

Resolution 2025-R-46

***A Resolution authorizing execution of an agreement with
Ingenuity, Inc. for Power Expense Management Services***


BE IT HEREBY RESOLVED by the City Council of the City of Irondale, Alabama, in regular meeting duly assembled, a quorum being present that Mayor James D. Stewart, Jr., or his designee, is hereby authorized to execute a Statement of Work – 09, and any and all documents necessary for the execution of said agreement, with Ingenuity, Inc. for power expense management services in substantially the form attached here to as **Exhibit A**.

ADOPTED & APPROVED: This 4th day of March, 2025.



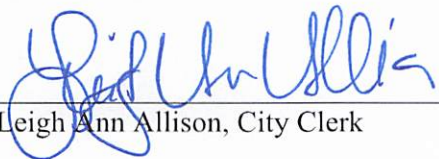
David Spivey, City Council President

APPROVED:



James D. Stewart, Jr., Mayor

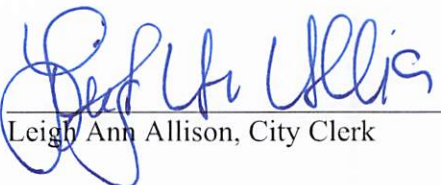
ATTESTED:



Leigh Ann Allison, City Clerk

CERTIFICATION

I, Leigh Ann Allison, the City Clerk of the City of Irondale, Alabama, hereby certify that the above to be a true and correct copy of a resolution adopted by the City Council of the City of Irondale at its regular meeting held on the 4th day of March, 2025, as the same appears in the minutes of record of said meeting.



Leigh Ann Allison, City Clerk

Exhibit A



**Statement of Work – 09
Power Expense Management Services**

This Statement of Work (“SOW”) dated March __, 2025 references and is incorporated within the Master Agreement (“Agreement”) dated September 5, 2024 between the City of Irondale, Alabama (“Irondale”) and Ingenuity, Inc. (“Ingenuity”).

Services: Ingenuity will complete a Power Optimization Initiative and provide Power Invoice Management Services for Irondale. The Power Optimization Initiative will include a detailed evaluation of Irondale’s current power usage and costs. As part of this evaluation, Ingenuity will identify opportunities for savings, rebates and credits. Irondale will review Ingenuity’s recommendations and decide, in Irondale’s sole discretion, which recommendations are implemented.

The Power Invoice Management Services will include ongoing power invoice/invoice data audits and reviews, as well as implementation assistance for applicable Ingenuity recommendations approved by Irondale. The audits/reviews will include evaluations of Irondale’s power usage and expenses in an effort to identify erroneous charges and any changes that should be made to minimize Irondale’s power expenses.

These Services are further described in Attachment 1 – Scope Document.

Price for Services: Irondale will pay Ingenuity thirty-five percent (35%) of the Savings, Credits and Rebates (as described in Attachment 1 – Scope Document) realized by Irondale for three years from the Point of Implementation (as described in Attachment 1 – Scope Document). No payments will be made pursuant to this SOW after March __, 2031.

Term: Three (3) years beginning on the date listed above.

Start Date: 03/__/2025

End Date: 03/__/2028

Termination: Irondale may terminate this SOW upon ninety (90) days written notice to Ingenuity.

Payment Schedule: Ingenuity will invoice Irondale on a quarterly basis for Ingenuity’s share of the applicable savings realized by Irondale. Ingenuity will deliver the first invoice related to this SOW after Irondale starts receiving power invoices that include applicable savings. Ingenuity’s additional invoices will be delivered subsequently every three (3) months following the delivery of the first invoice. Irondale will pay all Ingenuity invoices in accordance with the terms of the Agreement.

Irondale
Representative: _____

City of Irondale, Alabama

Ingenuity, Inc.

Signature: 

Signature: _____

By: James D. Stewart, Jr.

