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CITY ADMINISTRATOR'S OFFICE MEMO

cityadmin@hiawatha-iowa.com

319-393-1515 ext.523

To: Mayor and City Council

From: City Administrator, Kim Downs

Date: May 8, 2017

RE: City Hall HVAC System-Johnson Controls Planned Service Agreement

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As we work to optimize our City Hall HVAC systems and ensure its building performance, dependability, sustainability and energy efficiencies are at its highest potential. We are asking council to approve an additional three (3) year Planned Service Agreement.

A Planned Service Agreement is designed to provide various inspections throughout the year to keep the equipment running at its optimum level.

A Planned Service Agreement, Johnson Controls can help us achieve the following five objectives-

1. Identify Energy Savings Opportunities
2. Reduce future repair costs
3. Extend asset life
4. Ensure productive environments
5. Promote environmental Health and Safety

The service agreement is a three (3) year contract which will provide 32 hours of service annually-typically just prior to the heating and cooling seasons. This contract will additionally provide intermittent calls that will fall under the new contract as long as we don't go over our 4 hours a month. Average annual cost-$3,904. Current Average Annual cost-$3,896.50. The difference of $7.50.

- Fiscal Year-17 year (1) $5,016
- Fiscal Year-18 year (2) $3,315
- Fiscal Year- 19 year (3) $3,381

During the comprehensive and operational inspections, Johnson Controls will perform routine checks of the equipment for common issues caused by normal wear and tear on the equipment. Additionally, tests can be run to confirm the equipment's performance.

Additionally, the agreement will provide a much-needed annual systems update for our control software, supervisory/server.UI, Johnson Controls, NxE & LCS and a NxE software subscription. Annual software upgrade cost without the maintenance agreement- $2,268.34. If our systems software materials are not update Johnson Controls would have to download the program onto our system to be able to communicate before they can begin to start any work. Updates in the past have taken up to an hour.

Building Maintenance personnel, Jerry Rowray and I have reviewed the agreement, made appropriate changes and agree the Planned Service Agreement would be to our benefit to ensure the life of our HVAC system and its efficiency.

Jerry and I are available for any questions you may have and we thank you for your consideration of our request.

Kim

Planned Service Proposal

CUSTOMER CITY OF HIAWATHA CITY HALL*	
LOCAL JOHNSON CONTROLS OFFICE 1351 60TH STREET NE CEDAR RAPIDS, IA 52402	
AGREEMENT START DATE: 05/01/2017	
PROPOSAL DATE: 03/21/2017	
ESTIMATE NO: 1-KD2DFP8	

Partnering with you to deliver value-driven solutions

A Planned Service Agreement with Johnson Controls provides you with a customized service strategy designed around the needs of your facility. Our approach features a combination of scheduled, predictive and preventative maintenance services that focus on your goals.

As your building technology services partner, Johnson Controls delivers an unmatched service experience delivered by factory-trained, highly skilled technicians who optimize operations of the buildings we work with, creating productive and safe environments for the people within.

By integrating our service expertise with innovative processes and technologies, our value-driven planned service solutions deliver sustainable results, minimize equipment downtime and maximize occupant comfort.

YORK BY JOHNSON CONTROLS

METASYS BY JOHNSON CONTROLS

Johnson Controls

Executive Summary

PLANNED SERVICE PROPOSAL FOR CITY OF HIAWATHA CITY HALL*

Dear Jerry Rowray,

We value and appreciate your interest in Johnson Controls as a service provider for your building systems and are pleased to provide a value-driven maintenance solution for your facility. The enclosed proposal outlines the Planned Service Agreement we have developed on your facility.

Details are included in the Planned Service Agreement summary (Schedule A), but highlights are as follows:

- In this proposal we are offering a service agreement for 3 Years - starting 05/01/2017 and ending 04/30/2020.
- The agreement price for first year is $5,016.00; see Schedule A, Supplemental Price and Payment Terms, for pricing in subsequent years.
- The equipment options and number of visits being provided for each piece of equipment are described in Schedule A, Equipment list.

As a manufacturer of both mechanical and controls systems, Johnson Controls has the expertise and resources to provide proper maintenance and repair services for your facility.

Again, thank you for your interest in Johnson Controls and we look forward to becoming your building technology services partner.

Please contact me if you have any questions.

Sincerely,

Mark Mason
Branch Service Manager
(319) 395-5740

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Planned Service Agreement

Customer Name :	CITY OF HIAWATHA CITY HALL*
Address:	101 EMMONS ST HIAWATHA,IA 52233-1610
Proposal Date:	03/21/2017
Estimate #:	1-KD2DFP8

Scope of Service

Johnson Controls, Inc. ("JCI") and the Customer (collectively the "Parties") agree Preventative Maintenance Services, as defined in Schedule A ("Services"), will be provided by JCI at the Customer's facility. This Planned Service Agreement, the Equipment List, Supplemental Price and Payment Terms, Terms and Conditions, and Schedules attached hereto and incorporated by this reference as if set forth fully herein (collectively the "Agreement"), cover the rights and obligations of both the Customer and JCI.

Extended Service Options for Premium Coverage

If Premium Coverage is selected, on-site repair services to the equipment will be provided as specified in this Agreement for the equipment listed in the attached Equipment List.

