



GENERAL GOVERNMENT & PUBLIC SAFETY COMMITTEE
AUGUST 16, 2013
8:00 – 9:00 A.M.
COUNCIL CHAMBERS

- 1. GRAFFITI/PUBLIC NUISANCE ORDINANCE**
DUSTY PIERPOINT, CHIEF OF POLICE
(ATTACHMENT)

- 2. AMENDMENT TO ESCO INTERAGENCY AGREEMENT**
RICK WALK, COMMUNITY DEVELOPMENT DIRECTOR
(ATTACHMENT)



GENERAL GOVERNMENT & PUBLIC SAFETY COMMITTEE
August 16, 2013

SUBJECT: Amendment to LMC 9.52.010 and LMC 9.52.020 to address “Graffiti” and ease its removal from areas visible to the public.

RECOMMENDATION: Amend LMC 9.52.010 and LMC 9.52.020 (changes in red - attached)

STAFF CONTACT: Scott Spence, City Manager *SS*
Dusty Pierpoint, Police Chief *DP*
Joe Upton, Police Commander *JU*

ORIGINATED BY: City Manager and Police Department

ATTACHMENTS: Proposed Amendments to LMC

**BUDGET IMPACT/
SOURCE OF FUNDS:** Additional workload should be manageable with current Police, Public Works, and Code Enforcement staffing.

**PRIOR COUNCIL/
COMMISSION/
COMMITTEE REVIEW:**

BACKGROUND:

The Lacey Police Department has used Senior Patrol volunteers to operate an inmate work crew to remove graffiti during summer months from public property and private property with the owner’s permission. Paint for cover-up of graffiti has been donated by local businesses. The inmate work crew is only able to remove graffiti during summer months as they are unable to operate power equipment and the surfaces must be dry for paint or graffiti removal chemicals to be effective.

Inmate work crews are able to remove graffiti from wood and smooth metal or plastic surfaces only. Since the inmate work crews are limited to approximately three to four of work time, only smaller areas covered with graffiti can be cleaned.

The Lacey Public Works Department has assisted in the clean-up of graffiti on several occasions where specialized equipment such as sand blasters was needed. The Public Works Department has also cleaned up graffiti covering larger areas of fencing and walls that the inmate work crews could not address. In addition, the Lacey Public Works Department has power tools that allow them to remove graffiti from rock, brick, cinder blocks, and other surfaces.

The Lacey Police Department and Public Works have, so far, relied on voluntary permission from homeowners and donated supplies to remove graffiti from private property.

It is suggested that the LMC be amended to allow graffiti to be declared a public nuisance (9.52.010) and dealt with through the existing abatement process if the property owner declines to clean up the graffiti within a reasonable time.

It is also suggested that a program be initiated between the Lacey Police Department, Public Works Department, and Code Enforcement to rapidly remove graffiti from both public and private areas within the city. A suggested framework would be as follows:

1. Upon receiving a report of graffiti, the Police Department would complete a Graffiti Report Form documenting the location and specifics of the graffiti.
2. This form would then be forwarded to Senior Patrol Officers for contact with the property owner for them to voluntarily clean up the graffiti.
3. If no contact can be made, a door hanger requesting the owner of the property remove the graffiti within two weeks would be left. The door hanger would include information on methods of graffiti removal and prevention.
4. If the owner requires financial or physical assistance in removing the graffiti, the inmate work crew may be used to help.
5. If the graffiti is still there after the two week deadline, the Police Department would respond to the site and attempt to gain a signed waiver allowing the city personnel to go onto the property and remove the graffiti. In these cases, the City of Lacey may replace the property owner as the "victim" of the graffiti for restitution purposes if a suspect is apprehended.
6. If a waiver cannot be obtained, the Graffiti Report Form would be turned over to Code Enforcement who could then bring the applicable LMC's to bear - either declare it a nuisance and abate the property or deal with the matter through civil sanction under existing property code law.