By: Rick A. Hayes

Title: Mayor

Title: President



**Statement of Work – 09
Attachment 1 - Scope
Document**

**Power Expense
Management**

For The

City of Irondale

December 2024

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Overview

Power (electricity) represents a very significant operating cost for most organizations. By leveraging the best rates available, reducing billing errors, and optimizing total and peak energy consumption, many organizations can significantly reduce their power expenses. Any attempt to reduce or stabilize power rates is complicated by the highly complex tariffs that serve as the basis for the rates charged by regulated providers. Even when rates are based on what a regulated provider considers the best tariff, significantly better rates may be available. Finding and taking advantage of the best rates can save a substantial amount of money and noticeably impact an organization's bottom line.

In addition to complicated invoices, complex tariffs also lead to billing errors. This complexity makes detecting and correcting errors very difficult. Usually, only a thorough audit of historical invoices and the necessary supporting documentation will identify billing errors. Along with the general billing errors, a thorough audit may also detect mistakes related to service, equipment and/or usage charges.

Because of the considerable investments in personnel and technology required to validate power consumption, most organizations are unable to confirm (and in many cases, significantly impact) their actual power usage. However, there are many cost-effective ways to manage power consumption.

Ingenuity, Inc. ("Ingenuity") can provide a team of energy and audit experts with the necessary skills and tools to help the City of Irondale, Alabama ("Irondale") minimize its power expenses and optimize its energy usage. Ingenuity will perform a detailed evaluation of Irondale's power invoices to detect billing inaccuracies and validate that Irondale's rates are based on the best tariff(s) available for each power account. Ingenuity's experts understand the complexities related to power billing and will work to identify cost recovery opportunities and alternatives for reducing Irondale's ongoing power expenses. Our teams will also evaluate various alternatives that could help improve the efficiency of Irondale's power consumption.

After completing the initial Power Optimization Initiative, Ingenuity will provide Power Invoice Management Services to review Irondale's power invoices on an ongoing basis to ensure all of Ingenuity's approved recommendations are implemented, all applicable credits are received, and future billing errors are minimized. All compensation for both the Power Optimization Initiative and Power Invoice Management Services will be based on a percentage of the savings generated for Irondale.

Initial Review

In an effort to determine the potential for short-term and long-term savings, as well as to further define the scope of the Power Optimization Initiative, Ingenuity will complete an Initial Review of the following:

- All Irondale power billing data for the previous twelve (12) months. This should include all of the power accounts for each Irondale facility.
- A listing of all Irondale locations, including the type and use of each location.
- Any contract terms and conditions that apply to vendors providing power to Irondale.
- Any applicable power reviews or audit reports previously completed.

During this review, Ingenuity will complete a high-level analysis and provide Irondale feedback on potential opportunities for improvement. Based on the results of this review, Ingenuity will determine the additional work required for the Power Optimization Initiative.

Power Optimization Approach

This Power Optimization Initiative will focus on the areas that should provide Irondale cost savings or other opportunities for power optimization. Ingenuity will perform some or all of the following based on the results of the Initial Review:

- Review of all current rates and applicable tariffs.

Ingenuity will work to obtain the best rates available for Irondale by evaluating the total usage and consumption patterns at each location and work to obtain the optimal rates available for each account.
- Review of at least the past twelve (12) months of power invoice data and any necessary supporting documentation to evaluate for billing irregularities.

Ingenuity will look for any improper application of tariffs and contract terms, as well as erroneous charges related to simple billing errors, meter/meter reading issues, and the misapplication of tariffs, riders, rules, contracts, other discounts, taxes and surcharges. As necessary, Ingenuity will review additional invoice data to research potential overcharges from previous years.
- Review of selected Irondale facilities and any applicable equipment that could significantly affect total power consumption, peak usage, and/or equipment life.

This activity may include site visits to review facilities and major equipment that appear to have issues significantly affecting total power consumption, peak usage, and/or potential unnecessary wear on equipment.

- Review of any operational processes that could significantly affect power consumption or peak usage.

This activity will include an evaluation of alternative operational processes that could reduce total energy consumption and/or peak usage without impacting the operational purpose of the facility.

Ingenuity will assist Irondale with energy provider communications, research and negotiations.

Deliverables

The major deliverable of the Power Optimization Initiative will be the Report of Findings and Recommendations. However, this will be an iterative document with interim versions reviewed with Irondale throughout the term of the SOW. These interim reviews will be used to discuss opportunities that may justify immediate attention.

