

REVISED MEETING NOTICE

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, February 28, 2012

At

5:15 p.m.

In The

COMMISSION CHAMBERS
(2nd floor, Governmental Center)
400 Boardman Avenue

Traverse City Light and Power will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon notice to Traverse City Light and Power. Individuals with disabilities requiring auxiliary aids or services should contact the Light and Power Department by writing or calling the following.

Stephanie Tvardek
Administrative Assistant
1131 Hastings Street
Traverse City, MI 49686
(231) 932-4543

Traverse City Light and Power
1131 Hastings Street
Traverse City, MI 49686
(231) 922-4940

Posting Date: 2-24-12
4:00 p.m.

REVISED AGENDA

Pledge of Allegiance

1. Roll Call

2. Consent Calendar

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one Board motion without discussion. Any member of the Board, staff or the public may ask that any item on the consent calendar be removed therefrom and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected. If an item is not removed from the consent calendar, the action noted in parentheses on the agenda is approved by a single Board action adopting the consent calendar.

- a. Consideration of approving minutes of the Regular Meeting of February 14, 2012.

3. Old Business

- a. Consideration of authorizing an Engineering Services Contract with GRP Engineering for the South Side Distribution Substation. (Rice)
- b. Consideration of adopting a Resolution in Support of a Bayfront Revitalization Legacy Project. (Doren)
- c. Consideration of approving a Letter of Understanding Regarding Operations Audit of TCLP. (Coco)

4. New Business

- a. Consideration of authorizing a Business Energy Management Services Contract with SEEDS. (Cooper)

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
 - 1. Verbal update re: Brown Bark I v. TCL&P. (Doren)
- b. From Staff.
 - 1. Verbal update re: Clean Up Green Up event on March 11, 2012. (Cooper)
(An opportunity for customers to recycle dehumidifiers and A/C units)
- c. From Board.

7. Public Comment

/st

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, February 14, 2012

Board Members -

Present: Barbara Budros, Jim Carruthers, Patrick McGuire, John Taylor, Linda Johnson, Mike Coco

Absent: John Snodgrass

Ex Officio Member -

Present: R. Ben Bifoss

Others: Ed Rice, W. Peter Doren, Tim Arends, Stephanie Tvardek, Glen Dine, Jessica Wheaton, Jim Cooper, Denise Kuschell, Scott Menhart, Tom Olney

The meeting was called to order at 5:15 p.m. by Chairman Coco.

At Commissioner Carruthers request and with support from the Board, Chairman Coco amended the agenda to consider item 6(c)(1) as Old Business item 3(b).

Item 2 on the Agenda being Consent Calendar

Johnson asked that a correction be made to the name of the public commenter in the minutes of the Regular Meeting of January 24, 2012. (*subsequently it was confirmed that the name was spelled correctly.*)

Moved by Johnson, seconded by Carruthers, that the following actions, as recommended on the Consent Calendar portion of the Agenda, be approved as amended:

- a. Minutes of the Regular Meeting of January 24, 2012.

CARRIED unanimously. (Snodgrass absent)

Item 3 on the Agenda being Old Business

- 3(a). Discussion of City Commission's Increased Contribution Request.

The following individuals addressed the Board:

Ed Rice, Executive Director
Tim Arends, Controller
W. Peter Doren, General Counsel

Moved by Budros that the Light & Power Board support an allocation in the 2012-2013 budget year of \$1,000,000 to help fund the Bayfront Improvement Plan with specific details to follow.

Motion was withdrawn by Budros.

Moved by Budros, seconded by Johnson, that legal counsel be directed to draft a Resolution enabling the Light & Power Department to make a contribution toward the Bayfront Phase I Project.

The following individuals addressed the Board:

Rick Buckhalter, 932 Kelley Street, Ratepayer
Gary Howe, Parks and Recreation Commission Chair, 926 Lincoln Street, Ratepayer

Roll Call:

Yes – Budros, Carruthers, McGuire, Taylor, Johnson

No – Coco

CARRIED.

3(b). TCL&P Efficiency Study.

The following individuals addressed the Board:

Doug Luciani, TC Chamber of Commerce & TBEDC President/CEO
Ben Bifoss, City Manager
W. Peter Doren, General Counsel

Moved by Budros, seconded by McGuire, that the Light & Power Board enter into a contract with the City of Traverse City and the Traverse Bay Economic Development Corporation in an amount up to \$5,000, to be paid by the Light & Power Department, to form a task force and pursue an efficiency study of Light & Power operations; the scope and scale of the study to be approved by the Light & Power Board prior to implementation of the study.

The following individuals addressed the Board:

Jody Bergman, City Commissioner, 110 Boughey Street, Ratepayer
Rick Buckhalter, 932 Kelley Street, Ratepayer
Doug Luciani, TC Chamber of Commerce & TBEDC President/CEO, 202 E. Grandview

CARRIED unanimously. (Snodgrass absent)

Item 4 on the Agenda being New Business

4(a). Consideration of entering into closed session to discuss L&P Collective Bargaining Agreement negotiations.

The following individuals addressed the Board:

Ed Rice, Executive Director

Moved by Johnson, seconded by McGuire, that the Light & Power Board enter into closed session immediately following the public comment portion of the agenda to consider the strategy and negotiation of the Collective Bargaining Agreement for the Traverse City Light & Power Department Bargaining Unit.

Roll Call:

Yes – Budros, Carruthers, McGuire, Taylor, Johnson, Coco
No – None

CARRIED. (Snodgrass absent)

- 4(b).** Consideration of authorizing a contract for the Bay Street Project – electrical cable and equipment installation construction.

The following individuals addressed the Board:

Ed Rice, Executive Director
Glen Dine, Chief Engineer

Moved by Johnson, seconded by Taylor, that the Board authorize the Chairman and Secretary to enter into a Construction Contract Agreement with Kent Power, Inc., in the amount of \$479,841.75 for the Bay Street installation of electrical underground cable and equipment, along with removal of overhead electrical facilities; subject to approval as to substance by the Executive Director and approval as to form by Counsel; and authorize the Executive Director to administer amendments and change orders that are in the best interests of the Light and Power Department.

CARRIED unanimously. (Snodgrass absent)

- 4(c).** Consideration of authorizing a purchase order for 69kV cable splices for the Bay Street Undergrounding project.

The following individuals addressed the Board:

Glen Dine, Chief Engineer

Moved by Budros, seconded by McGuire, that the Light and Power Board authorize the Executive Director to issue a purchase order to Power Line Supply in the amount of \$45,473.76.

CARRIED unanimously. (Snodgrass absent)

- 4(d).** South Side Distribution Substation project authorization.

The following individuals addressed the Board:

Ed Rice, Executive Director
Glen Dine, Chief Engineer

Moved by Taylor, seconded by McGuire, that the Light & Power Board authorize staff to proceed with the South Side Distribution Substation Project and seek the necessary board approvals for expenditures.