A webpage may also be added to the City of Lacey Police Department website specifically addressing graffiti.

ADVANTAGES:

1. Adds graffiti as a nuisance (LMC 9.52.010) allows Code Enforcement to abate private properties that allow graffiti to be displayed to the public.
2. The City of Lacey may see a decrease in visible graffiti.
3. The City of Lacey will have a mechanism to officially deal with problem graffiti spots where the owners are absent or unwilling to assist in removing the nuisance.

DISADVANTAGES:

1. Workload may increase for Police Crime Prevention Officer, Public Works personnel, and Code Enforcement Officer.

9.52.010 Nuisances declared. The following conditions, acts, omissions and activities are declared to be harmful to the health, safety, peace, comfort or welfare of the citizens of the city and to constitute public nuisances:

(A through F remain the same)

G. The existence of “graffiti,” as defined in LMC 14.40.020, on any surface which is visible from a public or quasi-public place.

9.52.020 Nuisance maintenance prohibited.

It is unlawful for any person to participate in, cause or maintain, or allow to exist on property owned or occupied by said person, any of those conditions or activities listed in Section [9.52.010](#). A violation of this chapter as it relates to those activities set forth in [9.52.010](#)(A) and (E) shall constitute a misdemeanor. Allowing those conditions described in [9.52.010](#)(B), (C), (D), ~~and~~ (F), and (G) to exist after the date set for correction by a city enforcement officer pursuant to Chapter [14.40](#) of this code shall likewise constitute a misdemeanor.



City of Lacey
General Government Committee
August 16, 2013

SUBJECT: Amendment to existing Interagency Agreement with Washington State Department of Enterprise Services to provide energy/utility conservation project management services.

RECOMMENDATION: Authorize the City Manager to sign an amended interagency Agreement with the Washington State Department of Enterprise Services to manage the construction phase and implementing conservation measures identified in the energy efficiency audit.

STAFF CONTACT: Scott Spence, City Manager *SS*
Rick Walk, Community Development Director *RW*
Jeff Cook, Building Code Specialist/Resource Conservation Specialist *JC*

ORIGINATED BY: City Manager and Community Development Department

ATTACHMENTS:

1. Amended Interagency Agreement between the City of Lacey and the Department of Enterprise Services.
2. Finance and Economic Development Committee Staff Report, dated June 24, 2013.
3. General Government & Public Safety Committee Staff Report, 9/21/2011
4. Ameresco Quantum, Energy Audit Fee Proposal, 8/15/2011
5. Interagency Agreement Between City of Lacey and Department of General Administration, executed 12/28/2010

BUDGET IMPACT/

SOURCE OF FUNDS: The total cost of the project is approximately \$442,837. The funding consists of an Energy Efficiency Grant Award for \$108,000 with the remaining \$322,493 spent from budget reserves.

**PRIOR COUNCIL/
COMMISSION/**

COMMITTEE REVIEW: The City Council reviewed the existing Interagency Agreement December 2, 2010.

BACKGROUND:

Performance-based contracts for energy equipment and water conservation, outlined in 39.35A RCW, provide options for local governments to finance capital upgrades by applying the savings realized from reduced energy and resource consumption. This allows municipalities to initiate upgrades that otherwise could not be completed due to lack of funds.

The City of Lacey's Energy Efficiency and Conservation Strategy identified goals to increase energy efficiency in government buildings and facilities. Building and energy audits conducted through the City's Resource Conservation Manager (RCM) program identified opportunities for maximizing energy savings. Most city facilities were found to be energy efficient, but several buildings and services were identified that could benefit from capital upgrades in lighting, heating, heat recovery ventilation systems, and efficiency equipment upgrades to yield energy and fiscal savings for the City.

To participate in the performance contracting program through the State of Washington, the City entered into an Interagency Agreement with the Department of General Administration (GA), now known as Department of Enterprises, to provide project management services.

