

**PROFESSIONAL SERVICES AGREEMENT BETWEEN  
HONEYWELL  
AND THE CITY OF ANN ARBOR  
FOR MUNICIPAL FACILITY ENERGY AUDITS**

The City of Ann Arbor, a Michigan municipal corporation, having its offices at 301 E. Huron St. Ann Arbor, Michigan 48103 ("City"), and Honeywell International, Inc. ("Contractor") a Delaware Corporation with a local address at 49116 Wixom Tech Dr, Wixom, MI 48393 agree as follows on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

The Contractor agrees to provide services to the City under the following terms and conditions:

**I. DEFINITIONS**

Administering Service Area/Unit means Public Services Area, Systems Planning Unit.

Contract Administrator means Energy Programs Analyst, acting personally or through any assistants authorized by the Administrator/Manager of the Administering Service Area/Unit.

Deliverables means all Plans, Specifications, Reports, Recommendations, and other materials developed for and delivered to City by Contractor under this Agreement

Project means Municipal Facility Energy Audits.  
Project name

**II. DURATION**

This Agreement shall become effective on \_\_\_\_\_, 2017, and shall remain in effect until satisfactory completion of the Services specified below unless terminated as provided for in Article XI.

**III. SERVICES**

A. The Contractor agrees to provide professional energy auditing services  
type of service

("Services") in connection with the Project as described in Exhibit A. The City retains the right to make changes to the quantities of service within the general scope of the Agreement at any time by a written order. If the changes add to or deduct from the extent of the services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement.

B. Quality of Services under this Agreement shall be of the level of quality performed by persons regularly rendering this type of service. Determination of acceptable quality shall be made solely by the Contract Administrator.

- C. The Contractor shall perform its Services for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.
- D. The Contractor may rely upon the accuracy of reports and surveys provided to it by the City (if any) except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

#### **IV. INDEPENDENT CONTRACTOR**

The Parties agree that at all times and for all purposes under the terms of this Agreement each Party's relationship to any other Party shall be that of an independent contractor. Each Party will be solely responsible for the acts of its own employees, agents, and servants. No liability, right, or benefit arising out of any employer/employee relationship, either express or implied, shall arise or accrue to any Party as a result of this Agreement.

#### **V. COMPENSATION OF CONTRACTOR**

- A. The Contractor shall be paid in the manner set forth in Exhibit B. Payment shall be made monthly, unless another payment term is specified in Exhibit B, following receipt of invoices submitted by the Contractor, and approved by the Contract Administrator.
- B. The Contractor will be compensated for Services performed in addition to the Services described in Section III, only when the scope of and compensation for those additional Services have received prior written approval of the Contract Administrator.
- C. The Contractor shall keep complete records of work performed (e.g. tasks performed/hours allocated) so that the City may verify invoices submitted by the Contractor. Such records shall be made available to the City upon request and submitted in summary form with each invoice.

#### **VI. INSURANCE/INDEMNIFICATION**

- A. The Contractor shall procure and maintain during the life of this contract such insurance policies, including those set forth in Exhibit C, as will protect itself and the City from all claims for bodily injuries, death or property damage which may arise under this contract; whether the act(s) or omission(s) giving rise to the claim were made by the Contractor, any subcontractor or anyone employed by them directly or indirectly. In the case of all contracts involving on-site work, the Contractor shall provide to the City, before the commencement of any work under this contract, documentation satisfactory to the City demonstrating it has obtained the policies and endorsements required by Exhibit C.

- B. Any insurance provider of Contractor shall be admitted and authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the City.
- C. To the fullest extent permitted by law, Contractor shall indemnify, defend and hold the City, its officers, employees and agents harmless from all suits, claims, judgments and expenses, including attorney's fees, resulting or alleged to result, from any acts or omissions by Contractor or its employees and agents occurring in the performance of or breach in this Agreement, except to the extent that any suit, claim, judgment or expense are finally judicially determined to have resulted from the City's negligence or willful misconduct or its failure to comply with any of its material obligations set forth in this Agreement.