CARRIED unanimously. (Snodgrass absent)

Item 5 on the Agenda being Appointments

None.

Item 6 on the Agenda being Reports and Communications

A. From Legal Counsel.

None.

B. From Staff.

1. Ed Rice and Jessica Wheaton spoke re: the generation survey process.

Commissioner Carruthers departed the meeting at 7:47 p.m.

2. Ed Rice gave an update on the DDA/Wi-Fi project.
3. Jessica Wheaton spoke re: the Business After Hours event on February 15, 2012.
4. Jessica Wheaton spoke re: the Old Town Neighborhood Association meeting on February 16, 2012.
5. Jessica Wheaton spoke re: the upcoming TCLP news segment on 9&10 news.

C. From Board.

1. *Considered as Old Business 3(b)*
2. Linda Johnson spoke re: an article on the TADL/TCLP project in the recent issue of Currents.

Item 7 on the Agenda being Public Comment

No one from the public commented.

There being no objection, Chairman Coco declared the meeting adjourned at 7:54 p.m.

/st

Edward E. Rice, Secretary
LIGHT AND POWER BOARD



To: Light & Power Board
From: Ed Rice, Executive Director
Date: February 17, 2012
Subject: South Distribution Substation Project - Engineering Services with GRP Engineering

A handwritten signature in black ink, appearing to be "Ed Rice", is written over the "From:" line of the memo header.

Staff has been in discussion with GRP Engineering, Inc. for professional engineering design and construction inspection services for the design and construction of the South Side Distribution Substation Project, including the associated transmission and distribution connections to the Substation.

Work needs to proceed immediately to develop a preliminary design and prepare the necessary site plan and related information that will be required for submittal to Garfield Township for their review and approval.

Staff recommends entering into an agreement with GRP Engineering, Inc. for professional engineering design and construction management services for a total fee not to exceed \$290,000.

If the Board concurs, the following motion is recommended:

**MOVED BY _____, SECONDED BY _____,
THAT THE LIGHT AND POWER BOARD AUTHORIZE THE CHAIRMAN AND
SECRETARY TO EXECUTE AN AGREEMENT FOR PROFESSIONAL SERVICES WITH
GRP ENGINEERING, INC., FOR A TOTAL FEE NOT TO EXCEED \$290,000 INCLUDING
EXPENSES FOR DESIGN AND CONSTRUCTION MANAGEMENT SERVICES FOR THE
SOUTH SIDE DISTRIBUTION SUBSTATION PROJECT; SUBJECT TO APPROVAL AS
TO SUBSTANCE BY THE EXECUTIVE DIRECTOR AND APPROVAL AS TO FORM BY
COUNSEL;**

**FURTHER, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE WORK
ORDERS FOR PROFESSIONAL SERVICES AND ADMINISTER AMENDMENTS AND
CHANGE ORDERS THAT ARE IN THE BEST INTERESTS OF THE LIGHT AND POWER
DEPARTMENT.**

TRAVERSE CITY LIGHT AND POWER DEPARTMENT
RESOLUTION
AUTHORIZING CONTRIBUTION TO THE CITY
IN SUPPORT OF A BAYFRONT REVITALIZATION LEGACY PROJECT

WHEREAS, in commemoration of the utility's 100th Anniversary, the Traverse City Light & Power Board wishes to fund a Legacy Project to benefit the citizens of Traverse City; and

WHEREAS, the City Commission of the City of Traverse City has requested a contribution of One Million Dollars (\$1,000,000) from the Traverse City Light and Power Department to assist in funding improvements which are part of the project known as the Bayfront Plan Phase I; and

WHEREAS, the Charter of the City of Traverse City Section 179(m) allows the payment of this contribution upon Concurrent Resolutions duly adopted by majority of the Board and a majority of the City Commission; and

WHEREAS, Traverse City Light & Power has a history of providing added benefits to the community above its Core Mission through its Community Investment Fund; and

WHEREAS, Traverse City Light & Power Board assures the ratepayers that a \$1,000,000 contribution for a Legacy Project will not interfere with the utility's currently approved reliability projects within its Six Year Capital Plan, the Goals of the utility as established by the Board, or the Objectives of the utility as established by staff and approved by the Board; and

WHEREAS, if these funds are needed for such projects and they are included in an approved capital plan, the City Commission will act favorably on a recommendation for revenue bond financing pursuant to City Charter Section 179(k); and

WHEREAS, the City of Traverse City has by concurrent resolution agreed to defend, hold harmless and indemnify up to the amount of the contribution the Traverse City Light and Power Department, Board, officials and employees from any and all lawsuits, administrative actions and liability connected with the contribution it has requested or the use of the funds contributed; and

NOW, THEREFORE, BE IT RESOLVED that up to One Million Dollar (\$1,000,000) as the contribution requested by the City is granted on a one-time basis and authorized to be used for the Legacy Project improvements pursuant to the Bayfront Plan as those project improvements are described in Attachment A which is attached hereto and incorporated herein by reference; and

BE IT FURTHER RESOLVED that this contribution is contingent on the following:

1. Adoption by a majority of the City Commission of a Concurrent Resolution agreeing to the above stated premises in this Resolution, the use of the funds, and the contingencies as stated; and
2. The contribution shall be transferred to the City of Traverse City in fiscal year 2012-13, but if expenditure of such funds has not occurred or has not legally been incurred before December 31, 2013, the City shall return that part of the contribution the expenditure of which has not been made or has not been incurred. Upon request of the City, the Board may extend this deadline in its discretion; and
3. The Traverse City Light and Power Department shall be included in all literature and announcements identifying contributors or entities responsible for implementation of the Bayfront Plan Phase I.
4. The City, in consideration of this Legacy Project contribution, incorporate into the Bayfront Revitalization Project a commemorative plaque to be prominently displayed within the park recognizing the City of Traverse City as a Public Power Community for the past 100 years, with such costs to be reimbursed by the utility.
5. Staff shall include \$1,000,000 in the Department's 2012-2013 Community Investment Fund budget line item for the purpose of funding this Legacy Project related to the Bayfront Revitalization Project at Clinch Park in celebration of Traverse City's 100 Year Anniversary as a Public Power Community and process it for approval pursuant to City Charter Section 179(i).
6. The City shall periodically report on the progress of the Legacy Project and the Bayfront Revitalization Project to the Executive Director and at the conclusion of that Project shall provide an accounting of the expenditures of the Traverse City Light and Power Department contribution.

Attachment A

Legacy Project
Bayfront Plan Phase I Improvements Paid for with
TCL&P Funds

The Light and Power Legacy Project will include the following elements of the Bayfront Plan Phase One:

The Plaza.

