

PUBLIC WORKS & UTILITIES COMMITTEE

13-0001R

RESOLUTION AUTHORIZING A THREE-YEAR EXTENSION TO CONTRACT 20814 WITH NORTHERN ENERGETICS WITH ANNUAL AMOUNTS OF \$50,100 IN YEAR 2013, \$51,300 IN YEAR 2014, AND \$52,500 IN YEAR 2015, AND A NEW CONTRACT TOTAL NOT TO EXCEED \$425,900.

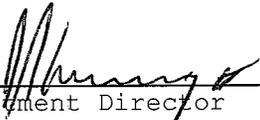
CITY PROPOSAL:

WHEREAS, the Duluth city council previously approved Resolution 09-0061R on January 26, 2009, authorizing Contract 20814 with Northern Energetics for energy consulting services and audits;

WHEREAS, the city desires to continue its relationship with Northern Energetics by extending the contract for three years, beginning January 1, 2013, and ending December 31, 2015.

RESOLVED, that the proper city officials are authorized to execute a three-year extension of Contract 20814 with Northern Energetics, said extension to be substantially in the form of Public Document No. _____ on file in the office of the city clerk, to provide energy consulting services and audits for \$50,100 in year 2013, \$51,300 in year 2014, and \$52,500 in year 2015; with \$50,100 in year 2013 to be paid from Home Energy Fund 555, Dept./Agency 500 (Public Works and Utilities), Object 5441 (Other Services & Charges).

Approved:



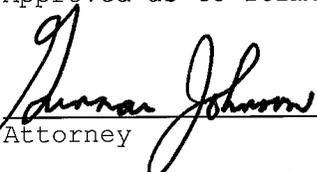
Department Director
Purchasing Agent 

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

STATEMENT OF PURPOSE: This resolution extends Contract 20814 with Northern Energetics through December 31, 2015, and authorizes the following annual amounts: \$50,100 in year 2013; \$51,300 in year 2014; and \$52,500 in year 2015.

Northern Energetics conducts energy audits of single and multifamily (1-4) units in conjunction with Minnesota Power's electrical portion of the basic energy audit, and a thermal integrity audit for existing or potential gas customers.

Northern Energetics, located in Duluth, will continue to provide the same energy audit service as they have since 1996.

Requisition No. 13-0011

AMENDMENT TO AGREEMENT 20814
BETWEEN
THE CITY OF DULUTH
AND
NORTHERN ENERGETICS

The Agreement 20814 (“Agreement”) between City of Duluth (“City”) and Northern Energetics in providing energy consulting services and audits is amended as set forth below. Capitalized terms used in this Amendment but not defined herein shall have the meanings ascribed to them in the Agreement.

WHEREAS, the City and Northern Energetics entered into an agreement on or about January 27, 2009, (“Agreement”) under which the parties agreed to certain terms and conditions in providing energy consulting services and audits; and

WHEREAS, the City has requested a three-year extension to the Agreement, and

WHEREAS, the City and Northern Energetics wish to amend the Agreement to accommodate the extension requested by City as set forth herein

NOW, THEREFORE, in consideration of the mutual benefits contained herein, the parties agree as follows:

1. Services to be Performed

Consultant will provide the services provided in its proposal dated November 8, 2012, and attached hereto as Exhibit A.

2. Fees

It is agreed between the parties that Consultant’s services for the term of this Agreement shall not exceed ~~the amount listed for each year and the total sum listed for all four years of \$272,000 (Two Hundred Seventy Two Thousand and 00/100 Dollars), payable from the Home Energy Conservation Fund 555, Agency 500, Object 5441, Requisition 09-0003, Resolution 09-0061, Vendor Code 2273~~ the total amount listed for each year: \$50,100 for year 2013, \$51,300 for year 2014, and \$52,500 for year 2015, a combined total of \$153,100 for all three years, payable from the Home Energy Conservation Fund 555, Dept./Agency 500 (Public Works and Utilities), Object 5441 (Other Services & Charges), Requisition 13-0011, Resolution 13-0001R, Vendor Code 2273. All bills for services rendered shall be submitted monthly to the City’s Public Works and Utilities Department. Fees for services shall be as set forth in Exhibit A, updated as of November 8, 2012.

3. Contract Period of the Agreement is amended as follows to add the underlined language. Consultant shall perform this Agreement during the years 2009, 2010, 2011, and 2012,

2013, 2014, and 2015. The term of this Agreement shall terminate if the City determines that funding for this project is insufficient or unavailable. The City may terminate this Agreement without cause by giving 30 days written notice thereof to the Consultant.

4. Unless otherwise provided herein, notice to the City or Northern Energetics shall be sufficient if sent by regular United States mail, postage prepaid, addressed to the parties at the addresses hereinafter set forth or to such other respective persons or addresses as the parties may designate to each other in writing from time to time.

City of Duluth
Public Works & Utilities
520 Garfield Avenue
PO Box 169001
Duluth, MN 55816-9001

Northern Energetics
520 Rose Street
Duluth MN 55803

5. Except as specifically amended pursuant to this Amendment, the Agreement remains in full force and effect. In the event of a conflict between the provisions of this Amendment and the provisions of the Agreement, the provisions of this Amendment shall govern.

IN WITNESS WHEREOF, the parties have set their hands the day and date first shown below.

