

# Investment Grade Audit Agreement

This Investment Grade Audit Agreement (“Agreement”), dated \_\_\_\_\_ (“Effective Date”) is entered into by and between **Schneider Electric Buildings Americas, Inc.** (“ESCO”) and **the City of Angleton, Texas** (“Customer”) for the performance of an Investment Grade Audit to determine the scope of work, guaranteed savings amount, energy conservation measures (“ECMs”), and project price for a comprehensive improvement program.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, ESCO and Customer agree with the following terms and conditions as set out in Section A and B and incorporated herein:

**Section A -- General Terms and Conditions**

**Section B -- Audit Services**

IN WITNESS WHEREOF, the individual signing this Agreement on behalf of its respective party represents that s/he has the authority to execute this Agreement as a duly authorized representative of such party as set forth below.

**City of Angleton, Texas**

**Schneider Electric Buildings Americas, Inc.**

By	_____	By	_____
	(Signature)		(Signature)
Print Name	_____	Print Name	_____
Title	_____	Title	_____
Date	_____	Date	_____

## **Section A: General Terms and Conditions**

### **1. Entire Agreement**

This Agreement, and any documents incorporated by reference, constitute the entire understanding between ESCO and Customer and supersedes all prior oral or written understandings relating to the subject matter herein. This Agreement may not be altered or modified except by written instrument signed by a duly authorized representative of each party. As described more fully in Section B, ESCO will conduct an Investment Grade Audit of certain Customer Facilities (defined below)

### **2. Additional Services**

Customer may request additional services, whereby ESCO's compensation and scope of services shall be adjusted accordingly. Any such modifications shall be negotiated in good faith and authorized via a written amendment to this Agreement signed by Customer and ESCO. Any such amendment must be properly executed by Customer and ESCO prior to any changes being implemented by ESCO. Upon execution of the amendment by Customer and ESCO, such additional services will become part of this Agreement and subject to the terms and conditions contained herein.

### **3. Confidentiality**

Neither party shall disclose to others any Confidential Information. "Confidential Information" shall mean all information or material, whether revealed orally, visually, or in tangible or electronic form, that is competitively sensitive material not generally known to the public that relates to the business of a party to this Agreement, or any of their respective interest holders, unless such information: (i) was already rightfully known and in possession of the receiving party at the time of disclosure by the disclosing party; or (ii) is in or has or will be entered into the public domain through no breach of this Agreement or other wrongful act of the receiving party; or (iii) has been rightfully received by the receiving party from a third party who is not known by the receiving party to be under obligation of confidentiality to disclosing party and without breach of this Agreement; or (iv) is independently developed by receiving party without reference to the Confidential Information; or (v) is approved for release by written authorization from the disclosing party. This confidentiality obligation shall terminate two (2) years from the date of this Agreement. The parties acknowledge and agree that the Customer shall comply with the Texas Government Code Chapter 552, Texas Public Information Act, as amended.

### **4. Insurance**

ESCO and Customer shall each maintain insurance coverage, including without limitation, workers' compensation and employer's liability at statutory limits and commercial general liability insurance covering public liability and property damage with limits generally required for its respective industry with not less than \$1,000,000.00 each occurrence, \$2,000,000.00 general aggregate. Such insurance shall be with reputable and financially responsible carriers authorized to transact business in the state in which the facilities are located and the services are being performed with an A.M. Best's rating of at least A- VII.

### **5. Governing Law**

This Agreement will be governed, interpreted and construed by, under and in accordance with the laws, statutes and decisions of the state in which the facilities are located, without regard to its choice of law provisions.

### **6. Ownership of Work Products**

All drawings, specifications and other documents and electronic data furnished by ESCO to Customer under this Agreement ("Work Products") are deemed to be instruments of service and ESCO shall retain the ownership and property interest therein, including the copyrights and intellectual property thereto. Drawings, specifications, and other documents and materials and electronic data are furnished for use solely with respect to the guaranteed Energy Savings Contract with ESCO.

Work Products may not be shared with any third parties, except to the extent as required by law, without the written permission of ESCO as referenced in this Section A:3.

**Section B: Audit Services**

**Customer agrees to provide the following:**

- A. Complete access, including granting the ability for remote network access, to Customer's facilities for ESCO to perform the energy efficiency analysis, measuring actual energy use, taking equipment inventory, determining operating schedules, identifying known operational deficiencies;
- B. Access to key personnel to discuss operating requirements; and
- C. The loan of building plans for the purpose of facilitating understanding of the facility characteristics and the current sequences of operation.

**ESCO will provide Customer with the following:**

- A. A list of energy conservation measures planned for each facility;
- B. A description of how the energy conservation measures would interact with the existing equipment in the facilities;
- C. Financial analysis of the effect on annual cash flow by the energy conservation measures;
- D. Guaranteed energy services contract for the facilities;
- E. Utility analysis demonstrating effect of installed energy conservation measures;
- F. Performance Assurance Support Services (PASS) Plan for the facilities; and
- G. Project pricing for a turnkey installation of the proposed project scope that shall be firm for sixty (60) days from the audit report being delivered to the City..

**Customer is under no payment obligation under this Agreement, provided at least one of the following conditions is met:**

- A. Customer executes a guaranteed performance-based building improvement program with ESCO within thirty (30) days after receiving the Investment Grade Audit Report;
- B. ESCO is unable to guarantee annual energy cost savings that meet or exceed the annual cost of the proposed performance-based building improvement program over a term not to exceed 20 years

If none of the above conditions are met, Customer agrees to pay ESCO \$27,066 for the Investment Grade Audit service within thirty (30) days after receiving the Investment Grade Audit documents.

This cost is equivalent to \$.30 cents per square foot audited. The square footage to be audited is \_90,221 (see below a list of facilities to be included in this audit).

**List of Facilities**

<b>Facility</b>	<b>Square Footage</b>
City Hall	12,200
Police Station	14,500
Rec Center	41,000
Animal Shelter	5,059
Fire station 1	8,700

Fire station 2	1,832
Fire station 3	<u>6,930</u>
<b>Total</b>	<b>90,221</b>