The Plaza Area of the Bayfront includes the bathhouse/concession building in addition to the actual plaza area. It also includes the grade terracing to the beach, site lighting and all related utility work. The water features will be enhanced to demonstrate the integral relationship between water and power; noting that the preservation of either power or water naturally incorporates the preservation of the other.

Completion of the TART Trail through the Clinch Park area is also included. The estimated cost of these components of the Bayfront Plan Phase One is \$1 million. A commemorative plaque will be appropriately sighted noting these improvements are possible because Traverse City is a public power community.

[supplied by City staff, not TCL&P staff]

Traverse City Light and Power Community Investment Fund

Provisions and Guidelines

Revised April 2004

About the Community Investment Fund

Our mission at Traverse City Light and Power (Light and Power) is to provide safe, reliable electricity at the lowest rates in the area. At the same time, we have a responsibility to invest our resources in the community we serve, with the goal of helping to make our town a better place to live. One way we do that is through the Community Investment Fund (CIF). Each year, Light and Power allocates funds to the CIF for the purpose of providing assistance to non-profit organizations in the Light and Power service area.

Our Values and Vision

The vision of the CIF is to enhance the quality of life in the Traverse City area by supporting the values that are commonly shared in our community. Traverse City Light and Power charitable contributions are focused on three key areas:

- **Community Development** - Public infrastructure programs and other projects that provide a direct benefit to our customers and the people of the Traverse City area, with an emphasis on programs and projects within our service area.
- **Energy-Related Educational Programs** - Programs and projects that educate people of all ages about current and future energy sources, and the financial benefit of energy conservation.
- **Natural Resources/Environmental** - Programs and projects aimed at maintaining and improving the quality of natural resources, and supporting a sustainable environment in the Traverse City area.

Community Investment Fund Guidelines

Funds are generally awarded to foster and further the above values and vision to non-profit organizations or groups for specific educational, environmental and community development purposes. The requesting organization must reside in the Traverse City area, be non-profit (i.e. be exempt from federal income tax under the Internal Revenue Code) and operate for public purposes.

Preference is given for CIF requests that:

- Are one time in nature, rather than ongoing
- Benefit a large number of people
- Leverage funds from other sources
- Help programs increase their capacity to deliver services

The CIF does not provide support to:

- Individuals (including those seeking direct scholarships)
- Political parties, organizations or activities
- Religious organizations for religious (denominational) purposes
- Student group trips
- National or international organizations, unless they are providing benefits directly to our service-area residents

How To Apply

The Council of Michigan Foundations' Common Grant Application forms and instructions are available online at www.tclp.org, or at the Light and Power administrative offices located at 1131 Hastings Street, Traverse City, Michigan 49686. **A completed application form must accompany all requests. Please submit completed requests to:**

Traverse City Light and Power
Community Investment Fund
1131 Hastings Street
Traverse City, MI 49686

Grant applications are accepted at any time throughout the year, and are reviewed periodically.

Application Format:

1. All requests must be in writing and should be directed to the Traverse City Light and Power Community Investment Fund.
2. Requests should include a cover letter, brief summary of the requests, supporting documentation and a completed grant application form. Please keep requests brief and to the point.
3. Requests initiated by telephone will not be acted upon until a written request is received.
4. Requests initiated by facsimile are discouraged.
5. Send only one copy of your request.



Common Grant Application Format

Please provide the following information in this order. Use these headings, subheadings and numbers provided in your own word processing format, thus leaving flexibility for length of response.

A. Narrative

1. Executive Summary

- Begin with a half-page executive summary. Briefly explain why your agency is requesting this grant, what outcomes you hope to achieve, and how you will spend the funds if the grant is made.

2. Purpose of Grant

- Statement of needs/problems to be addressed; description of target population and how they will benefit.
- Description of project goals, measurable objectives, action plans, and statements as to whether this is a new or ongoing part of the sponsoring organization.
- Timetable for implementation.
- List of other partners in the project and their roles.
- List of similar existing projects or agencies, if any, and explanation of how your agency or proposal differs and what effort will be made to work cooperatively.
- Description of the active involvement of constituents in defining problems to be addressed, making policy, and planning the program.
- Description of the qualifications of key staff and volunteers that will ensure the success of the program. List of specific staff training needs for this project.
- Long-term strategies for funding this project at end of grant period.

3. Evaluation

- Plans for evaluation, including how success will be defined and measured.
- Description of how evaluation results will be used and/or disseminated and, if appropriate, how the project will be replicated.
- Description of the active involvement of constituents in evaluating the program.

4. Budget Narrative/Justification

- Grant budget; use the **Grant Budget Form** that follows, if appropriate.
- A plan (on a separate sheet) that shows how each budget item relates to the project and how the budgeted amount was calculated.
- List of amounts requested from other foundations, corporations and other funding sources to which this proposal has been submitted.
- List of priority items in the proposed grant budget, in the event that we are unable to meet your full request.

5. Organization Information

- Brief summary of organization's history.
- Brief statement of organization's mission and goals.
- Description of current programs, activities and accomplishments.
- Organizational chart, including board, staff and volunteer involvement.

B. Attachments

1. A copy of the current IRS determination letter (indicating 501(c)(3) tax-exempt status)

2. List of Board of Directors with affiliations

3. Finances

- Organization's current annual operating budget, including expenses and revenue.
- Most recent annual financial statement (independently audited, if available; if not available, attach IRS Form 990).

4. Letters of support (should verify project need and collaboration with other organizations)—*Optional*

5. Annual report (if available)



Grant Budget Format

Listed below are standard budget items. Please provide the project budget in this format and in this order.

- A. Organizational fiscal year: _____
- B. Time period this budget covers: _____
- C. For a CAPITAL request, substitute your format for listing expenses. These will likely include: architectural fees, land/building purchase, construction costs, and campaign expenses.
- D. **Expenses:** include a *description and the total amount* for each of the following budget categories, in this order:

	<i>Amount requested from this organization</i>	<i>Total project expenses</i>
1. Salaries	\$ _____	\$ _____
2. Payroll Taxes	\$ _____	\$ _____
3. Fringe Benefits	\$ _____	\$ _____
4. Consultants and Professional Fees	\$ _____	\$ _____
5. Insurance	\$ _____	\$ _____
6. Travel	\$ _____	\$ _____
7. Equipment	\$ _____	\$ _____
8. Supplies	\$ _____	\$ _____
9. Printing and Copying	\$ _____	\$ _____
10. Telephone and Fax	\$ _____	\$ _____
11. Postage and Delivery	\$ _____	\$ _____
12. Rent	\$ _____	\$ _____
13. Utilities	\$ _____	\$ _____
14. Maintenance	\$ _____	\$ _____
15. Evaluation	\$ _____	\$ _____
16. Marketing	\$ _____	\$ _____
17. Other (<i>specify</i>)	\$ _____	\$ _____
Total amount requested \$	\$ _____	Total project expenses \$ _____

- D. **Revenue:** include a *description and the total amount* for each of the following budget categories, in this order; please indicate which sources of revenue are committed and which are pending.

