

TOWN OF EATONVILLE

Agenda Staff Report

Agenda Item No.: _____ Meeting Date: February 24, 2014
Subject: Approval of Professional Services Prepared by: Gregory Jacoby
Agreement with Ductz _____ Town Attorney

Atty Routing No: _____
Atty Review Date: February 20, 2014

Summary: The Bonneville Power Administration has provided the Town's electric utility with \$65,578 for energy efficiency improvements in 2014 and 2015. Staff proposes to use \$30,000 of the BPA funds for a residential duct sealing program, including both manufactured and stick homes. This program is only available to electric utility customers with an electric furnace or heat pump. Ductz is the nation's largest air duct cleaning and HVAC restoration organization. They have provided similar services for electric utilities in Washington, including Tacoma Power, City of Spokane and the City of Milton. Prior to performing any services, Ductz will verify with BPA that the home qualifies for reimbursement. After the services are provided, Ductz will invoice the Town. The Town will only pay those invoices that have received pre-approval from BPA. A question and answer sheet is attached with additional information concerning the program.

Recommendation: Staff recommends approval of the professional services agreement with Ductz.

Motion for consideration: I move to approve the professional services agreement between the Town of Eatonville and Ductz.

Fiscal Impact: None. The duct sealing program is funded with monies from Bonneville Power Administration that can only be used for energy efficiency improvements.

Attachments:

- Professional Services Agreement.
- Questions & Answers In Regards to the Duct Sealing Program

RESOLUTION 2014-E

**A RESOLUTION OF THE TOWN OF EATONVILLE, WASHINGTON,
APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH
DUCTZ TO IMPLEMENT A BPA-FUNDED DUCT SEALING
PROGRAM**

WHEREAS, the Bonneville Power Administration has provided the Town with funds to implement energy efficiency improvements for the Town's electric utility customers; and

WHEREAS, the Town has determined to use a portion of the funds to implement a duct sealing program for qualifying residential utility customers; and

WHEREAS, Ductz is the nation's largest air duct cleaning and HVAC restoration organization and has provided similar services for other utilities in the area; now, therefore;

**THE TOWN COUNCIL OF THE TOWN OF EATONVILLE, WASHINGTON,
HEREBY RESOLVES AS FOLLOWS:**

THAT: The Professional Services Agreement with Ductz to implement a BPA-funded duct sealing program is approved in the form attached hereto.

PASSED by the Town Council of Town of Eatonville and attested by the Town Clerk in authentication of such passage this 24th day of February 2014.

Mike Schaub, Mayor

ATTEST:

Kathy Linnemeyer, Town Clerk



HVAC System Cleaning, Sealing & Testing

Utility PTCS Duct Sealing Program & General Procedures

At Ductz we offer a standalone duct sealing program that separates (un-bundle) duct sealing from heat pump installation Programs. Ductz can perform all needed program services necessary for our utility partners to obtain their desired result.

EXAMPLE: (Services have been provided in the following order)

1. Program marketing:

Our representatives are prepared to discuss/explain the program specifics and compliance PTCS paths with each individual member to insure customer/utility satisfaction is obtained.

2. PTCS qualification screening:

We will research the residence is with a participating utility, a rebate has not already been paid at this particular address in the PTCS Site Registry and that the home meets the program requirements (set out by BPA and/or Utility). Example: electric heat source or duct work in unconditioned space.

3. Program measure scheduling:

Upon interest displayed in the program, the utility can have the member call our offices directly for a full explanation of program requirements and benefits. Upon acceptance the service will be scheduled.

4. PTCS duct testing and sealing service:

Specific general procedures used during this service as follows:

- i. Technicians will introduce themselves and ask to be guided through the home to locate the furnace, combustible appliance (example: wood stove) and applicable registers/vents.
- ii. They will also confirm the home meets pre-qualifications. (Heat source/ductwork location)
- iii. One technician will begin prepping the furnace and registers for a pretest; this will include putting a clear adhesive tape over each register. Manufactured homes will have their filters covered with the same tape in absence of return registers/vents.
- iv. A Blower Door whole home Air leakage test will be setup on an outside door. During this portion of the service all outside doors and windows will need to be closed so that air leakage in the home will be accurately measured with a manometer. The blower door will add air pressure at 50pascals (or equivalent pressure using specific calculations) to the homes internal space or envelope. This procedure equalizes the pressure in the home so the duct blaster duct leakage detector in step 4 can accurately measure the air leakage in the ducts. (1 Pascal of air pressure is equivalent to air moving through 1 soft drink straw)