## **VII. COMPLIANCE REQUIREMENTS**

- A. Nondiscrimination. The Contractor agrees to comply, and to require its subcontractor(s) to comply, with the nondiscrimination provisions of MCL 37.2209. The Contractor further agrees to comply with the provisions of Section 9:158 of Chapter 112 of the Ann Arbor City Code and to assure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity.
- B. Living Wage. If the Contractor is a "covered employer" as defined in Chapter 23 of the Ann Arbor City Code, the Contractor agrees to comply with the living wage provisions of Chapter 23 of the Ann Arbor City Code. The Contractor agrees to pay those employees providing Services to the City under this Agreement a "living wage," as defined in Section 1:815 of the Ann Arbor City Code, as adjusted in accordance with Section 1:815(3); to post a notice approved by the City of the applicability of Chapter 23 in every location in which regular or contract employees providing services under this Agreement are working; to maintain records of compliance; if requested by the City, to provide documentation to verify compliance; to take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee or person contracted for employment in order to pay the living wage required by Section 1:815; and otherwise to comply with the requirements of Chapter 23.

## **VIII. WARRANTIES BY THE CONTRACTOR**

- A. The Contractor warrants that the quality of its Services under this Agreement shall conform to the level of quality performed by persons regularly rendering this type of service.
- B. The Contractor warrants that it has all the skills, experience, and professional licenses necessary to perform the Services specified in this Agreement.
- C. The Contractor warrants that it has available, or will engage, at its own expense, sufficient trained employees to provide the Services specified in this Agreement.

- D. The Contractor warrants that it is not, and shall not become overdue or in default to the City for any contract, debt, or any other obligation to the City including real and personal property taxes.
- E. The Contractor warrants that its proposal for services was made in good faith, it arrived at the costs of its proposal independently, without consultation, communication or agreement, for the purpose of restricting completion as to any matter relating to such fees with any competitor for these Services; and no attempt has been made or shall be made by the Contractor to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

**IX. OBLIGATIONS OF THE CITY**

- A. The City agrees to give the Contractor access to the Project area and other City-owned properties as required to perform the necessary Services under this Agreement.
- B. The City shall notify the Contractor of any defects in the Services of which the Contract Administrator has actual notice.

**X. ASSIGNMENT**

- A. The Contractor shall not subcontract or assign any portion of any right or obligation under this Agreement without prior written consent from the City. Notwithstanding any consent by the City to any assignment, Contractor shall at all times remain bound to all warranties, certifications, indemnifications, promises and performances, however described, as are required of it under the Agreement unless specifically released from the requirement, in writing, by the City.
- B. The Contractor shall retain the right to pledge payment(s) due and payable under this Agreement to third parties.

**XI. TERMINATION OF AGREEMENT**

- A. If either party is in breach of this Agreement for a period of fifteen (15) days following receipt of notice from the non-breaching party with respect to a breach, the non-breaching party may pursue any remedies available to it against the breaching party under applicable law, including but not limited to, the right to terminate this Agreement without further notice. The waiver of any breach by any party to this Agreement shall not waive any subsequent breach by any party.
- B. The City may terminate this Agreement, on at least thirty (30) days advance notice, for any reason, including convenience, without incurring any penalty, expense or liability to Contractor, except the obligation to pay for Services actually performed under the Agreement before the termination date.
- C. Contractor acknowledges that, if this Agreement extends for several fiscal years, continuation of this Agreement is subject to appropriation of funds for this Project. If funds to enable the City to effect continued payment under this Agreement are not appropriated or otherwise made available, the City shall have the right to terminate this Agreement without penalty at the end of the last period for which

funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The Contract Administrator shall give Contractor written notice of such non-appropriation within thirty (30) days after it receives notice of such non-appropriation.

