



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 13-2433, Version: 1

Dept/ Agency: Administration/Office of the Business Administrator

Action: () Ratifying (X) Authorizing () Amending

Type of Service: Contract

Purpose: To conduct an Investment Grade Energy Audit of seventeen (17) Municipal Buildings for the purpose of developing and implementing an Energy Savings Plan (Phase I).

Entity Name: Honeywell International Inc.

Entity Address: 101 Columbia Road, Morristown, New Jersey 07962-1057

Contract Amount: Maximum amount not to exceed \$334,535.00

Funding Source: Insurance Commission Fund

Contract Period: One (1) Year from the date of Contract execution

Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS
(X) Fair & Open () No Reportable Contributions (X) RFP () RFQ
() Private Sale () Grant () Sub-recipient () n/a

Additional Information: NJSA 40A:11-4.6, Energy Savings Improvement Program. Phase I: Contract Amount: \$334,535.00 (Amount includes: \$289,166.00 (Services) + \$45,369.00 (Cancellation Fee, if applicable). Only if Phase II is not executed by the City, then the cancellation fee becomes applicable.

WHEREAS, in an effort to improve the efficiency of the City of Newark's municipal operations, achieve significant long-term energy savings, reduce greenhouse gas emissions and capture additional benefits that might result from energy-related services and capital improvements, such as environmental protection, hazardous materials disposal or recycling, improved occupant comfort and indoor air quality, the City of Newark (the "City") seeks to enter into an Agreement with Honeywell International Inc. ("Honeywell") located at 101 Columbia Road, Morristown, New Jersey 07962-1057 to conduct an Investment Grade Energy Audit ("Energy Audit") for seventeen (17) public buildings/facilities ("Facilities") and the development and completion of an Energy Savings Plan, as Project Development Phase ("Phase I"); and

WHEREAS, the seventeen (17) facilities locations that have been identified are:

Facility Name/Address

Site #1 - City Hall - 920 Broad Street

Site #2 - Court House/Police Headquarters - 31 Green Street

Site #3 - Finance Building - 828 Broad Street

Site #4 - Central Police District - 22 Franklin Street

Site #5 - City Clerk - Archives and Graphics - 295 Halsey Street

Site #6 - Engineering - Traffic and Signals - 255 Central Avenue

Site #7 - Child and Family Well-Being - 94 William Street

Site #8 - Child and Family Well-Being - 110 William Street

Site #9 - Child and Family Well-Being - 394 University Avenue

Site #10 - Ironbound Recreational Center - 46 St. Charles Street

Site #11 - Ironbound Recreational Center - 226 Rome Street

Site #12 - JFK Recreational Center - 211 W. Kinney Street
Site #13 - Fire Department - 360 Clinton Avenue
Site #14 - North Police District - 1 Lincoln Avenue
Site #15 - Sanitation - 80-85 Miller Street/62-68 Frelinghuysen Avenue
Site #16 - Police - 311 Communications Center - 311 Washington Street
Site #17 - Symphony Hall - 1020 Broad Street; and

WHEREAS, the City is responsible for the operation, management and maintenance of the facilities; and

WHEREAS, on December 6, 2012, the Department of Administration advertised for the receipt of responses to a Request for Proposal ("RFP") for Energy Savings Plan Development and Implementation, from qualified Energy Services Companies ("ESCOs") to provide comprehensive energy services and the professional services requested for the seventeen (17) Facilities; and

WHEREAS, on March 28, 2013 five (5) ESCOs that were prequalified by the New Jersey Board of Public Utilities ("NJBPU") submitted written proposals; and

WHEREAS, after reviewing written proposals and conducting oral interviews with all five (5) respondents, the City's Review Committee determined it is in the best interest of the City to accept the proposal of Honeywell to provide comprehensive energy services to the City that include conducting the Energy Audit of the Facilities and develop and complete an Energy Savings Plan to be reviewed and approved by the City and the NJBPU; and

WHEREAS, the Energy Audit, a comprehensive energy use and savings analysis report, is required to be performed pursuant to NJSA 40A:11-4.6, Energy Savings Improvement Program (ESIP), for the Facilities in order to develop an Energy Savings Plan that will assist the City in determining and verifying the feasibility of entering into a subsequent long-term Energy Savings Services Contract with Honeywell. For the purpose of installing and implementing recommended Energy Conservation Measures ("ECMs") at the Facilities to achieve the aforementioned energy goals and objectives which are subject to Municipal Council approval; and

WHEREAS, the Investment Grade Energy Audit and Energy Savings Plan will be conducted in accordance with rules and guidelines established by the NJBPU and the State of New Jersey's Energy Savings Improvement Program Law (*N.J.S.A. 40A:11-4.6 and 40A:11-15*); and

WHEREAS, in the event the City chooses not to proceed with Energy Savings Services Contract , ("Phase II"), the City will be responsible for paying Honeywell a termination fee in the amount of Forty-Five Thousand Three Hundred Sixty-Nine Dollars Zero Cents (\$45,369.00) and Two Hundred Eighty-Nine Thousand, One Hundred Sixty-Six Dollars Zero Cents (\$289,166.00) for the Investment Grade Energy Audit and Energy Savings Plan for a total amount of Three Hundred Thirty-Four Thousand Five Hundred Thirty-Five Dollars Zero Cents (\$334,535.00); and

