AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

AgendaTitle:
Acknowledgment of County Manager Signature; Agreement; Resource Engineering Group, Inc.; Commissioning Services for the Gunnison County Courthouse Project; 11/1/13 thru 6/30/15; $60,120

Action Requested: Other Acknowledgement

Parties to the Agreement: Gunnison County & Resource Engineering Group, Inc.

Term Begins: 11/1/2013 **Term Ends:** 6/30/2015 **Grant Contract #:**

Summary:
Provide professional services regarding commissioning services for the Gunnison County Courthouse Project.

Fiscal Impact: $60,120

Submitted by: M. Birnie **Submitter's Email Address:** Mbirnie@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:

I have this amount in the model for the Courthouse project sources and uses.

Reviewed by: GUNCOUNTY1\LNIENHUESER Discharge Date: 11/5/2013

County Attorney Review: (●) Required ( ) Not Required

Comments:

Reviewed by: GUNCOUNTY1\ATREZISE Discharge Date: 11/6/2013 Certificate of Insurance Required Yes (●) No ( )

County Manager Review:

Comments:

Reviewed by: GUNCOUNTY1\MBIRNIE Discharge Date: 11/8/2013

(●) Consent Agenda ( ) Regular Agenda ( ) Worksession Time Allotted:

Agenda Date: 11/19/2013 Follow Up Agenda Date:

Revised April 2013

AGREEMENT

This Agreement ("Agreement") made effective the 1 day of Nov, 2013, is by and between the Board of County Commissioners of the County of Gunnison, Colorado, whose address is 200 East Virginia, Gunnison, CO 81230 ("Gunnison County") and Resource Engineering Group, Inc., whose address is P.O. Box 3725, Crested Butte, CO 81224 ("REG").

RECITALS

REG provides professional services regarding commissioning services for the Gunnison County Courthouse projects ("Scope of Services"). Gunnison County desires to engage REG to provide Services according to this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the Recitals and the mutual covenants and obligations hereinafter set forth, the parties agree as follows:

1. TERM.

The term of this Agreement shall commence on the date first set forth above and shall terminate on June 30, 2015, unless sooner terminated or replaced as provided herein.

2. SCOPE OF SERVICES.

REG shall furnish all materials, labor, supervision, supplies and equipment to commence, diligently pursue, and complete the Scope of Services as more specifically set forth on Exhibit A, attached hereto and incorporated herein by this reference. The Scope of Services shall be performed in a timely manner and in accordance with generally accepted standards for REG's profession and all applicable federal, state and local laws and regulations affecting the Scope of Services or the subject matter thereof. REG acknowledges that this is a non-exclusive Agreement, and Gunnison County may contract with additional or other providers able to furnish the same or similar services as it deems appropriate to do so.

3. COMPENSATION, BONUS AND EXPENSES.

(a) In exchange for REG's performance of the Services, during the Term, Gunnison County shall pay REG fees as more specifically set forth in Exhibit A.

(b) The compensation shall pay REG for all charges, expenses, overhead, payroll costs, employee benefits, insurance subsistence, and profits, except as specifically set forth herein.

(c) This Agreement is subject to Gunnison County making an annual budget appropriation in an amount sufficient to fund this Agreement. If Gunnison County fails or refuses to make such an appropriation, Gunnison County reserves the right to terminate this Agreement without penalty to Contractor pursuant to paragraph 6 of this Agreement.

4. INSURANCE.

REG agrees that at all times during the Term of this Agreement that REG shall carry and maintain, in full force and effect and at its sole cost and expense, the following insurance policies. Within thirty (30) days of the execution of this Agreement, REG will provide insurance certificates to Gunnison County for the coverage's required herein which shall state that such policies shall not be materially changed or cancelled without thirty (30) days prior notice to Gunnison County.

(a) Worker's Compensation Insurance in accordance with Colorado and Federal law which adequately protects all labor employed by Contractor during the term of this Agreement.

(b) Comprehensive General Liability Insurance or the equivalent for any injury to one person in any single occurrence, Three Hundred Ninety Thousand and No/100 U.S. Dollars ($350,000.00); and For an injury to two or more persons in any single occurrence, the sum of Nine Hundred Fifty Thousand and No/100 U.S. Dollars ($990,000.00).