- D. The provisions of Articles VI and VIII shall survive the expiration or earlier termination of this Agreement for any reason. The expiration or termination of this Agreement, for any reason, shall not release either party from any obligation or liability to the other party, including any payment obligation that has already accrued and Contractor's obligation to deliver all Deliverables due as of the date of termination of the Agreement.

## **XII. REMEDIES**

- A. This Agreement does not, and is not intended to, impair, divest, delegate or contravene any constitutional, statutory and/or other legal right, privilege, power, obligation, duty or immunity of the Parties.
- B. All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any agreement between the parties or otherwise.
- C. Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any rights or remedies under this Agreement shall constitute a waiver of those rights with regard to any existing or subsequent breach of this Agreement. No waiver of any term, condition, or provision of this Agreement, whether by conduct or otherwise, in one or more instances, shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Agreement. No waiver by either Party shall subsequently effect its right to require strict performance of this Agreement.

## **XIII. NOTICE**

All notices and submissions required under this Agreement shall be delivered to the respective party in the manner described herein to the address stated in this Agreement or such other address as either party may designate by prior written notice to the other. Notices given under this Agreement shall be in writing and shall be personally delivered, sent by next day express delivery service, certified mail, or first class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (1) the date of actual receipt; (2) the next business day when notice is sent next day express delivery service or personal delivery; or (3) three days after mailing first class or certified U.S. mail.

If Notice is sent to the CONTRACTOR, it shall be addressed and sent to:

Honeywell Building Solutions  
49116 Wixom Tech Dr  
Wixom, MI 48393

If Notice is sent to the CITY, it shall be addressed and sent to:

City of Ann Arbor  
Public Services Area Administrator  
301 E. Huron St.  
Ann Arbor, Michigan 48103

#### **XIV. CHOICE OF LAW AND FORUM**

This Agreement will be governed and controlled in all respects by the laws of the State of Michigan, including interpretation, enforceability, validity and construction, excepting the principles of conflicts of law. The parties submit to the jurisdiction and venue of the Circuit Court for Washtenaw County, State of Michigan, or, if original jurisdiction can be established, the United States District Court for the Eastern District of Michigan, Southern Division, with respect to any action arising, directly or indirectly, out of this Agreement or the performance or breach of this Agreement. The parties stipulate that the venues referenced in this Agreement are convenient and waive any claim of non-convenience.

#### **XV. OWNERSHIP OF DOCUMENTS**

Upon completion or termination of this Agreement, all documents (i.e., Deliverables) prepared by or obtained by the Contractor as provided under the terms of this Agreement shall be delivered to and become the property of the City. Original basic survey notes, sketches, charts, drawings, partially completed drawings, computations, quantities and other data shall remain in the possession of the Contractor as instruments of service unless specifically incorporated in a deliverable, but shall be made available, upon request, to the City without restriction or limitation on their use. The City acknowledges that the documents are prepared only for the Project. Prior to completion of the contracted Services the City shall have a recognized proprietary interest in the work product of the Contractor.

Unless otherwise stated in this Agreement, any intellectual property owned by Contractor prior to the effective date of this Agreement (i.e., Preexisting Information) shall remain the exclusive property of Contractor even if such Preexisting Information is embedded or otherwise incorporated in materials or products first produced as a result of this Agreement or used to develop Deliverables. The City's right under this provision shall not apply to any Preexisting Information or any component thereof regardless of form or media.

## **XV. CONFLICTS OF INTEREST OR REPRESENTATION**

Contractor certifies it has no financial interest in the Services to be provided under this Agreement other than the compensation specified herein. Contractor further certifies that it presently has no personal or financial interest, and shall not acquire any such interest, direct or indirect, which would conflict in any manner with its performance of the Services under this Agreement.

