion and an overall cash flow model to facilitate City selection of measures for inclusion in the Energy Cost Savings Contract (the “ECSC”) implementation.
  - d. Utilize assumptions, projections and baselines which best represent the true value of future energy or operational savings. Include accurate marginal costs for each unit of savings at the time the audit is performed, documentation of material and labor cost savings, adjustments to the baseline to reflect current conditions at the facility, calculations which account for the interactive effects of the recommended measures.
  - e. Use best judgment regarding the employment of instrumentation and recording durations so as to achieve an accurate and faithful characterization of energy use.
  - f. Adhere to percentage ranges of project costs stated in contract in all cost estimates.
  - g. Develop a preliminary measurement and verification plan for each measure.
  - h. Follow additional guidelines for analysis and report preparation given below.
7. **Draft Audit Report.** Prepare a draft Technical Energy Audit Report. The report provides an engineering and economic basis for negotiating a potential Energy Cost-Savings Contract between the Owner and the Contractor. The report shall include:
  - a. Overview.
    - i. Contact information.
    - ii. Brief executive summary identifying at a minimum any project phases, building names, total project cost, total energy, water and operational cost savings, and financial summary.
    - iii. Summary table of recommended energy, water and operational cost saving measures, by building/ECM, with itemization for each measure of total design and construction cost, rebates, all

- capital contributions, annual maintenance costs, the first year cost avoidance (in dollars and energy/water units), emissions reductions, simple payback and new equipment service life.
- iv. Summary by building of annual energy and water use by fuel type and costs of existing or base year condition. Compare energy use index in kBtu per ft<sup>2</sup> per year of building both before and after retrofit and benchmark with the most recently released version of the Commercial Buildings Energy Consumption Survey (CBECS), and benchmark with the average (or best) building of its type.
  - v. Summary table of recommended energy, water and operational cost saving measures, with itemization for each measure of total design and construction cost, annual maintenance costs, the first year cost avoidance (in dollars and energy/water units), simple payback and equipment service life.
  - vi. Summary of annual energy and water use by fuel type and costs of existing or base year condition.
  - vii. Calculation of cost savings expected if all recommended measures are implemented and total percentage savings of total facility energy cost.
  - viii. Description of the existing facility, mechanical and electrical systems.
  - ix. Summary description of measures, including estimated costs and savings for each as detailed above.
  - x. Discussion of measures considered but not investigated in detail.
  - xi. Conclusions and recommendations.
- b. Base year energy use.
    - i. Description and itemization of current billing rates, including schedules and riders.
    - ii. Summary of all utility bills for all fuel types and water.
    - iii. Identification and definition of base year consumption and description of how established.
    - iv. Reconciliation of estimated end use consumption (i.e. lighting, cooling, heating, fans, plug loads, etc) with base year (include discussion of any unusual findings)
  - c. Full description of each energy, water and operational cost saving measure including:
    - i. Written description of:
      - Existing conditions.
      - Description of equipment to be installed and how it shall function.
      - Include discussion of facility operations and maintenance procedures that shall be affected by installation/implementation.
      - Present the plan for installing or implementing the recommendation.
    - ii. Savings calculations:
      - Base year energy use and cost.
      - Post-retrofit energy use and cost.
      - Savings estimates including analysis methodology, supporting calculations and assumptions used.
      - Annual savings estimates. The cost savings for all energy saving measures must be determined for each year during the contract period. Savings must be able to be achieved each year (cannot report average annual savings over the term of the contract).
      - Savings must be limited to savings allowed by the Owner as described above.
      - Percent cost-avoidance projected.
      - Description and calculations for any proposed rate changes.
      - Explanation of how savings interactions between retrofit options are accounted for in calculations.

- Operation and maintenance savings, including detailed calculations and description. Ensure that maintenance savings are only applied in the applicable years and only during the lifetime of the particular equipment.
  - Future capital cost avoidances, because they are not explicitly cost savings and are instead reallocated Owner capital funds, must be clearly noted and include an explanation as such for edification of the Owner.
  - If computer simulation is used, include a short description and state key input data. If requested by Owner, access shall be provided to the program and all assumptions and inputs used, and/or printouts shall be provided of all input files and important output files and included in the Technical Energy Audit with documentation that explains how the final savings figures are derived from the simulation program output printouts.
  - If manual calculations are employed, formulas, assumptions and key data shall be stated.
  - Conclusions, observations, caveats.
- iii. Cost estimate – Include all information required under CRS §24-30-2002 as well as a detailed scope of the construction work suitable for cost estimating. Include all anticipated costs associated with installation and implementation. Provide preliminary specifications for major mechanical components as well as detailed lighting and water fixture counts. The following shall also be included:
- Engineering/design costs.
  - ESCo or Contractor/vendor estimates showing breakdown for labor, materials, and equipment; include special provisions, overtime, and all other appropriate items, as needed to accomplish the work with minimum disruption to the operations of the facilities.
  - Permit costs.
  - Construction management fees.
  - Environmental costs or benefits (disposal, avoided emissions, handling of hazardous materials, and any other related costs).
  - ESCO shall engage all appropriate utility companies and reasonably apply all available rebates and incentives available from the utility to reduce the overall cost of the project.
  - ESCO shall state whether applicable rebates for EPAct 2005 were pursued in each area of lighting, HVAC, and envelope measures, including supporting details for how they are being pursued. If they are not being pursued, please explain why.
  - Note that all project percentages stated in **Exhibit D** to the Technical Energy Audit and Project Proposal Contract (TEAPP), to which this Exhibit A is attached, shall be used in the cost estimates, unless otherwise documented and justified due to change in scope or size of project or other unforeseen circumstances.
  - Conclusions, observations, caveats.
  - Other cost categories as defined above under “Project Percentages” in Contract.
- d. Miscellaneous:
- i. Estimate of average useful service life of equipment.
  - ii. Preliminary commissioning plan. Preliminary commissioning plan shall follow the *Commissioning Guidelines for Energy Cost-Savings Contracts in State of Colorado Facilities*.
  - iii. Preliminary measurement and verification plan, following *Measurement and Verification Guidelines for Energy Cost-Savings Contracts in State of Colorado Facilities*, explaining how savings from each measure is to be measured and verified.
  - iv. Discussion of impacts that facility would incur after contract ends. Consider operation and maintenance impacts, staffing impacts, budget impacts, etc., and identify who is responsible for maintenance.

- v. Compatibility with existing systems.
8. **Post-Audit Meeting.** Meet with Owner to review the recommendations, savings calculations and impact of the measures on the operations of the facility. Describe how the projected project economics meet the Owner's terms for completing the Technical Energy Audit and Cost-Savings Contract Proposal. Discuss the willingness and capability of Owner to make capital contributions to the project to improve the economics of the overall project. Revise Audit as directed by Owner.
9. **Complete and Present Final Technical Energy Audit Report.** Deliver final audit report to Owner for approval. Execute Exhibit B to the TEAPP.
10. **Proposal.** Prepare an Energy Cost-Savings Contract Proposal using the State of Colorado's Energy Cost-Savings Contract documents. In anticipation of Contractor and Owner entering into an Energy Cost-Savings Contract to design, install, and monitor the energy, water and operational cost saving measures proposed in the Technical Energy Audit Report, Contractor shall prepare a proposal to be incorporated in an Energy Cost-Savings contract that includes the following:
  - a. Project Cost is the maximum not to exceed amount Owner shall pay for the project and Contractor's services. Costs must be consistent with mutually agreed to project percentages established in **Exhibit D** to the TEAPP. Costs shall include: engineering, designing, procuring, installing (from Technical Energy Audit Report results); performance/payment bond costs; construction management costs; commissioning costs; maintenance costs; monitoring and verification costs; training costs; and overhead and profit. ESCO may present other project-related costs if reviewed and approved by CEO, and previously disclosed in ESCO's proposal and presented in the TEAPP.
  - b. Include a List of Services that shall be provided as related to each cost.
  - c. Expected term of the Energy Cost-Savings Contract.
  - d. Expected utility rate forecast (escalation or decline) based on historical trends, utility provider rate **forecasts, economic forces of supply and demand** (global, national, local or regional), natural resource availability, technology, utility capital investment, and environmental requirements. (CEO and/or the Owner shall be consulted on the appropriate fuel price escalation factors for all projects.)
  - e. Description of how the project shall be financed including available interest rates and financing terms, based on interest rates likely available to Owner at this time, and based on a 60-day and 90-day lock option.
  - f. Explanation of how the savings shall be calculated and adjusted due to weather (such as heating and cooling degree days), occupancy or other factors. Monitoring and verification methods must be consistent with the most current version of *Measurement and Verification Guidelines for Energy Cost-Savings Contracts in State of Colorado Facilities*.
  - g. Analysis of annual cash flow for Owner during the contract term.

**Exhibit A – Attachment 2**  
**Scope of Work for Sustainability Management**  
**System (“SMS”) Plan Development -- Additional Audit Services beyond**  
**a CEO TEA for Building Energy Efficiency**

This Attachment 2 defines the audit scope of work to be provided by Honeywell **beyond** the standard, base CEO technical energy audit guidelines for buildings. These additional services are required by the City to develop a Sustainability Management System plan, including the following key components:

<b>Sustainability Management System (SMS) Plan Components</b>	<b>Include In Base Fee?</b>
1. Energy	Y
2. Water (potable, stormwater, wastewater)	Y
3. Emissions and Greenhouse Gases	Y
4. Purchasing/Procurement	Y
5. Pollution Prevention	Y
6. Ground Transportation	Y
7. Maintenance (Grounds, Landscape , O&M)	Y
8. Custodial Services	
9. Food Purchasing and Preparation	
10. Hazardous Waste Disposal	
11. Personnel Policies	
12. Integrated Pest Management	
13. Workplace of the Future	
14. Operational Leases	
15. Monitoring and Reporting	
16. Health and Well Being	
17. Waste and Recycling	
18. Green Building (New, Renovated, Additions)	
19. Sustainability Education	y
20. Occupant Engagement	y
21. Community Engagement and Public Outreach	y
22. Air Quality (Indoor and Outdoor)	
23. Resilience and Durability	

Scope alignment between the Sustainability Management System and the TEA deliverables for the Energy Costs Savings Contract will address --

- Synergistic interaction between the guarantee obligations under an Energy Costs Savings Contract (“ECSC”) for energy savings, environmental impact, technical compliance and operational outcomes and the SMS.
- Selected components that are above and beyond the areas included in the ECSC, such as sustainability education and community engagement, and public outreach.
- The SMS plan and subsequent implementation under the ECSC is anticipated to uncover additional opportunities for savings and implementation of “best practices”.
- The SMS plan and subsequent implementation under the ECSC may also help overdrive savings under the ECSC.

