

Attachment A

Open Book Pricing – City of Tempe

1. Work Order Calculations. - The final price of the individual Work Orders/ECM's for the implementation of the Energy Conservation Measures at the City of Tempe and any change orders thereto, if any, shall consist of the following:

- 1.1 Design Costs. "Design Costs" shall be the actual costs charged to APSES by its third party Design Professionals ("**Design Professionals**"), for services performed, which may consist of but shall not necessarily be limited to the following services:

- 1.1.1 Development of a conceptual design;
- 1.1.2 Pre-construction design at 65%, and 100% design levels;
- 1.1.3 Construction specifications;
- 1.1.4 Post-design activities; and
- 1.1.5 As-built drawings.

- 1.2 Construction Costs. ("**Construction Costs**") shall be the actual costs charged to APSES by its subcontractor and/or material suppliers or incurred by APSES in connection with the performance of construction services, which may include, but shall not be limited to, the following components:

- 1.2.1 Subcontractor's labor and supervision costs, including employers contributions to employee benefits, allowances for vacation, sick leave, employee insurance, social and retirement benefits, all payroll taxes, contribution and benefits by any applicable law or regulation;
- 1.2.2 Materials, transportation and storage costs, if any;
- 1.2.3 Costs for consumable items;
- 1.2.4 Mobilization and demobilization of equipment and personnel;
- 1.2.5 Equipment costs;
- 1.2.6 Subcontractor's overhead and profit;
- 1.2.7 Site clean up (except the removal of hazardous material generated during the course of APSES' activity at the site);
- 1.2.8 Fuel and rental costs for equipment and vehicles used during the performance of the Work;
- 1.2.9 Cost of tests and inspections performed in support of the Work (other than inspections performed in support of permit requirements); and

- 1.3 Professional Service Fees

1.3.1 ("Professional Services Fees") are hourly fees of professional personnel, fully or partially assigned to the design or implementation of the energy conservation

measures, and on-site services, which shall include but not necessarily be limited to the following:

- 1.3.1.1 Construction Management;
- 1.3.1.2 Design and design review;
- 1.3.1.3 Commissioning;
- 1.3.1.4 Training of the University's personnel in operation and maintenance procedures; and
- 1.3.1.5 Measurement and verification activities for the initial installation and set up.

The Professional Service Fees will be determined by the actual hours professional staff will provide services in support of the project at the Site or at an off-site location at the hourly rates specified below:

Job Classification	Per Hour
Program Manager	\$179
Sr. Project Manager / Superintendent	\$137
Energy Manager	\$120
Project Manager	\$124
Project Engineer	\$108
Construction Manager	\$108
Senior Engineer	\$120
Administrative Assistant	\$47
Design / Field Engineer	\$92
Copy Editor/Tech Assistant	\$56

1.4 Design/Builder's Overhead Costs. The overhead cost of twelve percent (12%) for construction shall be calculated on the total of 1.1, 1.2, and 1.3 above, and consist of the following components:

- 1.4.1 Cost of royalties and licenses;
- 1.4.2 Cost, less salvage value, of machinery, equipment, temporary facilities, materials and supplies that are not fully consumed during the performance of the work, and which remain the property of APSES, including cost of transportation, inspections, testing, handling, installation, maintenance, disassemble, and removal of such items, for example computers, and other office equipment, etc.;
- 1.4.3 Costs incurred by APSES' administrative personnel for the administration of the contracts and agreements with subcontractors, and
- 1.4.4 Salaries of APSES' executive personnel and support personnel stationed at APSES' principal or branch office that are engaged in the administration of the Agreement.
- 1.4.5 All costs associated with Liability insurance and Workmen Compensation insurance for the project;
- 1.4.6 Warranty costs.

1.5. Direct Expenses

1.5.1 Bonds and Insurance, consisting of actual costs incurred in connection with the purchase of Payment and Performance Bonds and Builder's Risk Insurance;

1.5.2 Taxes, consisting of actual cost of tariffs, duties, City, County, State, and Federal taxes, which were paid by APSES as a direct result of the performance of the Work;

1.5.3 Cost of permits and permit related inspections;

1.5.4 Hazardous Material Costs shall be the actual costs charged to APSES by the Owner's environmental recycler for transportation, handling, documentation, and disposal of mercury lamps and PCB or non-PCB ballasts, removed by APSES' subcontractor during the performance of the Work at the Site, which shall not include any other hazardous material currently at the Site with the exception of asbestos which may be encountered during the performance of the Work;

1.5.5. Cost of maintaining an on-site project office, which shall include the rental rates for an office trailer, utility connections, utilities, sanitary facilities, rental rates for office equipment, communications equipment and supplies; (The costs outlined in this paragraph are only applicable, if APSES does not already have such facilities on Site in connection with the performance of other projects.);

1.5.6 Costs of communications, consisting of facsimile transmission costs, long distance telephone charges, postage, messenger delivery charges, express mail, and photocopying costs, and

1.5.7 Mileage reimbursement.

1.6 APSES' Fee. The Owner shall pay APSES a fee of twelve percent (12%), which shall be multiplied by the total of 1.1, 1.2, 1.3, and 1.4, above.

1.7 Contingency. The final price of the individual ECM's shall contain a bid contingency factor of (2.5%) for APSES, which shall only be used to offset shortfalls for subcontractor's and material suppliers in the event that the actual costs are higher than the estimated costs, as well as minor field changes during the implementation of the ECM's. Additionally, the total contract amount shall contain a 2.5% contingency for Owner, which shall be used at Owner's sole discretion for additional energy conservation measures in connection with this project. In the event either Owner's or APSES' contingency dollars are used, such funds shall be subject to the same calculations as described above. All portions of Owner's or APSES' contingency dollars not used in the manner described in this paragraph, shall be retained by APSES. Any costs or expenses exceeding the total combined contingency amount for Work or services included in the Scope of Work for the project, shall be borne solely by APSES, unless such cost and expenses were caused by a Force Majeure event, which could not have been reasonably anticipated or prevented.

1.8 Construction Loan. Construction loan interest will be determined by taking the accumulated project completion value less retainage, multiplied by the monthly interest rate of Three Month LIBOR + the appropriate percentage adder (either 1% or 4%) divided by 12 months. Construction loan interest shall not apply if the lender provides APSES with monthly construction draws.

(End of Attachment A)