Contractor agrees to advise the City if Contractor has been or is retained to handle any matter in which its representation is adverse to the City. The City's prospective consent to the Contractor's representation of a client in matters adverse to the City, as identified above, will not apply in any instance where, as the result of Contractor's representation, the Contractor has obtained sensitive, proprietary or otherwise confidential information of a non-public nature that, if known to another client of the Contractor, could be used in any such other matter by the other client to the material disadvantage of the City. Each matter will be reviewed on a case by case basis.

## **XVII. SEVERABILITY OF PROVISIONS**

Whenever possible, each provision of this Agreement will be interpreted in a manner as to be effective and valid under applicable law. However, if any provision of this Agreement or the application of any provision to any party or circumstance will be prohibited by or invalid under applicable law, that provision will be ineffective to the extent of the prohibition or invalidity without invalidating the remainder of the provisions of this Agreement or the application of the provision to other parties and circumstances.

## **XVIII. EXTENT OF AGREEMENT**

This Agreement, together with any affixed exhibits, schedules or other documentation, constitutes the entire understanding between the City and the Contractor with respect to the subject matter of the Agreement and it supersedes, unless otherwise incorporated by reference herein, all prior representations, negotiations, agreements or understandings whether written or oral. Neither party has relied on any prior representations, of any kind or nature, in entering into this Agreement. No terms or conditions of either party's invoice, purchase order or other administrative document shall modify the terms and conditions of this Agreement, regardless of the other party's failure to object to such form. This Agreement shall be binding on and shall inure to the benefit of the parties to this Agreement and their permitted successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement. This Agreement may only be altered, amended or modified by written amendment signed by the Contractor and the City. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement.

**FOR CONTRACTOR**

By \_\_\_\_\_  
Type Name  
Its

**FOR THE CITY OF ANN ARBOR**

By \_\_\_\_\_  
Christopher Taylor, Mayor

By \_\_\_\_\_  
Jacqueline Beaudry, City Clerk

**Approved as to substance**

\_\_\_\_\_  
Howard S. Lazarus, City Administrator

\_\_\_\_\_  
Craig Hupy, Public Service Area  
Administrator

**Approved as to form and content**

\_\_\_\_\_  
Stephen K. Postema, City Attorney



## **EXHIBIT A SCOPE OF SERVICES**

Honeywell will perform a detailed technical and financial audit for buildings as directed and prioritized by the City and will provide the City with a prioritized list of identified energy conservation measures (ECMs). The City's designated staff will review this list of ECMs along with the predicted savings, detailed implementation costs, and payback analysis for each ECM.

The audit process will include a walk-through of each facility, a review of utility bills, and other information-gathering techniques, to develop a detailed professional engineering analysis. The on-site survey usually includes the structure, building envelope, heating, ventilating, and air conditioning equipment, lighting systems, miscellaneous energy using equipment and facility operations that impact energy usage and operational expense. Building operators are interviewed pertaining to the usage times, operation of the building, occupancy schedules, and recent renovations.

All occupancy schedules and operating data are verified via the installation of data-loggers. Available building schematics, blueprints, and current energy usage are also examined for further site specific information based on original building design. To analyze potential energy savings, Contractor will utilize a broad array of industry standard assessment tools and guidelines including the following: Trane System Analyzer and Lab Pro computer simulation programs, METRICS and eQuest modeling software, standard ASHRAE engineering formulas and IPMVP assessment guidelines.

Detailed engineering analysis, computer calculations and site models will then be run to analyze the existing building's energy usage, and interactions between systems and possible ECMs. The resulting energy audit report will identify recommended ECMs and the associated implementation costs, energy savings, and simple payback periods.

All engineering and design activities will be managed or performed by registered engineers conforming to the laws and applicable codes as well as the City's requirements.