SMS plan development will include –

<b>GATHER</b>	<b>Sustainability Building Audit</b>
	Create Sustainability Checklist specific to building and operations type.
	Inventory all of City of Brighton’s buildings will be accomplished under Exhoibit A - Attachment 1. Attachment 1 includes analysis and documentation of current operations and maintenance practices. A similar effort will be made for building elements related to sustainability.
	Develop Sustainability Site Visit Memo which summarizes findings of the site visits in addition to recommending basic low-cost, quick steps to get started on the road to sustainability.
	<b>Sustainability Survey</b>
	Develop surveys to be distributed to staff and citizens regarding sustainability.
	Brighton to distribute surveys.
	Compile up to 1,000 survey results and provide a memo of findings with recommendations for sustainability priorities based on survey results.
<b>PLAN</b>	<b>Sustainable Management Plan Development</b>
	Bi-weekly meetings for 6 months including:
	<ul style="list-style-type: none"> <li>• One kick-off meeting to discuss process, schedule and steps.</li> </ul>
	<ul style="list-style-type: none"> <li>• One Day Sustainable Management Plan Charrette with key decision makers.</li> </ul>
	<ul style="list-style-type: none"> <li>• Two to four hour charrettes on each of the 5 to 10 categories to present findings of audits, survey, and reviews, establish policies, goals, priorities, measures of success, and implementation timeline.</li> </ul>
	<ul style="list-style-type: none"> <li>• Information review: existing buildings, trash and recycling, master plan, O&amp;M policies</li> </ul>
	<ul style="list-style-type: none"> <li>• Develop a communication plan to identify messaging, marketing collateral, social media, marketing strategy</li> </ul>
	<ul style="list-style-type: none"> <li>• Develop a project management plan for long term sustainment of plan.</li> </ul>
	<ul style="list-style-type: none"> <li>• Provide a list of vendors for certain types vendors. Example – recycling, janitorial, etc. that meet the requirements of the SMP</li> </ul>
	<b>Sustainable Management Plan Document:</b>
	<ul style="list-style-type: none"> <li>• Develop 50% Draft Sustainable Management Plan summarizing the Brighton’s goals, priorities, measures of success, implementation steps, and current status.</li> </ul>
	<ul style="list-style-type: none"> <li>• Develop 75% Draft Sustainable Management Plan.</li> </ul>
	<ul style="list-style-type: none"> <li>• Develop Final Sustainable Management Plan.</li> </ul>

Subsequent services that may be implemented under the ECSC include –

<b>IMPLEMENT</b>	<b>Sustainable Management System Implementation</b>
	Develop rollout procedures and schedule for Implementation of SMS.
	Develop a how to manual for implementation targeted at different user groups
	Two meetings with Brighton to discuss progress of implementation.
	Create a webinar to educate staff and new employees regarding the sustainable policies, practices, materials, and technologies utilized by the Brighton. Give presentation with Project Manager at Brighton one time.
<b>MONITOR</b>	<b>Sustainable Management System Monitoring</b>
	Review progress tracking information compiled by the Brighton on a monthly basis for up to three months.
	Bi-monthly meetings for up to three months to review progress of the Sustainable Management System implementation.
	Review final tracking information compiled by the Brighton.
<b>REVIEW</b>	<b>Review of Sustainable Management System Progress</b>
	Weekly meetings for up two months.
	Inventory of up to three buildings, analyze and document current operations and maintenance practices in addition to building elements as related to sustainability and provide a sustainability site visit memo.
	Redistribute surveys by Brighton to up to 1,000 staff and visitors regarding sustainability, compile survey results, and provide a report of findings with recommendations for sustainability priorities based on survey results.
<b>IMPROVE</b>	<b>Improve the Sustainable Management System</b>
	Review final tracking information compiled by the Brighton.
	Draft updates to Sustainable Management Plan incorporating updated findings and monitoring results.
	Finalize Sustainable Management Plan incorporating the Brighton’s review comments.

## **Exhibit A – Attachment 3**

### **Water Metering System Scope of Work -- Additional Audit Services beyond a CEO TEA for Building Energy Efficiency**

This Attachment 3 defines the audit scope of work to be provided by Honeywell **beyond** the standard, base CEO technical energy audit guidelines for buildings. These additional services are required by the City to evaluate potential water metering system upgrades.

Honeywell will provide auditing and proposal development services including the following tasks and associated sub-tasks:

#### **Task 1**

1. Interview meter readers to determine whether there are any unaccounted for meters.
2. Review water use at water and wastewater treatment plants. Ensure that neither of these locations are a source of unaccounted for water.
3. Obtain customer billing data for water and sewer accounts and pumped water data for the past three years.
4. Determine the difference between pumped and billed water data for the past three years.
5. Review customer billing data, and determine whether there is a pattern of low usage for any account. Special emphasis will be placed on accounts with meters sized 3” and above.
6. Source potential grants, rebates, and financing.
7. Prepare and present report summarizing findings.

At the conclusion of Task 1, if it is determined that a self-funded project is not likely achievable from a water meter upgrade program, then the City reserves the right to direct Honeywell to cease any further development under this Attachment 2 at no financial obligation to the City.

#### **Task 2**

1. Perform accuracy testing on (25) meters sized greater than 2” in size following American Water Works Association (AWWA) standards. Test ports will be installed as needed, or meters will be removed and replaced with spools for up to 48 hours for off-site testing, then re-installed.
2. Perform accuracy testing on a sample of 25 meters sized 2” and below following AWWA standards. Statistical sample size for each meter size will correspond to 20% precision and 90% confidence. Meters will be removed and replaced with new meters that will be connected to existing registers and data transmitters. Existing meters will be shipped off-site for testing, and will be returned to the City within 45 days. Scope and costing for this assumes City has adequate bench stock to replace meters less than or equal to 2” in size that will be pulled for testing, or will increase this fee/cost to cover meter purchases. The following table shows the meter quantities, sizes, and types that will be removed and replaced with new meters:



5. Facilitate a private sector competitive proposal process by the City for third party tax-exempt financing (municipal lease and certificates of participation, or COPs), as well as Colorado Water Conservation Board (CWCB) financing.
6. Develop a preliminary measurement and verification plan establishing penalty payments for deviations from guaranteed new metering system accuracies.
7. Develop a preliminary commissioning plan for the proposed AMI system.
8. Develop a formal technical report summarizing all findings and a formal proposal to implement.

**Exhibit A – Attachment 4**  
**Wastewater Enterprise System Energy Efficiency & Process Improvements Scope of Work -- Additional Audit Services beyond a CEO TEA for Building Energy Efficiency**

This Attachment 4 defines the audit scope of work to be provided by Honeywell **beyond** the standard, base CEO technical energy audit guidelines for buildings. These additional services are required by the City to evaluate potential Wastewater (or Sewer) Enterprise Fund upgrades. This includes improvements that will be self-funded from energy and/or operational savings and other available Owner funds inside of the combined Water/Sewer Enterprise Funds.

1. **Data and Information.** Collect data and background information from Owner concerning WWTP operation and energy use for the most recent three years from the effective date of this Contract as follows:
  - a. Annual water/wastewater flows (MGD)
    - i. Design Flow (Permitted hydraulic and organic capacities)
    - ii. Peak flow
    - iii. Annual Average flow
    - iv. Low flow
  - b. Process description, including flow diagram(s), narrative description(s), and drawings as available (may include civil, mechanical, plumbing, electrical, controls, structural, architectural, modifications and remodels).
  - c. Utility company invoices, chemical costs, sludge hauling costs, and other operational costs.
  - d. Operating schedule
  - e. Description of all energy-consuming or energy-saving equipment used on the premises.
  - f. Description of any energy-related improvements made or currently being implemented.
  - g. Description of future plans regarding modifications or equipment replacements.
  - h. Original construction submittals and factory data (specifications, pump curves, etc.), as available.
  - i. Monthly operating reports, maintenance work orders, etc., as available.
  - j. Records of maintenance expenditures on energy-using equipment, including service contracts.
  - k. Prior process audits, energy audits or studies, if any.
  
2. **Identify Potential Measures**
  - a. Interview city administrator, engineers, and operators with knowledge of the plant regarding:
    - i. Plant operation, including energy management, chemical dosing, and sludge hauling procedures.
    - ii. Equipment maintenance problems.
    - iii. Process problems and requirements.
    - iv. Equipment reliability.
    - v. Projected equipment needs.
    - vi. Plant improvements – past, planned and desired.
  - b. Survey major energy-using equipment including, but not limited to, pumps, aeration equipment, disinfection equipment, dewatering equipment, lighting, HVAC equipment, renewable energy systems, and other energy using systems.
  - c. Develop a preliminary list of potential energy and other cost saving measures. Consider the following for each process:

- i. Energy use, equipment selection and proper sizing, efficiencies.
  - ii. Current operating conditions.
  - iii. Remaining useful life.
  - iv. Feasibility of system replacement.
  - v. Hazardous materials and other environmental concerns.
  - vi. Owner's future plans for equipment replacement or plant renovations.
  - vii. Plant operation and maintenance procedures that could be affected.
  - viii. SCADA system condition, capabilities, and capacity to monitor energy performance and verify savings.
  - ix. Chemical use and alternatives.
  - x. Sludge disposal alternatives.
3. **Base-Year Consumption.** Establish base-year consumption and reconcile with end-use consumption estimates.
- a. Establish appropriate base year consumption by examining utility bills for the past three years for electricity, gas, propane, and any other applicable utilities. Present base year consumption in terms of energy units (kWh, kW, ccf, Therms, or other units used in bills), in terms of energy units per chosen metric, such as kWh per MGal treated, or kWh per pound of BOD treated. Describe the process used to determine the base year (averaging, selecting most representative contiguous 12 months). Consult with plant personnel to account for any anomalous schedule or operating conditions on billings that could skew the base year representation. Contractor shall account for periods of time when equipment was malfunctioning in calculating the base year.
  - b. Estimate energy usage for each process at the plant including, but not limited to: aeration, pumping, disinfection, dewatering, lighting, HVAC and other major energy consuming processes. Where loading or usage are highly uncertain, Contractor shall use its best judgment, spot measurements or short-term monitoring.
  - c. Reconcile annual end-use estimated consumption with the annual base year consumption. This reconciliation shall place reasonable "real-world" limits on potential savings. Propose adjustments to the baseline for energy saving measures that shall be implemented in the future.
4. **Preliminary Analysis.** Also referred to as a "preliminary feasibility study" or "PFS", this includes developing a preliminary analysis of potential energy and other cost saving measures.
- a. List all potential opportunities, whether cost-effective or not. Consider technologies in a comprehensive approach including, but not limited to: pumps, aeration equipment, disinfection equipment, dewatering equipment, lighting, HVAC equipment, renewable energy systems, and other energy using systems.
  - h. Identify measures which appear likely to be cost effective and therefore warrant detailed analysis. Level 1 cost and savings data, which will consist of line item simple payback calculations for potential ECMs, will be presented in an Excel based interactive financial modeling tool that allows for "what if" line-item inclusion/exclusion and an overall cash flow model.
  - b. For each measure, prepare a preliminary estimate of energy or other cost savings including description of analysis methodology, supporting calculations and assumptions used to estimate savings.
5. **Preliminary Meeting.** Meet with Owner to present preliminary analysis prior to complete analysis. Describe how the projected project economics meet the Owner's terms for completing the Technical Energy Audit and Proposal Contract. Discuss assessment of energy use, savings potential, project opportunities, and potential for developing an energy performance contract. Develop a list of recommended measures for further analysis. The Owner shall at its discretion, have the option to reject any presented calculations of savings, potential savings allowed, or project recommendations.