	<i>Committed</i>	<i>Pending</i>
1. Grants/Contracts/Contributions		
Local Government	\$ _____	\$ _____
State Government	\$ _____	\$ _____
Federal Government	\$ _____	\$ _____
Foundations (<i>itemize</i>)	\$ _____	\$ _____
Corporations (<i>itemize</i>)	\$ _____	\$ _____
Individuals	\$ _____	\$ _____
Other (<i>specify</i>)	\$ _____	\$ _____
2. Earned Income		
Events	\$ _____	\$ _____
Publications and Products	\$ _____	\$ _____
3. Membership Income	\$ _____	\$ _____
4. In-kind Support	\$ _____	\$ _____
5. Other (<i>specify</i>)	\$ _____	\$ _____
Total revenue \$	\$ _____	\$ _____



Common Grant Application

Cover Sheet

Date of Application: _____

Legal name of organization applying: _____
(Should be same as on IRS determination letter and as supplied on IRS Form 990.)

Year Founded: _____ Current Operating Budget: \$ _____

Executive Director: _____ Phone number _____
(include Area Code)

Contact person/title/phone number
(if different from executive director): _____

Address *(principal/administrative office):* _____

City/State/Zip: _____

Fax Number: _____ E-mail Address: _____

List any previous support from this funder in the last five years: _____

Project Name: _____

Purpose of Grant *(one sentence):* _____

Dates of the Project: _____ Amount Requested: \$ _____

Total Project Cost: \$ _____

Geographic Area Served: _____

Signature, Chairperson, Board of Directors

Date

Typed Name and Title

Signature, Executive Director

Date

Typed Name and Title

**LETTER OF UNDERSTANDING REGARDING
OPERATIONS AUDIT OF TCLP (2012)**

This Letter of Understanding by and between the City of Traverse City, a Michigan municipal corporation, of 400 Boardman, Traverse City, Michigan, 49685, (the "City"), and Traverse Bay Economic Development Corporation, a Michigan Nonprofit Corporation of 202 E. Grandview Parkway, Traverse City, Michigan, 49684, (the "TBEDC") and Traverse City Light and Power, of 1131 Hastings Street, Traverse City, Michigan 49686, ("TCLP") summarizes the terms of the arrangement between the parties with respect to the proposed Operations Audit of TCLP. The City and TCLP desire to engage the services of the TBEDC to oversee a process to conduct an independent Operations Audit (the "Audit") of TCLP. The TBEDC wishes to furnish such services to the City and TCLP and has represented that it has the education, expertise, and capability to perform such services subject to the terms outlined in this Letter of Understanding.

The TBEDC will select and convene a Task Force to serve as a working group of experts. The TBEDC has proposed the following individuals or organizations to serve on the Task Force subject to their agreement to serve: Kathleen McManus, COO, Munson Medical Center; Jeanine Easterday, Traverse City Commission; _____ (TBD by CC) _____, Traverse City Commission; Patrick McGuire, TCLP Board; John Taylor, TCLP Board; Alan Devore, CEO, Graceland Fruit; Chris Morse, Partner, Rehmann; Brad Niergarth, Partner, Dennis Gartland & Niergarth; Representative of the Traverse Area Human Resource Association; Eddie Albert, member, Traverse City Area Chamber Foundation Development Fund Committee; Douglas Luciani, TBEDC President and CEO. The parties hereby approve the proposed individuals to be appointed to the Task Force.

Upon execution of this Letter of Understanding the Task Force shall convene, develop criteria and draft a Request for Qualifications for an Operations Audit of TCLP. TBEDC shall present the proposed RFQ to the City and TCLP and the City and TCLP shall have 21 days in which to approve the RFQ. Once the RFQ has been approved by both the City and TCLP, TBEDC shall issue it and shall collect the proposals. TBEDC shall review the qualifications and costs submitted and make a recommendation to the City and TCLP as to which contractor should be selected for Operations Audit services. TBEDC shall present its recommendation to the City and TCLP and the City and TCLP shall have 21 days in which to approve the recommendation. The RFQ shall specify the Operations Audit shall ensure a timeline and RFQ which results in completion of the Audit before the end of the City and TCLP's fiscal year in June 2012. TBEDC shall provide periodic public reports to the City and TCLP as necessary or requested throughout the process.

TBEDC shall be paid for all time and materials an amount not to exceed five thousand dollars (\$5,000.00). TCLP shall make payment to the City and the City shall reimburse TBEDC. The cost of the Audit will be paid by TBEDC who shall be reimbursed those costs by the City who shall be reimbursed its costs by TCLP.

The relationship of the TBEDC to the City and TCLP is that of an independent contractor. The parties do not intend the services provided by the TBEDC to be a joint venture. The City and TCLP shall provide the TBEDC with all information currently available to them

upon request of the TBEDC. The City Manager shall be the City's representative for purposes of this Letter of Understanding and the Executive Director shall be TCLP's representative.

If any party has a dispute with another regarding the meaning, operation, or enforcement of any provision of this Letter of Understanding, the disputing parties agree to meet and confer to negotiate a resolution of the dispute. They further agree if they are unable to resolve the dispute themselves they shall utilize the services of a mutually acceptable neutral mediator, who meets the qualifications of MCR 2.411, to bring them together in at least one mediation session to be located in Grand Traverse County. Cost of mediation shall be split evenly among the parties. If the parties are unable to reach a resolution through mediation this Letter of Understanding shall be terminated. Notice of termination shall be made in writing and any costs incurred at the time of termination shall be split evenly by the parties.

The parties agree that the signatories appearing below have the authority and are duly authorized to execute this Letter of Understanding on behalf of their respective party.

CITY OF TRAVERSE CITY

By _____
Michael Estes, Mayor

By _____
Benjamin C. Marentette, City Clerk

TRAVERSE CITY LIGHT & POWER

By _____
Ed Rice, Executive Director

TBEDC

By _____
Signature

APPROVED AS TO SUBSTANCE:

R. Ben Bifoss, City Manager

APPROVED AS TO FORM:

Lauren Tribble-Laucht, City Attorney

Name and Title (print or type)



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Jim Cooper *JC*
Date: February 23, 2012
Subject: SEEDS Business Energy Management Services Contract

This proposed Business Energy Management Services contract by SEEDS is supported by both the budget and energy efficiency goals as approved by the board. The resulting analysis will assist businesses to track and understand where their energy dollars are going and help them to determine what to do about it. I've included some summary contract information to highlight the main points and Mike Powers, from SEEDS, will be present at the meeting to answer questions. This is a proven program that SEEDS has used to assist local organizations reduce their energy usage.