The following will be provided as part of the auditing process:

### **LEVEL I AUDIT TASKS**

1. Perform a walk-through survey of the facility to become familiar with its construction, equipment, operation, and maintenance.
2. Meet with owner/operator and occupants to learn of special problems or needs of the facility. Determine if any maintenance problems and/or practices may affect efficiency.
3. Perform a space function analysis. Determine if efficiency may be affected by functions that differ from the original functional intent of the building.
4. Perform a rough estimate to determine the approximate breakdown of energy use for significant end-use categories, including weather and non-weather related uses.
5. Identify low-cost/no-cost changes to the facility or to operating and maintenance procedures, and determine the savings that will result from these changes.
6. Identify potential capital improvements for further study, and provide an initial estimate of potential costs and savings.

### **LEVEL AUDIT I REPORT**

1. Discussion of irregularities found in the monthly energy use patterns, with suggestions about their possible causes.
2. The energy index of similar buildings, using the Energy Star database when possible. When alternative benchmarks are used, Contractor will report the source, size, and date of the sample used in this comparison. The names of comparable buildings will be given if known.
3. The method used to develop the target indices. When comparison is made to other buildings, Contractor will state their names. Where the experience of someone other than the author is used to develop the target, Contractor will provide the source. Where the target is developed by calculation, we will show the calculation or quote the name and version of software used and include both input and output data.
4. The fraction of current costs that would be saved if the energy index were brought to the target level.
5. A summary of any special problems or needs identified during the walkthrough survey, including possible revisions to operating and maintenance procedures.
6. A preliminary energy use breakdown by major end uses.
7. The listing of low-cost/no-cost changes with the savings for these improvements.
8. The potential capital improvements, with an initial estimate of potential costs and savings

## **LEVEL II AUDIT TASKS**

This analytical procedure builds on the level I analysis and reporting and includes the following additional work:

1. Review mechanical and electrical system design, installed condition, maintenance practices, and operating methods.
2. Review existing operating and maintenance problems. Determine planned building changes.
3. Measure key operating parameters and compare to design levels, for example, operating schedules, heating/cooling water temperature, supply air temperature, space temperature and humidity, ventilation quantities, and light level at the task. Such measurements may be taken on a spot basis, or logged, manually or electronically.
4. Prepare a breakdown of the total annual energy use into end-use components, as illustrated in the *1999 ASHRAE Handbook—Applications*, Chapter 34, Figure 4. A number of calculation methods are available, ranging from simplified manual calculations to fully detailed computer simulation of hour by hour building operations for a full year.
5. List all possible modifications to equipment and operations that would save energy. Select those that might be considered practical by the owner. List preliminary cost and savings estimates.
6. Review the list of practical modifications with the owner/operator and select those that will be analyzed further. Prioritize the modifications in the anticipated order of implementation.
7. For each practical measure, estimate the potential savings in energy cost and its energy index. To account for interaction between modifications, assume that modifications with the highest operational priority and/or best return on investment will be implemented first. A number of calculation methods are available, ranging from simplified manual calculations to rerunning computer simulations, if performed in Step 4, above.
8. Estimate the cost of each practical measure.
9. Estimate the impact of each practical measure on building operations, maintenance costs, and non-energy operating costs.
10. Prepare a financial evaluation of the estimated total potential investment using the owner's chosen techniques and criteria. These evaluations may be performed for each practical measure.
11. Following submission of the report of the Level II analysis, meet with the owner to discuss priorities and to help select measures for implementation or further analysis.

12. In addition to benchmarking as described for Level I, initiate Energy Star Portfolio Manager where building level sub metering is available.

13. Calculate Carbon and Greenhouse Gas reductions from recommended energy conservation measures.

### **LEVEL AUDIT II REPORT**

1. A summary of energy use and cost associated with each end-use. Show calculations performed or quote the name and version of software used and includes both input and output pages. Provide interpretation of differences between actual total energy use and calculated or simulated end-use totals.

2. Description of the building, including inventories of major energy-using equipment. (This information may be included as an appendix.)

