



Prepared for:
Add your company name here
Your Address
City, CA
Your name and title.

Energy Service Agreement Addendum



We are pleased to provide the following proposal to expand the scope of your current preventive maintenance agreement (Reference Agreement #xxxxxx, dated x/xx/20xx). The addition of this set of enhanced energy services to your existing preventive maintenance program will provides two important benefits:

1. We will identify immediate operating cost savings that will, in many cases, more than pay for the entire cost of the service agreement – freeing up valuable cash for other parts of your business.
2. At the same time we minimize the long-term total cost of owning and operating your buildings through services that provide for longer equipment life and fewer breakdowns.

According to the U.S. Department of Energy and the Building Owners and Managers Association (BOMA) energy savings of 5 to 30% can be realized through improved operations and maintenance of building systems. Our approach will optimize the performance of all of the energy-consuming systems in your building and ensure that all aspects of energy waste in your buildings are addressed.

Benefits of the Enhanced Energy Savings Program

- 1. Identify maximum total energy savings**
By tuning the operation of the building we will eliminate operational characteristics that waste energy.
- 2. Track and report actual savings**
Prior to making operational or equipment changes we will install systems that baseline the current energy performance of the buildings and accurately track and report savings, even accounting for changes in weather or occupancy patterns. This will allow you to document the progress towards achieving your energy performance goals, as well as the financial return you are receiving for your investment.
- 3. Ensure ongoing high performance**
The systems we will install also provide for ongoing energy performance of the building by continuously monitoring the real-time energy use, comparing it to the expected performance level, and alerting us if something changes in the buildings' operation that cause energy use to exceed the expected level.

Scope of Work for Enhanced Energy Savings Program

We include in our proposal the following additional energy services:

- **Energy Benchmark**

An Energy Benchmark report will be provided on a quarterly basis which will detail the current key energy performance metrics including ENERGY STAR® Energy Performance Rating (where applicable), cost per square foot, energy usage index, and carbon footprint. In future reports historical trends of energy performance will be provided in comparison to the current performance.

- **Energy Savings Assessment**

An Energy Savings Assessment report will be provided within 60 days of the start of this agreement and every nine months thereafter. The benefit of the nine month frequency is that each assessment will occur during a different season and over the course of time we will gain insights into improving all aspects of the heating and cooling systems. This report will provide recommendations for changes to operations and maintenance procedures that will result in reduced operational costs through energy savings. The focus of these recommendations will be on low and no cost-to-implement changes. Where appropriate, we will provide recommendations for more capital-intensive items, supported by specific savings and return on investment estimates and will work with you to plan your capital expenditure budgets to implement those recommendations in a way that meet your return on investment criteria, your available budget, and your investment horizon.

- **Continuous Energy Monitoring**

Within 30 days of the start of this agreement, and prior to the implementation of an energy conservation measures we will install a Continuous Energy Monitoring system that will establish an energy use baseline for your building, quantify savings that result from subsequent energy conservation measures, and provide ongoing assurance of optimum energy efficiency through automated analysis of real-time, whole-building energy consumption data. In conjunction with the Energy Benchmark reports, we will provide, on a quarterly basis, a report that summarizes the cost savings that can be attributed to the energy conservation measures implemented. In addition, we will monitor energy use on a daily basis and dispatch a service technician as necessary to investigate any abnormal increases in energy use that are detected.

See Appendix A for detailed scopes of work for the above services.

Cost Proposal for Enhanced Energy Savings Program

The Enhanced Energy Savings Program described herein will be for a term of one (1) year beginning with the signature date of this agreement. At the end of the original term of this agreement, the program will automatically renew from year to year. Either party may terminate this agreement with written notice forty-five (45) days before the anniversary date of the agreement.