6. **Savings and Cost Analysis.** Analyze savings and costs for each mutually agreed to energy or other cost saving measure and any mutually agreed to capital improvement measures.
  - a. Follow standard engineering calculation(s) and principle(s) to estimate savings identified for each retrofit option.
  - b. Level 2 cost and savings data will be provided, which will consist of line item cost and savings calculations for potential ECMs, and will be presented in an Excel based interactive financial modeling tool (the “IFM”) that allows for “what if” line-item inclusion/exclusion and an overall cash flow model.
  - c. For those ECMs that are selected for full development by the City after the presentation of Level 2 cost and savings figures, Level 3 costs will be developed based on an adequate level of Mechanical, Electrical, and Plumbing (MEP) schematic design (SD) and/or design development (DD) level plans and specifications, and other forms of acceptable competitive bidding documents to allow the establishment of guaranteed maximum pricing (“GMP”) or firm fixed pricing for each ECM. City may provide Honeywell with subcontractors and suppliers to include in competitive bidding process, and has the right to approve the final selection of subcontractors and suppliers. These line item costs will be presented in an updated Excel based interactive financial modeling tool (“IFM”) to allow for additional or final “what if” line-item inclusion/exclusion and an overall cash flow model to facilitate City selection of measures for inclusion in the Energy Cost Savings Contract (the “ECSC”) implementation.
  - d. Utilize assumptions, projections and baselines which best represent the true value of future energy or operational savings. Include accurate marginal costs for each unit of savings at the time the audit is performed, documentation of material and labor cost savings, adjustments to the baseline to reflect current conditions at the plant, calculations which account for the interactive effects of the recommended measures.
  - e. Use best judgment regarding the employment of instrumentation and recording durations so as to achieve an accurate and faithful characterization of energy use.
  - f. Adhere to percentage ranges of project costs stated in contract in all cost estimates.
  - g. Develop a preliminary measurement and verification plan for each measure.
  - h. Follow additional guidelines for analysis and report preparation given below.
  
7. **Draft Audit Report.** Prepare a draft Technical Energy Audit Report section for this Attachment 2. The report section will provide an engineering and economic basis for negotiating WWTP upgrades as part of a potential Energy Cost Savings Contract between the Owner and the Contractor. The report section shall include:
  - a. Overview.
    - i. Contact information.
    - ii. Brief executive summary identifying at a minimum any project phases, total project cost, total energy and other cost savings, and financial summary.
    - iii. Summary table of recommended energy and other cost saving measures, by ECM, with itemization for each measure of total design and construction cost, rebates, all capital contributions, annual maintenance costs, the first year cost avoidance (in dollars and energy units), emissions reductions, simple payback and new equipment service life.
    - iv. Summary of annual energy use by fuel type and costs of existing or base year condition. Compare energy use index in kWh per MGal treated or pound of BOD treated both before and after retrofit and benchmark with the EPA Energy Star Portfolio Manager or other benchmarking standard.
    - v. Calculation of cost savings expected if all recommended measures are implemented and total percentage savings of total plant energy cost.
    - vi. Description of the existing plant process and treatment systems.
    - vii. Summary description of measures, including estimated costs and savings for each as detailed above.

- viii.** Discussion of measures considered but not investigated in detail.
- ix.** Conclusions and recommendations.
- b. Base year energy use.
  - i.** Description and itemization of current billing rates, including schedules and riders.
  - ii.** Summary of all utility bills for all fuel types.
  - iii.** Identification and definition of base year consumption and description of how established.
  - iv.** Reconciliation of estimated end use consumption (i.e. pumping, aeration, disinfection, dewatering, etc.) with base year (include discussion of any unusual findings).
- c. Full description of each energy and other cost saving measure including:
  - i.** Written description of:
    - a) Existing conditions.
    - b) Description of equipment to be installed and how it shall function.
    - c) Include discussion of plant operations and maintenance procedures that shall be affected by installation/implementation.
    - d) Present the plan for installing or implementing the recommendation.
  - ii.** Savings calculations:
    - a) Base year energy use and cost.
    - b) Post-retrofit energy use and cost.
    - c) Savings estimates including analysis methodology, supporting calculations and assumptions used.
    - d) Annual savings estimates. The cost savings for all energy saving measures must be determined for each year during the contract period. Savings must be able to be achieved each year (cannot report average annual savings over the term of the contract).
    - e) Savings must be limited to savings allowed by the Owner as described above.
    - f) Percent cost-avoidance projected.
    - g) Description and calculations for any proposed rate changes.
    - h) Explanation of how savings interactions between retrofit options are accounted for in calculations.
    - i) Operation and maintenance savings, including detailed calculations and description. Ensure that maintenance savings are only applied in the applicable years and only during the lifetime of the particular equipment.
    - j) Future capital cost avoidances, because they are not explicitly cost savings and are instead reallocated Owner capital funds, must be clearly noted and include an explanation as such for edification of the Owner.
    - k) If computer simulation is used, include a short description and state key input data. If requested by Owner, access shall be provided to the program and all assumptions and inputs used, and/or printouts shall be provided of all input files and important output files and included in the Technical Energy Audit with documentation that explains how the final savings figures are derived from the simulation program output printouts.
    - l) If manual calculations are employed, formulas, assumptions and key data shall be stated.
    - m) Conclusions, observations, caveats.
  - iii.** Cost estimate – Include all information required under CRS §24-30-2002 as well as a detailed scope of the construction work suitable for cost estimating. Include all anticipated costs associated with installation and implementation. Provide preliminary specifications for major equipment installation or upgrades. The following shall also be included:
    - a) Engineering/design costs.

- b) ESCo or Contractor/vendor estimates showing breakdown for labor, materials, and equipment; include special provisions, overtime, and all other appropriate items, as needed to accomplish the work with minimum disruption to the operations of the plant.
  - c) Permit costs.
  - d) Construction management fees.
  - e) Environmental costs or benefits (disposal, avoided emissions, handling of hazardous materials, and any other related costs).
  - f) Note that all project percentages stated in **Exhibit D** to the Technical Energy Audit and Project Proposal Contract (TEAPP), to which this Exhibit A is attached, shall be used in the cost estimates, unless otherwise documented and justified due to change in scope or size of project or other unforeseen circumstances.
  - g) Conclusions, observations, caveats.
  - h) Other cost categories as defined above under “Project Percentages” in Contract.
- d. Miscellaneous:
- i. Estimate of average useful service life of equipment.
  - ii. Preliminary commissioning plan.
  - iii. Preliminary measurement and verification plan, following the most current International Performance Monitoring and Verification Protocol (IPMVP), explaining how savings from each measure is to be measured and verified.
  - iv. Discussion of impacts that plant would incur after contract ends. Consider operation and maintenance impacts, staffing impacts, budget impacts, etc., and identify who is responsible for maintenance.
  - v. Compatibility with existing systems.
8. **Post-Audit Meeting.** Meet with Owner to review the recommendations, savings calculations and impact of the measures on the operations of the plant. Describe how the projected project economics meet the Owner’s terms for completing the Technical Energy Audit and Performance Contract Proposal. Discuss the willingness and capability of Owner to make capital contributions to the project to improve the economics of the overall project. Revise Audit as directed by Owner.
9. **Complete and Present Final Technical Energy Audit Report Section for this Attachment.** Deliver final audit report to Owner for approval. Execute Exhibit B to the TEAPP.
10. **Proposal.** Prepare the scope and pricing for this Attachment and selected measures to be included in the Energy Cost Savings Contract Proposal using the State of Colorado’s Energy Cost Savings Contract documents. In anticipation of Contractor and Owner entering into an Energy Cost Savings Contract to design, install, and monitor the energy and other cost saving measures proposed in the Technical Energy Audit Report, Contractor shall prepare a proposal to be incorporated in an Energy Performance contract that includes the following:
- a. Project Cost is the maximum not to exceed amount Owner shall pay for the project and Contractor’s services. Costs must be consistent with mutually agreed to project percentages established in **Exhibit D** to the TEAPP. Costs may include but are not limited to: engineering, designing, packaging, procuring, installing (from Technical Energy Audit Report results); performance/payment bond costs; construction management fees; commissioning costs; maintenance fees; monitoring fees; training fees; and overhead and profit.
  - b. Include a List of Services that shall be provided as related to each cost.
  - c. Expected term of the Energy Cost Savings Contract.

- d. Expected utility rate forecast (escalation or decline) based on historical trends, utility provider rate forecasts, economic forces of supply and demand (global, national, local or regional), natural resource availability, technology, utility capital investment, and environmental requirements. (CEO and/or the Owner shall be consulted on the appropriate fuel price escalation factors for all projects.)
- e. Description of how the project shall be financed including available interest rates and financing terms, based on interest rates likely available to Owner at this time, and based on a 60-day and 90-day lock option.
- f. Explanation of how the savings shall be calculated and adjusted due to varied plant flows or other factors. Monitoring and verification methods must be consistent with the most current IPMVP.
- g. Analysis of annual cash flow for Owner during the contract term.

## **Exhibit A – Attachment 5**

### **Water Enterprise System Energy Efficiency & Process Improvements Scope of Work -- Additional Audit Services beyond a CEO TEA for Building Energy Efficiency**

This Attachment 5 defines the audit scope of work to be provided by Honeywell **beyond** the standard, base CEO technical energy audit guidelines for buildings. These additional services are required by the City to evaluate potential Water Enterprise Fund upgrades. This includes improvements that will be self-funded from energy and/or operational savings and other available Owner funds inside of the combined Water/Sewer Enterprise Funds.

1. **Data and Information.** Collect data and background information from Owner concerning the raw water system, water treatment plant (WTP) and potable water distribution system, Water system operation and energy use for the most recent three years from the effective date of this Contract as follows:
  - a. Annual water/wastewater flows (MGD)
    - i. Design Flow (Permitted hydraulic and organic capacities)
    - ii. Peak flow
    - iii. Annual Average flow
    - iv. Low flow
  - b. Process description, including flow diagram(s), narrative description(s), and drawings as available (may include civil, mechanical, plumbing, electrical, controls, structural, architectural, modifications and remodels).
  - c. Utility company invoices, chemical costs, sludge hauling costs, and other operational costs.
  - d. Operating schedule
  - e. Description of all energy-consuming or energy-saving equipment used on the premises.
  - f. Description of any energy-related improvements made or currently being implemented.
  - g. Description of future plans regarding modifications or equipment replacements.
  - h. Original construction submittals and factory data (specifications, pump curves, etc.), as available.
  - i. Monthly operating reports, maintenance work orders, etc., as available.
  - j. Records of maintenance expenditures on energy-using equipment, including service contracts.
  - k. Prior process audits, energy audits or studies, if any.
2. **Identify Potential Measures**
  - a. Interview city administrator, engineers, and operators with knowledge of the plant regarding:
    - i. Plant operation, including energy management, chemical dosing, and sludge hauling procedures.
    - ii. Equipment maintenance problems.
    - iii. Process problems and requirements.
    - iv. Equipment reliability.
    - v. Projected equipment needs.
    - vi. Plant improvements – past, planned and desired.
  - b. Survey major energy-using equipment including, but not limited to, pumps, aeration equipment, disinfection equipment, dewatering equipment, lighting, HVAC equipment, renewable energy systems, and other energy using systems.
  - c. Develop a preliminary list of potential energy and other cost saving measures. Consider the following for each process:
    - i. Energy use, equipment selection and proper sizing, efficiencies.