CITY OF DULUTH

NORTHERN ENERGETICS

By: _____
Its Mayor

By: _____

Attest: _____
Its City Clerk

Its _____

Countersigned:

By: _____
Its City Auditor

Approved as to form:

By: _____
Its City Attorney

EXHIBIT A

Northern Energetics, LLC
520 Rose Street
Duluth, MN 55803

PROPOSAL FOR ENERGY CONSULTING SERVICES, 2013-2015
Residential & Multifamily Buildings

DATE: November 8, 2012

TO: *Mr. Eric Schlacks, CEM*

FROM: David Lake: Certified Energy Manager; MN Commercial Energy Auditor; MN Residential Energy Auditor; Building Performance Institute- Building Analyst; BS: Environmental Technology

Thank you for providing us with the opportunity to present this proposal to conduct energy consulting services for the City of Duluth Comfort Systems (client) for the years 2013, 2014 & 2015. Up to 600 customers annually will receive a comprehensive Home Energy Checkup, as a continuation of the successful cooperative program with Minnesota Power. As an energy service company, Northern Energetics, LLC brings an unmatched level of experience and expertise to the City. We have prior commercial, multifamily and residential energy consulting, blower door/ infrared thermography testing and weatherization experience with twelve utilities/ municipalities in five states. Our staff's combined experience exceeds 40 years. We are proud of the excellent reputation that we have earned over the last 18 years in Duluth...

Services Rendered: Northern Energetics, LLC will provide the following services:

1) **Thermal Integrity Audit:** To be performed for the Duluth Comfort Systems customers, in conjunction with the electrical portion of the basic energy analysis supplied by Minnesota Power. The thermal integrity audit will include:

- A) Schedule appointments for all customers. Includes re-scheduling when they change plans- or fail to be present at scheduled appointment times. Multiple calls and/ or emails are usually required to get appointments scheduled.
- B) Take calls during business hours at our Office. Includes answering customers' questions, etc.
- C) Obtain customer gas and electric use histories from utilities prior to visit with customer.
- D) Conduct a walk- through energy inspection, noting opportunities for customers to reduce energy & water use and costs.
- E) Analyze energy use patterns of customer, estimate energy that major appliances consume. Break down energy consumption by major uses.
- F) Review opportunities to reduce energy consumption and utility bills with customers.
- G) Perform a simple payback analysis on recommended conservation or efficiency measures that cost over \$100.
- H) Advise customers about the benefits of improving energy efficiency of appliances (and converting appliances to natural gas when appropriate.)
- I) Identify potentially hazardous situations and unsafe appliance operations for customers.
- J) Give customers printed summary of survey and analysis findings.
- K) Forward surveys of customers' premises to Duluth Comfort Systems (with documentation of identified conservation opportunities and payback analyses.)
- L) Distribute literature about Comfort Systems programs, and answer customer questions about them.
- M) *Compensation:* \$ 71.00/ Checkup (2013); \$ 73.00/ Checkup (2014); \$ 75.00/Checkup (2015)

2) **Efficiency Materials : (All water items EPA “Water Sense” rated (like ‘Energy Star’ for water)**
We will **supply & install** these items, as applicable per customer. For up to first 200 customers:

- a) 1 Earth Shower head, 1.5 gpm, white (Niagara model #N2915N)
\$10.00 ea. material cost; Installation rate: \$5.00/ head
- b) 1-2 Bath aerators, 1.0 gpm, Dual thread (Niagara model #N3210-SAW)
\$2.00 ea. material cost; Installation rate: \$2.50/ aerator
- c) 1 Kitchen Dual Spray Swivel faucet aerator, 1.5 gpm (Niagara model #N3115VP-FC)
\$4.00 ea. material cost; Installation rate: \$2.50/ aerator
- d) 1 Foam tape roll, closed cell, *to weather strip attic doors* (Niagara model #N8001)
\$4.00 ea. material cost; Installation rate: \$4.00/ house

3) **Multi-family Buildings:**

- **2-4 Unit structures:** Audit will be provided for \$175.00 compensation per building.
- **5-12 Unit structures:** Audit will be provided for \$250.00 compensation per building.
- **13+ Unit Structures:** Audit will be provided for \$295.00 compensation per building.
Remaining units may be billed to Landlord/ Owner, per agreement between Owner and Northern Energetics, LLC.

4) **Audit Revisions:** Occasionally, customers call our office with new modification of ideas or plans in mind. If needed, we will look up their past information, revise or add any additional items, perform any other necessary calculations, & submit a copy of the revised forms to both the customers & to Comfort Systems.
Compensation: \$ 15.00 per revision

- Proof of commercial liability insurance coverage to the amount specified by the Duluth Comfort Systems will continue to be provided by Northern Energetics, LLC prior to performing any site work.
- Funding by the City of Duluth Comfort Systems for the Thermal Integrity Audit will be furnished only for existing or potential gas customers.

***Note:**

A) By facilitating the implementation of the energy changes listed herein, this service aids in allowing the city of Duluth to increase sales/ revenue of natural gas- by thousands of dollars annually. On a monthly basis, we see customers fuel switching from fuel oil heat and domestic hot water to become new lifelong users of natural gas. Many residents also convert from electric heat and domestic hot water to natural gas.

B) This also reduces the carbon footprint of our local homes. The pounds of carbon dioxide (CO2) created per million btus of different fossil fuels burned is as follows:

Electricity (from coal only): 694 Lbs CO2 per million btu

Fuel oil: 190 Lbs CO2 per million btu

Natural gas: 118 Lbs CO2 per million btu

- Source: Consumers Guide to Home Energy Savings (Table 1.2), by American Council For An Energy Efficient Economy (aceee.org)

C) In addition, we identify and alert customers about unsafe conditions in their homes when discovered. We generally find at least several potentially dangerous problems per year. These are the **best of all** to prevent...