In 2012, Ameresco Quantum performed an investment grade audit. The audit results recommended facility improvements to City Hall, Animal Services and the Community Center to gain greater energy efficiency.

The Department of Enterprise Services has managed the work of Ameresco Quantum on behalf of the City through the existing Interagency Agreement to date. To move forward into the construction phase, the Interagency Agreement needs an amendment for the energy conservation projects to be executed.

The following is a summary of energy conservation projects identified by the audit:

Lacey City Hall Project

Mechanical Conservation Measures

- The addition to City Hall, built in 1995, will have the outdated controls replaced. Occupancy sensors will be installed in the police locker rooms to turn off the heating unit when the space is unoccupied

Lighting Conservation Measures

- Old lights will be replaced with energy efficient lights, and areas that are over lit will have lower wattage lamps installed.

Community Center

Mechanical Conservation Measures

- Occupant sensors will control the HVAC units allowing unoccupied rooms to turn off HVAC equipment when the room is not in use.

Animal Services

Mechanical Conservation Measures

- The heat recovery system will be cleaned and the exhaust air intakes will be retrofitted with air filters.

Lighting Conservation Measures

- The old exterior lights will be replaced with energy efficient lights.

The average payback for the proposed energy conservation improvement projects is approximately 21 years. Excluding the City Hall HVAC controls project, no single project on the proposed list has a payback longer than 12 years with 2 years being the shortest payback period overall (i.e., Community Center mechanical conservation measures). The City Hall HVAC upgrade, however, is part of the project due to age, failing parts, and the difficulty of finding replacement parts to keep the HVAC operational.

ADVANTAGES:

1. Energy conservation is in alignment with the city's carbon reduction strategy.
2. This program would save taxpayer dollars by reducing the City's energy bills.

DISADVANTAGES:

1. None.



STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

1500 Jefferson Street SE, Olympia, WA 98501

June 17, 2013

TO: Jeff Cook, City of Lacey

FROM: Andrea Faust, Contracts Specialist, (360) 407-9365

RE: Authorization No. 2012-069 A (1)
 Amendment No. 1
 Project Title Phase 1 Controls and Lighting

Ameresco Quantum, 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 & Implementation of Energy Conservation Measures	\$ 85,450.00
Years 2 and 3 Measurement & Verification	\$ 3,371.00
Sales Tax (8.7%) (includes tax on audit & proposal)	\$ <u>9,155.10</u>
TOTAL	\$ 97,976.10

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 _____ Date _____
 Name / Title

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



STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

1500 Jefferson Street SE, Olympia, WA 98501

June 17, 2013

TO: Jeff Cook, City of Lacey

FROM: Andrea Faust, Contracts Specialist, (360) 407-9365

RE: Contract No. 2012-069 G (1-1)
Phase 1 Controls and Lighting

Ameresco Quantum, 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:

ESCO Contract Amount	\$ 263,045.00
Sales Tax (8.7%)	\$ 22,844.92
Contingency Amount (with Tax)	\$ 13,720.98
Total	\$ 299,650.90

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

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

2012069Gconfndaf



FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE
Meeting of June 24, 2013

SUBJECT: Future 2013 Budget Amendments

RECOMMENDATION: Review future budget amendments to the 2013 adopted budget.

STAFF CONTACT: Scott Spence, City Manager *SS*
Troy Woo, Finance Director *TW*

ORIGINATED BY: Troy Woo

ATTACHMENTS:

**BUDGET IMPACT/
SOURCE OF FUNDS:**

**PRIOR COMMITTEE
REVIEW:** The Finance and Economic Development Committee has been briefed on significant budget transfers.