- ii. Current operating conditions.
- iii. Remaining useful life.
- iv. Feasibility of system replacement.
- v. Hazardous materials and other environmental concerns.
- vi. Owner's future plans for equipment replacement or plant renovations.
- vii. Plant operation and maintenance procedures that could be affected.
- viii. SCADA system condition, capabilities, and capacity to monitor energy performance and verify savings.
- ix. Chemical use and alternatives.
- x. Waste disposal alternatives.

3. **Base-Year Consumption.** Establish base-year consumption and reconcile with end-use consumption estimates.

- a. Establish appropriate base year consumption by examining utility bills for the past three years for electricity, gas, propane, and any other applicable utilities. Present base year consumption in terms of energy units (kWh, kW, ccf, Therms, or other units used in bills), in terms of energy units per chosen metric, such as kWh per MGal treated, or kWh per MGal pumped. Describe the process used to determine the base year (averaging, selecting most representative contiguous 12 months). Consult with Water Department and WTP personnel to account for any anomalous schedule or operating conditions on billings that could skew the base year representation. Contractor shall account for periods of time when equipment was malfunctioning in calculating the base year.
- b. Estimate energy usage for each process at the plant including, but not limited to: treatment, pumping, disinfection, lighting, HVAC and other major energy consuming processes. Where loading or usage are highly uncertain, Contractor shall use its best judgment, spot measurements or short-term monitoring.
- c. Reconcile annual end-use estimated consumption with the annual base year consumption. This reconciliation shall place reasonable "real-world" limits on potential savings. Propose adjustments to the baseline for energy saving measures that shall be implemented in the future.

4. **Preliminary Analysis.** Also referred to as a "preliminary feasibility study" or "PFS", this includes developing a preliminary analysis of potential energy, water and operational cost saving measures.

- a. List all potential opportunities, whether cost-effective or not. Consider technologies in a comprehensive approach including, but not limited to: well field improvements, pumps, filtering & treatment equipment, disinfection equipment, lighting, HVAC equipment, renewable energy systems, and other energy using systems.
- b. Identify measures which appear likely to be cost effective and therefore warrant detailed analysis. Level 1 cost and savings data, which will consist of line item simple payback calculations for potential ECMs, will be presented in an Excel based interactive financial modeling tool that allows for "what if" line-item inclusion/exclusion and an overall cash flow model.
- c. For each measure, prepare a preliminary estimate of energy or other cost savings including description of analysis methodology, supporting calculations and assumptions used to estimate savings.

5. **Preliminary Meeting.** Meet with Owner to present preliminary analysis prior to complete analysis. Describe how the projected project economics meet the Owner's terms for completing the Technical Energy Audit and Proposal Contract. Discuss assessment of energy use, savings potential, project opportunities, and potential for developing an energy performance contract. Develop a list of recommended measures for further analysis. The Owner shall at its discretion, have the option to reject any presented calculations of savings, potential savings allowed, or project recommendations.

6. **Savings and Cost Analysis.** Analyze savings and costs for each mutually agreed to energy or other cost saving measure and any mutually agreed to capital improvement measures.
  - a. Follow standard engineering calculation(s) and principle(s) to estimate savings identified for each retrofit option.
  - b. Level 2 cost and savings data will be provided, which will consist of line item cost and savings calculations for potential ECMs, and will be presented in an Excel based interactive financial modeling tool (the “IFM”) that allows for “what if” line-item inclusion/exclusion and an overall cash flow model.
  - c. For those ECMs that are selected for full development by the City after the presentation of Level 2 cost and savings figures, Level 3 costs will be developed based on an adequate level of Mechanical, Electrical, and Plumbing (MEP) schematic design (SD) and/or design development (DD) level plans and specifications, and other forms of acceptable competitive bidding documents to allow the establishment of guaranteed maximum pricing (“GMP”) or firm fixed pricing for each ECM. City may provide Honeywell with subcontractors and suppliers to include in competitive bidding process, and has the right to approve the final selection of subcontractors and suppliers. These line item costs will be presented in an updated Excel based interactive financial modeling tool (“IFM”) to allow for additional or final “what if” line-item inclusion/exclusion and an overall cash flow model to facilitate City selection of measures for inclusion in the Energy Cost Savings Contract (the “ECSC”) implementation.
  - d. Utilize assumptions, projections and baselines which best represent the true value of future energy or operational savings. Include accurate marginal costs for each unit of savings at the time the audit is performed, documentation of material and labor cost savings, adjustments to the baseline to reflect current conditions in the well field, at the plant, and in the potable water distribution system, calculations which account for the interactive effects of the recommended measures.
  - e. Use best judgment regarding the employment of instrumentation and recording durations so as to achieve an accurate and faithful characterization of energy use.
  - f. Adhere to percentage ranges of project costs stated in contract in all cost estimates.
  - g. Develop a preliminary measurement and verification plan for each measure.
  - h. Follow additional guidelines for analysis and report preparation given below.
  
7. **Draft Audit Report.** Prepare a draft Technical Energy Audit Report section for this Attachment. The report section will provide an engineering and economic basis for negotiating Water System upgrades as part of a potential Energy Cost Savings Contract between the Owner and the Contractor. The report section shall include:
  - a. Overview.
    - i. Contact information.
    - ii. Brief executive summary identifying at a minimum any project phases, total project cost, total energy and other cost savings, and financial summary.
    - iii. Summary table of recommended energy and other cost saving measures, by ECM, with itemization for each measure of total design and construction cost, rebates, all capital contributions, annual maintenance costs, the first year cost avoidance (in dollars and energy units), emissions reductions, simple payback and new equipment service life.
    - iv. Summary of annual energy use by fuel type and costs of existing or base year condition. Compare energy use index in kWh per MGal treated or pumped, both before and after retrofits and benchmark with the EPA Energy Star Portfolio Manager or other benchmarking standard.
    - v. Calculation of cost savings expected if all recommended measures are implemented and total percentage savings of total plant energy cost.
    - vi. Description of the existing plant process and treatment systems.
    - vii. Summary description of measures, including estimated costs and savings for each as detailed above.
    - viii. Discussion of measures considered but not investigated in detail.

- ix. Conclusions and recommendations.
- b. Base year energy use.
  - i. Description and itemization of current billing rates, including schedules and riders.
  - ii. Summary of all utility bills for all fuel types.
  - iii. Identification and definition of base year consumption and description of how established.
  - iv. Reconciliation of estimated end use consumption (i.e. pumping, filtration, disinfection, backwashing, etc.) with base year (include discussion of any unusual findings).
- c. Full description of each energy and other cost saving measure including:
  - i. Written description of:
    - a) Existing conditions.
    - b) Description of equipment to be installed and how it shall function.
    - c) Include discussion of plant operations and maintenance procedures that shall be affected by installation/implementation.
    - d) Present the plan for installing or implementing the recommendation.
  - ii. Savings calculations:
    - a) Base year energy use and cost.
    - b) Post-retrofit energy use and cost.
    - c) Savings estimates including analysis methodology, supporting calculations and assumptions used.
    - d) Annual savings estimates. The cost savings for all energy saving measures must be determined for each year during the contract period. Savings must be able to be achieved each year (cannot report average annual savings over the term of the contract).
    - e) Savings must be limited to savings allowed by the Owner as described above.
    - f) Percent cost-avoidance projected.
    - g) Description and calculations for any proposed rate changes.
    - h) Explanation of how savings interactions between retrofit options are accounted for in calculations.
    - i) Operation and maintenance savings, including detailed calculations and description. Ensure that maintenance savings are only applied in the applicable years and only during the lifetime of the particular equipment.
    - j) Future capital cost avoidances, because they are not explicitly cost savings and are instead reallocated Owner capital funds, must be clearly noted and include an explanation as such for edification of the Owner.
    - k) If computer simulation is used, include a short description and state key input data. If requested by Owner, access shall be provided to the program and all assumptions and inputs used, and/or printouts shall be provided of all input files and important output files and included in the Technical Energy Audit with documentation that explains how the final savings figures are derived from the simulation program output printouts.
    - l) If manual calculations are employed, formulas, assumptions and key data shall be stated.
    - m) Conclusions, observations, caveats.
  - iii. Cost estimate – Include all information required under CRS §24-30-2002 as well as a detailed scope of the construction work suitable for cost estimating. Include all anticipated costs associated with installation and implementation. Provide preliminary specifications for major equipment installation or upgrades. The following shall also be included:
    - a) Engineering/design costs.

- b) ESCo or Contractor/vendor estimates showing breakdown for labor, materials, and equipment; include special provisions, overtime, and all other appropriate items, as needed to accomplish the work with minimum disruption to the operations of the Water System.
  - c) Permit costs.
  - d) Construction management fees.
  - e) Environmental costs or benefits (disposal, avoided emissions, handling of hazardous materials, and any other related costs).
  - f) Note that all project percentages stated in **Exhibit D** to the Technical Energy Audit and Project Proposal Contract (TEAPP), to which this Exhibit A Attachment 4 is attached, shall be used in the cost estimates, unless otherwise documented and justified due to change in scope or size of project or other unforeseen circumstances.
  - g) Conclusions, observations, caveats.
  - h) Other cost categories as defined above under “Project Percentages” in Contract.
- d. Miscellaneous:
- i. Estimate of average useful service life of equipment.
  - ii. Preliminary commissioning plan.
  - iii. Preliminary measurement and verification plan, following the most current International Performance Monitoring and Verification Protocol (IPMVP), explaining how savings from each measure is to be measured and verified.
  - iv. Discussion of impacts that plant would incur after contract ends. Consider operation and maintenance impacts, staffing impacts, budget impacts, etc., and identify who is responsible for maintenance.
  - v. Compatibility with existing systems.
8. **Post-Audit Meeting.** Meet with Owner to review the recommendations, savings calculations and impact of the measures on the operations of the plant. Describe how the projected project economics meet the Owner’s terms for completing the Technical Energy Audit and Performance Contract Proposal. Discuss the willingness and capability of Owner to make capital contributions to the project to improve the economics of the overall project. Revise Audit as directed by Owner.
9. **Complete and Present Final Technical Energy Audit Report Section for this Attachment.** Deliver final audit report to Owner for approval. Execute Exhibit B to the TEAPP.
10. **Proposal.** Prepare the scope and pricing for this Attachment and selected measures to be included in the Energy Cost Savings Contract Proposal using the State of Colorado’s Energy Cost Savings Contract documents. In anticipation of Contractor and Owner entering into an Energy Cost Savings Contract to design, install, and monitor the energy and other cost saving measures proposed in the Technical Energy Audit Report, Contractor shall prepare a proposal to be incorporated in an Energy Performance contract that includes the following:
- a. Project Cost is the maximum not to exceed amount Owner shall pay for the project and Contractor’s services. Costs must be consistent with mutually agreed to project percentages established in **Exhibit D** to the TEAPP. Costs may include but are not limited to: engineering, designing, packaging, procuring, installing (from Technical Energy Audit Report results); performance/payment bond costs; construction management fees; commissioning costs; maintenance fees; monitoring fees; training fees; and overhead and profit.
  - b. Include a List of Services that shall be provided as related to each cost.
  - c. Expected term of the Energy Cost Savings Contract.