(c) Comprehensive automobile liability insurance on all vehicles used in the Services, in an amount no less than $350,000 for any injury to one person in any single occurrence and in an amount no less than $990,000 for any injury to two or more persons in any single occurrence.

5. TERMINATION.

Either party shall have the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days prior written notice to the other. Upon termination, REG shall be entitled to compensation for Services performed prior to the date of termination, per the compensation terms outlined in Exhibit A.

6. DELEGATION AND ASSIGNMENT.

This is a personal services contract with REG and, therefore, REG shall not delegate or assign its duties under this Agreement without the prior written consent of Gunnison County which consent Gunnison County may withhold in its discretion. Subject to the foregoing, the terms, covenants and conditions of this Agreement shall be binding on the successors and assigns of either party.

7. NOTICES.

Any notice, demand or communication which either party may desire or be required to give to the other party shall be in writing and shall be deemed sufficiently given or rendered if delivered personally or sent by certified first class US mail, postage prepaid, addressed as follows:

Gunnison County:	County Manager Gunnison County 200 E. Virginia Gunnison, Colorado 81230 Phone: 970-641-0248
With a copy to:	Board of County Commissioners of the County of Gunnison, Colorado 200 E. Virginia Gunnison, Colorado 81230
REG:	Resource Engineering Group, Inc. P.O. Box 3725 Crested Butte, CO 81224 Phone: 970-349-1216

Either party has the right to designate in writing, served as provided above, a different address to which any notice, demand or communication is to be mailed.

8. INDEPENDENT CONTRACTOR.

(a) In carrying out its obligations and activities under this Agreement, REG is acting as an independent contractor and not as an agent, partner, joint venture or employee of Gunnison County. REG does not have any authority to bind Gunnison County in any manner whatsoever.

(b) REG acknowledges and agrees that REG is not entitled to: (i) unemployment insurance benefits; or (ii) Workers Compensation coverage, from Gunnison County. Further, REG is obligated to pay federal and state income tax on any moneys paid it related to the services.

9. Sole Source Contracts. If the Contractor has entered into a sole source contract or contracts with the State of Colorado or any of its political subdivisions as defined in Article XXVIII of the Colorado Constitution which including this contract in the aggregate on an annual basis are equal to or exceed the amount of $100,000, then the following provisions apply:

(a) Because of a presumption of impropriety between contributions to any campaign and sole source government contracts, Contractor, on behalf of itself , any person who controls ten percent or more of the shares of or interest in the Contractor, and the Contractor's officers, directors and trustees (collectively, the "Contract Holder") shall contractually agree, for the duration of the contract and for two years thereafter, to cease making, causing to be made, or inducing by any means, a contribution, directly or indirectly, on behalf of the Contractor Holder or on behalf of his or her immediate family member and for the benefit of any political party or for the benefit of any candidate for any elected office of the state or any of its political subdivisions.

(b) The parties further agree that if a Contract Holder makes or causes to be made any contribution intended to promote or influence the result of an election on a ballot issue, the Contract Holder shall not be qualified to enter into a sole source government contract relating to that particular ballot issue.

(c) The parties agree that if a Contract Holder intentionally violates sections 15 or 17(2) of Article XXVIII of the Colorado Constitution, as contractual damages that Contract Holder shall be ineligible to hold any sole source government contract, or public employment with the state or any of its political subdivisions, for three years.

(d) These provisions shall not apply to the extent they have been enjoined or invalidated by a court of competent jurisdiction.

10. ENTIRE AGREEMENT.

This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes any and all prior agreements, proposals, negotiations and representations pertaining to the obligations to be performed hereunder.

11. MISCELLANEOUS.

(a) SEVERABILITY. If any clause or provision of this Agreement shall be held to be invalid in whole or in part, then the remaining clauses and provisions, or portions thereof, shall nevertheless be and remain in full force and effect.

(b) AMENDMENT. No amendment, alteration, modification of or addition to this Agreement shall be valid or binding unless expressed in writing and signed by the parties to be bound thereby.

(c) NO WAIVER OF GOVERNMENTAL IMMUNITY. Nothing in this Agreement is, or shall be construed to be, a waiver, in whole or part, by Gunnison County of governmental immunity provided by the Colorado Governmental Immunity Act or otherwise.