WHEREAS, if the City executes a contract for Phase II (the Energy Savings Services Contract, construction and installation of Energy Conservation Measures) upon the completion of Phase I, Honeywell shall be compensated for services rendered and costs incurred for Phase I, in an amount not to exceed Two Hundred Eighty-Nine Thousand, One Hundred Sixty-Six Dollars Zero

Cents (\$289,166.00) from energy savings generated over the term of the long-term Energy Savings Performance Contract; and

WHEREAS, if the City authorizes execution of the Phase II contract, compensation to Honeywell shall not exceed thirty percent (30%) of the Total Financed Project Costs Dollar Value for the services to be performed under a Phase II contract. All other terms and conditions of the Phase II contract shall be negotiated by the parties in the manner established in the Request for Proposal for Energy Savings Plan Development and Implementation dated December 6, 2012, and any and all governing statutes, federal laws and/or municipal ordinances.

NOW, THEREFORE IT BE RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The Mayor and/or his designee, the Business Administrator on behalf of the City of Newark, are hereby authorized to enter into and execute a contract with Honeywell International Inc., located at 101 Columbia Road, Morristown, New Jersey 07962-1057, to conduct an Investment Grade Energy Audit for seventeen (17) public buildings/facilities and the development and completion of an Energy Savings Plan, as Project Development Phase I.
2. The results of the Energy Audit, a comprehensive energy use and savings analysis report, is required to be performed for seventeen (17) public buildings/facilities in order to develop an Energy Savings Plan that will verify the feasibility of entering into a subsequent long-term Energy Savings Services Contract (Phase II) with Honeywell to install and implement recommended Energy Conservation Measures at the Facilities.
3. The Investment Grade Energy Audit and Energy Savings Plan will be conducted in accordance with rules and guidelines established by the New Jersey Board of Public Utilities and the State of New Jersey's Energy Savings Improvement Program Law (*N.J.S.A. 40A:11-4.6 and 40A:11-15*).
4. In the event the City does not proceed with Phase II, the Energy Savings Services Contract, the City shall pay Honeywell a termination fee in the amount of Forty-Five Thousand Three Hundred Sixty-Nine Dollars Zero Cents (\$45,369.00) and Two Hundred Eighty-Nine Thousand, One Hundred Sixty-Six Dollars and Zero Cents (\$289,166.00) for the Investment Grade Energy Audit and Energy Savings Plan for a total amount of Three Hundred Thirty-Four Thousand Five Hundred Thirty-Five Dollars Zero Cents (\$334,535.00).
5. If the Mayor and/or the Business Administrator determine it is in the best interest of the City to proceed with Phase II, a resolution shall be submitted to the Municipal Council for approval. If the Municipal Council authorizes execution of an Energy Savings Services Contract (Phase II), with Honeywell for the construction and installation of the Energy Conservation Measures upon the completion of Phase I, Honeywell will then be compensated for services rendered and costs incurred under Phase I, in an amount not to exceed Two Hundred Eighty-Nine Thousand, One Hundred Sixty-Six Dollars Zero Cents (\$289,166.00) from energy savings generated over the term of the long-term Energy Savings Services Contract.
6. In the event Phase II is presented to the Municipal Council and approved, contract

compensation to Honeywell shall not exceed thirty percent (30%) of the Total Financed Project Costs Dollar Value for the services to be performed under the Phase II contract. All other terms and conditions of the Phase II contract shall be negotiated by the parties in the manner established in the Request for Proposal for Energy Savings Plan Development and Implementation dated December 6, 2012, and any and all governing statutes, federal laws and/or municipal ordinances.

7. Attached is a Certification of Funds stating that there are sufficient funds available for the purposes stated herein.
8. The contract period shall be one (1) year from the date of contract execution.
9. The Business Administrator shall file a fully-executed copy of the contract any supporting documents authorized herein in the Office of the City Clerk.

STATEMENT

This resolution hereby authorizes the Mayor and/or his designee, the Business Administrator, to enter into and execute a contract with Honeywell International Inc., located at 101 Columbia Road, Morristown, New Jersey 07962-1057, to conduct an Investment Grade Energy Audit and develop and complete an Energy Savings Plan, as Project Development Phase I for seventeen (17) public buildings/facilities for the period of one (1) year from the date of contract execution in the amount of \$334,535.00 (Amount includes: \$289,166.00 (Services) + \$45,369.00 (Cancellation Fee, if applicable)). The results of the Energy Audit, a comprehensive energy use and savings analysis report, is required to be performed for seventeen (17) Facilities in order to develop an Energy Savings Plan that will verify the feasibility of entering into a long-term contract for Energy Savings Services Contract, Phase II with Honeywell to install and implement recommended Energy Conservation Measures at the Facilities. The Energy Audit, Energy Savings Plan and Energy Savings Services Contract will be conducted in accordance with rules and guidelines established by the New Jersey Board of Public Utilities and the State of New Jersey's Energy Savings Improvement Program Law (*N.J.S.A. 40A:11-4.6 and 40A:11-15*).