INTERAGENCY Amendment

Department of Enterprise Services

Date: August 12, 2014
Agreement No: 2011-ERG-508
Project No.: 2011-126/2014-087
Amendment No: 6

Interagency Agreement Between the
Department of Enterprise Services
and the
City of Everett

The parties to this Agreement, the Department of Enterprise Services, Facilities Division, Engineering & Architectural Services, hereinafter referred to as “DES”, and City of Everett, hereinafter referred to as the “CITY”, 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 Energy projects outlined in McKinstry Essention LLC, City of Everett, Phase 1 Energy Services Proposal dated September 24, 2012 (Amendment No. 1).

1.2 HVAC, Controls and Roofing Upgrades outlined in McKinstry Essention LLC, City of Everett, Energy Services Proposal dated August 22, 2012 (Amendment No. 4).

1.3 ESCO Project, Phase 3, outlined in the McKinstry Essention LLC, City of Everett Energy Services Proposal dated May 1, 2013.

1.4 Street Lighting Upgrades, outlined in Ameresco, Inc.’s, City of Everett’s Energy Services Proposal dated March 21, 2014.

The CITY 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 August 17, 2010, and be completed on December 31, 2018 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 CITY 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-1”.

If the CITY decides not to proceed with an Energy/Utility Conservation project that meets the CITY’s cost effective criteria, then the CITY will be charged a Termination Fee per Attachment “B-1”. 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 monitoring and verification services are requested by the CITY and provided by DES under Attachment “C-1” of this Agreement, the CITY 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 CITY, after DES has reviewed, approved and sent the invoices to the CITY for payment.

4.1 Energy Project Management Fee for Energy Projects, City of Everett, Phase 1, is $34,600.00.

4.2 Energy Project Management Fee for the City of Everett HVAC, Controls, and Roofing Upgrades is $40,800.00.

4.3 Energy Project Management Fee for the City of Everett ESCO Project, Phase 3, is $36,800.00. Anticipated billing date is January 31, 2014.

4.4 Energy Project Management Fee for the work described in Section 1.4 is $60,000.00. Anticipated billing date for this Amendment is October 1, 2015.

The new total Agreement value is $172,200.00.
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 Everett

Ray Sharpsteen 5/27/2015

Title Date

Department of Enterprise Services
Facilities Division
Engineering & Architectural Services

William J. Frare, P.E.
Public Works Administrator 6.9-15

Title Date

APPROVED AS TO FORM

JAMES D. JES, CITY ATTORNEY

ATTEST:

City Clerk

Interagency Agreement No. 2011-ERG-508
ATTACHMENT A

Scope of Work
Energy/Utility Conservation Projects
Management Services

Statewide Energy Performance Contracting Program
Master Energy Services Agreement No. 2009-151

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

1. Assist the CITY 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. Negotiate 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.

Interagency Agreement No. 2011-ERG-508
## ATTACHMENT B-

### Fee Schedule

2013-15 Interagency Reimbursement Costs for Project Management Fees to Administer Energy/Utility Conservation Projects

<table>
<thead>
<tr>
<th>TOTAL PROJECT VALUE</th>
<th>PROJECT MANAGEMENT FEE</th>
<th>TERMINATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,000,001 .... 6,000,000</td>
<td>$66,000</td>
<td>25,700</td>
</tr>
<tr>
<td>4,000,001 .... 5,000,000</td>
<td>65,000</td>
<td>25,400</td>
</tr>
<tr>
<td>3,000,001 .... 4,000,000</td>
<td>64,000</td>
<td>25,000</td>
</tr>
<tr>
<td>2,000,001 .... 3,000,000</td>
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<tr>
<td>0 .... 20,000</td>
<td>2,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

The project management fee on projects over $6,000,000 is 1.1% 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 proposal that identifies cost effective conservation measures if the CLIENT AGENCY decides not to proceed with the project through DES.

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.

Interagency Agreement No. ___

Rev. 3/12/2012
ATTACHMENT C

Scope of Work
Energy/Utility Conservation Projects
Monitoring Services

Statewide Energy Performance Contracting Program
Master Energy Services Agreement No. 2009-151

If requested GA will provide the following monitoring services for each specific project for the CITY.

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.
August 12, 2014

TO: Timothy Miller, City of Everett

FROM: Terrie Glave, Contracts Specialist, (360) 407-9330

RE: Agreement No. 2014-087 A (1)
Street Lighting Upgrades
Ameresco, Inc.

SUBJECT: Funding Approval

The Department of Enterprise Services, E&AS, requires funding approval for the above referenced contract document(s). The amount required is as follows:

- Design and Implementation of Energy Conservation Measures $ 434,256.00
- First Year Measurement & Verification $ 7,188.00
- WSST Tax $ 0.00
- Total $ 441,444.00

In accordance with the provisions of RCW 43.88, the signature affixed below certifies to the Facilities Division, Engineering & Architectural Services that the above identified funds are appropriated, allotted or that funding will be obtained from other sources available to the using client/agency. The using/client agency bears the liability for any issues related to the funding for this project.