BACKGROUND:

Throughout the year adjustments to the budget become necessary as a result of City Council actions, activity levels that were not anticipated during budget development, and grant awards (or other receipts of outside funding). Historically, the budget has been amended once per year prior to the development of the next year's proposed budget document. Staff has provided periodic budget amendment updates to the Finance and Economic Development Committee to help maintain the integrity of the budget and to provide more timely information. This committee has received specific alerts on significant budget amendments, but this is the first overall update of 2013. Staff will provide additional updates as warranted leading up to the amendment adoption in September.

The following are significant budget amendments that have been identified since the adoption of the 2013 Budget.

Current Expense Fund (General Fund)

- Budget amendments for the following transfers to other funds are requested:
 - The Washington State Recreation and Conservation Office grant proceeds for the Greg Cuoio Community Park purchase were used to repay the \$750,000 interfund loan between the Current Expense and Parks & Open Space funds. The Current Expense Fund reserves that funded the interfund loan were identified as water rights mitigation reserves. Now that the interfund loan has been repaid, the water rights mitigation reserves can be transferred to the Water Capital Fund.
 - Current Expense Fund reserves in the amount of \$250,000 were identified for the City Hall Roof Repair project. The project was budgeted in the Building Improvement Fund, so an interfund transfer is required.
 - Reserves in the amount of \$40,000 were identified in the Current Expense Fund to fund the Library HVAC Repair project. An interfund transfer is required, because the project was budgeted in the Building Improvement Fund.

Arterial Street Fund

- By utilizing a bid alternative approach, the City was able to take advantage of the favorable bid market conditions and expand the 2013 Street Overlay project to include two additional areas. An additional \$235,000 is needed to fund the expanded project. The amendment will be funded from residual funds from the City Council committed funds from the 2012 Ruddell Road overlay project.
- Necessary changes to the I-5 Martin Way and I-5 Marvin Road Interchange Justification Report require additional consultant work totaling \$125,986. There are additional traffic mitigation fees available for this project.

Building Improvement Fund

- The City recently participated in an energy audit that identified energy savings at City facilities and was awarded an energy grant to help fund the identified energy savings projects. The Washington State Department of Commerce grant has a 3:1 match. The total project list cost and amendment request is \$442,837. The funding consists of the grant award of \$108,000 and the remaining \$322,493 will come from reserves. The intent will be to replenish the reserve funds with the future realized energy savings.
- A Library HVAC unit failed and was replaced at a cost of \$46,075. An amendment was approved by the City Council in 2012, but the project wasn't completed until early 2013.

Capital Equipment Fund

- The City Council Chambers audio-visual upgrades were recently completed. A portion of the funding source is the public, educational, or government (PEG) use fees collected

through our franchise agreement with the cable provider. PEG fees in the amount of \$80,000 are available for the upgrades. A transfer from the Capital Equipment Fund to the Building Improvement Fund is necessary to match the funding source with the fund that incurred the upgrade expenses.

Water Capital Fund

- The recently completed Friendship Water District ULID requires an additional budget appropriation of \$110,371.

Wastewater Capital Fund

- The emergency sewer STEP main repairs in the Avonlea and Lakepointe neighborhoods will require an estimated budget amendment of \$300,000.

The purpose of this update is to inform the Finance and Economic Development Committee of significant proposed amendments. The final review of proposed amendments will return to the Finance and Economic Development Committee in August. The final approval of the proposed amendments will be considered by the full City Council in September.

ADVANTAGES:

1. The proposed adjustments to the 2013 Budget reflects more accurately the necessary requirements of each fund or adjustments made by City Council action.
2. The proposed adjustments maintain a balance between the anticipated revenues and expenditures of each of the funds amended.

DISADVANTAGES:

1. Generally, budget adjustments must use cash reserves to compensate for expenditures that may exceed budget estimates by the end of the budget year.



**General Government & Public Safety Committee
Meeting of September 21, 2011**

SUBJECT: Energy Conservation Project for City Hall – Amendment to IAA with Washington State Department of General Administration

RECOMMENDATION: Support action to approve funding for investment grade energy audit of city hall facility in the amount of \$16,410.

