

# Exhibit B



November 19, 2015

RE: Asset and Energy Management Program +  
Energy Efficiency and Conservation Planning  
City of Duluth, Minnesota  
Continuation of CR-BPS Project No: DULUT0003

Erik Birkeland  
Property & Facilities Manager  
City of Duluth  
1532 West Michigan Street  
Duluth, MN 55806

Dear Mr. Birkeland,

The CR-BPS Team greatly appreciates the opportunity to continue our work with the City of Duluth to complete Asset and Energy Management Services. The proposed scope of work and fee to continue this work is detailed in this proposal letter.

## PROJECT UNDERSTANDING

The City of Duluth Property and Facilities Management Division (PFM) manages a broad array of facility assets owned by the City, including a number of skywalk bridges. It is our goal to assess each of these facilities and skywalks and enter all "baselines and systems" for each facility into an online Facility Management Software tool (VFA.facility), analyze the data collected, and determine appropriate initial capital plans that will serve the City over time.

This Asset and Energy Management System will also be customized to include energy management, additional sustainability metrics and special project considerations.

### Summary of Assets to Audit:

Assets requested to be assessed in 2016:

- A. Parks, Zoo, Tennis Courts, Soccer Fields, Trails, Community Buildings, and Skyways as well as updating all Assets to reflect systems that have been updated and renewed during 2014 and 2015.

## SCOPE OF SERVICES

For each Asset, CR-BPS will conduct the following tasks:

Task 1 – Coordinate and Collect (Kick-Off Meeting/s)

CR-BPS will collect and review all available background information including, but not limited to: drawings, utility data (10 years preferred), B3 data, water use/cost, etc.

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The City and CR-BPS will meet for a Kick-Off meeting. The goal of this meeting is to:

- Review background info
- Review schedule
- Identify energy/carbon (sustainability) goals
- Identify special project considerations

## Task 2 – On-site Assessments

CR-BPS's Facility and Energy Assessors will conduct an on-site, physical inspection for each asset. CR-BPS shall be escorted by a City Facilities Team representative - preferably the building manager or operations director for building access and interviews.

## Task 4 – Data Entry

CR-BPS will enter all facility and energy data into the VFA.facility software tool.

## Task 5 – Analyze the Data (Brainstorming - IDEAS Sessions)

We have the data – now what?

CR-BPS staff will meet with the City to evaluate and analyze all data collected for each asset and conduct a professional brainstorming session – an IDEAS Session. A ***Whole-Systems Thinking*** approach (including life-cycle analysis) will be used to assure all facility improvement considerations reach maximum benefits. IDEAS Sessions are valuable in determining the most viable course of action for building improvements including, but not limited to:

- Identify energy savings opportunities
- Identify carbon reduction opportunities
- Evaluate funding scenarios
- Establish defensible capital plans and budgets (Example: 20 yr. CIP)
- Identify special project considerations
- Identify investment opportunities

## Task 6 – Fully Populated Asset Management Program

Once the VFA.facility software is fully populated, and an IDEAS Session conducted for each building group, the City will have their own login-in/ web access to this data and will be able to run standardized reports that supports their reporting and decision making processes.

## Task 7 – Delivery of Final Reports

CR-BPS will deliver all required reports to the City.

## SCHEDULE

The proposed schedule for 2016 is to proceed with work upon authorization from the City and complete Tasks 1-7 for as many buildings as time and budgets allow within the scope of this professional services contract (approximately 1-5 assets per month depending on the size and complexity of the asset/s).

CR-BPS will work with the City to determine which buildings shall be assessed, and when.

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\*The number of buildings assessed may change depending on schedules, timing and building size/location.

The following is the anticipated phasing of the work:

Notice to proceed: January 1, 2016\*

Tasks 1-7: Approximately 1-5 assets per month

## COMPENSATION

Compensation shall be on an hourly basis, based on actual hours worked for CR-BPS personnel assigned to the project, plus reimbursable expenses, to be billed monthly. Our total estimated fee for the identified Scope of Services listed above is a **not-to-exceed amount of \$80,000**.

We look forward to working with you on this project. If you have any questions, or require additional information, please do not hesitate to call me at 612.360.3889 or email at [nschultz@cr-bps.com](mailto:nschultz@cr-bps.com).

Respectfully Submitted,

CR-BUILDING PERFORMANCE SPECIALISTS, INC.

A handwritten signature in black ink, appearing to read "Nancy Schultz", with a stylized, flowing script.

Nancy Schultz, AIA, LEED AP  
President