



JOHN FENZ  
TOWN ATTORNEY  
jfenz@twsny.org

## TOWN OF WEST SENECA

TOWN SUPERVISOR  
SHEILA M. MEEGAN  
TOWN COUNCIL  
EUGENE P. HART  
WILLIAM P. HANLEY, JR.

To: The Honorable Town Board

From: John J. Fenz, Esq.  
Town Attorney

Date: January 11, 2016

Re: Energy Performance Contract  
John W. Danforth Company  
Amendment to Phase II

---

Kindly authorize the Supervisor to execute the attached Addendum No. 1 to the Town's Energy Performance Contract with John W. Danforth Company.

Most notably, pursuant to the Addendum, Phase II of the Energy Performance Contract will be amended to expand the Scope of Work to perform improvements at the West Seneca Library.





## JOHN W. DANFORTH COMPANY

GENERAL CONTRACTORS FOR MECHANICAL SYSTEMS

Industrial Piping • Power Plants • Heating/Air Conditioning • Plumbing • Air and Water Pollution Control • Sheetmetal • Energy Performance Contracting

January 11, 2016

### **Addendum #1 to the Energy performance Contract Agreement by and between the Town of West Seneca (“Customer”) and John W. Danforth Company (“Danforth”) dated November 15, 2014**

1. Schedule 1 “Scope Of Work” shall be modified as follows:

#### STREET LIGHTING CONVERSION

- Purchase by customer of the street lighting facilities from NYSEG pursuant to terms of agreement dated November 13, 2014.
- Install LED lamps on approximately 3300 lights.
- Install fused disconnects as required by NYSEG.
- File street lighting service classification to enable energy only rate.

#### ICE RINK SCOREBOARD

- Install a new four sided, durable lightweight aluminum scoreboard utilizing LED technology.
- Install a single point, permanently wall-mounted sound system to provide even coverage and sound levels capable of overcoming crowd noise.

#### LIBRARY

##### BUILDING ENVELOPE

- Modify vestibule to improve energy efficiency and operational effectiveness per final design documents.
- Upgrade gas, storm, sanitary and water lines as necessary to meet building codes, energy efficiency and future expansion requirements
- Replace old inefficient roof on existing library with new energy efficient roof.

##### WATER CONSERVATION

- Furnish and install high efficiency storage type water heater system sized to meet the requirements of existing and the future expansion
- Furnish and install high efficiency plumbing system, fixtures and toilet room accessories for toilet rooms T7, T8 including:
  - Ten (10) water closets, two (2) urinals, ten (10) lavs

##### HVAC

- Furnish and install new high efficiency hot water heating system sized for requirements of existing structure and future expansion.
- The system will include two (2) new high efficiency boilers, pumps and VFD's, 5 zone VAV system, with hot water reheat coils and perimeter fin radiation.

**JOHN W. DANFORTH COMPANY**

- Three (3) rooftop units will heat and air condition the Community Recreation Room, vestibule and office area.
- Complete check, test, start-up and system balance
- Controls - DDC Control System for existing building. Controls for future expansion not included
- Power wiring for RTU's and mechanical room equipment

**LIGHTING**

- Replace existing lighting with energy efficient units

**2. Schedule 4 "Price and Payment Terms, 2. Work." shall be modified as follows:**

2. Work. The price to be paid by Customer for the Work shall be \$5,275,003 which shall include \$804,866 as the purchase price of street lighting facilities, plus any accrued taxes, to be paid by DANFORTH on behalf of the Customer directly to NYSEG as specified in Schedule 1 (Scope of Work) and pursuant to the terms of the agreement between Customer and NYSEG dated November 13, 2014. Payments (including payment for materials delivered to Danforth and work performed on and off-site) shall be made to Danforth as follows:

**3. Schedule 4 "Price and Payment Terms, 3. Timely Payments." shall be modified as follows:**

3. Timely Payments. The Customer agrees to pay DANFORTH per Table 4.1 below. Customer agrees to pay DANFORTH a \$2,261,515 mobilization fee (which shall include \$804,866 as the purchase price of street lighting facilities as described in #2 above) and monthly AIA (American Institute of Architects) invoices submitted by DANFORTH per Agreement, (Schedule 4, 1. Compensation). A payment schedule of values will be submitted to Customer for approval utilizing AIA format. Each of the payments specified in Table 4.1 – FIM Work Payment Schedule will be made by Customer pursuant to invoices submitted by DANFORTH

**4. Schedule 4 "Price and Payment Terms, Table 4.1 – FIM Work Payment Schedule" shall be modified as follows:**

Table 4.1 – FIM Work Payment Schedule

Project Phase	Payments (\$)	Payment Due
Mobilization	\$2,261,515	Net 30 Days from Contract Execution
Month 1	AIA Billing	Net 30 Days from Invoice
Month 2	AIA Billing	Net 30 Days from Invoice
Month 3	AIA Billing	Net 30 Days from Invoice
Month 4	AIA Billing	Net 30 Days from Invoice
Month 5	AIA Billing	Net 30 Days from Invoice
Month 6	AIA Billing	Net 30 Days from Invoice
Month 7	AIA Billing	Net 30 Days from Invoice
Project Total:	\$5,275,003	

**5. Schedule 2 "Assured Performance Guarantee, B. Project Benefits Summary." Shall be modified as follows:**

**B. Project Benefits Summary.** Subject to the terms and conditions of this Agreement, Danforth and Customer agree that Customer will be deemed to achieve a total of \$9,370,717 in Non-Measured Project Benefits and Danforth guarantees that Customer will achieve a total of \$4,003,947 in Measured Project Benefits during the term of this Agreement, for Total Project