The cost to implement this Enhanced Energy Savings Program is comprised of two parts:

1. The cost of the initial Energy Benchmark, Energy Savings Assessments, and setup and installation costs for the Continuous Energy Monitoring equipment. This cost is \$5,590.
2. The ongoing cost for periodic Energy Savings Assessments, continuous energy monitoring services, and quarterly reporting. This cost is \$4,800 per year.

We will invoice you upon completion of this agreement for \$5,590, and on a quarterly basis in the amount of \$1,200. These amounts will be added to the amount currently invoiced for the mechanical systems preventive maintenance agreement.

Payment terms will be thirty (30) days after Ace Mechanical's date of invoice. Ace Mechanical reserves the right to discontinue its service anytime payments have not been made as agreed. Failure to make payments when due or impairment of customer's credit shall relieve Ace Mechanical of any and all obligations pertaining to work or performance of work.

This proposal is valid until March 29, 2010.

Please sign in the space provided below as your acceptance of this Agreement.

CUSTOMER ACCEPTANCE:

ACE MECHANICAL ACCEPTANCE:

ACCEPTED BY: _____

ACCEPTED BY: _____

PRINT NAME: _____

PRINT NAME: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

P.O. #: _____

Terms and Conditions

- 1.) **Your Company** shall permit Aire Rite Air Conditioning & Refrigeration free and timely access to areas and equipment, and allow Ace Mechanical to start and stop the equipment necessary to perform required services. All planned work under this Agreement will be performed during Ace Mechanical's normal working hours.
- 2.) Aire Rite Air Conditioning & Refrigeration warrants that the workmanship hereunder shall be free from defects for three hundred and sixty five (365) days from date of installation. If, after the first year warranty expires, any replacement part or item of equipment proves defective, Aire Rite Air Conditioning & Refrigeration will extend to Your Company the benefits of any warranty Aire Rite Air Conditioning & Refrigeration received from the manufacturer. Removal and reinstallation of any equipment or material repaired or replaced under a manufacturer's warranty will be at Your Company's expense and at the rates then in effect.
- 3.) **Your Company** will promptly pay invoices within ten (10) days of receipt. Should a payment become thirty (30) days or more delinquent, Aire Rite Air Conditioning & Refrigeration may stop all work under this Agreement without notice and/or cancel this Agreement, and the entire Agreement amount shall become due and payable immediately upon demand.
- 4.) **Your Company** shall be responsible for all taxes applicable to the services and/or materials hereunder.
- 5.) Any alteration to, or deviation from, this Agreement involving extra work, cost of material or labor will become an extra charge (fixed-price amount to be negotiated or on a time-and-material basis at Aire Rite Air Conditioning & Refrigeration's rates then in effect) over the sum stated in this Agreement.
- 6.) In the event Aire Rite Air Conditioning & Refrigeration must commence legal action in order to recover any amount payable under this Agreement, **Your Company** shall pay Aire Rite Air Conditioning & Refrigeration all court costs and attorney's fees incurred by Aire Rite Air Conditioning & Refrigeration.
- 7.) Any legal action against Aire Rite Air Conditioning & Refrigeration relating to this Agreement, or the breach thereof, shall be commenced within one (1) year from the date of the work.
- 8.) Aire Rite Air Conditioning & Refrigeration shall not be liable for any delay, loss, damage or detention caused by unavailability of machinery, equipment or materials, delay of carriers, strikes, including those by Aire Rite Air Conditioning & Refrigeration employees, lockouts, civil or military authority, priority regulations, insurrection or riot, action of the elements, forces of nature, or by any cause beyond its control.
- 9.) To the fullest extent permitted by law, **Your Company** shall indemnify and hold harmless Aire Rite Air Conditioning & Refrigeration, its agents and employees from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from the performance of work hereunder, provided that such claim damage, loss or expense caused in whole or in part by any active or passive act or omission of **Your Company**, anyone directly or indirectly employed by **Your Company**, or anyone for whose acts Your Company may be liable, regardless of whether it is caused in part by the negligence of Aire Rite Air Conditioning & Refrigeration.
- 10.) **Your Company** shall make available to Aire Rite Air Conditioning & Refrigeration personnel all pertinent Material Safety Data Sheets (MSDS) pursuant to OSHA's Hazard Communication Standard Regulations.