3. A list of measures considered but felt to be impractical, with brief reasons for rejecting each.

4. For each practical measure;

- A discussion of the existing situation and why it is using excess energy;
- An outline of the measure, including its impact on occupant health, comfort, and safety;
- A description of any repairs that are required for a measure to be effective;
- The impact on occupant service capabilities, such as ventilation for late occupancy or year-round cooling;
- An outline of the impact on operating procedures, maintenance procedures, and costs;
- Expected life of new equipment and the impact on the life of existing equipment;
- An outline of any new skills required in operating staff and training or hiring recommendations;
- Calculations performed or provide the name and version of software used and include both input and output data.

5. A table listing the estimated costs for all practical measures, the savings, and financial performance indicator. For the cost of each measure, show the estimated accuracy of the value quoted. This table should spell out the assumed sequence of implementation and state that savings may be quite different if a different implementation sequence is followed.

6. Overall project economic evaluation.

7. Discussion of feasible capital-intensive measures that may require a Level III analysis.

**EXHIBIT B  
COMPENSATION**

**General**

Contractor shall be paid for those Services performed pursuant to this Agreement inclusive of all reimbursable expenses (if applicable), in accordance with the terms and conditions herein. The Compensation Schedule below/attached states nature and amount of compensation the Contractor may charge the City:

215 hours estimated at ~\$139.54/hr (includes 10% overhead):	Not to exceed \$30,000.00
---	---------------------------

**EXHIBIT C  
INSURANCE REQUIREMENTS**

Effective the date of this Agreement, and continuing without interruption during the term of this Agreement, Contractor shall provide certificates of insurance to the City on behalf of itself, and when requested any subcontractor(s). The certificates of insurance shall meet the following minimum requirements.

A. The Contractor shall have insurance that meets the following minimum requirements:

1. Professional Liability Insurance or Errors and Omissions Insurance protecting the Contractor and its employees in an amount not less than \$1,000,000.

2. Worker's Compensation Insurance in accordance with all applicable state and federal statutes. Further, Employers Liability Coverage shall be obtained in the following minimum amounts:

Bodily Injury by Accident - \$500,000 each accident  
Bodily Injury by Disease - \$500,000 each employee  
Bodily Injury by Disease - \$500,000 each policy limit

3. Commercial General Liability Insurance equivalent to, as a minimum, Insurance Services Office form CG 00 01 07 98 or current equivalent. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements which diminish the City's protections as an additional insured under the policy. Further, the following minimum limits of liability are required:

\$1,000,000 Each occurrence as respect Bodily Injury Liability or Property Damage Liability, or both combined  
\$2,000,000 Per Job General Aggregate  
\$1,000,000 Personal and Advertising Injury

4. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, equivalent to, as a minimum, Insurance Services Office form CA 00 01 07 97 or current equivalent. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. Further, the limits of liability shall be \$1,000,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.

5. Umbrella/Excess Liability Insurance shall be provided to apply in excess of the Commercial General Liability, Employers Liability and the Motor Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$1,000,000.

B. Insurance required under A.3 above shall be considered primary as respects any other valid or collectible insurance that the City may possess, including any selfinsured

retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not be required to contribute with this insurance. Further, the Contractor agrees to waive any right of recovery by its insurer against the City.

C. Insurance companies and policy forms are subject to approval of the City Attorney, which approval shall not be unreasonably withheld. Documentation must provide and demonstrate an unconditional 30 day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number; name of insurance company; name and address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts; (b) any deductibles or self-insured retentions which shall be approved by the City, in its sole discretion; (c) that the policy conforms to the requirements specified. Contractor shall furnish the City with satisfactory certificates of insurance and endorsements prior to commencement of any work. Upon request, the Contractor shall provide within 30 days a copy of the policy(ies) to the City. If any of the above coverages expire by their terms during the term of this contract, the Contractor shall deliver proof of renewal and/or new policies to the Administering Service Area/Unit at least ten days prior to the expiration date.