- d. Expected utility rate forecast (escalation or decline) based on historical trends, utility provider rate forecasts, economic forces of supply and demand (global, national, local or regional), natural resource availability, technology, utility capital investment, and environmental requirements. (CEO and/or the Owner shall be consulted on the appropriate fuel price escalation factors for all projects.)
- e. Description of how the project shall be financed including available interest rates and financing terms, based on interest rates likely available to Owner at this time, and based on a 60-day and 90-day lock option.
- f. Explanation of how the savings shall be calculated and adjusted due to varied plant flows or other factors. Monitoring and verification methods must be consistent with the most current IPMVP.
- g. Analysis of annual cash flow for Owner during the contract term.

## **Exhibit A – Attachment 6**

### **Form of Excel-Based Interactive Financial Model**

An example of a scope table and cash flow model excerpt from the Excel based interactive financial model that will be developed, refined and provided in soft and hard copy form to the City as part of the levels 1, 2 & 3 deliverables is provided on the following page. It should be noted that the information provided therein is representative of the form and content of Interactive Financial Model (the “IFM”) model that will be developed under this TEA Contract and is not based on actual engineering estimates or design at this point in time.

Suggested criteria for the City to use in identifying the relative importance of improvements to the City for inclusion in project implementation is summarized in the following excerpt from the IFM worksheet titled *Prioritizing Guide* below:

- A. Measures with this classification are needed to address a **non-deferrable critical infrastructure improvement need** such as imminent failure of HVAC equipment, indoor air quality, occupant safety, leaking/failing roofs, serious indoor comfort challenges, code violations, sewer collection system reliability, water or wastewater treatment plant health/life safety or permit violations, etc. You believe that the situation needs to be corrected ASAP & cannot defer the associated improvement. Timing is right to do this work as part of the performance contract to accomplish economies of scale and minimize construction related disruptions to use of your infrastructure.
- B. Use this classification to identify measures that you would **likely implement only if it meets your line-item investment criteria**. Examples include energy and/or water conservation measures with good payback, turning under-utilized areas into rentable event space after the addition of air conditioning, improved water/sewer revenues, reduction in purchased materials, supplies & services, etc.
- C. This classification covers improvements that would address **non-critical infrastructure improvement needs and desires that would generally fall into the category of "discretionary & deferrable"**. Examples include low-risk potential failure of HVAC equipment, compliance with future regulations for water/wastewater, end-of-life-cycle equipment and systems, replacement vs. upgrade of lighting fixtures, replacement/remodel of ceiling grids during HVAC or lighting upgrades, elimination of low-risk safety exposure, etc.
- D. These items are generally characterized as **"you would like to have", assuming you could afford them**. Examples include demonstration renewable energy projects that do not meet your investment criteria, aesthetic improvements, etc.

## Representative Scope Table for City General Fund Facilities

ECM/ SIM ID	Energy Conservation Measure (ECM) or System Improvement Measures (SIM)	Current Situation	Scope Summary	Include in project?	Savings for selected measures			Cost for selected measures			Simple Payback for Selected Measures	
					Energy	O&M Savings	Total	Total	Less Grants & Rebates	Less Budgeted Capital Contribution		Net
<b>Brighton City Hall</b>												
2.1	Condenser replacement	The two rooftop condensing units serving the cooling coil in the main building air handling unit were manufactured in 2000. They are approaching - but have not yet reached - their median estimated service life of 20 years.	Replace the two rooftop condensing units with new, more efficient condensing units. This measure will result in energy and O&M cost savings.	Y	\$ 1,134	\$ -	\$ 1,134	\$ 106,100	\$ -	\$ 25,000	\$ 81,100	71.5 years
3.1	BAS upgrades	Building envelope heating loads are met by hot water fin tube radiation (FTR) units located along exterior walls. Each building face - north, south, east, and west - is a separate zone, but floors and individual rooms are not zoned separately.	Install control valves and temperature sensors for the FTR units on each floor and integrate them into the existing building automation system (BAS) for improved temperature control. This measure will result in improved comfort and energy cost savings.	Y	\$ 5,670	\$ -	\$ 5,670	\$ 94,500	\$ -	\$ -	\$ 94,500	16.7 years
5.1	Building lighting system upgrades	Lighting fixtures in this building contain a mix of linear fluorescent T8 lamps with electronic ballasts, and compact fluorescent lamps (CFLs). Emergency lighting fixtures contain light emitting diode (LED) lamps. Occupancy sensors are present in most private offices.	Replace interior can and exterior wallpack lighting fixtures with new lighting fixtures containing LED lamps. Install LED retrofit kits with external drivers in linear fluorescent fixtures. Install occupancy sensors to shut lights off when spaces are not occupied in selected areas as needed. This measure will result in improved lighting quality, energy cost savings, and O&M cost savings.	Y	\$ 4,536	\$ 2,268	\$ 6,804	\$ 113,400	\$ 11,340	\$ 7,560	\$ 94,500	13.9 years
6.1	Building envelope upgrades	Weatherstripping around doors and caulking around door and window frames are generally in good condition. During the Level 3 audit, a thorough survey will be conducted to determine any deficiencies in building envelope components.	Replace weather-stripping around doors and operable windows, and recaulk door frames and window frames as needed. Seal all roof to wall intersections and penetrations as needed. Add roof insulation where needed. This measure will result in improved comfort and energy cost savings.	Y	\$ 3,969	\$ -	\$ 3,969	\$ 37,800	\$ -	\$ -	\$ 37,800	9.5 years
17.1	BAS retro-commissioning	Most building heating, ventilating, and air-conditioning (HVAC) equipment is integrated into a Honeywell Niagara building automation system (BAS). Facilities staff has generally done a good job of adjusting control sequences and setpoints to optimize occupant comfort and energy performance.	Perform additional adjustments on control sequences and setpoints, based on a detailed "standards of comfort" document for each functional space to be developed during the Level 3 audit. This measure will result in improved comfort and energy cost savings.	Y	\$ 1,418	\$ -	\$ 1,418	\$ 18,900	\$ -	\$ -	\$ 18,900	13.3 years
<b>Historic City Hall</b>												
3.2	BAS installation	Heating, ventilating, and air-conditioning (HVAC) equipment in this building is controlled by a combination of non-programmable thermostats and on-off switches.	Integrate building HVAC equipment into a new building automation system (BAS). New BAS controllers will in turn be integrated into the City's existing Honeywell Niagara BAS. This measure will result in compliance with the current ASHRAE Energy Standard (90.1), improved remote monitoring and control, improved indoor environmental quality and comfort, energy cost savings, and O&M cost savings.	Y	\$ 9,075	\$ -	\$ 9,075	\$ 82,500	\$ -	\$ -	\$ 82,500	9.1 years
4.1	VRF HVAC system installation	This building is heated by steam radiators served by a cast iron boiler manufactured in 2000. The building is cooled by a combination of window air-conditioning units and rooftop units. Most steam radiators lack temperature controls. The steam radiators and window air-conditioning units do not provide adequate ventilation air flows. There is no source of heat in the historic council room on the second floor.	Install a variable refrigerant flow (VRF) heating, ventilating, and air-conditioning (HVAC) system to serve the entire building. The existing boiler, window air-conditioning units, and rooftop units will be removed. This measure will result in improved indoor environmental quality and comfort, energy cost savings, and O&M cost savings.	Y	\$ 6,806	\$ 10,000	\$ 16,806	\$ 990,000	\$ 39,600	\$ 500,000	\$ 450,400	26.8 years
5.1	Building lighting system upgrades	Lighting fixtures in this building contain a mix of linear fluorescent T12 lamps with magnetic ballasts, linear fluorescent T8 lamps with electronic ballasts, and compact fluorescent lamps (CFLs).	Replace interior can and exterior wallpack lighting fixtures with new lighting fixtures containing LED lamps. Install LED retrofit kits with external drivers in linear fluorescent fixtures. Install occupancy sensors to shut lights off when spaces are not occupied in selected areas as needed. This measure will result in improved lighting quality, energy cost savings, and O&M cost savings.	Y	\$ 3,630	\$ 990	\$ 4,620	\$ 49,500	\$ 4,950	\$ 3,300	\$ 41,250	8.9 years
6.1	Building envelope upgrades	Weatherstripping around doors and caulking around door and window frames are generally in fair condition. During the Level 3 audit, a thorough survey will be conducted to determine any deficiencies in building envelope components.	Replace weather-stripping around doors and operable windows, and recaulk door frames and window frames as needed. Seal all roof to wall intersections and penetrations as needed. Add roof insulation where needed. This measure will result in improved comfort and energy cost savings.	Y	\$ 2,723	\$ -	\$ 2,723	\$ 16,500	\$ -	\$ -	\$ 16,500	6.1 years
<b>Brighton Armory PAC</b>												
4.3	Air distribution system upgrades	People sitting in the first six rows of the auditorium frequently complaining that the room is too cold during the winter. This may result from cold air flowing down a relief air duct on the east side of the front of the auditorium.	Review operation of relief air dampers, balance air distribution system, and modify ductwork as needed. This measure will result in improved comfort and energy cost savings.	Y	\$ -	\$ -	\$ -	\$ 83,950	\$ -	\$ -	\$ 83,950	N/A
5.1	Building lighting system upgrades	Lighting fixtures in this building contain a mix of light emitting diode (LED) lamps, linear fluorescent T8 lamps with electronic ballasts, and incandescent lamps.	Replace interior and exterior lighting fixtures with new lighting fixtures containing LED lamps where appropriate. Install occupancy sensors to shut lights off when spaces are not occupied in selected areas as needed. This measure will result in improved lighting quality, energy cost savings, and O&M cost savings.	Y	\$ 1,028	\$ 17	\$ 1,045	\$ 8,395	\$ 840	\$ 1,679	\$ 5,877	5.6 years
6.1	Building envelope upgrades	Weatherstripping around doors and caulking around door and window frames are generally in good condition. During the Level 3 audit, a thorough survey will be conducted to determine any deficiencies in building envelope components.	Replace weather-stripping around doors and operable windows, and recaulk door frames and window frames as needed. Seal all roof to wall intersections and penetrations as needed. Add roof insulation where needed. This measure will result in improved comfort and energy cost savings.	Y	\$ 881	\$ -	\$ 881	\$ 8,395	\$ -	\$ -	\$ 8,395	9.5 years
6.3	Window replacement	Windows in the restrooms on the north side of the building have single pane glass, and people often complain that they are cold in the restrooms.	Replace restroom windows with double glazed windows with low emissivity coatings and insulated frames. This measure will result in improved indoor environmental quality and energy cost savings.	Y	\$ 661	\$ -	\$ 661	\$ 41,975	\$ -	\$ -	\$ 41,975	63.5 years
17.1	BAS retro-commissioning	Most building heating, ventilating, and air-conditioning (HVAC) equipment is integrated into a Honeywell Niagara building automation system (BAS). Facilities staff has generally done a good job of adjusting control sequences and setpoints to optimize occupant comfort and energy performance.	Perform additional adjustments on control sequences and setpoints, based on a detailed "standards of comfort" document for each functional space to be developed during the Level 3 audit. This measure will result in improved comfort and energy cost savings.	Y	\$ 367	\$ -	\$ 367	\$ 4,198	\$ -	\$ -	\$ 4,198	11.4 years