"SEEDS proposes to pilot for TCLP a streamlined commercial energy management services strategy to lead TCLP's business customers systematically and efficiently through a proven process of energy management. This pilot would complement the outreach efforts of TCLP's existing Energy Optimization plan while demonstrating EE and carbon emissions reduction strategies capable of advancing TCLP's record of leadership.

SEEDS has rapidly developed as a local leader in technical analysis, training, and education for advancing energy and carbon management. Over the last four years SEEDS has led dozens of organizations, involving hundreds of commercial facilities, through a process of commercial energy management outlined in ENERGY STAR's Guidelines for Energy Management and promoted by the US Environmental Protection Agency's (EPA) National Action Plan for Energy Efficiency.

The process begins with benchmarking facility energy consumption utilizing ENERGY STAR Portfolio Manager (ESPM) and develops a quantified and prioritized action plan that can be used as a road map for successive improvement and reinvestment. Many energy management and auditing programs step away at this point, yet best practices illuminate that continuing to support and coach decision makers through project bidding, measure prioritization and rebate application processes ensures that they can and do make sound economic choices.

This additional support specifically addresses the most significant barriers to achieving commercial energy efficiency as identified by business owners themselves in the 2011 Baseline report. These barriers include: the perceived price of EE products and services; understanding if efficiency measures or products are worth the added cost (ROI), and understanding the technical information required in order to effectively choose between products or services.”

This contract will be modified to meet L&P’s legal counsel’s recommendations.

If the Board concurs, the following motion is recommended:

**MOVED BY _____, SECONDED BY _____,
THAT THE BOARD AUTHORIZE THE CHAIRMAN AND THE EXECUTIVE DIRECTOR
TO ENTER INTO A CONSULTING AGREEMENT WITH SEEDS, IN THE AMOUNT
NOT TO EXCEED \$34,500 FOR BUSINESS ENERGY MANAGEMENT SERVICES;
SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR
AND AS TO FORM BY GENERAL COUNSEL.**

Proposal:

Business Energy Management Services

**A Comprehensive Business Solutions Pilot
Project**

13 December 2011

Prepared For:
Traverse City Power & Light

seeds

Ecology + Education + Design

SEEDS

1015 Red Drive
Traverse City, MI 49684
Federal I.D. 38-3482266

PROJECT INFORMATION

Project Title: Business Energy Management Services

Project Period: Jan - Jun 2012

Total Project Cost: NTE \$34,500

AUTHORIZED SIGNATURES

PRINCIPAL INVESTIGATOR / PROJECT MANAGER

- I AGREE TO ACCEPT RESPONSIBILITY FOR THE CONDUCT OF THE PROJECT.

- I CERTIFY THAT THE STATEMENTS HEREIN ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE, AND ACCEPT THE OBLIGATION TO COMPLY WITH ALL THE TERMS AND CONDITIONS IF A CONTRACT IS AWARDED AS A RESULT OF THIS PROPOSAL.

Barton Kirk – SEEDS Program Manager

Signature: *Barton Kirk* Date: 2/24/2012

1 INTRODUCTION

Since the passage of Michigan's Clean, Renewable and Efficient Energy Act (PA 295) Traverse City Light & Power has demonstrated extraordinary success in meeting and exceeding state requirements for energy efficiency. This leadership is arguably driven by TCLP's pursuit of community-driven goals for cost-effective clean energy solutions and specifically TCLP's Strategic Goal of reducing its carbon emissions by 50% by 2016.¹

To achieve this goal TCLP will need to far exceed the state's requirements in both energy efficiency and renewable energy. It is clear that much potential for energy efficiency remains. The Michigan Baseline Study 2011 for the Michigan Public Services Commission released in July indicates shallow market penetration of energy efficiency; including lighting, equipment, and efficiency program awareness among commercial facility owners and managers from across the state.²

In addition to examining the facility characteristics and energy efficiency (EE) needs of business sectors statewide, the study included a survey of attitudes of commercial facility owners and managers. Interestingly, 89% of respondents considered themselves to be somewhat to very knowledgeable about EE, yet only 37% were even aware of utility EE programs, let alone taking advantage of them. Additionally, 51% of the respondents considered their facilities to be more efficient than average or extremely efficient yet 90% of facilities are using T-12 lighting and 76% are using incandescent lighting. And of the 40% reported to have installed EE equipment (mostly lighting) in the last two years, companies also reporting that they were aware of their utilities' EE program were no more likely to have installed equipment.

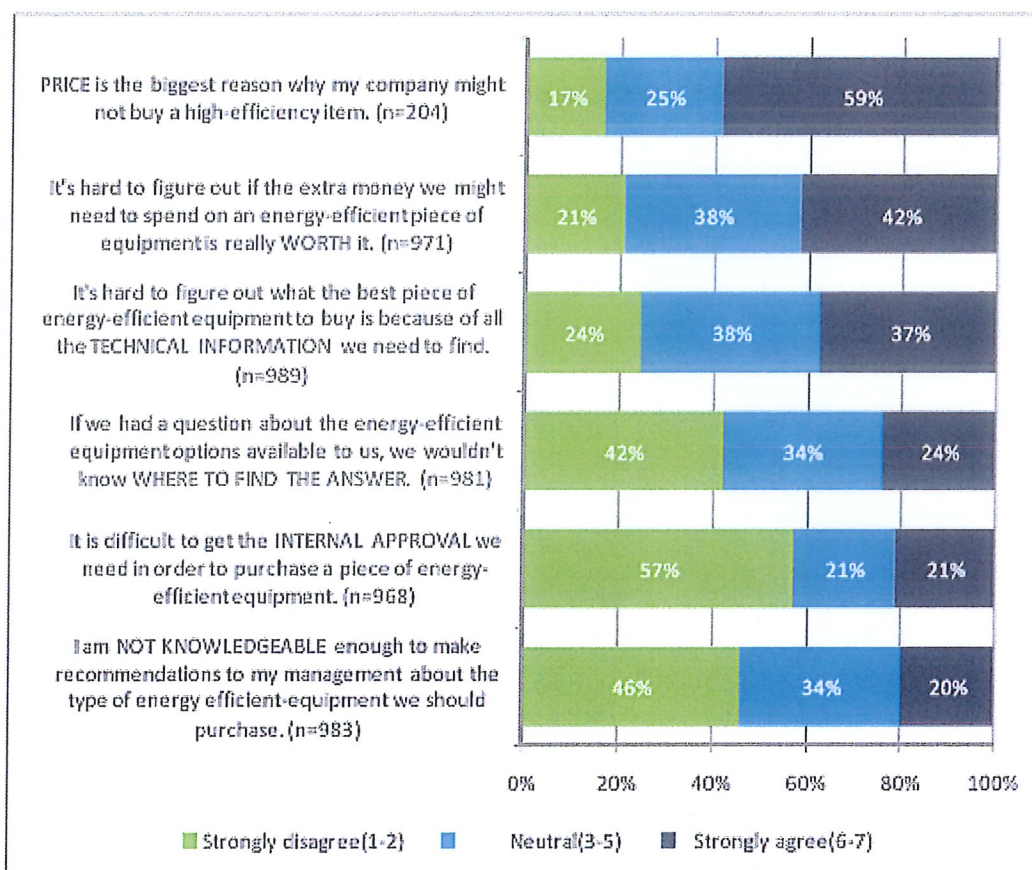
These results indicate several important barriers in addition to those specifically identified by Michigan businesses in the figure below. Product rebate incentives are only able to assist those businesses that realize that they stand to benefit from deeper EE, that know that EE incentives are available to them, and that the incentives actually help to make the EE measure a sound investment.