12. ATTORNEYS FEES.

If any party hereto shall bring any suit or action against another for relief, declaratory or otherwise, arising out of this Agreement, the prevailing party shall have and recover against the other party, in addition to all court costs and disbursements, such sum as the court may adjudge to be reasonable attorneys fees and expert witness fees.

13. GOVERNING LAW.

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Colorado. Exclusive jurisdiction and venue for any legal proceedings related to this Agreement shall be in the state District Court governing Gunnison, Colorado.

14. IMMIGRATION COMPLIANCE CERTIFICATION.

(a) REG certifies that REG does not and will not knowingly contract with or employ illegal aliens to work under this Agreement.

(b) REG certifies that REG has required its subcontractors to certify that they do not knowingly contract with or employ illegal aliens to work under this Agreement.

(c) REG certifies that it has attempted to verify the eligibility of its employees and subcontractors to work through the Basic Pilot Employment Verification Program administered by the Social Security Administration and Department of Homeland Security.

(d) REG agrees to comply with all reasonable requests made in the course of an investigation under C.R.S. 8-17.5-102 by the Colorado Department of Labor and Employment.

(e) REG agrees to comply with the provisions of C.R.S. 8-17.5-101 et seq.

15. COUNTERPARTS: FACSIMILE TRANSMISSION.

This Agreement may be executed by facsimile and/or in any number of counterparts, any or all of which my contain the signatures of less than all the parties, and all of which shall be construed together as but a single instrument and shall be binding on the parties as though originally executed on one originally executed document. All facsimile counterparts shall be promptly followed with delivery of original executed counterparts.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF GUNNISON, COLORADO

By: _____
Matthew Birnie, County Manager

ATTEST:

_____
Deputy Clerk

GUNNISON COUNTY SEAL COLORADO

RESOURCE ENGINEERING GROUP, INC.

By: _____ 11/1/13
August Hajz, President

Resource Engineering Group

Matthew Birnie
County Manager
Gunnison County
mbirnie@gunnisoncounty.org
970.641.0248

August 20, 2013

Regarding: Commissioning for Gunnison County Courthouse

Thank you for requesting a proposal from REG for energy systems commissioning for the remodel of Gunnison County Courthouse facility in Gunnison, Colorado. This proposal is based upon our discussions with you regarding the general expected scope of the project..

Project Description
The project will be a roughly 50,000 ft2 building when completed. The majority of the existing building will be demolished while preserving the historic courthouse portion. All other areas will be new construction, rather than remodeled. The County will pursue reducing the energy use of the building to lower operating costs.

Background: What is Commissioning?
Commissioning (Cx) is the process of making sure buildings work like they are supposed to. The role of the commissioning agent (CxA) is to:

- Help the owner **define project goals** (including energy use, thermal comfort, maintainability, and so on).
- **Guide the project design** within the owner's stated goals.
- Provide detailed **inspection and testing of energy systems** to verify that the installed systems meet those goals.

The CxA can also be viewed as an owner's representative, focused on HVAC and energy systems.

The costs and benefits of commissioning are well documented. A recent Department of Energy study of commissioning for 74 new construction projects found:

- Average cost of $1.00/ft2, with an average payback of 4.8 years. (This cost is for construction phases commissioning.)
- Energy intensive buildings show greater savings from commissioning.
- More thorough commissioning creates deeper energy savings.

Qualifications
REG's substantial commissioning experience has turned up just about every conceivable building operation issue, including backward-running fans, failed sensors, broken damper actuators, missing control wires, variable-speed pumps running continuously at full speed, and so on. Modern buildings are complicated beasts, and they need to be checked and rechecked to make sure they are operating properly.

Our commissioning work is informed by our focus on energy efficiency and our long history of designing systems with alternative approaches and advanced control strategies. We have strong relationships with HVAC and controls vendors and installers, and we've logged enough time in mechanical rooms and crawlspaces to have seen everything from old pneumatics to the latest GUI DDC interfaces.