By ____________________________
Name/Title ____________________________ Date 8/27/2015

Please sign and return this form to E&AS. If you have any questions, please call me.

2014087Gagfrdtdg

APPROVED AS TO FORM

JAMES D. HES, City Attorney

ATTEST:

City Clerk
ENERGY SERVICES AUTHORIZATION AMENDMENT NO. 1

Project Title: Street Lighting Upgrades
Facility: City of Everett
Authorization No.: 2014-087 A (1)
Date: August 12, 2014

This Amendment, when properly signed, shall be the basis on which the Subject Authorization shall be modified.

Authorization (this sheet) Project Completion and Compensation
Scope of Work Options: Modify Basic Services

Approvals

Energy Services Company: Owner:
Ameresco, Inc. City of Everett
222 Williams Avenue South, Suite 100 acting through the
Renton, WA 98057 Dept. of Enterprise Services, Facilities Division
Telephone No. (206) 522-4270 Engineering and Architectural Services
Fax No. (425) 687-3173
E-Mail: gthorsland@ameresco.com

By: By
Name: Ren Axton William J. Frare, P.E.
Title: Nw Region Director Public Works Administrator
Date: 9/18/13 6-9-2015

Compensation for Energy Services

<table>
<thead>
<tr>
<th>Basic Services</th>
<th>COMPENSATION</th>
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<td>Current</td>
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<tr>
<td>Energy Audit and Energy Services Proposal</td>
<td>$ 4,100.00</td>
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<tr>
<td>Design</td>
<td>$ 86,851.00</td>
</tr>
<tr>
<td>Construction Management</td>
<td>$ 86,851.00</td>
</tr>
<tr>
<td>Overhead and Profit</td>
<td>$ 260,554.00</td>
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<tr>
<td>Measurement &amp; Verification Year 1</td>
<td>$ 7,188.00</td>
</tr>
<tr>
<td>Grand Total (Plus WSST as applicable)</td>
<td>$ 445,544.00</td>
</tr>
</tbody>
</table>

Value of this Amendment = $441,444.00 (Plus Washington State Sales Tax)
Scope of Work

Energy efficiency measures under Contract No. 2014-087 G (1-1) will include upgrades of street lighting, including any and all necessary ancillary equipment. The ESCO will perform a detailed engineering design as needed to obtain Owner review and approval of the proposed systems and to obtain bids as required. The ESCO will provide construction management, as-built drawings, and O&M manuals. All work is per the City of Everett’s Energy Services Proposal dated March 21, 2014.

Schedule For Completion

Final completion, including 1st year M&V, within 825 calendar days after Authorization to Proceed.

2014087Gagrg
August 12, 2014

TO: Timothy Miller, City of Everett
FROM: Terrie Glave, Contracts Specialist, (360) 407-9330
RE: Contract No. 2014-087 G (1-1)
    Street Lighting Upgrades
    Ameresco, Inc.

SUBJECT: Funding Approval

The Department of Enterprise Services, E&AS, requires funding approval for the above referenced contract document. The amount required is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESCO Contract Amount</td>
<td>$ 1,476,474.00</td>
</tr>
<tr>
<td>Sales Tax (9.2% material cost only)</td>
<td>$ 101,433.76</td>
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<tr>
<td>Contingency Amount (with Tax)</td>
<td>$ 72,268.24</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,650,176.00</strong></td>
</tr>
</tbody>
</table>

In accordance with the provisions of RCW 43.88, the signature affixed below certifies to the Facilities Division, Engineering & Architectural Services that the above identified funds are appropriated, allotted or that funding will be obtained from other sources available to the using client/agency. The using/client agency bears the liability for any issues related to the funding for this project.

By ___________________________  01/27/2015  
Name / Title  Date

Please sign and return this form to E&AS. If you have any questions, please call me.
EN ENERGY SERVICES AUTHORIZATION NO. 2014-087 A (1)  
Detailed Investment Grade Energy Audit & Energy Services Proposal Phase 1  
City of Everett  
August 23, 2013  
MASTER ENERGY SERVICES AGREEMENT NO. 2013-133 B (2)  

The Owner and the Energy Services Company (ESCO) named below do hereby enter into this Authorization under terms described in the following sections:  

<table>
<thead>
<tr>
<th>Authorization to Proceed</th>
<th>Project Conditions</th>
</tr>
</thead>
</table>

I. AUTHORIZATION TO PROCEED:  

Energy Services Company:  
Ameresco, Inc.  
222 Williams Avenue South  
Suite 100  
Renton, WA 98057  
Telephone No. (206) 522-4270  
Fax No. (425) 687-3173  
E-Mail Address moconnor@meresco.com  

By  
Name  
Title OPERATIONS MANAGER  
Date 8/26/13  

Owner:  
City of Everett  
acting through the  
Department of Enterprise Services,  
Facilities Division,  
Engineering and Architectural Services  
PO Box 41012  
Olympia, WA 98504  
Telephone No. (360) 902-7272  

By  
Name Roger Wigfield, P.E.  
Title Energy Program Manager  
Date 7/1/13  

State of Washington Contractor’s License No.  
State of Washington Revenue Registration No.  
Federal Tax Identification No.  
MWBE Certification No.  

