



August, 1, 2023

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) confirms the interest of **City of Cartersville, GA (COC)** in developing with **Johnson Controls, Inc., (JCI)** a Preliminary Business Case Analysis that projects the financial benefits of an energy efficient facility improvement measures and operational savings project. The subject of the analysis is further defined below. This MOU will allow for the exchange of information for preliminary engineering and assessment activities to be performed that will lead towards a Business Case Analysis validating consideration of a comprehensive Investment Grade Audit.

This Preliminary Business Case Analysis is a focused investment of time by JCI and COC to determine the potential for the application of best practices for facility wide energy conservation measures, operational improvements, deferred maintenance programs, and technology investments that will make a positive contribution to the broader mission and goals of City of Cartersville financial and operational initiatives. This MOU will also identify the anticipated outcomes of the analysis and the roles and responsibilities of each party in developing the Preliminary Business Case Analysis.

**Johnson Controls will perform this exploratory study at no cost to COC.**

**COC OBJECTIVES** – To investigate a comprehensive solution that will include, but is not limited to, the following:

- Energy efficient upgrades for district facilities.
  - LED lighting retrofits.
  - Mechanical equipment upgrades.
  - Building controls improvements.
  - Water conservation opportunities.
  - Building envelope improvements.
- Solar PV implementation, data tracking, grid export value, and battery storage.
- General facility needs/Infrastructure concerns.

**JOHNSON CONTROLS OBJECTIVES** - The Preliminary Business Case Analysis will investigate and assess the following:

- Items as noted in “COC Objectives” listing above.
- Identification of capital improvement measures in conjunction with the degree to which increased energy and operating efficiencies can self-fund capital improvement measures.
- Evaluate potential savings of reduced operational and maintenance costs subsequently driven by identified efficiency improvements.
- Review facilities capital projects plan and planned expansions/retrofits.

**BUSINESS CASE ANALYSIS DELIVERABLES** - Once JCI has completed the assessment described above, JCI will provide COC with the following deliverables:

- List of potential infrastructure improvement measures
- Estimated energy and operational savings with general payback measures.
- Financial cash flow analysis scenarios.
- Recommended next steps.

**PROCESS** - To enable both parties to evaluate the potential benefits of this solution without excessive investment by JCI, or any speculative commitment by COC, a process of progressive investment and commitment shall be undertaken. This process shall be as follows:

- Co-author a **Timeline** that defines each process step with specific milestone dates. (See the Timeline Attachment - "Business Process Timeline").
- Jointly develop a **Preliminary Business Case Analysis**. This Analysis shall list the desired scope of preliminary infrastructure improvement measures and compare the financial merits of an alternate approach against the current situation.

**EFFECT OF MEMORANDUM OF UNDERSTANDING** – This MOU is not intended to be, nor should it be construed as, a legally binding agreement obligating either party to proceed with any project considered during the Preliminary Business Case Analysis. However, both parties intend to be bound by the confidentiality provisions contained herein. Both JCI and COC agree to keep all information exchanged and shared confidential to the extent permitted by law.

The output of the preliminary analysis, as a part of this MOU, is intended to act as a guideline for understanding the scope and size of a potential project. It is not intended to act as a design document for sizing, purchasing, or installation of any equipment or program.

**OBLIGATIONS OF City of Cartersville, GA** - COC will work with JCI in a diligent and timely manner, to develop the **Preliminary Business Case Analysis**. Additionally, there shall be open disclosure of information required to make an accurate assessment including:

- Historical energy usage and billing for previous 12-24 months.
- Operating budgets for past 12-24 months.
- Access to available mechanical and electrical building drawings.
- Access to relevant buildings in which JCI visits shall be guided by COC personnel.

**OBLIGATIONS OF JOHNSON CONTROLS, INC.** - JCI will work with COC in a diligent, professional, and timely manner to develop & present the **Preliminary Business Case Analysis**.

JCI agrees to bear the entire costs to develop and present the Preliminary Business Case Analysis, including the cost of the financial and technical evaluation, travel and lodging of JCI personnel, and providing adequate and qualified resources and professional experts as necessary.

**CONFIDENTIALITY** - This agreement creates a confidential relationship between JCI and COC. Both parties acknowledge that while performing this agreement, each will have access to confidential information, including but not limited to systems, services or planned services, suppliers, data, financial information, computer software, processes, methods, knowledge, ideas, marketing

promotions, current or planned activities, research, development, and other information relating to the other party ("Proprietary Information"). Except as authorized in writing or, where disclosure is required by law, both parties agree to keep all Proprietary Information confidential. JCI may only make copies of Proprietary Information necessary for performing its services. Notwithstanding the foregoing, JCI acknowledges that the COC's disclosure of documentation is governed by Georgia's Open Records Act, and JCI further acknowledges that, if JCI submits to COC records containing trade secret information and if JCI wishes to keep such records confidential, JCI must submit and attach to such records an affidavit affirmatively declaring that specific information in the records constitutes trade secrets.

Upon cessation of services, termination, or expiration of this agreement, or upon either party's request, whichever is earlier, both parties will return all such information and all documents, data, and other materials in their control that contain or relate to such Proprietary Information. Any records, documents, data or other materials which are considered to be public records under Georgia law, shall be retained for the time period required in accordance with Georgia law.

JCI and COC understand that this is a confidential project and agree to keep and maintain confidentiality regarding its undertaking of this project to the extent permitted by law. JCI shall coordinate its services only through the designated customer representative and shall provide information regarding this project to only those persons approved by COC. JCI will be notified in writing of any changes in the designated customer representative.

Both Parties are in agreement with the intent outlined by this Memorandum.

Acceptance: **City of Cartersville, GA**

Acceptance: **Johnson Controls, Inc.**

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# Business Process Timeline

Step	Milestone	Duration	Owner
Kickoff Meeting – Confirm BCA Buildings & Scope	8/15/2023	1 hour	JCI & COC
Provide Data & Access to COC Facilities & Systems	8/18/2023	2 weeks	JCI & COC
Complete Facility and Systems Preliminary Analysis	9/15/2023	1 Month	JCI
Present Business Case Analysis to COC Leadership & Staff  Confirm Implementation Contract Structure and Financing Mechanism.	11/28/2023	2 hours	JCI & COC
Initiate Investment Grade Audit – Execute Via Sourcewell Cooperative Contract	12/15/2024	3 Months	JCI & COC
JCI to Present Investment Grade Audit to COC BOC	3/26/2024	2 hours	JCI
Execute Implementation Agreement via Sourcewell Cooperative Contract	4/27/2025	N/A	JCI & COC
Construction Begins	5/30/2024	TBD	JCI

## Selected Buildings

- All City Owned Facilities to be Evaluated.
  - List to be provided by COC Leadership

## Requested Information from COC:

- Operating and Capital Budget for past 12-24months
- Actual utility expense totals, sample bills, and service contracts for the past 12-24months.
- Access to facility and personnel most knowledgeable of operations and current conditions.
- Access to available mechanical and electrical building drawings.