



**MEMO TO:** Members of the City Council

**FROM:** Mayor John Marchione

**DATE:** October 15, 2019

**SUBJECT: Approval of Energy Efficient Building Lighting Upgrades, Public Safety Building Heat Pump Replacements and Approval of Amendment No. 7 to the Washington State Department of Enterprise Services Interagency Agreement, Energy Services Company (ESCO) Project**

**I. RECOMMENDED ACTION**

Approval of Energy Efficient Building Lighting Upgrades and Public Safety Building Heat Pump Replacements and Approval of Amendment No. 7 to the Washington State Department of Enterprise Services Interagency Agreement.

**II. DEPARTMENT CONTACTS**

Erika Vandenbrande, Director	425-556-2429
Carol Helland, Deputy Director	425-556-2107
Sarah Pyle, Manager, Land Use & Strategic Initiatives	425-556-2426
Cathy Beam, AICP, Principal Planner	425-556-2429
<i>Planning and Community Development Department</i>	

Lee Ann Skipton, Facilities Manager	425-556-2398
<i>Parks Operations</i>	

**III. DESCRIPTION/BACKGROUND**

This project includes retrofitting additional city buildings with energy-efficient lighting in a continuing effort to run more energy-efficient buildings. These buildings include City Hall, Fire Station 14, Fire Station 16, Fire Station 16 Mechanic Buildings, Fire Station 17, Fire Station 18, the Teen Center, and the MOC campus (including exterior lighting). The estimated energy savings is anticipated to be around 275,000 kWh/yr.

In addition, the project includes upgrading approximately 15-20 water source heat pumps in the Public Safety Building. This represents the second tranch of heat pump replacements for this building, as they continue to have problems and are at the end of their useful life.

In order to accomplish this work, the City will enter into an agreement with the Department of Enterprise Services to amend our existing Interagency Agreement for these lighting upgrades and heat pump replacements. This will be the seventh amendment to the agreement.

**IV. PREVIOUS DISCUSSIONS HELD**

Staff previously briefed the Planning and Public Works Committee of the Whole at the August 13, 2019 meeting.

**V. IMPACT**

**A. Service/Delivery:**

These projects will improve energy efficiency at various city facilities.

**B. Fiscal Note:**

The estimated cost of the ESCO contract is approximately \$1.4 million in the City's adopted 19/20 budget. One million dollars is allocated for the continuation of heat pump replacement work in the Public Safety Building. The energy efficiency lighting component is approximately \$375,000. It is anticipated the City will receive a \$40,000 Puget Sound Energy rebate for the lighting improvements. Operational savings will be approximately \$10,000 per year and utility savings will be approximately \$25,000 per year.

**VI. ALTERNATIVES TO STAFF RECOMMENDATION**

The City Council could choose not to implement these energy efficiency improvements or could elect to only approve select elements. Under either scenario, cost savings over time would be scaled back. Certain heat pumps in the Public Safety Building are at their critical lifespan and would need to be replaced under a different contract or replaced individually as they fail.

**VII. TIME CONSTRAINTS**

Funding for these projects is tied to the City's adopted 19/20 budget.

**VIII. LIST OF ATTACHMENTS**

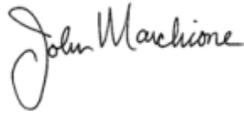
Attachment A: DES and City Interagency Agreement Amendment No.7

Attachment B: Energy Services Proposal



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**Erika Vandenbrande, Director of Planning and Community Development**



Approved for Agenda \_\_\_\_\_

**John Marchione, Mayor**