STAFF CONTACT: Scott Spence, City Manager
Rick Walk, Community Development Director
Jeff Cook, Building Code Specialist/Resource Conservation Specialist
Heidi Behrends Cerniwey, Management Analyst

ORIGINATED BY: City Manager and Community Development Department

ATTACHMENTS:

1. Ameresco Quantum, Energy Audit Fee Proposal, 8/15/2011
2. Interagency Agreement, executed 12/28/2010
3. Energy Services Authorization No. 2012-069 A (1), Detailed Investment Grade Energy Audit & Energy Services Proposal
4. Master Energy Services Agreement No. 2011-169 B (2)

BUDGET IMPACT/

SOURCE OF FUNDS: The proposed cost of the investment grade energy audit is \$16,410. No cost will be incurred if audit findings cannot verify conservation measures that pay for themselves, including all project costs, over a ten year term. The energy audit fee can be incorporated into the total cost of the project and funded through a loan from city budget reserves or the State Treasurer's Office Local Option Capital Asset Lending (LOCAL) program. Dollars from utility grants and rebates are potentially available to fund a portion of the project.

**PRIOR COUNCIL/
COMMISSION/**

COMMITTEE REVIEW: Approval of the Interagency Agreement (IAA) with Washington State General Administration for Energy Conservation Project Management Services was approved by Lacey City Council on December 2, 2010.

BACKGROUND:

Performance-based contracts for energy equipment and water conservation, outlined in 39.35A RCW, provide options for local governments to finance capital upgrades by applying the savings realized from reduced energy and resource consumption. This allows municipalities to initiate upgrades that otherwise could not be completed due to lack of funds.

The City of Lacey's Energy Efficiency and Conservation Strategy identified goals to increase energy efficiency in government buildings and facilities. Building and energy audits conducted through the City's Resource Conservation Manager (RCM) program identified opportunities for maximizing energy savings. Most city facilities were found to be energy efficient, but several buildings and services were identified that could benefit from capital upgrades in lighting, heating, heat recovery ventilation systems, and efficiency equipment upgrades to yield energy and fiscal savings for the City.

To participate in the performance contracting program through the State of Washington, the City entered into an Interagency Agreement with the Department of General Administration (GA) to provide project management services. This Interagency Agreement allowed the City access to GA's list of approved energy contractors to perform energy audit services.

Contractor Selection

City staff, representing the building department, building official, facility maintenance, and city manager departments, interviewed three contractors from GA's approved list. Ameresco Quantum was chosen as the contractor for Lacey's project. Selection was based on experience with performance contracting, the contractor's data-specific audit procedure, and collaborative approach to project implementation.

Lacey City Hall Project

Although a number of city facilities could potentially benefit from capital improvements in heating, cooling, and lighting systems, Lacey City Hall was selected to have the best potential for energy savings. City Hall was constructed in several stages, from 1973 to 2009. The older portions of the building contain outdated, inefficient equipment, and antiquated controls systems.

Investment Grade Energy Audit

Ameresco Quantum performed a preliminary audit of the Lacey City Hall building in April 2011, to identify potential measures to save energy. These measures were then ranked according to potential payback on investment. The City established criteria for cost effectiveness of the project—measures that pay for themselves within a ten year term or less, including audit and project management fees. Measures must meet this payback criteria or the project will not continue through the performance contracting process.

Attached is the Energy Audit Fee Proposal from Ameresco Quantum, 8/15/2011, to provide engineering services for an investment grade audit. The proposed cost for the audit is \$16,410.

The proposed investment grade energy audit by Ameresco Quantum will provide a detailed description of the facility and energy conservation measures (ECM), description of services performed, maximum project cost, equipment replacement recommendation, comfort standards, baseline energy data, minimum energy savings, detailed calculations, equipment financing information, measurement of energy savings verification details, and project schedule.