11.) Aire Rite Air Conditioning & Refrigeration's obligation under this proposal and any subsequent contract does not include the identification, abatement or removal of asbestos or any other toxic or hazardous substances, hazardous wastes or hazardous materials. In the event such substances, wastes or materials are encountered, Aire Rite Air Conditioning & Refrigeration's sole obligation will be to notify the Owner of their existence. Aire Rite Air Conditioning & Refrigeration shall have the right thereafter to suspend its work until such substances; wastes or materials and the resultant hazards are removed. The time for completion of the work shall be extended to the extent caused by the suspension and the contract price equitably adjusted.

12.) Aire Rite Air Conditioning & Refrigeration's design is based on published ASHRAE 62-1999 or applicable local code ventilation regulations and does not purport to address health effects attributed to smoking.

13.) UNDER NO CIRCUMSTANCES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), EQUITY OR OTHERWISE, WILL AIRE RITE AIR CONDITIONING & REFRIGERATION SERVICES BE RESPONSIBLE FOR LOSS OF USE, LOSS OF PROFIT, INCREASED OPERATING OR MAINTENANCE EXPENSES, CLAIMS OF **Your Company** TENANTS OR CLIENTS, OR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES.

Appendix A – Detailed Scopes of Work

Scope of Work

Energy Benchmark™

1. Overview

This document defines the scope of work proposed to document the energy performance of [*Building Name*], located at [*Address*] and will provide a comparison of its performance to its peer group of similar buildings.

2. Data Collection

Data to support the proposed energy benchmark analysis required include:

2.1. Building Space Type and Operating Characteristics

In order to identify your building's group of peers, more than 50% of the building's gross floor area (excluding parking lots and garages) must be defined by one of the following space types:

- Bank/Financial Institutions
- Courthouses
- Hospitals (acute care and children's)
- Hotels
- Houses of Worship
- K-12 Schools
- Medical Offices
- Multifamily Housing
- Offices
- Residence Halls/Dormitories
- Retail Stores
- Supermarkets
- Warehouses (refrigerated and non-refrigerated)

For each space type, there are minimum and maximum threshold values for key operating characteristics' (e.g. number of workers, weekly operating hours, etc.) fields. These limits are designed to ensure that your building falls into an operation pattern consistent with that of the peer group used for comparison.

2.2. Utility Bill History

A minimum of 12 months of electric and fuel (gas or oil) bills documenting usage, peak demand, and associated costs will be collected.

3. Reporting

The data collected will be transmitted to the U.S. Environmental Protection Agency's ENERGY STAR program, processed, and results summarized in a simple report. The initial report will provide a summary of the current energy performance, how it compares to its peer group of buildings, and the potential for savings.

4. Roles and Responsibilities

The building owner / property manager, along with [Contractor Name] play a critical role in contributing toward an effective energy benchmark.

4.1. [Customer Name]

You are responsible for:

- Providing knowledgeable and accurate input of the physical and key operating characteristics of this building
- Providing prompt access to historical utility bill information

4.2. [Contractor Name]

We are responsible for:

- Collecting and inputting the information into the software applications
- Promptly and professionally delivering our summary report

AirAdvice, Inc., the provider of the software used in this analysis maintains that confidentiality of the data collected and the subsequent analysis and recommendations will be preserved. AirAdvice will not disclose individual building information or test data without the client's written permission. However, AirAdvice may use aggregated data from multiple buildings for reporting on industry findings and trends.

Scope of Work

Energy Savings Assessment™

1. Overview

This document defines the scope of work proposed to assess the energy and comfort performance of [*Building Name*], located at [*Address*]. An automated process of data collection, analysis, and reporting will document the current energy performance of the building in comparison to peer buildings as well as the performance of specific energy-consuming systems and operations in the building.