¹ TCLP's 9th Strategic Objective: Reduce the L&P carbon footprint through a diversified portfolio and renewable energy sources, including 9.a) Reduce TCL&P caused electric generation carbon emissions by 50% by 12/31/15.

² Cadmus Group. (2011, July) *Michigan Baseline 2011: Commercial Energy Baseline Report*. Retrieved from http://www.michigan.gov/documents/mpsc/Michigan_Commercial_Baseline_Study_367665_7.pdf



Figure 70. Barriers to Energy Efficiency



Source: Cadmus Group. (2011, July) Michigan Baseline 2011: Commercial Energy Baseline Report

TCLP’s successful energy efficiency strategy has centered on its Energy Smart ProgramSM featuring a variety of energy efficiency incentives for both residential and business customers. To date TCLP’s business customers have been offered incentives for upgrading to equipment with greater energy efficiency, including lighting, motors, air systems, refrigeration, HVAC units and building management systems.

The Comprehensive Business Solutions strategy within TCLP’s current Energy Optimization Plan seeks to advance awareness and use of the Energy Smart ProgramSM incentives. The Comprehensive Business Solutions strategy proposes to outreach to market providers to increase awareness of incentives on the supply-side. It also proposes to increase incentive demand through outreach to targeted business customers by assisting in identifying the most appropriate incentives. However, as indicated by the 2011 Baseline Study, that may not be enough to overcome the barriers necessary to realize the level of energy efficiency necessary to achieve TCLP’s ambitious and timely goals.

The implementation strategy misses the opportunity to engage and educate TCLP’s businesses customers in a sequential process of on-going energy management and efficiency improvement. This systematic, iterative approach is a proven strategy employed by

many of the most successful EE programs nationally.³ This is precisely the strategy of SEEDS' energy benchmarking and action planning approach to EE

SEEDS proposes to pilot for TCLP a streamlined commercial energy management services strategy to lead TCLP's business customers systematically and efficiently through a proven process of energy management. This pilot would complement the outreach efforts of TCLP's existing Energy Optimization plan while demonstrating EE and carbon emissions reduction strategies capable of advancing TCLP's record of leadership.

SEEDS has rapidly developed as a local leader in technical analysis, training, and education for advancing energy and carbon management. Over the last four years SEEDS has led dozens of organizations, involving hundreds of commercial facilities, through a process of commercial energy management outlined in ENERGY STAR's Guidelines for Energy Management and promoted by the US Environmental Protection Agency (EPA)'s National Action Plan for Energy Efficiency.^{4,5}

The process begins with benchmarking facility energy use utilizing ENERGY STAR Portfolio Manager (ESPM) and develops a quantified and prioritized action plan that can be used as a road map for successive improvement and reinvestment.⁶ Many energy management and auditing programs step away at this point, yet best practices illuminate that continuing to support and coach decision makers through project bidding, measure prioritization and rebate application processes ensures that they can and do make sound economic choices.⁷

This additional support specifically addresses the most significant barriers to achieving commercial energy efficiency as identified by business owners themselves in the 2011 Baseline report. These barriers include: the perceived price of EE products and services; understanding if efficiency measures or products are worth the added cost (ROI), and understanding the technical information required in order to effectively choose between products or services.

³ Well established energy efficiency programs operated through NYSEDRA, NSTAR, Wisconsin Focus on Energy, and City of Seattle have offered benchmarking programs as part of their comprehensive commercial energy services and New York, Seattle, San Francisco, Austin, and Washington D.C. are now implementing city-wide energy benchmarking of commercial facilities.

⁴ US EPA (2011). *ENERGY STAR Guidelines for Energy Management website*. Accessed 10/31/2011. http://www.energystar.gov/index.cfm?c=guidelines.guidelines_index

⁵ US EPA (2008). *National Action Plan for Energy Efficiency – Chapter 6 Energy Efficiency Program Best Practices*. Retrieved from <http://www.epa.gov/cleanenergy/energy-programs/suca/resources.html>

⁶ Nexus Market Research (2009). *Evaluation of the National Grid and NSTAR ENERGY STAR® Benchmarking Programs*. Retrieved from <http://www.env.state.ma.us/dpu/docs/electric/09-64/12409nstrd2ah.pdf> "The EPA staff expects that utility energy efficiency rebate programs will face more daunting goals as the 'low-hanging fruit get picked' and with increased demands on the programs to deliver additional energy savings. In such an environment, the EPA staff envisions a key role for Portfolio Manager in providing a more comprehensive, whole-building approach to drive deeper savings among more customers."

⁷ Nexus Market Research. *Evaluation of the National Grid and NSTAR energy benchmarking programs* found that efficiency measure implementation increased when auditors met with program participants to explain audit and benchmarking results. SEEDS' experience with MPSC funded energy efficiency services to local governments has also proven the value of follow-through.

2 OBJECTIVE

The purpose of the scope of work outlined herein is to pilot and evaluate a streamlined version of a proven commercial EE improvement strategy, energy benchmarking and action planning for comprehensive energy management. The information gained from this pilot is intended to establish a foundation of knowledge from which to deploy a longer term, more targeted, and/or more broadly offered energy management service to complement TCLP's Comprehensive Business Solutions Program.

3 WORK PLAN

SEEDS proposes the following scope, process, deliverables, and data needs to achieve the objective above within the timeline and budget suggested below. We welcome your suggestions to refine, reduce, or expand this work plan with you to better suit your needs.

Scope

The proposed pilot project includes three components:

- Market Inquiry - A scoping inquiry and analysis of TCLP's commercial & industrial (C&I) customer's energy service needs;
- Streamlined Energy Management Service – Basic but comprehensive energy benchmarking and action planning services to ten of TCLP's C&I customer's facilities; and
- Pilot Analysis - Analysis of project success to provide recommendations for a longer-term energy management services program for TCLP's C&I customers.