Scope of Work

- **Participate in the design meetings** to help establish the Owner's energy goals, as well as overall HVAC system and comfort design criteria.
- Evaluate HVAC system options (proposed by the Engineer of Record) based upon engineering experience.
- Create the **Owner's Project Requirements** (OPR) and **Basis of Design** (BOD) documents to provide the design team with clear direction. Key elements include:
    - Energy saving goals as they relate to first cost and payback.
    - Temperature and humidity parameters. For example, which spaces are mission critical, which just need a reasonable level of comfort, and which have more flexibility.
    - Control systems expectations and user interface requirements.
- **Revise the BOD document** if and when priorities evolve based on design and budget constraints as the project progresses.
- **Provide peer review** of SD, DD, and CD plan sets. Our plan review will compare the issued plans against the BOD to determine compliance.
- Perform an **Installation Verification (IV) inspection**. The IV is a detailed inspection of all physical components of the HVAC and energy systems. In addition to reviewing what equipment is installed, this work reviews how the equipment is installed, for example proper vibration isolation, piping configuration, and valve positioning.
- Perform **Functional Test Procedure (FTP) testing** to determine proper system operation under all expected system operating modes and conditions. FTP is the testing of system controls. This is the most common problem area in today's HVAC and energy systems.
- Create a **detailed list of Action Items** for the appropriate parties in the design and construction teams for issues discovered during IV and FTP.
- **Provide support to mechanical and general contractors** as they correct action items that are identified during the commissioning process.
- **Perform up to two follow-up site visits** to inspect and verify that the action items from the IV and FTP reports have been addressed correctly.
- **Provide a final report** describing the conclusions of the commissioning process.

Commissioning Exclusions

- Testing adjusting and balancing (TAB). The TAB of the system is a separate activity that verifies the correct water and airflows are established. We cannot commission the building until we have received a completed TAB report.
- Commissioning of audio or visual equipment. This is a specialized area of expertise.
- Commissioning of security, telephone, and data or any other systems beyond the building energy systems.
- Commissioning of any production equipment within the facility. The owner's production staff and consultants will do this.

Fee

We propose to perform this work for the fixed fee of **$60,120**, including direct expenses. Please see the table below for a break down of expected hours and fees.

	Commissioning tasks/hour budget				
Design Phase Services	**Proj Eng Hrs**	**Princ Hrs**	**Proj Eng $**	**Princ Eng $**	**Total $**
Kick-Off meeting to establish energy goals (mtg w/ Owner & Arch)	8	12	$1,120	$1,920	$3,040
OPR & BOD documents (including revisions)	24	4	$3,360	$640	$4,000
SD plan review	16	2	$2,240	$320	$2,560
DD plan review	16	2	$2,240	$320	$2,560
CD plan review	16	4	$2,240	$640	$2,880
Design Phase subtotal					**$15,040**
Construction Phase Services					
Equipment submittal review	16	4	$2,240	$640	$2,880
Prepare IV & FTP docs	32	4	$4,480	$640	$5,120
IV & FTP On Site	72	24	$10,080	$3,840	$13,920
IV & FTP Report	44	12	$6,160	$1,920	$8,080
Follow Up Cycle 1	40	8	$5,600	$1,280	$6,880
Follow Up Cycle 2	32	8	$4,480	$1,280	$5,760
Final Report (if needed)	8	2	$1,120	$320	$1,440
Expenses				$1,000	$1,000
Construction Phase subtotal					**$45,080**
Grand Total	**324**	**86**	**$45,360**	**$14,760**	**$60,120**

The majority of work time spent on this project will be our Senior Project Engineer (Ben Preston, P.E.), with some help from a Project Engineer during testing, and continuous review by the Principal Engineer (August Hasz, P.E.). See the table below for the hourly breakdown or our anticipated work totals. We have attempted to accurately account for the number of unknowns at this time (system complexity, installation team, and even final building size).

Details

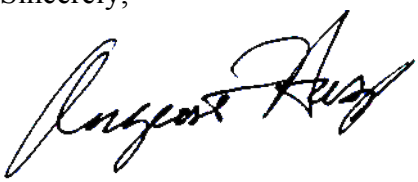
- **Billing**. We propose to bill monthly by percentage completed.
- **Hourly rates** (for additional work, if requested):

Project Engineer	$120/hour
Senior Project Engineer	$140/hour
Principal Engineer	$160/hour

- **Direct Expenses**. Expenses (such as shipping, reproduction, and travel) are included in the fixed-fee.

We have substantial experience in these types of projects and are confident that we can meet the project requirements. Our firm emphasizes engineering excellence, progressive thinking, and clear communication. Please feel free to call if you have any questions about REG's proposal.

Sincerely,



August Hasz, P.E.
Principal Engineer

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