Funding Authorization

Washington State Department of General Administration provided contract documents for the City of Lacey to approve funding for the investment grade audit, attached as Detailed Investment Grade Energy Audit & Energy Services Proposal, No. 2012-069 A (1). Following funding approval by the City, GA will authorize Ameresco Quantum to proceed with the investment grade energy audit to the City Hall facility.

If the investment grade energy audit cannot identify energy conservation measures that meet the ten year payback criteria, the city is not obligated to pay the fee for the energy audit. However,

if the energy audit identifies conservation measures that meet the cost effectiveness criteria and the City chooses not to proceed with construction of the project, the City is obligated to pay the audit fee of \$16,410, as well as a project termination fee to GA, per Attachment B, IAA No. 2011-ERG-558.

Future Action

The City will receive the investment grade energy audit report from Ameresco Quantum within 180 days of the Notice to Proceed. Following successful findings by the audit, the City will select conservation measures to implement through the scope of project construction. In order to proceed with project construction, Lacey City Council must approve a construction phase amendment to the IAA with Washington State Department of General Administration, outlining project details, schedule, and funding source(s). Although the cost of project construction depends on energy audit findings, preliminary estimates range from \$200,000 to \$300,000.

To ensure the effectiveness of the program, GA will independently monitor and verify the promised efficiencies one year following the completion of the project.

ADVANTAGES:

1. Performance-based financing allows the City to complete and fund the City Hall energy equipment project with very little up-front capital.
2. The risk to this expenditure is mitigated—the City is not committed to pay until the cost effectiveness of the upgrade is verified through the investment grade energy audit.
3. Energy savings from equipment upgrades will be captured beyond the initial cost of the total upgrade.
4. Energy conservation is in alignment with the city's carbon reduction strategy.
5. This program would save taxpayer dollars by reducing the City's energy bills.

DISADVANTAGES:

1. Although GA's project management services would be financed through the energy savings, the service does add an additional layer of cost to the overall projects selected.

AMERESCO QUANTUM

Green • Clean • Sustainable

August 15, 2011

Ms. Donna Albert
Department of General Administration
206 General Administration Building
P.O. Box 41012
Olympia, WA 98504-1012

SUBJECT: Energy Audit Fee Proposal
City of Lacey - Energy Services Project

Dear Donna,

We are pleased to submit this proposal for the audit phase of Energy Services for the City of Lacey.

Ameresco Quantum will provide engineering services for the subject project in accordance with the following:

Engineering Services

A. Audit Phase Services will include:

Ameresco Quantum will undertake an Energy Audit of the Facility. The Energy Audit will identify cost effective Energy Conservation Measures (ECMs). Ameresco Quantum will present to the Owner a written Energy Services Proposal, including the Energy Audit Documentation. The Energy Services Proposal will set forth at least the following:

1. A description of the Facility and a description of those buildings and systems which will receive ESCO Equipment and ESCO Services;
2. The Cost Effective ECMs to be installed or caused to be installed by the ESCO and a description of the ECMs analyzed but disqualified under the cost effectiveness criteria;
3. The services that the ESCO will perform on or in the Facility, including but not limited to engineering, construction management, the operations and maintenance procedures for use on ESCO Equipment, training for Facility personnel, providing warranty service, and equipment maintenance;
4. The Maximum Allowable Project Cost, itemized in detail;
5. Recommendations for replacement of Existing Equipment, along with recommendations for improvements to Existing Equipment and Operating Conditions;
6. The standards of comfort and service appropriate for the Facility as determined by the City;
7. The Baseline Energy Consumption for the Facility, including the data, methodology and variables used to compute the Baseline, and the Baseline calendar period which will not be less than twelve (12) months;
8. The estimated Energy Savings and Energy Cost Savings that are expected to result from the installation of the ESCO Equipment and from the ESCO Service, and an explanation of the method used to make the estimate;

9. The method by which Energy Savings and Energy Cost Savings will be calculated during the term of the Energy Services Agreement;
10. A description of how the ESCO will finance its acquisition of the ESCO Equipment and when title to the ESCO Equipment will pass to the Owner;
11. A description of how the Energy Cost Savings will be guaranteed by the ESCO;
12. A description of how the ESCO proposes to be compensated;
13. The term of the Energy Services Agreement;
14. The Termination Value for each year during the term of the Energy Services Agreement;
15. The schedule for project completion.