ECM/ SIM ID	Energy Conservation Measure (ECM) or System Improvement Measures (SIM)	Current Situation	Scope Summary	Include in project?	Savings for selected measures			Cost for selected measures			Simple Payback for Selected Measures	
					Energy	O&M Savings	Total	Total	Less Grants & Rebates	Less Budgeted Capital Contribution		Net
<b>Historic Senior Center</b>												
1.1	Boiler replacement	The three boilers serving this building were manufactured in approximately 1980s. They have exceeded their median estimated service life of 24 years.	Replace the three boilers with newer, more efficient boilers. This measure will result in energy and O&M cost savings - if the building is placed back in use.	y	\$ 1,028	\$ -	\$ 1,028	\$ 250,000	\$ -	\$ -	\$ 250,000	243.1 years
3.2	BAS installation	Heating, ventilating, and air-conditioning (HVAC) equipment in this building is controlled by a combination of programmable thermostats and non-programmable thermostats.	Integrate building HVAC equipment into a new building automation system (BAS). New BAS controllers will in turn be integrated into the City's existing Honeywell Niagara BAS. This measure will result in compliance with the current ASHRAE Energy Standard (90.1), improved remote monitoring and control, improved indoor environmental quality and comfort, energy cost savings, and O&M cost savings - if the building is placed back in use.	y	\$ 1,846	\$ -	\$ 1,846	\$ 23,073	\$ -	\$ -	\$ 23,073	12.5 years
4.6	Rooftop unit replacement	The four rooftop units serving this building were manufactured between 1996 and 2003 and have either exceeded or are nearing their median estimated service lives of 15 years.	Replace the four rooftop units with new, more efficient rooftop units. This measure will result in energy and O&M cost savings - if the building is placed back in use.	y	\$ 1,846	\$ 1,400	\$ 3,246	\$ 140,000	\$ 11,075	\$ -	\$ 128,925	39.7 years
5.1	Building lighting system upgrades	Lighting fixtures in this building contain a mix of linear fluorescent T8 lamps with electronic ballasts, and compact fluorescent lamps (CFLs).	Replace interior can and exterior wallpack lighting fixtures with new lighting fixtures containing LED lamps. Install LED retrofit kits with external drivers in linear fluorescent fixtures. Install occupancy sensors to shut lights off when spaces are not occupied in selected areas as needed. This measure will result in improved lighting quality, energy cost savings, and O&M cost savings - if the building is placed back in use.	y	\$ 646	\$ 277	\$ 923	\$ 13,844	\$ 1,384	\$ 923	\$ 11,536	12.5 years
6.1	Building envelope upgrades	Weatherstripping around doors and caulking around door and window frames are generally in poor condition. During the Level 3 audit, a thorough survey will be conducted to determine any deficiencies in building envelope components.	Replace weather-stripping around doors and operable windows, and recaulk door frames and window frames as needed. Seal all roof to wall intersections and penetrations as needed. Add roof insulation where needed. This measure will result in improved comfort and energy cost savings - if the building is placed back in use.	y	\$ 554	\$ -	\$ 554	\$ 4,615	\$ -	\$ -	\$ 4,615	8.3 years
<b>Police Department &amp; Municipal Court Building</b>												
4.6	Rooftop unit replacement	The original rooftop unit (2002) serving this building is nearing the end of its effective life due to excessive wear and tear from original installation under sizing.	Replace the original rooftop unit with a new, more efficient rooftop unit. This measure will result in energy and O&M cost savings.	y	\$ 7,666	\$ 2,500	\$ 10,166	\$ 120,000	\$ -	\$ 25,000	\$ 95,000	9.3 years
5.1	Building lighting system upgrades	Lighting fixtures in this building contain a mix of linear fluorescent T8 lamps with electronic ballasts, and compact fluorescent lamps (CFLs). The fixtures in one basement conference room contain light emitting diode (LED) lamps. The City will replace fixtures containing CFLs with new fixtures containing LEDs in 2015.	Replace interior can and exterior wallpack lighting fixtures with new lighting fixtures containing LED lamps. Install LED retrofit kits with external drivers in linear fluorescent fixtures. Install occupancy sensors to shut lights off when spaces are not occupied in selected areas as needed. This measure will result in improved lighting quality, energy cost savings, and O&M cost savings.	y	\$ 3,578	\$ 1,227	\$ 4,804	\$ 61,329	\$ 6,133	\$ 4,089	\$ 51,108	10.6 years
6.1	Building envelope upgrades	Weatherstripping around doors and caulking around door and window frames are generally in good condition. During the Level 3 audit, a thorough survey will be conducted to determine any deficiencies in building envelope components.	Replace weather-stripping around doors and operable windows, and recaulk door frames and window frames as needed. Seal all roof to wall intersections and penetrations as needed. Add roof insulation where needed. This measure will result in improved comfort and energy cost savings.	y	\$ 2,044	\$ -	\$ 2,044	\$ 20,443	\$ -	\$ -	\$ 20,443	10.0 years
6.4	Louver installation	The rooftop unit serving the second floor of the building is enclosed on all four sides. Air can stagnate within the enclosure, resulting in lower rooftop unit efficiency and capacity than would otherwise be obtained.	Install louvers in opposite sides of the rooftop unit enclosure to allow air to circulate more freely around the rooftop unit. This measure will result in improved rooftop unit capacity and energy cost savings.	y	\$ 1,278	\$ -	\$ 1,278	\$ 15,000	\$ -	\$ -	\$ 15,000	11.7 years
17.1	BAS retro-commissioning	Most building heating, ventilating, and air-conditioning (HVAC) equipment is integrated into a Honeywell Niagara building automation system (BAS). Facilities staff has generally done a good job of adjusting control sequences and setpoints to optimize occupant comfort and energy performance.	Perform additional adjustments on control sequences and setpoints, based on a detailed "standards of comfort" document for each functional space to be developed during the Level 3 audit. This measure will result in improved comfort and energy cost savings.	y	\$ 1,278	\$ -	\$ 1,278	\$ 10,222	\$ -	\$ -	\$ 10,222	8.0 years
<b>General Project Costs</b>												
	Project Development Fee - energy audit	N/A	Services as defined in the Technical Energy Audit Contract	y				\$ 30,289	\$ -	\$ -	\$ 30,289	N/A
	Project Development Fee - sustainability management plan	N/A	Services as defined in the Technical Energy Audit Contract	y				\$ 34,500	\$ -	\$ -	\$ 34,500	N/A
	Project Development Fee - schematic design for non-energy savings improvements	N/A	Additional fee for development of scope, bidding docs and establishment of GMP or firm-fixed pricing for W/W process & HVAC improvements that are beyond traditional energy conservation measures covered by the Colorado Energy Audit scope for buildings.	y				\$ 66,698	\$ -	\$ -	\$ 66,698	N/A
					<b>\$ 63,662</b>	<b>\$ 18,678</b>	<b>\$ 82,340</b>	<b>\$ 2,446,123</b>	<b>\$ 75,322</b>	<b>\$ 567,551</b>	<b>\$ 1,803,251</b>	

**NOTE TO SCOPE TABLE ABOVE:**

Honeywell will only be providing a range of paybacks per line item in the Level 1 interactive financial model (the "IFM") scope table, not line item cost and savings. Line item cost and savings figures will be included in the Level 2 and 3 IFMs.

## Representative Cash Flow Model – General Fund facilities

### Project Financial Summary:

#### Net to Finance

Installed cost for selected measures	\$ 2,446,123	<b>Grant</b>
Grants & rebates	\$ 75,322	3%
City up-front capital contribution	\$ 567,551	23%
Other (TBD)	\$ -	0%
<b>Net</b>	<b>\$ 1,803,251</b>	

#### Interest rate information for lease/loan

Finance Period Term, years	20 years	15 years	10 years
Annual Interest Rate Range	3.5-4.0%	2.75-3.25%	2.25%
Use in model	20 years		
Rate to use in lease calcs	3.50%		
Number of payments/year	4		
Payments in advance or arrears	arrears		
<b>NPV of cash flows</b>	<b>\$ 100,431</b>		
Discount rate for NPV calc	3.00%		

#### First Year Savings

	<u>\$'s</u>	<u>Annual Esc.</u>
Energy	\$ 63,662	4.00%
Water meter financial impact	\$ -	1.00%
Operations & Maintenance	\$ 18,678	3.00%
<b>Total</b>	<b>\$ 82,340</b>	

#### Simple Payback

Without supplemental funding	29.7 years
With supplemental funding	21.9 years

#### Annual Service

Guarantee administration	\$ 25,000
Length of guarantee	3 years
SMS implementation services	\$ 30,000
Length of SMS services	3 years
Annual service escalation	3.5%

#### NOTE

The financial summary on this page & the cash flow table on the following page illustrate that guaranteed savings will self-fund a substantial portion of the total project cost:

<b>\$ 2,446,123</b>	<b>Total installed cost</b>
\$ 567,551	less City up-front (budgeted) capital contribution/cost avoidance
\$ 458,189	less City's annual capital cost avoidance over 20-year term (annual contributions)
<b>\$ 1,420,383</b>	<b>of installed project cost self-funded from savings after up-front capital contribution from current/available budget</b>
	<b>58% of the installed cost of the project</b>

