

INTERAGENCY Amendment

Department of Enterprise Services

Date: October 7, 2019
Agreement No: K3784
Project No.: 2019-550
Amendment No: 7

**Interagency Agreement Between the
State of Washington
Department of Enterprise Services
and
City of Redmond**

The parties to this Agreement, the Department of Enterprise Services, Engineering & Architectural Services, hereinafter referred to as “DES”, and City of Redmond, hereinafter referred to as the “CLIENT AGENCY”, hereby amend the Agreement as follows:

1. Statement of Work

DES shall furnish the necessary personnel and services and otherwise do all things necessary for or incidental to the performance of the work set forth in Attachment “A-1” and Attachment “C-1”, attached hereto and incorporated herein by reference. Unless otherwise specified, DES shall be responsible for performing all fiscal and program responsibilities as set forth in Attachment “A-1” and Attachment “C-1”.

Energy/Utility Conservation projects shall be authorized by Amendment to this Agreement.

- 1.1 Rooftop Solar PV Services outlined in the McKinstry Essention, LLC, Energy Services Proposal dated June 13, 2016. (2016-933)
- 1.2 Street Lighting Investment Grade Audit outlined in the McKinstry Essention, LLC, Energy Services Proposal dated March 11, 2016. (2017-070 A & G)
- ~~1.3 Review of Measurement and Verification reports for the 2017 Energy Efficient Measures outlined in the City of Redmond’s Energy Proposal dated January 4, 2017. This section removed, item 1.3 M&V reports review stricken as not applicable to this Interagency Agreement.~~
- 1.4 Public Safety Building Investment Grade Audit and Services outlined in the McKinstry Essention, LLC, Energy Services Proposal dated April 28, 2017. (2017-070 B & H)
- 1.5 Energy Efficiency Upgrades of Pool (non-Grant) outlined in the McKinstry Essention, LLC, Energy Services Proposal dated December 17, 2018. (2018-543 A & G)

- 1.6 Energy Efficiency Upgrades of Pool (Grant) outlined in the McKinstry Essention, LLC, Energy Services Proposal dated December 17, 2018. (2018-543 B & H)
- 1.7 **LED Lighting and Phase 2, Public Safety Building Heat Pumps outlined in the McKinstry Essention, LLC, Energy Services Proposal dated September 20, 2019, as revised September 27, 2019. (2019-550)**

2. Terms and Conditions

All rights and obligations of the parties to this Agreement shall be subject to and governed by the terms and conditions contained in the text of this Agreement.

The CLIENT AGENCY shall provide the Energy Services Company (ESCO) with any additional contract language necessary to comply with the requirements established under federal grants, the American Recovery & Reinvestment Act of 2009 (ARRA) and the Energy Efficiency and Conservation Block Grant (EECBG). The ESCO and their subcontractors are required to comply with all applicable federal regulations and reporting procedures.

3. Period of Performance

Subject to its other provisions, the period of performance of this Agreement shall commence on December 17, 2015, and be completed on December 31, 2024 unless altered or amended as provided herein.

4. Consideration

Compensation under this Agreement shall be by Amendment to this Agreement for each authorized project. Each Amendment will include a payment schedule for the specific project.

For Project Management Services provided by DES under Attachment "A-1" of this Agreement, the CLIENT AGENCY will pay DES a Project Management Fee for services based on the total project value per Project Management Fees Schedule set forth in Attachment "B-2".

If the CLIENT AGENCY decides not to proceed with an Energy/Utility Conservation project that meets the CLIENT AGENCY's cost effective criteria, then the CLIENT AGENCY will be charged a Termination Fee per Attachment "B-2". The Termination Fee will be based on the estimated Total Project Value outlined in the Energy Audit and Energy Services Proposal prepared by the Energy Services Company (ESCO).

If measurement and verification services are requested by the CLIENT AGENCY and provided by DES under Attachment "C-1" of this Agreement, the CLIENT AGENCY will pay DES \$2,000.00 annually for each year of monitoring and verification services requested.

Compensation for services provided by the ESCO shall be paid directly to the ESCO by the CLIENT AGENCY, after DES has reviewed, approved and sent the invoices to the CLIENT AGENCY for payment.

4.1 Energy Project Management Fee for the work described in Section 1.1 is \$13,800.00. Anticipated billing date for this Amendment is August 1, 2017.

4.2 Energy Audit and Energy Services Proposal Fee for the work described in Section 1.2 is \$60,000.00. Anticipated billing date for this Amendment is April 1, 2018.

~~4.3 Measurement and Verification fee for the work described in 1.3 is \$15,143.00. Anticipated billing date for this amendment is June 1, 2019. This section removed, item 4.3 M&V fee stricken as not applicable to this Interagency Agreement.~~

4.4 Energy Project Management Fee for the work described in Section 1.4 is \$0.00. (fee was included in 4.2)

4.5 Energy Audit and Energy Services Proposal Fee for the work described in Section 1.5 is \$35,000.00. Anticipated billing date for this Amendment is January 1, 2021.

4.6 Energy Audit and Energy Services Proposal Fee for the work described in Section 1.6 is \$33,800.00. Anticipated billing date for this Amendment is January 1, 2021.

4.7 Energy Audit and Energy Services Proposal Fee for the work described in Section 1.7 is \$51,600.00. Anticipated billing date for this Amendment is January 1, 2021.