Continued

EXHIBITTM A 

- v. A Duct Blaster duct tester will be attached to a neutral (centralized) register in the home. Duct blaster will add air pressure at 50pascals (or equivalent pressure using specific calculations) to the inside of the ducts; a manometer will be used to record air leakage in the duct work.
 - vi. Your home must meet a substantial pretest leakage amount for the service to be performed, this number varies. Assuming the home has substantial leakage, most homes do. Ductz will begin sealing common areas proven to have the most leakage per the program. This includes replacing up to 25 feet of flexible duct, building end caps into the ductwork to prevent air from being distributed through ductwork into unnecessary spaces, and sealing with a type of caulking called mastic - all accessible gaps in ductwork boots, ductwork off takes, furnace plenum and connections.
 - vii. Following the sealing procedures we will re-perform an air leakage test following the same procedures as the pretest to determine the air leakage savings. At this time if applicable we will test for proper ventilation of a combustible appliance (CAZ Test). Paper work and all specific documentation will then be provided to specific utility departments for processing. There will be no invoicing from Ductz to the home occupant unless prior written approval is made.
5. **Paper work result processing through PTCS:**
We will have all necessary Utility/PTCS specific paper work signed and completed on site and processed through PTCS website in our office for an Approval Identification number before producing our invoicing.
6. **Services performed within the allotted rebate amount:**
All Ductz Services performed through utility aid will be completed under allotted negotiated rebate amount. We will perform the measures at no additional cost to your members. We have fine-tuned our process and budgets to be accommodating to your members for the best program saturation.
7. **Program Invoicing after approval from the PTCS program:**
We do not invoice till we have an approval identification number from the PTCS compliance office. After approval is confirmed, we will invoice your utility for services rendered in the amount of BPA approved rebated amount. We will monitor and work within your program budget and adjust our scheduling/services accordingly.

At Ductz we have been successful in working with over 21 different utilities and have 14 open, active duct sealing programs in operation. We have helped Tacoma Power evolve their program model around a pilot program we pioneered with Kootenai Electric Cooperative back in 2009. We received many positive comments from our utility partners in regard to the effectiveness of an organized duct sealing program. Using Ductz may be the easiest most effective way to use the residential conservation budgets, while offering the best return on utility investment.



Tacoma/Seattle - Kennewick - Spokane/Cosumnes/Alone

Ductznorthwest.com

1.877.559.6070

EXHIBIT A

EXHIBIT B

Consultant shall complete the services set forth in Exhibit A within the 2014 calendar year. No payment will be approved for services performed after December 31, 2014.

Town of Eatonville



**QUESTIONS AND ANSWERS IN REGARDS TO THE
DUCT SEALING PROGRAM**

1. **What is Duct Sealing?**
Duct Sealing is a process of sealing the joints and seams of heating ducts with a product called mastic.
2. **What is mastic?**
Mastic is a product that contracts and expands with the temperature of your ductwork to minimize air loss.
3. **How do they test for leaking ducts?**
Ductz will perform a blower door test with the ductwork isolated from the building envelope. This test is performed to reference the pressure differential between the envelope and the ductwork. With the blower door in operation we perform a duct blaster test to establish measurable cubic feet per minute (cfm) leakage. Upon results we then make corrective measures (duct sealing, minor repairs, and replacement).
4. **My ducts are sealed with duct tape, is that good enough?**
Duct tape might be good for 101 uses, but duct tape is actually one of the worst products available for sealing ducts. Duct tape dries and cracks after just a few months rendering it useless.
5. **My ducts are well insulated, are they still leaking?**
Insulation helps to maintain the temperature of air passing through ducts, it cannot eliminate leaks around the ductwork's joints and seams. Insulation and duct sealing together is the best combination to weatherize your home.
6. **Is this really free?**
Yes, the Town of Eatonville electrical utility will pay for testing and minor repairs to your ductwork. A Value of \$ 400.00. BPA required.
7. **Do manufactured homes qualify?**
If you live in a manufactured home, chances are you will qualify.
8. **Do homes with propane or oil heat qualify?**
No. Only homes that have an electric furnace or heat pump system qualify.
9. **Do homes that are heated with wall or baseboard electric heat qualify?**
No. Since this is a duct sealing program and baseboard and wall heaters do not have ductwork, they do not qualify.
10. **How long does it take to perform the work?**
Depending on the difficulty of the home duct system, it should only take about 3-4 hours.
11. **Do I need to be home during the test?**
The contractor does require the homeowner to be present at the time of testing.
12. **How do I know that my home has poorly performing ducts?**
 - a) *You have rooms that are difficult to heat and cool.*
 - b) *You have stuffy room that never seems to feel comfortable.*
 - c) *Your ducts are located in the attic, crawlspace, or in the garage.*
 - d) *You find tangled or kinked flexible ducts in your system.*

TOWN OF EATONVILLE PROFESSIONAL SERVICES AGREEMENT

THIS Agreement is made effective as of the 4 day of February, 2014, by and between

TOWN OF EATONVILLE, WASHINGTON ("TOWN")

210 Center Street West

P.O. Box 309

Eatonville, WA 98328

Contact: Mayor Mike Schaub

Phone: 360.832.3361 Fax: 360.832.3977

mayor@eatonville-wa.gov

and

DUCTZ ("CONSULTANT")

1869 E. Solstice Way #341

Post Falls, ID 83854

Contact:

Phone: 253-414-0390

Fax: 208-664-6737

Tax Id No.: 20-8533769

for professional services in connection with the following Project:

Utility PTCS duct sealing program for qualified homes using funds provided by Bonneville Power Administration's EEI program.