In addition to the Report of Findings and Recommendations, Ingenuity will also provide Irondale regular summaries of any new billing errors and recommended changes or adjustments by account, as well as quarterly listings of all savings related to Ingenuity's recommendations and assistance.

Power Invoice Management Services

The Power Invoice Management Services will include ongoing power invoice/invoice data audits and reviews, as well as implementation assistance for applicable Ingenuity recommendations approved by Irondale. As part of the ongoing reviews, Ingenuity will evaluate the power usage and expenses for each Irondale facility in an effort to identify any erroneous charges and changes that could minimize power expenses. Ingenuity will regularly analyze the total usage, peak usage, and consumption patterns of Irondale's accounts and will recommend any alternatives available that should reduce Irondale total expenses. Ingenuity will also work with Irondale's providers to obtain any appropriate credits and any additional support necessary to evaluate alternatives for Irondale. Ingenuity will provide quarterly reports to Irondale that identifies all applicable savings that were recognized in the preceding quarter and lists all pending opportunities for additional savings.

Implementation of any recommendations from Ingenuity based on the Power Invoice Management Service are at the sole discretion of Irondale.

Fees

Ingenuity will deliver quarterly reports of savings, findings and any additional recommendations that will outline the actual or projected cost reductions, cost containments, rebates and credits generated or forecasted up to that point. It will also include a side-by-side comparison of what was paid previously versus the actual or forecasted costs. This comparison will include a list of the actual credits received by Irondale through the date of the report.

Irondale will pay Ingenuity thirty-five percent (35%) of the Savings, Credits and Rebates (as described below) realized by Irondale for three (3) years from the Point of Implementation (as described below) of each applicable recommendation. Implementation of each applicable change and/or billing correction resulting from an Ingenuity recommendation shall occur on the effective date of such change and/or correction. Implementation of any Credit or Rebate resulting from an Ingenuity recommendation shall occur on the date on which Irondale receives the benefit of a particular credit or rebate either through the receipt of a check, ACH or credit to be applied to current or future invoices.

The Savings, Credits and Rebates will be based on Ingenuity's assistance and/or recommendations that help generate savings for Irondale. This will include the following:

- The reduction in Irondale's costs related to alternative rates and any additional discounts applied to power invoices.
- The amounts credited or returned to Irondale as the result of billing inaccuracies or incentives, including, but not limited to, overstated rates, understated discounts, erroneous taxes and surcharges, inaccurate meter readings, billing miscalculations, or erroneous billing entries.
- The reduction in Irondale's power costs related to reducing power consumption or peak usage, as well as adjustments in power consumption patterns.

In the event that Irondale decides to implement any Ingenuity recommendation within one year following the termination of this SOW, Irondale shall pay Ingenuity its share of any applicable savings related to the applicable recommendation for a total of twenty four (24) months following the Point of Implementation.

Irondale Responsibilities

- Irondale shall make available to Ingenuity all of the requested power invoices, billing records, and contract terms that have been agreed upon with vendors providing power to Irondale.

- Irondale will designate Ingenuity as a representative of Irondale in order for Ingenuity to retrieve usage, billing and contract information from vendors providing power to Irondale and to allow Ingenuity to communicate directly with Irondale's power providers when appropriate. This will be facilitated through the execution of an Alabama Power consent form. This form will not authorize Ingenuity to enter into any agreement on behalf of Irondale.
- Before contracting for any power services while Ingenuity is completing the Power Optimization Initiative, Irondale will consult with Ingenuity about any related opportunities for savings.
- Irondale will have final responsibility for the approval and implementation of Ingenuity's recommendations included in the Report of Findings and Recommendations. However, Ingenuity will provide implementation assistance for all of the recommended changes that Irondale approves.
- Irondale will be responsible for the final validation that all appropriate credits and refunds have been received.
- Irondale will provide Ingenuity the requested information and assistance, as appropriate to enable Ingenuity to complete the Power Optimization Initiative & Power Invoice Management Services as quickly and effectively as possible.