The new total Agreement value is **\$ 194,200.00**

5. Billing Procedure

DES shall submit a single invoice to the CLIENT AGENCY upon substantial completion of each authorized project, unless a project specified a Special Billing Condition in the Amendment. Substantial completion of the project will include the delivery and acceptance of closeout documents and commencement of energy savings notification. Each invoice will clearly indicate that it is for the services rendered in performance under this Agreement and shall reflect this Agreement and Amendment number.

DES shall invoice the CLIENT AGENCY for any remaining services within 60 days of the termination of this Agreement.

All sections above have been fully amended and are shown in their entirety.

All other terms and conditions of this Agreement remain in full force and effect. The requirements of RCW 39.34.030 are satisfied by the underlying Agreement and are incorporated by reference herein.

Each party signatory hereto, having first had the opportunity to read this Amendment and discuss the same with independent legal counsel, in execution of this document hereby mutually agree to all terms and conditions contained herein, and as incorporated by reference in the original Agreement.

City of Redmond

**Department of Enterprise Services
Engineering & Architectural Services**

Title	Date
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Roger A. Wigfield, PE
Energy Program Manager

Title	Date
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ATTACHMENT A-1

Scope of Work Energy/Utility Conservation Projects Management Services

Statewide Energy Performance Contracting Program Master Energy Services Agreement No. 2017-193

DES will provide the following project management services for each specific project for the CLIENT AGENCY. Each individual project shall be authorized by Amendment to this Agreement.

1. Assist the CLIENT AGENCY in the selection of an Energy Service Company (ESCO) consistent with the requirements of RCW 39.35A for local governments; or 39.35C for state agencies and school districts.
2. Assist in identifying potential energy/utility conservation measures and estimated cost savings.
3. Negotiate scope of work and fee for ESCO audit of the facility(s).
4. Assist in identifying appropriate project funding sources and assist with obtaining project funding.
5. Assist in negotiating the technical, financial and legal issues associated with the ESCO's Energy Services Proposal.
6. Review and recommend approval of ESCO energy/utility audits and Energy Services Proposals.
7. Provide assistance during the design, construction and commissioning processes.
8. Review and approve the ESCO invoice vouchers for payment.
9. Assist with final project acceptance.
10. Provide other services as required to complete a successful energy performance contract.

ATTACHMENT B-2 - Fee Schedule

2017-19 Interagency Reimbursement Costs
for Project Management Fees to Administer Energy/Utility Conservation Projects

<u>TOTAL PROJECT VALUE</u>	<u>PROJECT MANAGEMENT FEE</u>	<u>TERMINATION</u>
5,000,001.....6,000,000	\$68,800	25,700
4,000,001... ..5,000,000	67,700	25,400
3,000,001.... ..4,000,000	66,700	25,000
2,000,001.... ..3,000,000	62,500	23,400
1,500,001.... ..2,000,000	58,300	21,800
1,000,001.... ..1,500,000	51,600	19,300
900,001. ... 1,000,000	43,800	16,400
800,001..... ..900,000	41,300	15,400
700,001..... ..800,000	38,300	14,400
600,001..... ..700,000	36,500	13,700
500,001..... ..600,000	33,800	12,600
400,001..... ..500,000	30,200	11,300
300,001..... ..400,000	25,800	9,700
200,001..... ..300,000	20,700	7,700
100,001..... ..200,000	14,400	5,400
50,001..... ..100,000	7,800	3,500
20,001..... ..50,000	4,200	2,000

The project management fee on projects over \$6,000,000 is 1.15% of the project cost. The maximum DES termination fee is \$25,700.

1. These fees cover project management services for energy/utility conservation projects managed by DES's Energy Program.
2. Termination fees cover the selection and project management costs associated with managing the ESCO's investment grade audit and energy service proposal. No termination fee will be charged unless the CLIENT AGENCY decides not to proceed to construction based on an energy services proposal that identifies projects that met the CLIENT AGENCY'S cost effectiveness criteria.
3. If the project meets the CLIENT AGENCY's cost effectiveness criteria and the CLIENT AGENCY decides not to move forward with a project, then the CLIENT AGENCY will be invoiced per Attachment B Termination or \$25,700.00 whichever is less. If the CLIENT AGENCY decides to proceed with the project then the Agreement will be amended per Attachment B for Project Management Fee.
4. If the audit fails to produce a project that meets the CLIENT AGENCY's established Cost Effectiveness Criteria, then there is no cost to the CLIENT AGENCY and no further obligation by the CLIENT AGENCY.

ATTACHMENT C-1

Scope of Work Energy/Utility Conservation Projects Monitoring Services

Statewide Energy Performance Contracting Program Master Energy Services Agreement No. 2017-193

If requested DES will provide the following monitoring services for each specific project for the CLIENT AGENCY.

1. Monitor actual energy use and dollar costs, compare with the ESCO's annual Measurement and Verification (M&V) report and any ESCO guarantee, resolve differences, if needed, and approve any vouchers for payment.
2. Monitor facility operations including any changes in operating hours, changes in square footage, additional energy consuming equipment and negotiate changes in baseline energy use which may impact energy savings.
3. Provide annual letter report describing the ESCO's performance, equipment performance and operation, energy savings and additional opportunities, if any, to reduce energy costs.