TERMS AND CONDITIONS

1. Services by Consultant

A. Consultant shall perform the services described in the Scope of Work attached to this Agreement as Exhibit "A." The services performed by the Consultant shall not exceed the Scope of Work without prior written authorization from the Town.

B. The Town may from time to time require changes or modifications in the Scope of Work. Such changes, including any decrease or increase in the amount of compensation, shall be agreed to by the parties and incorporated in written amendments to the Agreement.

2. Schedule of Work

A. Consultant shall perform the services described in the scope of work in accordance with the Schedule attached to this contract as Exhibit "B." If delays beyond Consultant's reasonable control occur, the parties will negotiate in good faith to determine whether an extension is appropriate.

B. Consultant is authorized to proceed with services upon receipt of a written Notice to Proceed.

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3. Compensation

- TIME AND MATERIALS NOT TO EXCEED.** Compensation for these services shall not exceed \$30,000 without written authorization and will be based on the list of billing rates and reimbursable expenses attached hereto as Exhibit "C."

4. Payment

- A. Consultant shall maintain time and expense records and provide them to the Town monthly, along with monthly invoices in a format acceptable to the Town for work performed to the date of the invoice.
- B. All invoices shall be paid by Town within sixty (60) days of receipt of a proper invoice.
- C. Consultant shall keep cost records and accounts pertaining to this Agreement available for inspection by Town representatives for three (3) years after final payment unless a longer period is required by a third-party agreement. Copies shall be made available on request.
- D. If the services rendered do not meet the requirements of the Agreement, Consultant will correct or modify the work to comply with the Agreement. Town may withhold payment for such work until the work meets the requirements of the Agreement.

5. Discrimination and Compliance with Laws

- A. Consultant agrees not to discriminate against any employee or applicant for employment or any other person in the performance of this Agreement because of race, creed, color, national origin, marital status, sex, age, disability, or other circumstance prohibited by federal, state, or local law or ordinance, except for a bona fide occupational qualification.
- B. Consultant shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under this Agreement.
- C. Consultant shall obtain a Town of Eatonville business license prior to receipt of written Notice to Proceed.
- D. Violation of this Paragraph 5 shall be a material breach of this Agreement and grounds for cancellation, termination, or suspension of the Agreement by Town, in whole or in part, and may result in ineligibility for further work for Town.

6. Suspension and Termination of Agreement

- A. This Agreement may be terminated by the Town at any time upon the default of the Consultant or upon public convenience, in which event all finished or unfinished documents, reports, or other material or work of Consultant pursuant to this Agreement shall be submitted to Town, and Consultant shall be entitled to just and equitable compensation for any satisfactory work completed prior to the date of termination, not to exceed the total compensation set forth herein. Consultant shall not be entitled to any reallocation of cost,

profit or overhead. Consultant shall not in any event be entitled to anticipated profit on work not performed because of such termination. Consultant shall use its best efforts to minimize the compensation payable under this Agreement in the event of such termination. If the Agreement is terminated for default, the Consultant shall not be entitled to receive any further payments under the Agreement until all work called for has been fully performed. Any extra cost or damage to the Town resulting from such default(s) shall be deducted from any money due or coming due to the Consultant. The Consultant shall bear any extra expenses incurred by the Town in completing the work, including all increased costs for completing the work, and all damage sustained, or which may be sustained by the Town by reason of such default.

- B. The Town may suspend this Agreement, at its sole discretion, upon one week's advance notice to Consultant. Such notice shall indicate the anticipated period of suspension. Any reimbursement for expenses incurred due to the suspension shall be limited to the Consultant's reasonable expenses, and shall be subject to verification. The Consultant shall resume performance of services under this Agreement without delay when the suspension period ends

7. Standard of Care

Consultant represents and warrants that it has the requisite training, skill and experience necessary to provide the services under this agreement and is appropriately accredited and licensed by all applicable agencies and governmental entities. Services provided by Consultant under this agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing in similar circumstances.