II. COMPENSATION FOR ENERGY SERVICES:  

<table>
<thead>
<tr>
<th>Name of Facility</th>
<th>COMPENSATION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New</td>
</tr>
<tr>
<td>Energy Audit and Energy Services Proposal</td>
<td>$4,100.00</td>
</tr>
<tr>
<td>Design</td>
<td>$0.00</td>
</tr>
<tr>
<td>Construction Management</td>
<td>$0.00</td>
</tr>
<tr>
<td>Overhead and Profit</td>
<td>$0.00</td>
</tr>
<tr>
<td>Measurement and Verification – Year 1</td>
<td>$0.00</td>
</tr>
<tr>
<td>Grand Total (plus WSST as applicable)</td>
<td>$4,100.00</td>
</tr>
</tbody>
</table>

Authorization No. 2014-087 A (1)  
Page 1 of 2
III. PROJECT CONDITIONS:

The Project Conditions contained in the Master Energy Services Agreement will be used unless specifically changed herein.

IV. SCOPE OF WORK:

Per the fee proposal dated June 25, 2013 conduct a Phase I Detailed Investment Grade Energy Audit of the City of Everett street lighting to identify cost effective energy conservation measures and present a written Energy Services Proposal, including all energy audit documentation. The ESCO shall prepare the final Energy Services Proposal, detailing the actual energy services and ESCO equipment to be provided, energy savings and cost guarantees, measurement and verification plans, and commissioning plans for the proposed measures. Measures will include items that save energy, water and other resources. The Cost Effectiveness Criteria for this project shall be as established in the Master Energy Services Agreement or as modified in Section III above.

V. SCHEDULE FOR COMPLETION

Final completion of the Energy Audit and Energy Services Proposal within 82 calendar days after Authorization to Proceed.
PROJECT TITLE:
Interagency Amendment and Agreements with the State of Washington Department of Enterprise Services for Street Lighting upgrades

COUNCIL BILL #
Proposed Action Originating Department Public Works
Consent Contact Person Ryan Sass
Action Phone Number (425) 257-8942
First Reading FOR AGENDA OF May 20, 2015
Second Reading
Third Reading
Public Hearing
Budget Advisory

Initialed by:
Department Head
CAA
Council President

<table>
<thead>
<tr>
<th>Location</th>
<th>Preceding Action</th>
<th>Attachments</th>
<th>Department(s) Approval</th>
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</thead>
<tbody>
<tr>
<td>Citywide</td>
<td>Interagency Agreement No. 2011-ERG-508, 06/19/2013 &amp; 06/25/2013</td>
<td>Interagency Amendment DES Agreement 2014-A (1) DES Agreement 2014-087 G (1-1)</td>
<td>Engineering/Public Services</td>
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</table>

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<tr>
<th>Amount Budgeted</th>
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<td>Expenditure Required</td>
<td>$2,155,720</td>
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<tr>
<td>Budget Remaining</td>
<td>-0-</td>
</tr>
<tr>
<td>Additional Required</td>
<td>-0-</td>
</tr>
<tr>
<td>Account Number(s): Fund 009</td>
<td></td>
</tr>
</tbody>
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DETAILED SUMMARY STATEMENT:
The City of Everett has an opportunity to utilize a Department of Commerce Grant and PUD energy conservation rebates to supplement local funds and convert approximately 2,300 of the City’s streetlights to high-efficiency light emitting diode (LED) lighting. This represents about 100% of the City-owned streetlights which is about one third of the total in Everett (the remainder are PUD owned).

Conversion from high intensity discharge (HID) to LED lighting will reduce electrical consumption for street illumination from 2,361,387 kilowatt hours (kwh) annually to 865,318 kwh annually. The reduced energy consumption will result in initial annual power cost savings of $49,552. An additional benefit of LED lighting is a significant decrease in maintenance requirements and increased reliability. The City expects initial annual savings of $65,324 from reduced labor, materials and equipment costs.

The total cost of this project is $2,155,720 and will be funded by a Department of Commerce Grant in the amount of $500,000; $307,817 in PUD energy incentives and $1,347,903 in local funds.

RECOMMENDATION (Exact action requested of Council):
Authorize the Mayor to sign the Interagency Amendment and Agreements with the Department of Enterprise Services.