

## **Attachment B – Additional Project Information**

### **Sustainability LED Lighting Building Retrofit Project – City Hall**

#### **Project Background**

Redmond City Hall is a 107,000-square-foot municipal administration building that serves as a vital hub for City operations, Council meetings, and community engagement. Maintaining this facility efficiently and sustainably is essential to supporting the community and ensuring long-term operational cost savings.

This project improves occupant comfort, reduces maintenance needs and operating costs, and helps the City comply with Washington State's Clean Buildings Performance Standard (RCW 19.27A.210), which requires large commercial buildings to meet energy efficiency targets and reduce greenhouse gas emissions. By leveraging the ESCO Program, the project guarantees a return on investment while enabling the City to realize significant savings and benefits immediately. Additionally, it supports the City's broader sustainability initiatives and long-term emissions reduction goals.

#### **Project-Related Community/Stakeholder Outreach**

Public Works informed City Hall occupants about the September 2024 lighting audit through the Mayor's internal newsletter, *Our Stories*. As construction nears, updates will be shared in collaboration with the Communications Department through another edition. Given occupant interest, additional details on the upgrade process may be provided, potentially including an educational segment on the Clean Buildings Performance Standard. The project's broader impact, such as significant CO2 reductions, will be highlighted, with final messaging coordinated through Communications.

#### **Bid Results and Investment Grade Audit (IGA) Findings**

The Washington State Department of Enterprise Services (DES) administers the ESPC program to improve energy efficiency in existing facilities while allowing local government to bypass the public bidding process. RCW 39.35A.030 authorizes municipalities to negotiate performance-based contracts with pre-qualified Energy Service Companies (ESCOs) instead of traditional bidding.

To participate, the local government signs an Interagency Agreement (IAA) with DES. On May 7, 2024, the Council authorized the Mayor to sign an IAA, which the Mayor signed on May 17, 2024. The City selected Integrity Energy Services (IES), a prequalified ESCO, to complete the Sustainability LED Lighting Building Retrofit Project.

The first step when an Energy Service Company (ESCO) engages in a project is conducting an Investment Grade Audit (IGA). The purpose of the IGA, as outlined by the Washington State Department of Enterprise Services (DES) Energy Program, is to assess the facility's current energy use, evaluate cost-effective energy conservation measures (ECMs), and develop a detailed financial and technical analysis to ensure projected savings can be achieved.

The audit aligns recommended measures with the owner's goals while considering the available target budget. Based on this assessment, the audit report identified the following opportunities summarized below.

Potential Energy Efficiency Measure (EEM)	Meet Energy Efficiency Requirements	Has Control Capability	GMAX Amount
EEM 1A: Lamp Replacements with TLEDs	Yes	No	\$305,617
EEM 1B: Troffer Kit LED Fixtures Upgrades	Yes	No	\$533,698
EEM 1C: LED Troffer Kits & Full Lighting Control Upgrades	Yes	Yes	\$936,393
<b>EEM 1D: LED Troffer Kits &amp; Local Lighting Control upgrades</b>	<b>Yes</b>	<b>Yes</b>	<b>\$764,062*</b>

#### Approved CIP Budget

**\$741,187**

*\*This option qualifies for an estimated **\$108,717** rebate through Puget Sound Energy's (PSE) Business Lighting Incentive Program, reducing the owner's total required budget to **\$655,345**.*

The project team met with IES to review the audit findings, and DES conducted a compliance review to ensure the proposed options met technical and cost-effectiveness standards. Based on this analysis, staff recommends pursuing **Option EEM 1D**.

#### ESCO Agreement History

##### Fiscal Information

##### Current Project Budget

General Fund	\$741,187
<b>Total Funding</b>	<b>\$741,187</b>

##### Estimated Project Costs

Investment Grade Audit Cost	\$15,178 <sup>+</sup>
Design and Construction Cost	\$766,009
<b>Total Estimated Project Cost</b>	<b>\$781,187</b>

##### **Budget Difference**

**(\$40,000)**

<sup>+</sup> Denotes original agreement with IES