Process

1. Market Inquiry

- a. SEEDS will review TCLP's current C&I customer data to identify 1 or 2 target subgroups based upon business type, total facility electricity use, total facility square footage, and/or electricity use per square foot.^{8,9} Final subgroup selection will be made in concert with TCLP staff.
- b. A random selection of approximately 50 customers among these subgroups will be contacted via phone and surveyed with a few questions like:
 - i. Do your energy costs concern you?
 - ii. What aspect of your business do you feel is your greatest energy liability, e.g. heating, cooling, ventilation, lights, equipment, etc?

⁸ Cadmus Group. Subsectors evaluated by the MI 2011 Baseline include: Education, Grocery, Healthcare, Lodging, Office, Restaurant, Retail, Warehouse, and Miscellaneous and offer insight into potential target sectors.

⁹ Cities requiring energy benchmarking of commercial businesses, including the Seattle and San Francisco, have targeted facilities 10,000 ft² and larger.

- iii. How many hours of your time would you be willing to invest to work with a free energy service to lower your energy costs if the process took 1-3 months?
 - iv. What percentage of your annual energy costs would you be willing to invest in deeper energy efficiency if it paid itself back quickly?
 - 1. What percentage?
 - 2. How quickly?
 - v. Would you consider participating in TCLP's Pilot Baseline Energy Service if you knew that it required a written commitment of investment of 12-20 hours over the next year?
- c. SEEDS and TCLP staff will select 10 C&I customers willing to participate and participants will be required to sign a form, committing them to:
- i. Commitment by the owner or chief operations officer to actively engage in EE decision making processes.
 - ii. A minimum of 12 hrs of qualified staff time to participate in each step of the process including:
 - 1. 1 day ESPM training and site walk through audit.
 - 2. 2 hrs to meet and review walk through findings & select measures to bid
 - 3. 2 hrs to meet and select final measure(s) and contractor(s) to pursue, and
 - 4. 1 hr to enter their utility data into ESPM 12 months after receiving the action plan.¹⁰
 - iii. Access to all of their energy & water utility account data.
 - iv. Provide the past 12 months of heating fuel bills and building details.

2. Streamlined Energy Management Service

- a. SEEDS will collect electricity, water, and heating fuel, and facility data from the customer to ensure completeness prior to training and site visit.
- b. SEEDS will schedule and complete a one day facility site visit that will begin with an Energy Star Portfolio Manager training. SEEDS will then perform a walk-through energy audit to identify key opportunities for energy efficiency facility with the owner and or management staff.
- c. SEEDS will complete a draft energy action plan with suggested priority measures and meet with the customer to discuss which to send out for bidding.

¹⁰ Nexus Market Research. Evaluation of the National Grid and NSTAR energy benchmarking programs identified a distinct improvement in customer's sense of value with the program between contractors that taught business managers to use ESPM and those that simply entered all of the ESPM data for the business owner.

- d. SEEDS will submit up to 3 requests for proposals from contractors and review up to 9 proposals with the customer.
- e. Upon selection and prioritization of measures, SEEDS will finalize the energy action plan with economic analyses and recommended phasing of deeper energy investments based upon reinvestment of energy savings.
- f. SEEDS will schedule a follow-up interview up to 3 months after the action plan is delivered to assess the customer's progress with the action plan and assess the value of the service to the customer.

3. Pilot Analysis

- a. Following the completion of the 10 action plans, SEEDS will evaluate and summarize the project's cost effectiveness in energy use reduction and potential for expansion including but not limited to:
 - i. Most common energy conservation opportunities encountered;
 - ii. Average total cost use reduction potential for electricity, water, and heating fuels;
 - iii. Average energy use reduction potential of energy conservation measures initially addressed by customers;
- b. SEEDS will provide a short discussion of opportunities and barriers experienced by SEEDS and customers during this process.
- c. SEEDS will briefly discuss the most promising financial assistance mechanisms that could be offered in parallel to or integrated into this energy management service to commercial & industrial customers.
- d. SEEDS will offer final recommendations to the broader deployment of this comprehensive energy management service.

Deliverables

The deliverables for this pilot project will include a 5 to 10 page summary report and presentation to TCLP staff and/or board. Additional appendices to the report will include complete responses to the market inquiry survey, all ten energy action plans, and all bids provided by contractors. SEEDS will provide regular interim verbal reports for TCLP staff as desired.

Data Needs

SEEDS will initially need access to complete commercial & industrial customer electricity and water use data for the previous 12 months, however customer account information may be withheld from SEEDS until the randomly selected customers for the Market Inquiry are identified. For the 10 customers selected for the service, SEEDS will need access to client electricity and water use data for at least 3 months after the delivery of the action plans, in the event the customers fail to meet their commitment to update their ESPM account in a timely manner.

4 PROPOSAL TEAM

The project team will be led by SEEDS' energy and greenhouse gas emissions analyst, Barton Kirk. SEEDS' staff is experienced managing research, education, and design projects with a variety of partners including state and local governments, schools, universities, for-profit corporations, non-profit organizations, and community groups. Listed below are SEEDS' staff and associates who will be involved in this project.

Barton Kirk, MS, EIT, Program Manager/GHG Analyst

Mr. Kirk is the leading analyst for SEEDS' Energy and Environmental Analysis Program and conducts energy and greenhouse gas emission inventories and action plans for municipal, university, and private school clients. Previously he served as the project manager and co-investigator of regional and international research projects investigating the sustainability of water, wastewater, and stormwater infrastructure through economic and environmental life cycle analyses – including greenhouse gas emission inventories of water infrastructure construction and operation.

Mike Powers, Program Manager

Climate and energy outreach and advocacy specialist, Michael Powers is an Al Gore-trained climate change educator, experienced coalition builder, and renewable energy technician. He currently leads community engagement for TCSaves, a residential EE program funded by the Department of Energy.

Solomon Townsend, BSME, EIT, Engineer / Energy Analyst

Mr. Townsend has over ten years of engineering experience in design, project management, and analysis in fields ranging from mechanical design, system optimization, to energy efficiency and climate action. At SEEDS he specializes in energy and climate analysis and planning with a focus on maximizing economic as well as environmental benefits. Recently has worked to create comprehensive Energy and Climate Management Plans for 20 local governments in Northern Michigan.

5 SCHEDULE / TIMELINE

- Market Inquiry – January 2012
- Streamlined Energy Management Services
 - Site visits and training – February 2012
 - Measure selections & bid requests – February / March 2012
 - Contractor selections & finalized action plans – March / April 2012
 - Follow – up surveys – May 2012
- Pilot Analysis & Recommendations – June 2012

6 ESTIMATED BUDGET

Project deliverables will be completed and billed on a time and material basis. The estimate below is separated into tasks for ease of review. The scope of these tasks is described in greater detail in the recommended Work Plan above. SEEDS' current wage rate for research and analysis is \$75.00 per hour. SEEDS agrees not to exceed the estimated total below without written consent to proceed.

