



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 15-2055, Version: 1

**Dept/ Agency:** Engineering

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

**Type of Service:** Professional Services Contract

**Purpose:** Implementation of the City of Newark Energy Savings Plan (Phase II)

**Entity Name:** Honeywell International, Inc.

**Entity Address:** 115 Tabor Road, Morris Plains, New Jersey 07950

**Contract Amount:** \$14,926,369.00

**Funding Source:** Energy Savings Improvement Program Refunding Bonds

**Contract Period:** Seven (7) years from the adoption by the Newark Municipal Council

**Contract Basis:** ( ) Bid ( ) State Vendor ( ) Prof. Ser. ( ) EUS

( ) Fair & Open ( ) No Reportable Contributions (X) RFP ( ) RFQ

( ) Private Sale ( ) Grant ( ) Sub-recipient ( ) n/a

**Addition Information:**

Resolution 7R1-P - 031914; Phase I: Contract Amount: \$334,535.00 (Amount includes: \$289,166.00 (Services) + \$45,369.00 (Cancellation Fee, if applicable).

Resolution 7R4-G (AS) 061715; Professional Services Contract for independent Energy Measurement & Verification as it relates to the implementation of a long-term Energy Savings Plan in seventeen (17) Municipal Buildings.

Ordinance 6PFSFD 110515; Approved Refunding Bond Ordinance ESIP Program

**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 adopt the City of Newark Energy Savings Plan and enter into an Energy Savings Services Contract (Phase II) with Honeywell International Inc. ("Honeywell") for the construction and implementation of recommended Energy Conservation Measures ("ECMs") for seventeen (17) public buildings/facilities ("Facilities"); and

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

Facility Name/Address

Site #1 - City Hall - 920 Broad Street

Site #2 - Municipal Courthouse - 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 - Health and Wellness - 94 William Street

Site #8 - Health and Wellness - 110 William Street

Site #9 - Health and Wellness - 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 - 4311 Communications Center - 311 Washington Street  
Site #17 - Newark 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 Department of Property Management and Construction ("NJ DPMC") submitted a written proposal in response to the Department of Administration, Energy Savings Plan Development and Implementation RFP; 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 an Investment Grade Energy Audit ("Energy Audit") of the Facilities and develop and complete an Energy Savings Plan to be reviewed and approved by the City of Newark and the New Jersey Board of Public Utilities ("NJ BPU"); and

**WHEREAS**, the Energy Audit, a comprehensive energy use and savings analysis report, is required to be performed pursuant to *N.J.S.A. 40A:11-4.6*, Energy Savings Improvement Program (ESIP), for the Facilities in order to develop an Energy Savings Plan. The Energy Audit and Energy Savings Plan (Phase I) is intended to verify the feasibility of entering into a subsequent long-term Energy Savings Services Contract (Phase II) with Honeywell for the purpose of installing and implementing recommended ECMs at the Facilities to achieve significant reductions in energy use and operational savings; and

**WHEREAS**, on March 19, 2014, the Municipal Council adopted Resolution 7R1-P which authorized the City to enter into a contract with Honeywell to conduct an Energy Audit and develop an Energy Savings Plan (Phase I) for the aforementioned seventeen (17) Facilities in the amount of \$334,535.00 (Three Hundred Thirty-Four Thousand Five Hundred Thirty-Five Dollars and Zero Cents). The cost of Phase I includes a termination fee in the amount of \$45,369.00 (Forty-Five Thousand Three Hundred Sixty Nine Dollars and Zero Cents) and \$289,166.00 (Two Hundred Eighty-Nine Thousand, One Hundred Sixty-Six Dollars and Zero Cents), for services related to the completion of the Investment Grade Energy Audit and Energy Savings Plan. Compensation to Honeywell for Phase I was only to be provided if Phase II is not executed by the City; and

**WHEREAS**, the Energy Audit and Energy Savings Plan was conducted in accordance with rules and guidelines established by the NJ BPU 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 accordance with the Energy Savings Improvement Programs Law, *N.J.S.A.* 52:34-25 and *N.J.S.A.* 52:34-25.1 (“ESIP Law”) the City was required to retain the services of energy consultant to perform independent third party verification of the Energy Audit and Energy Savings Plan; and

**WHEREAS**, on June 17, 2015 Municipal Council adopted Resolution # 7R4-G (A.S.) which authorized Contract #02-2015PS Consultant Services for Local Energy Savings Plan Development and Implementation to Matrix New World Engineering, Inc., 26 Columbia Turnpike, Second Floor, Florham Park, New Jersey 07932 (“Matrix”); and

**WHEREAS**, on October 21, 2015 the Energy Audit and City of Newark Energy Savings Plan, was verified by Matrix, and submitted to and approved by the NJ BPU on; and

**WHEREAS**, in accordance with ESIP Law, the City seeks to adopt the City of Newark Energy Savings Plan and enter into an Energy Savings Services Contract (Phase II) for the construction and implementation of the recommended ECMs in the Energy Savings Plan; and