## 20-Year Cash Flow Table:

Year	Savings						Customer Cost - Assuming level lease payments				Net
	Energy	O&M Savings	Financial Impact from Water Meters	Capital Cost Avoidance (Contribution)	O&M Contribution	Total	Annual Loan Payment	Guarantee Services	Other Services	Total	
1	\$ 63,662	\$ 18,678	\$ -	\$ 98,410	\$ -	\$ 180,750	\$ 125,750	\$ 25,000	\$ 30,000	\$ 180,750	\$ -
2	\$ 66,208	\$ 19,239	\$ -	\$ 97,228	\$ -	\$ 182,675	\$ 125,750	\$ 25,875	\$ 31,050	\$ 182,675	\$ -
3	\$ 68,856	\$ 19,816	\$ -	\$ 95,995	\$ -	\$ 184,667	\$ 125,750	\$ 26,781	\$ 32,137	\$ 184,667	\$ -
4	\$ 71,611	\$ 20,410	\$ -	\$ 33,729	\$ -	\$ 125,750	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ -
5	\$ 74,475	\$ 21,023	\$ -	\$ 30,252	\$ -	\$ 125,750	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ -
6	\$ 77,454	\$ 21,653	\$ -	\$ 26,642	\$ -	\$ 125,750	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ -
7	\$ 80,552	\$ 22,303	\$ -	\$ 22,895	\$ -	\$ 125,750	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ -
8	\$ 83,774	\$ 22,972	\$ -	\$ 19,003	\$ -	\$ 125,750	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ -
9	\$ 87,125	\$ 23,661	\$ -	\$ 14,963	\$ -	\$ 125,750	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ -
10	\$ 90,610	\$ 24,371	\$ -	\$ 10,768	\$ -	\$ 125,750	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ -
11	\$ 94,235	\$ 25,102	\$ -	\$ 6,413	\$ -	\$ 125,750	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ -
12	\$ 98,004	\$ 25,855	\$ -	\$ 1,890	\$ -	\$ 125,750	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ -
13	\$ 101,924	\$ 26,631	\$ -	\$ -	\$ -	\$ 128,555	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ 2,805
14	\$ 106,001	\$ 27,430	\$ -	\$ -	\$ -	\$ 133,431	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ 7,681
15	\$ 110,241	\$ 28,253	\$ -	\$ -	\$ -	\$ 138,494	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ 12,744
16	\$ 114,651	\$ 29,100	\$ -	\$ -	\$ -	\$ 143,751	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ 18,001
17	\$ 119,237	\$ 29,973	\$ -	\$ -	\$ -	\$ 149,210	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ 23,460
18	\$ 124,006	\$ 30,872	\$ -	\$ -	\$ -	\$ 154,879	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ 29,129
19	\$ 128,967	\$ 31,798	\$ -	\$ -	\$ -	\$ 160,765	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ 35,016
20	\$ 134,125	\$ 32,752	\$ -	\$ -	\$ -	\$ 166,878	\$ 125,750	\$ -	\$ -	\$ 125,750	\$ 41,128
	<b>\$ 1,895,720</b>	<b>\$ 501,891</b>	<b>\$ -</b>	<b>\$ 458,189</b>	<b>\$ -</b>	<b>\$ 2,855,800</b>	<b>\$ 2,514,993</b>	<b>\$ 77,656</b>	<b>\$ 93,187</b>	<b>\$ 2,685,835</b>	<b>\$ 169,965</b>

**Exhibit B to Technical Energy Audit & Project Proposal Contract --  
Notice of Acceptance of Technical Energy Audit Report for  
City of Brighton**

Notice of Acceptance

Date of Notice \_\_\_\_\_

Subject to the Parties entering into a new contract under §5(A) of the Contract for Technical Energy Audit and Project Proposal, which was signed by the Owner on \_\_\_\_\_, notice is hereby given that the Owner accepts the Contractor's Technical Energy Audit and Project Proposal.

Accepted by

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit C to Technical Energy Audit & Project Proposal Contract –  
Buildings Included in Scope of Work for  
City of Brighton**

<b>Facility</b>		<b>Square Feet</b>
1	City Hall	75,600 FT <sup>2</sup>
2	Historic City Hall	33,000 FT <sup>2</sup>
3	Police Department and Municipal Court Building	40,886 FT <sup>2</sup>
4	Recreation Center	50,570 FT <sup>2</sup>
5	Elmwood Cemetery	3,500 FT <sup>2</sup>
6	Fairview Cemetery	1,207 FT <sup>2</sup>
7	Fleet Shop	10,400 FT <sup>2</sup>
8	Street Shop	2,400 FT <sup>2</sup>
9	Main Street Creative's	8,000 FT <sup>2</sup>
10	Brighton Armory Performing Arts Center	16,790 FT <sup>2</sup>
11	Reverse Osmosis (RO) Plant	11,400 FT <sup>2</sup>
12	Green Sand Plant (adjacent to the RO Building)	9,400 FT <sup>2</sup>
13	Wastewater Treatment Facility	30,000 FT <sup>2</sup>
14	Brighton Animal Shelter	2,361 FT <sup>2</sup>
15	Historic Senior Center	9,229 FT <sup>2</sup>
16	1886 Church	1,200 FT <sup>2</sup>
17	Eagle View Adult Recreation Center	18,000 FT <sup>2</sup>
18	Utility Water Shop	7,380 FT <sup>2</sup>
		<b>331,323 FT<sup>2</sup></b>

Honeywell acknowledges that the Brighton Armory Performing Arts Center is owned by the Brighton Urban Renewal Authority.

## **Exhibit D – Technical Energy Audit & Project Proposal Contract - Project Cost and Pricing Elements for City of Brighton**

As described in Exhibit A, upon execution of the initial Contract, Honeywell will prepare and submit to the City for review only the PFS or “Level 1” assessment report. This work will be done at no cost to the City; no TEA or other fee will be due under the initial Contract. If the City decides to proceed, Honeywell and City would agree to and execute a written amendment to this Contract. The City and Honeywell currently anticipate that the amendment would specify, and if necessary update, the fees or costs set forth in this Exhibit D for each type of work described in Attachments 1 to 5 of Exhibit A. Based on the expected amount of these fees, approval by the City Council would be necessary for the City to enter into any such amendment.

### **TEA COSTS**

Base costs for the building energy efficiency project under a TEA are determined by CEO based on a prescribed formula that factors square footage and facility location. As a CEO pre-approved ESCOs Honeywell is generally required to use the CEO-developed TEA costs in their proposals to local governments. Buildings and/or improvements outside of a typical scope of work for a CEO energy efficiency TEA (e.g. wastewater treatment, baseball fields, pools, street lighting, etc.) incorporate language about these facilities in the TEA Scope of Work covered by *Exhibit A* and *Exhibit A Attachments 1-5*.

The costs for the services under each Exhibit A, Attachments 1 – 5, are provided below and in a separate soft copy Excel TEA fee pricing model.

It should be noted that:

1. Firm TEA fees as shown below are for a standard CEO building energy efficiency analysis, sustainability management system (“SMS”) plan development and water meter testing & development.
2. With respect to *Exhibit A - Attachment 1*, which covers building energy efficiency, the TEA cost does not include preparation of Mechanical, Electrical, and Plumbing (MEP) schematic design (SD) and/or design development (DD) level plans and specifications, nor the subsequent competitive bidding process required to complete the TEAPP for these non-savings measures, depending on which measures are selected by the City. The additional TEA fee for these measures will be established after the “Preliminary Analysis” Meeting” described in Exhibit A.
3. With respect to *Exhibit A - Attachment 2*, which covers the development of the sustainability management system plan, the City has the option to add additional components and increase the TEA fee accordingly.
4. With respect to *Exhibit A - Attachment 3*, which covers improvements to the water metering system, scope and costing for this assumes City has adequate bench stock to replace meters less than or equal to 2" in size that will be pulled for testing, or will increase this fee/cost to cover meter purchases.
5. With respect to *Exhibit A - Attachments 4 & 5*, which cover improvements to the water and wastewater systems under the Water/Sewer Enterprise Fund, preparation of Mechanical, Electrical, and Plumbing (MEP) schematic design (SD) and/or design development (DD) level plans and specifications, and the subsequent competitive bidding process required to complete the TEAPP for these non-savings measures, will be based on measures are selected by the City after the “Preliminary Analysis” Meeting” described in Exhibit A. The additional TEA fee for these measures will be established after the “Preliminary Analysis” Meeting”.

**Fee summary:**

Area of TEA Services	Cost	Comments
Preliminary Feasibility Study ("PFS")	\$ -	No fee. Results of this Preliminary Feasibility Study ("PFS") will be used by the City, with consultative advise and support from Honeywell, to establish preliminary scope and TEA pricing for Level 2 project development deliverables for Exhibit 1 Attachments 3-6.
Technical Energy Audit for Buildings	\$ 63,138	TEA Exhibit 1 Attachment 1 Scope of Work and Checklist for Audit Services to be included in a Colorado Energy Office Technical Energy Audit ("CEO TEA") Contract for Building Energy
Other Miscellaneous Upgrades	\$ -	TEA Exhibit 1 Attachment 1 Scope of Work for other measures that require additional assessment & design beyond CEO building energy efficiency TEA
Water meter statistical sampling	\$ 31,000	TEA Exhibit 1 Attachment 2 Scope of Work for Water Metering System Scope of Work for Additional Audit Services beyond a CEO TEA for Building Energy Efficiency. Costing for this assumes City has adequate bench stock to replace meters $\leq 2$ " in size pulled for testing, or will increase this fee/cost to cover meter purchases.
Wastewater/Sewer Enterprise Fund	\$ -	TEA Exhibit 1 Attachment 3 Scope of Work for Wastewater Enterprise System Energy Efficiency & Process Improvements Scope of Work for Additional Audit Services beyond a CEO TEA for Building Energy Efficiency
Water Enterprise Fund	\$ -	TEA Exhibit 1 Attachment 4 Water Enterprise System Energy Efficiency & Process Improvements Scope of Work for Additional Audit Services beyond a CEO TEA for Building Energy Efficiency
Sustainability Management System plan development	\$ 34,500	TEA Exhibit 1 Attachment 5 Scope of Work for Sustainability Management System ("SMS") Plan Development -- Additional Audit Services beyond a CEO TEA for Building Energy Efficiency
<b>Total break fee</b>	<b>\$ 128,638</b>	Fee will be adjusted through negotiation between the City and Honeywell after the completion of the preliminary feasibility study.

**Colorado Energy Office (CEO) TEA Pricing Model:**

Tiered GEO Pricing (\$/Sq.Ft.)		Total Project Size (sq-ft)			Comments
		Under 250K	250-500K	500K+	
Distance from GEO Office (1580 Logan)	Under 75 miles	\$ 0.250	\$ 0.225	\$ 0.200	City of Brighton's main office is approximately 22 miles from the CEO office.
	75-150 miles	\$ 0.275	\$ 0.250	\$ 0.225	
	Over 150 miles	\$ 0.300	\$ 0.275	\$ 0.250	
<b>Reduced fee for less complex building HVAC</b>	33%	\$ 0.074	Lower audit fee due to non-complex nature of building (e.g. Non-complex HVAC or warehouse type heated only space).		