<u>Market Inquiry</u>		Cost
\$75.00/hr	40 hrs	\$ 3,000.00
<u>Streamlined Energy Management Services</u>		
\$75.00/hr	380 hrs	\$28,500.00
<u>Analysis of Pilot</u>		
\$75.00/hr	40 hrs	\$ 3,000.00
Total		\$34,500.00

PROPOSAL ACCEPTANCE FORM

This is an Agreement, by and between SEEDS (a Michigan nonprofit organization), located at 1015 Red Drive, Traverse City, Michigan 49684 and Traverse City Light & Power (a municipally owned electricity utility), hereinafter referred to as "Client"), 1131 Hastings Street. Traverse City, MI 49686.

RECITALS

- 1. Client desires to utilize the consulting services of SEEDS who agrees to provide such services on the terms and conditions set forth herein.

TERMS

- 2. Engagement. Client engages SEEDS to perform the consulting services set forth in this proposal (hereinafter referred to as "Services"). Services other than those set forth in the proposal shall be performed only pursuant to a written addendum to this Agreement signed by both SEEDS and the Client. Unless otherwise specified in such addendum, additional Services shall be rendered by SEEDS subject to the terms and conditions of this Agreement.
- 3. Compensation. Client shall pay SEEDS for services rendered according to Section 6 Estimated Budget. and the attached terms and conditions.
- 4. Client's Authorized Agent. The Client has appointed the person named below as the authorized agent of the Client for purposes of this Agreement. As such, the agent is duly authorized and shall be responsible for the execution of any document pertaining to this Agreement or any amendment hereof, and for approving all change orders, addenda, and additional Services to be performed by SEEDS, if any.
- 5. Terms and Conditions. The terms and conditions of this Agreement shall include the provisions printed on the reverse side hereof and are hereby incorporated into this Agreement by reference.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the date indicated below.

SEEDS:

CLIENT:

Barton Kirk
(signature)

(signature)

Barton Kirk
(printed name)

(printed name)

February 24, 2012
(date)

(date)

(signature)

(printed name)

(date)



Terms and Conditions

1. This proposal will be considered null and void if project authorization is not received within 30 days of the date of proposal.
2. The Client hereby authorizes the above-described services and agrees to pay SEEDS at the stated price unless another basis of charge is indicated. The Client will pay SEEDS for work outlined in Section 3 Work Plan and Section 6 Estimated Budget. The Client will be invoiced and, except as noted within these terms and conditions, payment is due within 30 days of the date of invoice. A service charge of 1.5% per month will be added to past due accounts. Accounts 30 days past due are subject to the Michigan Mechanic's Lien Law.
3. Client agrees to pay SEEDS within thirty (30) days after receipt of an invoice.
4. SEEDS agrees to perform in accordance with a standard of care generally exercised by other environmental and facilitation consultants within this state acting under similar circumstances and conditions.
5. SEEDS' relationship to the Client is that of an independent contractor and not that of a partner, joint venture, or employee of the Client.
6. The Client is to provide copies of all sampling and testing data regarding relevant engineering or environmental studies, which may have been previously performed. SEEDS may be required to utilize sampling, analysis, engineering and other studies prepared by the Client or other consultants. The Client understands that unless otherwise stated in the proposal or this agreement, SEEDS shall not verify or validate, nor shall it be liable for the completeness or accuracy of such data or studies or for claims, fines or penalties arising from the use thereof.
7. SEEDS will use reasonable efforts to maintain confidentiality and not divulge information regarding the proposal, services or its report, except to the Client, parties designated by the Client in writing, or as required by law. Information that is in the public domain shall not be deemed confidential.
8. Client in no way grants SEEDS, its employees, consultants, agents, representatives, contractors and subcontractors, for the purpose of performing all activities, studies and research the right at any time to enter the Site.
9. SEEDS and the Client agree that acceptance by SEEDS of its responsibility under this agreement does not in any way impose upon SEEDS the obligations, responsibility, or liabilities of an owner or operator of the Site.
10. The Client and SEEDS recognize that professional standards and ethics govern the performance of SEEDS' services under this agreement. If circumstances arise which, in SEEDS' opinion, preclude it for professional or ethical reasons from continuing such performance, SEEDS shall advise the Client of that fact. The parties shall immediately attempt to arrive at a mutually satisfactory solution. If this cannot be done to both parties' satisfaction, either party may terminate this agreement. If so, the Client shall compensate SEEDS in accordance with these terms and conditions.
11. The Client bears full responsibility for any fines, penalties or administrative actions that may be incurred due to non-compliance with Federal or State reporting requirements that may be the results of any delays or actions by the Client or any suspension or termination of performance between the Client and SEEDS as defined within these terms and conditions.
12. The Client may at any time, after providing ten days written notice, suspend further performance by SEEDS. SEEDS may, after providing written notice ten days in advance, suspend further performance if, at any time, payments by the Client for services rendered by SEEDS are not made in accordance with established payment terms. SEEDS may continue suspension of performance until payment is received for all services rendered by SEEDS prior to the date of suspension. Suspension of performance for a period exceeding 30 days for any reason, shall at the sole option of SEEDS result in termination or renegotiation of project scope of work, services provided, terms and conditions, schedule, and estimated costs prior to renewal of project activities and services. All suspensions shall extend the time schedule for performance in a mutually satisfactory manner, but at a minimum, the extension shall equal the duration of the suspension.
13. The Client, at its sole discretion, may terminate, upon ten days written notice, the authorized project or any subsequent change order. SEEDS may, at its sole discretion and upon 10 days prior written notice, may terminate the authorized project or any subsequent change order.
14. The Client shall pay SEEDS promptly within 15 days from receipt of invoice for services performed and charges incurred prior to the effective date of suspension or termination, plus suspension or termination charges.
15. The Client and SEEDS acknowledge that differences, including but not limited to interpretation and opinion with respect to regulatory and technical issues, may arise between regulatory agencies and SEEDS as consultant for the Client during or after completion of the proposed services.
16. If a dispute arises out of this agreement and if it cannot be settled through direct discussions, the parties agree to submit this dispute to mediation by a professional mediator selected by the parties. If all or any portion of the dispute remains unsettled, the parties agree to submit any unresolved controversy to arbitration. The parties further agree that a judgment upon the award rendered by the arbitrator(s) may be entered in the appropriate Circuit Court of the State of Michigan. The obligation to mediate and arbitrate disputes arising from this agreement shall survive termination of this agreement.
17. The proposal, project acceptance form and these terms and conditions constitute the full agreement between SEEDS and the Client.