8. Ownership of Work Product

All data materials, reports, memoranda, and other documents developed under this Agreement whether finished or not shall become the property of Town, shall be forwarded to Town at its request and may be used by Town as it sees fit. Upon termination of this agreement pursuant to paragraph 6 above, all finished or unfinished documents, reports, or other material or work of Consultant pursuant to this Agreement shall be submitted to Town. Town agrees that if it uses products prepared by Consultant for purposes other than those intended in this Agreement, it does so at its sole risk and it agrees to hold Consultant harmless therefrom.

9. Indemnification/Hold Harmless

Consultant shall take all precautions necessary and shall be responsible for the safety of its employees, agents, and subcontractors in the performance of the work hereunder. All work shall be done at Consultant's risk. To the fullest extent permitted by law and subject to the following conditions, Consultant agrees to indemnify, defend, save and hold harmless the Town, its officials, employees and agents (defined in this paragraph as "Indemnified Parties") from any and all liability, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses, on such claims and in proving the right to indemnification, incurred in connection therewith, or whatsoever kind or nature, arising out of, or in connection with, or incident to, the acts or omissions of Consultant, its Subcontractors of any tier, their agents, and anyone directly or indirectly employed by them or anyone for whose acts they are be liable (defined in this paragraph as "Indemnitor" or "Indemnitors").

In the event that any suit based on such a claim, demand, loss, damage, cost, or cause of action is brought against Consultant, the Town retains the right to participate in said suit if any principle of public law is involved. Consultant agrees to being added by the Town as a party to any arbitration or litigation with third parties in which the Town alleges indemnification or contribution from Consultant, any of its Subcontractors of any tier, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable. Consultant agrees that all of its Subcontractors of any tier will, in their subcontracts, similarly stipulate; in the event any does not, Consultant shall be liable in place of such Subcontractor(s) of any tier.

To the fullest extent allowed by law, this indemnity and hold harmless shall include any claim made by an employee of Consultant or Subcontractor or agent of Consultant, even if Consultant is thus otherwise immune from liability pursuant to Title 51 RCW. Consultant for itself, and its Subcontractors and agents, specifically and expressly waive the right to assert against the indemnities any immunity that may be granted it under the Title 51 RCW. Consultant shall include such waiver in all agreements with Subcontractors. Consultant specifically acknowledges that the provisions contained herein have been mutually negotiated by the parties and it is the intent of the parties that Consultant provide the broadest scope of indemnity permitted by RCW 4.24.115.

Neither this paragraph nor any other part of this Agreement shall obligate Consultant to defend or indemnify against liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the Indemnified Parties, their agents or employees; provided that Consultant shall be obligated to indemnify against liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of (a) an Indemnified Party or the its agents or employees, and (b) Indemnitors, to the extent of Indemnitors' negligence.

10. Insurance

The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

A. Minimum Scope of Insurance

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 or a substitute form providing equivalent liability coverage and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The Town shall be named as an insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the Town.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

C. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respect the Town. Any insurance, self-insurance, or insurance pool coverage maintained by the Town shall be excess of the Consultant's insurance and shall not contribute with it.
2. The Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Town.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

E. Verification of Coverage

Consultant shall furnish the Town with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

11. Assigning or Subcontracting

Consultant shall not assign, transfer, subcontract or encumber any rights, duties, or interests accruing from this Agreement without the express prior written consent of the Town, which consent may be withheld in the sole discretion of the Town.

12. Independent Contractor

Consultant is and shall be at all times during the term of this Agreement an independent contractor. The Consultant, its subcontractors, agents and employees, shall not, as a result of this Agreement, accrue leave, retirement, insurance, bonding or any other benefits afforded to Town

employees. The Consultant, subcontractors, agents and employees shall not have the authority to bind Town any way except as may be specifically provided herein.

13. Notice

Any notices required to be given by the Town to Consultant or by Consultant to the Town shall be in writing and delivered to the parties at the following addresses:

Town:

Consultant:

Mike Schaub
Mayor
210 Center Street West
P.O. Box 309
Eatonville, WA 98328
Phone: 360.832.3361
Fax: 360.832.3977

Jarrod Dailey
Director
1869 E. Solstice Way #341
Post Falls, ID 83854
Phone: 208.771.2336
Fax: 208.664.6737

14. Disputes

Any action for claims arising out of or relating to this Agreement shall be governed by the laws of the State of Washington. Venue shall be in Pierce County Superior Court.

15. Attorneys Fees

In any suit or action instituted to enforce any right granted in this Agreement, the substantially prevailing party shall be entitled to recover its costs, disbursements, and reasonable attorney's fees from the other party.

16. Extent of Agreement/Modification

This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties.

TOWN OF EATONVILLE

CONSULTANT

By: _____
Mike Schaub
Mayor

By: [Signature]

Name: Jarrod Dailey (Director)

Date: _____

Title: (Director)

Attest:

Date: 4-20-14

By: _____

Kathy Linnemeyer
Town Clerk