**WHEREAS**, the Phase II Contract for the construction and implementation of the recommended ECMs is Fourteen Million Nine Hundred Twenty-Six Thousand Three Hundred Sixty-Nine Dollars and Zero Cents (\$14,926,369.00); and

**WHEREAS**, the Phase II Contract shall be effective for a total of seven (7) years; two (2) years for construction, which includes design and excusable delays, with a five (5) year guarantee period that shall commence the first (1st) day of the month following the date of Final Project Acceptance by the City of Newark; and

**WHEREAS**, compensation to Honeywell shall not exceed thirty percent (30%) of the Total Financed Project Costs Dollar Value for the services to be performed under Phase II contract; and

**WHEREAS**, Honeywell shall be compensated for the Phase II construction and implementation work from proceeds of the Energy Savings Improvement Program Refunding Bonds as adopted by the Municipal Council as Ordinance 6PSf-D on November 6, 2015, for an aggregate principal amount not to exceed \$16,000,000.00; and

**WHEREAS**, the City shall repay Energy Savings Improvement Program Refunding Bonds through guaranteed energy savings resulting from implementation of ECMs over the twenty (20) year term; and

**WHEREAS**, all other terms and conditions of the Phase II contract have been negotiated by the City and Honeywell in this manner as 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; and

**WHEREAS**, this contract shall commence upon adoption by the City of Newark Municipal

Council.

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

1. The City of Newark Energy Savings Plan, an Energy Savings Services Contract (Phase II) in the form presented to this meeting, is hereby approved. The Mayor and/or his designee the Business Administrator, on behalf of the City of Newark (the "City"), are hereby authorized enter and execute the Energy Savings Services Contract (Phase II) with Honeywell International Inc., located at 115 Tabor Road, Morris Plains, New Jersey 07950, formerly 101 Columbia Road, Morristown, New Jersey 07962-1057, for the construction and implementation of recommended Energy Conservation Measures ("ECMs") for seventeen (17) public buildings/facilities ("Facilities"), in the form attached hereto, with such changes as may be approved by the officer executing same, with the advice and approval of Corporation Counsel
2. Phase II is in accordance with Energy Savings Improvement Programs Law, N.J.S.A. 52:34-25 et seq. ("ESIP Law").
3. The Investment Grade Energy Audit and City of Newark Energy Savings Plan, as verified by the City of Newark's independent Third-Party Energy Evaluation, Measurement, and Verification consultant (Matrix New World Engineering), has been submitted to and approved by the New Jersey Board of Public Utilities on October 21, 2015.
4. The Phase II Contract for the construction and implementation of the recommended ECMs is Fourteen Million Nine Hundred Twenty-Six Thousand Three Hundred Sixty-Nine Dollars and Zero Cents (\$14,926,369.00).
5. Compensation to Honeywell shall not exceed thirty percent (30%) of the Total Financed Project Costs Dollar Value for the services to be performed under Phase II contract.
6. Honeywell shall be compensated for the Phase II construction and implementation work from proceeds of the Energy Savings Improvement Program Refunding Bonds, as adopted by the Municipal Council as Ordinance 6PSf-D on November 6, 2015, for an aggregate principal amount not to exceed \$16,000,000.00.
7. The City shall repay Energy Savings Improvement Program Refunding Bonds through guaranteed energy savings resulting from implementation of ECMs over the twenty (20) year term.
8. There shall be no amendments to this contract without the approval of the Municipal Council.
9. The Phase II Contract shall be for seven (7) years; two (2) years for construction, which includes design and excusable delays, with a five (5) year guarantee period that shall commence the first (1st) day of the month following the date of Final Project Acceptance by the City of Newark.
10. This Phase II contract shall commence upon adoption by the City of Newark Municipal Council.

11. The Business Administrator shall file a fully-executed copy of the Contract and any supporting documents authorized herein in the Office of the City Clerk.

**STATEMENT**

The City of Newark Energy Savings Plan, an Energy Savings Services Contract (Phase II) in the form presented to this meeting, is hereby approved. The Mayor and/or his designee the Business Administrator, on behalf of the City of Newark (the "City"), are hereby authorized enter and execute the Energy Savings Services Contract (Phase II) with Honeywell International Inc., located at 115 Tabor Road, Morris Plains, New Jersey 07950, formerly 101 Columbia Road, Morristown, New Jersey 07962-1057, for the construction and implementation of recommended Energy Conservation Measures ("ECMs") for seventeen (17) public buildings/facilities ("Facilities"), in the form attached hereto, with such changes as may be approved by the officer executing same, with the advice and approval of Corporation Counsel, The Phase II Contract shall be for seven (7) years; two (2) years for construction, which includes design and excusable delays, with a five (5) year guarantee period that shall commence the first (1st) day of the month following the date of Final Project Acceptance by the City of Newark. This Phase II contract shall commence upon adoption by the City of Newark Municipal Council.