2. Data Collection

Data to support the proposed energy analysis will be collected from three primary sources:

2.1. Dynamic Environmental Measurements from Building

A sample of dynamic environmental measurements from the building will be taken. [*# of monitors*] will be placed throughout the building and left in place for approximately [*# of days*] days, during which time they will continuously measure temperature, humidity, light, and carbon dioxide levels from each location.

Data from the monitors will be wirelessly transmitted to a central communication gateway, also placed in the building. About once per hour, a cellular modem in the gateway will dial out and connect to a server, transmitting the data for storage and later analysis.

All data communications will take place without connection to the building's IT infrastructure. In addition, all sensor readings are independent of the building's climate controls system. This allows us to verify accuracy of the sensors that feed data to the building automation system.

Additional details about the monitors, their sensors, and the communication method used are shown in Appendix A.

2.2. Building Site Survey

A site survey of the building will be conducted. This survey will include:

- A walk-through of the building to become familiar with its construction, equipment, operation, and maintenance
- Discussions with building operations staff to learn of any special problems or needs of this building and how current maintenance practices might affect energy efficiency
- Documentation of the building's sequence of operations

2.3. Utility Bill History

A minimum of 12 months of electric and fuel (gas or oil) bills documenting usage, peak demand, and associated costs will be collected.

3. Comfort and Energy Analysis

Using the data collected above, a thorough analysis of the building's comfort and energy use will be completed. This analysis will provide the following outputs:

3.1. Energy Benchmarking

Through an automated software link to the U.S. Environmental Protection Agency's ENERGY STAR® program, key metrics such as the ENERGY STAR Energy Performance Rating, Energy Usage Index, and cost per square foot will be calculated and compared to results from peer buildings. This will provide insight into how the energy use in this building compares to other similar buildings.

3.2. Comfort, Ventilation, and Lighting Analysis

A detailed summary of the performance of the temperature, ventilation, and lighting control systems will be provided. This summary will help pinpoint comfort issues in the building, as well as provide backup data to help identify specific changes to the control systems and their sequence of operations that can further reduce your building's operating costs.

4. Reporting

The data collected and the extensive analysis performed will be summarized in a comprehensive, yet easy-to-understand report. The report will provide the top-level information decision makers need to quickly evaluate the comfort and productivity of the building's occupants.

5. Roles and Responsibilities

The building owner, property manager, and building operations and maintenance personnel, along with [Contractor Name], all play a critical role in contributing toward an effective assessment. The value of this assessment is enhanced by ensuring that accurate input is provided through each step.

5.1. [Customer Name]

You are responsible for:

- Providing knowledgeable and accurate input as to the physical and operating parameters of this building
- Responding to questions about complaints and/or knowledge of issues
- Providing prompt access to historical utility bill information
- Allowing physical access to the building to place / collect monitoring equipment and verify physical and operating parameters of this building
- Communicating to building occupants, notifying them as to the purpose of this assessment

- Committing to provide resources necessary to address the issues identified, correct problems noted, and implement recommendations that meet your financial threshold for investment
- Recognizing that due to potential changes in occupancy, operations, and variable weather conditions, implementation of the proposed energy conservation measures does not guarantee a reduction in energy usage.

5.2. **[Contractor Name]**

We are responsible for:

- Conducting a thorough interview of individuals knowledgeable about the building's performance
- Following appropriate industry standards for inspection and measurement techniques
- Maintaining all measurement equipment used in the assessment within calibration specifications recommended by its manufacturers
- Promptly and professionally delivering our summary report

Air Advice, Inc., the manufacturer of the hardware and software used in this analysis maintains that confidentiality of the data collected and the subsequent analysis and recommendations will be preserved. AirAdvice will not disclose individual building information or test data without the client's written permission. However, AirAdvice may use aggregated data from multiple buildings for reporting on industry findings and trends.