**TEA Contract Exhibit A Attachment 1 Energy Audit Fee Based on Building list from RFP:**

Facility	Square Feet	Use Reduced Rate?	Audit Rate/ Sq.Ft.	Audit Fee	
1	City Hall	75,600 sq.ft.	n	\$ 0.225	\$ 17,010
2	Historic City Hall	33,000 sq.ft.	n	\$ 0.225	\$ 7,425
3	Police Department and Municipal Court Building	40,886 sq.ft.	n	\$ 0.225	\$ 9,199
4	Recreation Center	50,570 sq.ft.	n	\$ 0.225	\$ 11,378
5	Elmwood Cemetery	3,500 sq.ft.	y	\$ 0.074	\$ 260
6	Fairview Cemetery	1,207 sq.ft.	y	\$ 0.074	\$ 90
7	Fleet Shop	10,400 sq.ft.	y	\$ 0.074	\$ 772
8	Street Shop	2,400 sq.ft.	y	\$ 0.074	\$ 178
9	Main Street Creative's	8,000 sq.ft.	n	\$ 0.225	\$ 1,800
10	Brighton Armory Performing Arts Center	16,790 sq.ft.	n	\$ 0.225	\$ 3,778
11	Reverse Osmosis (RO) Plant	11,400 sq.ft.	y	\$ 0.074	\$ 846
12	Green Sand Plant (adjacent to the RO Building)	9,400 sq.ft.	y	\$ 0.074	\$ 698
13	Wastewater Treatment Facility	30,000 sq.ft.	y	\$ 0.074	\$ 2,228
14	Brighton Animal Shelter	2,361 sq.ft.	n	\$ 0.225	\$ 531
15	Historic Senior Center	9,229 sq.ft.	n	\$ 0.225	\$ 2,077
16	1886 Church	1,200 sq.ft.	n	\$ 0.225	\$ 270
17	Eagle View Adult Recreation Center	18,000 sq.ft.	n	\$ 0.225	\$ 4,050
18	Utility Water Shop	7,380 sq.ft.	y	\$ 0.074	\$ 548
<b>331,323 sq.ft.</b>				<b>\$</b>	<b>63,138</b>

**For other Attachment 1 building related audit fees beyond basic CEO TEA:**

**NOTES:**

1. "Energy engineering & opinion of probable cost" required to establish budgetary scope, cost & savings.
2. "Schematic design & GMP or firm-fixed price" required if City desires to receive an executable contract to implement at the conclusion of the audit/project development phase.

Energy engineering & opinion of probable cost	2.0%	y
Schematic design & GMP or firm-fixed price	3.0%	y
Budget installed cost	\$ -	
Project development fee as percent of budget cost to install	5.0%	
<b>Fee</b>	<b>\$ -</b>	

**TEA Contract Exhibit A Attachment 2 For Sustainability Management Services:**

Category		Fee		Include?	Net
1	Energy	\$ 6,000	10.0%	y	\$ 6,000
2	Water (potable, stormwater, wastewater)	\$ 6,000	10.0%	y	\$ 6,000
3	Emissions and Greenhouse Gases	\$ 3,000	5.0%	y	\$ 3,000
4	Purchasing/Procurement	\$ 3,000	5.0%	y	\$ 3,000
5	Pollution Prevention	\$ 3,000	5.0%	y	\$ 3,000
6	Ground Transportation	\$ 6,000	10.0%	y	\$ 6,000
7	Maintenance (Grounds, Landscape , O&M)	\$ 3,000	5.0%	y	\$ 3,000
8	Custodial Services	\$ 3,000	5.0%	n	N/A
9	Food Purchasing and Preparation	\$ 1,500	2.5%	n	N/A
10	Hazardous Waste Disposal	\$ 3,000	5.0%	n	N/A
11	Personnel Policies	\$ 1,500	2.5%	n	N/A
12	Integrated Pest Management	\$ 1,500	2.5%	n	N/A
13	Workplace of the Future	\$ 1,500	2.5%	n	N/A
14	Operational Leases	\$ 1,500	2.5%	n	N/A
15	Monitoring and Reporting	\$ 1,500	2.5%	n	N/A
16	Health and Well Being	\$ 1,500	2.5%	n	N/A
17	Waste and Recycling	\$ 3,000	5.0%	n	N/A
18	Green Building (New, Renovated, Additions)	\$ 3,000	5.0%	n	N/A
19	Sustainability Education	\$ 1,500	2.5%	y	\$ 1,500
20	Occupant Engagement	\$ 1,500	2.5%	y	\$ 1,500
21	Community Engagement and Public Outreach	\$ 1,500	2.5%	y	\$ 1,500
22	Air Quality (Indoor and Outdoor)	\$ 1,500	2.5%	n	N/A
23	Resilience and Durability	\$ 1,500	2.5%	n	N/A
		<b>\$ 60,000</b>	<b>100.0%</b>		<b>\$ 34,500</b>
<b>Guaranteed maximum price for development of sustainability management system (SMS) plan:</b>		<b>\$ 60,000</b>			

## For other audit fees beyond basic CEO TEA:

**NOTES:**

1. "Energy engineering & opinion of probable cost" required to establish budgetary scope, cost & savings.
2. "Schematic design & GMP or firm-fixed price" required if City desires to receive an executable contract to implement at the conclusion of the audit/project development phase.

<b>Exhibit 1 Attachment 3 Water meter &amp; AMR/AMI upgrades</b>	
Based on 90% confidence & 20% precision?	y
Based on 90% confidence & 10% precision?	N
<b>Fee</b>	<b>\$ 31,000</b>

<b>Exhibit 1 Attachment 4 Waste water Treatment Plant Process Upgrades</b>		
Energy engineering & opinion of probable cost	2.0%	y
Schematic design & GMP or firm-fixed price	3.0%	y
Budget installed cost	\$ -	
Project development fee as percent of budget cost to install	5.0%	
<b>Fee</b>	<b>\$ -</b>	

<b>Exhibit 1 Attachment 5 Non-Potable &amp; Potable Water System Upgrades</b>		
<u>Category</u>	<u>Fee %</u>	<u>Use?</u>
Energy engineering & opinion of probable cost	2.0%	y
Schematic design & GMP or firm-fixed price	3.0%	y
Budget installed cost	\$ -	
Project development fee as percent of budget cost to install	5.0%	
<b>Fee</b>	<b>\$ -</b>	

**CONSTRUCTION/IMPLEMENTATION COST AND PRICING**

Maximum rates were established for ESCOs participating in the CEO/EPC program. The open book pricing table to be used to establish Honeywell’s overhead, fees and profit for implementation and/or construction of measures selected by the City are listed in the table at the end of this Exhibit D. The table includes ranges of percentages of the total project cost that are agreed to for this specific project, that are equal to or less than the maximum established percentages, based on the size, scope and location of this specific project.

## Open Book Pricing Table for Construction/Implementation

<b>Project Estimate Worksheet</b>											
Please consult the information found under the <b>Costing Definitions</b> tab as you complete this worksheet.											
A	B	C	D	E	F	F	G	H	I	J	K
				Project Costing Categories	Last HON TEA Contract Maximum %	TEA Contract Maximum %	Actual Final TEA Calculated %	Actual Final TEA Cost	Sub-Totals	Totals	Comments
1	Technical Energy Audit										
2		Total Facility Area									Unique for each project
3		\$/ Sqft									This is based on CEO program standard TEA pricing table (see tab)
4		Technical Energy Audit Total Cost							\$ -		
5											
6	Implementation Costs										
7		Pre-Construction Costs									
8		Design and other Engineering			6.00%	4 - 7%	0.00%				% in column G are calculated off of estimated project amount. <i>Fee will vary from 4% to 7% as our direct costs for purchased material, supplies &amp; subcontracts decreases from \$6M to \$1.5M.</i>
9		Pre-Construction Services			4.00%	3.5 - 4.5%	0.00%				% in column G are calculated off of estimated project amount. <i>Fee will vary from 3.5% to 4.5% as our direct costs for purchased material, supplies &amp; subcontracts decreases from \$6M to \$1.5M.</i>
10		Other Pre-Construction Costs			2.00%	1.5 - 2.5%	0.00%				% in column G are calculated off of estimated project amount. <i>Fee will vary from 1.5% to 2.5% as our direct costs for purchased material, supplies &amp; subcontracts decreases from \$6M to \$1.5M.</i>
11	sum (H8:H10)	Pre-Construction Cost Subtotal					0.00%		\$ -		

A	B	C	D	E	F	F	G	H	I	J	K	
12												
13		<b>Construction Costs</b>										
14		Trade Subcontracts					0.00%				% in column G are calculated off of estimated project amount	
15		Design/Build Subcontracts					0.00%				% in column G are calculated off of estimated project amount	
16		Direct Purchase Equipment					0.00%				% in column G are calculated off of estimated project amount	
17		Construction Management		6.00%	5 - 8%		0.00%				% in column G are calculated off of estimated project amount. <i>Fee will vary from 5% to 8% as our direct costs for purchased material, supplies &amp; subcontracts decreases from \$6M to \$1.5M. Construction management amount/fee may also change based on complexity of project outside of traditional energy efficiency engineering, such as comprehensive HVAC upgrades and/or process improvements in water/wastewater treatment plants.</i>	
18		Project Engineering		2.00%	2 - 4%		0.00%				% in column G are calculated off of estimated project amount. <i>Fee will vary from 2% to 4% as our direct costs for purchased material, supplies &amp; subcontracts decreases from \$6M to \$1.5M. Engineering amount/fee may also change based on complexity of project outside of traditional energy efficiency engineering, such as comprehensive HVAC upgrades and/or process improvements in water/wastewater treatment plants.</i>	
19		General Conditions		1.00%	.75 - 2%		0.00%				% in column G are calculated off of estimated project amount. <i>Fee will vary from 0.75% to 2% as our direct costs for purchased material, supplies &amp; subcontracts decreases from \$6M to \$1.5M.</i>	
20		Construction Completion		2.00%	1.5 - 2.5%		0.00%				% in column G are calculated off of estimated project amount. <i>Fee will vary from 1.5% to 2.5% as our direct costs for purchased material, supplies &amp; subcontracts decreases from \$6M to \$1.5M.</i>	
21		Other Construction Costs		1.50%	1.25 - 2%		0.00%				% in column G are calculated off of estimated project amount. <i>Fee will vary from 1.5% to 2% as our direct costs for purchased material, supplies &amp; subcontracts decreases from \$6M to \$1.5M.</i>	
22	sum (H14:H21)	<b>Construction Cost Subtotal</b>					0.00%		\$	-		
23												
24	sum (H11+H22)	<b>Estimated Project Amount</b>								\$	-	
25												
26		<b>Profit</b>			8.00%	8 - 10%				\$	-	Value in column J is calculated off of estimated project amount. <i>Fee will vary from 8% to 10% as our direct costs for purchased material, supplies &amp; subcontracts decreases from \$6M to \$1.5M.</i>
27												
28		<b>Contingency</b>		8.00%	7 - 10%					\$	-	Value in column J is calculated off of estimated project amount. <i>Contingency allocation will vary from 7% to 10% as our direct costs for purchased material, supplies &amp; subcontracts decreases from \$6M to \$1.5M. Allocation may also change based on project risk for unknown factors on complex projects outside of traditional energy efficiency, such as comprehensive HVAC upgrades and/or process improvements in water/wastewater treatment plants.</i>
29												
30	Sum (I4+J24+J26+J28)	<b>Total Funded Amount</b>								\$	-	

**NOTES TO OPEN BOOK PRICING TABLE:**

- For CEO base agreement and RFP responses, a range is acceptable if justified.
- For submittal the “CEO Cost Estimate Tool” should be utilized and an image of it inserted above (deleting the placeholder).
- The “Cost Estimate Tool” should be utilized throughout the project to demonstrate that “Actual Final TEA Costs” agree with “TEA Contract Maximums”.
- If there are questions or concerns related to desired Cost Pricing values please contact Jeanna Paluzzi at the Colorado Energy Office (303.866.3464).