**JOHN W. DANFORTH COMPANY**

Benefits of \$13,519,987, as set forth in the Total Project Benefits table below. Project Benefit dollar value is based on Utility Rate Structures and Escalation Rates as defined in Section IV

6. Schedule 2 "Assured Performance Guarantee, Total Annual Guaranteed Savings" shall be modified as follows:

**Total Annual Guaranteed Savings**

Year	Electric Energy Saved (kWh)	Natural gas Saved(mmbtu)
Annual Quantity	1,447,887	19

7. Schedule 2 "Assured Performance Guarantee, Total Calculated Project Benefits" shall be modified as follows:

**Total Calculated Project Benefits**

Year	Calculated Utility Cost Avoidance**	Operations & Maintenance Cost Avoidance***	Future Capital Cost Avoidance***	Calculated Annual Project Benefits
1	\$116,304	\$347,405	\$0	\$609,032
2	\$119,793	\$350,879	\$0	\$470,673
3	\$123,387	\$354,388	\$0	\$477,775
4	\$127,089	\$357,932	\$0	\$485,021
5	\$130,902	\$361,511	\$0	\$492,413
6	\$134,829	\$365,126	\$0	\$499,955
7	\$138,873	\$368,777	\$0	\$507,651
8	\$143,040	\$372,465	\$0	\$515,505
9	\$147,331	\$376,190	\$0	\$523,521
10	\$151,751	\$379,952	\$0	\$531,702
11	\$156,303	\$383,751	\$0	\$540,055
12	\$160,992	\$387,589	\$0	\$548,581
13	\$165,822	\$391,465	\$0	\$557,287
14	\$170,797	\$395,379	\$0	\$566,176
15	\$175,921	\$399,333	\$0	\$575,254
16	\$181,198	\$403,326		\$584,525
17	\$186,634	\$407,360		\$593,994
18	\$192,233	\$411,433		\$603,667
19	\$198,000	\$415,548		\$613,548
20	\$203,940	\$419,703		\$623,643
21	\$210,059	\$423,900		\$633,959
22	\$216,360	\$428,139		\$644,499

**JOHN W. DANFORTH COMPANY**

23	\$222,851	\$432,421		\$655,272
24	\$229,537	\$436,745		\$666,281
<b>Total</b>	<b>\$4,003,947</b>	<b>\$9,370,717</b>	<b>\$0</b>	<b>\$13,519,987</b>

8. Schedule 2 "Assured Performance Guarantee, MEASUREMENT AND VERIFICATION METHODOLOGIES, Option D Stipulated " Shall be modified as follows:

**Option D**  
**Stipulated**

Option D is intended for Facility Improvement Measures where the end use capacity or operational efficiency; demand, energy consumption or power level; or manufacturer's measurements, industry standard efficiencies or operating hours are known in advance and used in a calculation or analysis method that will stipulate the outcome. Both the Client and Danforth agree to the stipulated inputs and outcome(s) of the analysis methodology. Based on the established analytical methodology, the savings stipulated will be achieved upon the completion of the Facility Improvement Measures Work and no further measurements or calculations will need to be performed. The methodology and calculations to establish savings value will be defined below.

Measured Project Benefits from the following Improvement Measures will be calculated using Option D:

- Street Lighting Retrofit to LED
- Library- Building Envelope Improvements, Water Conservation Work, HVAC Work, Lighting

9. Schedule 2 "Assured Performance Guarantee, IV. BASELINE CALCULATIONS AND UTILITY RATES " Shall be modified as follows:

**IV. BASELINE CALCULATIONS AND UTILITY RATES**

The unit utility costs for the Baseline period are set forth below as "**Base Utility Cost**" and shall be used for all calculations made under this Schedule. The Base Utility Cost shall be escalated annually by the actual utility cost escalation but such escalation shall be no less than the mutually agreed "floor" escalation rate of three percent (3%). The Base Utility Cost for each type of utility represents the 12 month average utility costs from July 2011 through July 2013.

Building/ Energy \$/unit	Years 1-15	Years 1-15
	kwh	mmbtu
Street Lighting	\$ 0.080	\$8.76

10. Schedule 2 "Assured Performance Guarantee, FACILITY IMPROVEMENT MEASURE TOTAL SAVINGS " Shall be modified as follows:

Facility Improvement Measure	Energy or Utility Savings	
	Guarantee Type Savings	Total

**JOHN W. DANFORTH COMPANY**

	A	B	C	D	
	Measured Capacity	Measured Consumption	Main Meter Comparison	Stipulated	
Street Lighting	\$0	\$0	\$0	\$113,310	\$113,300
Building Envelope Improvements	\$0	\$0	\$0	\$157.68	\$157.68
Water Conservation	\$0	\$0	\$0	\$8.76	\$8.76
HVAC Work	\$0	\$0	\$0	\$469.74	\$469.74
Lighting	\$0	\$0	\$0	\$2,361.26	\$2,361.26

**Option D**

*Overview*

Lighting	1,416,378 kwh	\$113,310
Building Envelope Improvements	18 mcf	\$157.68
Water Conservation	1 mcf	\$8.76
HVAC Work	5,278 kwh	\$469.74
Lighting	26,731 kwh	\$2,361.26

**TOWN OF WEST SENECA**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**JOHN W. DANFORTH COMPANY**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_