Scope of Work

BuildingAdvice Verify™ Continuous Energy Monitoring

1. Overview

This document defines the scope of work proposed to install and operate a continuous energy monitoring system for [Building Name], located at [Address]. This automated process of data collection, analysis, will establish an energy use baseline for your building, quantify savings that result from subsequent energy conservation measures, and provide ongoing assurance of optimum energy efficiency through automated analysis of real-time, whole-building energy consumption data.

2. Data Collection

Data to support the proposed continuous energy monitoring system will be collected from the following sources:

2.1. Real-time Power Use in Building

A system will be connected to the energy meters in the building to transmit high resolution (15-minute interval) power use data in real time to an offsite data center for analysis and reporting. Data collected from the meters will be wirelessly transmitted to a central communication gateway, also placed in the building. About once per hour, a cellular modem in the gateway will dial out and connect to a server, transmitting the data for storage and later analysis.

All data communications will take place without connection to the building's IT infrastructure.

2.2. Occupancy Survey

An occupancy survey of the building will be conducted. This survey will include current occupancy schedules, including hours each day and days each week the building is occupied, as well as holidays throughout the year where the building will be unoccupied on a day of the week that is typically occupied.

2.3. Real-time Weather Data

Hourly weather data for the building location will be accessed in real-time through a connection to an online weather service and provided to the system for inclusion in the analysis method.

2.4. Historical Utility Interval Data (optional)

If available, historical utility interval data can be uploaded to create an immediate baseline of performance for your building.

3. Reporting

A wide variety of reporting options are available, ranging from full access to the analysis website to periodic summary reports. It is agreed that the following reporting options will be provided:

Provided	Reporting Option
<input type="checkbox"/>	Quarterly savings analysis
<input type="checkbox"/>	Monthly summary of alerts
<input type="checkbox"/>	Daily notification of alerts as they occur
<input type="checkbox"/>	Daily dashboard email
<input type="checkbox"/>	Full access to analysis website

4. Response to High Energy Alerts

When the continuous energy monitoring system generates an alert it has determined that the building's energy consumption is either greater or less than what was expected, based on a comparison to the previously established baseline for the building. When the building's energy use exceeds the alert threshold set and a high energy alert is generated, we will respond as follows:

Provided	Response Option
<input type="checkbox"/>	Notify the customer that the alert has occurred and jointly determine next steps
<input type="checkbox"/>	Attempt remote diagnosis of the issue, billing per the terms of the Energy Service Agreement
<input type="checkbox"/>	Dispatch a technician to the building, as required for onsite diagnosis, billing per the terms of the Energy Service Agreement

5. Roles and Responsibilities

The building owner, property manager, and building operations and maintenance personnel, along with [Contractor Name], all play a critical role in contributing toward effective operations and maintenance of your building.

5.1. [Customer Name]

You are responsible for:

- Providing knowledgeable and accurate input as to the physical and operating parameters of this building
- Allowing physical access to the building to install equipment and verify physical and operating parameters of this building
- Committing to provide resources necessary to address the issues identified, correct problems noted, and implement recommendations that meet your financial threshold for investment
- Recognizing that due to potential changes in occupancy, operations, and variable weather conditions, implementation of the proposed energy conservation measures does not guarantee a reduction in energy usage.

5.2. [Contractor Name]

We are responsible for:

- Conducting a thorough interview of individuals knowledgeable about the building's performance
- Following appropriate industry standards for inspection and measurement techniques
- Maintaining all measurement equipment used in the assessment within calibration specifications recommended by its manufacturers
- Promptly and professionally delivering reports, as agreed to in this scope of work

AirAdvice, Inc., the manufacturer of the hardware and software used in this analysis maintains that confidentiality of the data collected and the subsequent analysis and recommendations will be preserved. AirAdvice will not disclose individual building information or test data without the client's written permission. However, AirAdvice may use aggregated data from multiple buildings for reporting on industry findings and trends.