Equipment List

Only the equipment listed in the Equipment List will be covered as part of this Agreement. Any changes to the Equipment List must be agreed upon in writing by both Parties.

Term / Automatic Renewal

This Agreement takes effect on 05/01/2017 and will continue until 04/30/2020 ("Original Term"). The Agreement will automatically renew on a year-to-year basis after the Original Term ends unless the Customer or JCI gives the other written notice it does not want to renew. The notice must be delivered at least (45) days prior to the end of the Original Term or of any renewal period. The Original Term and any renewal periods are sometimes collectively referred to in this Agreement as the "Term". Renewal price adjustments are discussed in the Terms and Conditions.

Refrigerant Charges

Refrigerant is not included under this Agreement and will be billed separately to the Customer by JCI.

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Price and Payment Terms

The total Contract Price for JCI's Services during the 1st year of the Original Term is $5,016.00. This amount will be paid to JCI in Annually installments. Pricing for each subsequent year of a multiyear original term is set forth in the Supplemental Price and Payment Terms. All payments will be due and payable within 30 days of the invoice date and such timely payment by Customer shall be a condition precedent to JCI's obligation to perform its Services. A penalty of one and a half percent (1.5%) of the amount due per month shall accrue for payments received after the payment due date. Renewal price adjustments are set forth in the Terms and Conditions.

Invoices will be sent to the following location:

CITY OF HIAWATHA
81 EMMONS STREET
HIAWATHA, IA 52233

This proposal is valid for thirty days from the proposal date.

JOHNSON CONTROLS Inc.

By: Mark Mason

Signature:

Title: Service Manager **Date:**

Signature:

Title: **Date:**

By:

Signature:

Title: **Date:**

Customer PO#:

JCI Branch: **JOHNSON CNTRL CEDAR RAPIDS QUAD CITIES CB - 0N11**
Address: **1351 60TH STREET NE**
CEDAR RAPIDS, IA 52402
Branch Phone: **(866) 819-0239**

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Schedule A - Equipment List

CITY OF HIAWATHA CITY HALL*	101 EMMONS ST HIAWATHA, IA 52233-1610

Block Hours - Controls

Quantity: 1
Coverage Level: Basic

Services Provided

4	Preventive Maintenance (4 hour visits) The labor executed during these visits will be directed by the Facility Manager and will be used to execute repairs, PMs or other technical labor needs.

Customer Tag	Manufacturer	Model #	Serial #
	JCI_YORK		1-5UDRYB5

Controls Software, Supervisory/Server/UI, Johnson Controls, NxE & LCS

Quantity: 1
Coverage Level: Basic

Services Provided

1	Install NxE software (supplied with Software Upgrade/Subscription) - 1 to 5 NxE's
1	NxE Software Subscription 3-year - Subscription Only (for all NxE's on an NxE Site Dir)

Customer Tag	Manufacturer	Model #	Serial #
	JCI_YORK		1-5UF9O1F

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Supplemental Price & Payment Terms (Applies to Multi-Year Contracts Only)

Year	Total Annual Dollar Amount	Payment Frequency
Year1	$5,016.00	Annually
Year2	$3,315.00	Annually
Year3	$3,381.00	Annually

Special Additions and Exceptions

As a Planned Service Agreement Customer you will receive a 10% labor discount off our current street rate for any work performed outside the scope of this agreement.

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DRAFT

RESOLUTION NO. 17-

City Council

RESOLUTION APPROVING THE RENEWAL OF A PLANNED SERVICE AGREEMENT WITH JOHNSON CONTROLS TO PROVIDE SERVICE, INSPECTIONS, AND SYSTEMS UPDATE FOR THE HVAC SYSTEM AT CITY HALL

WHEREAS, City Staff desires to renew a three (3) year Planned Service Agreement with Johnson Controls of Cedar Rapids, Iowa, to provide routine maintenance of the HVAC system at City Hall, and

WHEREAS, the Planned Service Agreement is designed to provide various annual inspections and 32 hours of service annually to keep the HVAC system at City Hall running to its most efficient levels and the Planned Service Agreement will help City Staff achieve the following five (5) objectives:

1. Identify Energy Savings Opportunities
2. Reduce future repair costs
3. Extend asset life
4. Ensure productive environments
5. Promote environmental Health and Safety

, and

WHEREAS, along with the routine maintenance, annual inspections and service, the Agreement also includes an annual systems update for the HVAC control software with a total annual cost of the Planned Service Agreement in the amount of $5,016.00 for Year 1, $3,315.00 for Year 2 and $3,381.00 for Year 3, and

WHEREAS, funding for the Planned Service Agreement with Johnson Controls is available in Building Grounds Maintenance budget, and

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA to approve a three (3) year Planned Service Agreement with Johnson Controls of Cedar Rapids, Iowa, to provide routine maintenance, various annual inspections, 32 hours of service annually, and annual systems update for the HVAC system at City Hall at a total annual cost of $5,016.00 for Year 1, $3,315.00 for Year 2 and $3,381.00 for Year 3.

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED this 17th day of May, 2017.

_____
Bill Bennett, Mayor

ATTEST:

_____
Kari Graber, Deputy Clerk