Conservation measures will be limited to those pre-selected by the Owner:

HVAC and control system improvements, domestic water heating improvements, building envelope improvements, exterior lighting improvements and interior lighting control measures. The audit will be limited to systems at Lacey City Hall, 420 College St SE, Lacey, WA 98503. See the Preliminary ECM list at the end of this proposal for the full list of measures and systems to be audited.

The Energy Audit will provide detailed documentation of fieldwork for the audit, calculation input and output in support of the recommendations made in the Energy Services Proposal, economic and engineering assumptions, sketches, floor plans and any other information developed in the course of the Audit. It is understood that the cost effectiveness criteria for this project includes measures that pay for themselves through utility cost savings and utility incentives over a ten year term.

Fee for Engineering Services:

A. Basis and amount:

Fixed Fee for Services.

Energy Audit includes lighting and mechanical systems at City Hall. Audit site was selected by the City of Lacey.

Total Project Audit Fee: \$16,410

It is understood by Ameresco Quantum that payment and terms are contingent upon the requirements set forth in the Energy Services Proposal.

Schedule for Engineering Services:

The Energy Audit will be complete within 180 days of the Notice to Proceed.

We at Ameresco Quantum, Inc. appreciate the opportunity to provide these services. If this proposal for Audit Services is satisfactory, please forward contract documents.

Sincerely,
Ameresco Quantum, Inc.



Michael J. O'Connor
President

Attachments: Fee Proposal and Conservation Measure Lists dated 4/14/2011

Project:	City of Lacey - Energy Services Project	
Project No.:	097-2010-01	
Date:	4/14/2011	
Subject:	Potential Energy Conservation Measures	
ECM	Description	Payback Rank
<i>Building Envelope Improvement Conservation Measures</i>		
ECM-B1	Perform Air Gap Analysis	1
<i>Mechanical Conservation Measures</i>		
ECM-M1	Energy Management System - install new controls in areas served by VVT system - install communication thermostats on units serving Police areas - integrate EMS into a common user interface	2
ECM-M2	Convert VVT system to VAV - install fan-powered VAV terminals	3
ECM-M3	Convert VVT system to VRF	3
ECM-M4	Install occupancy sensors in conference rooms and other areas of sporadic use - implement occupancy-based economizer controls	1
ECM-M5	Install CO2 sensors - implement demand-controlled ventilation	1
ECM-M6	Retrofit Locker Room HRU DX to heat pump	2
ECM-M7	Install VFD on Locker Room HRU - reduce fan speed when not in use	2
ECM-M8	Repair or replace collapsed duct work	3
ECM-M9	Replace slot diffusers with 4-way diffusers	3
ECM-M10	Investigate heat pump water heater for domestic water	2
ECM-M11	Commissioning - verify proper operation of equipment - verify sequence of operation - spot check air balance and zoning	1
<i>Lighting Conservation Measures</i>		
ECM-L1	Exterior Lighting Improvements - replace HID fixtures with fluorescent, induction, or LED	1
ECM-L2	Install lighting control system - implement daylighting control	1

Project:	City of Lacey - Energy Services Project					
Project No.:	097-2010-01					
Date:	4/14/2011					
Subject:	Audit Fee Proposal					
		Project Manager	Project Engineer	Field Audit Technician	Admin. Assistant	Total Hours
TASK						
<i>Baseline Condition Measurement</i>						
Field Work - Baseline Measurement		8	24	40	-	72
Baseline Calculations		16	24	8	-	48
<i>Analysis of Potential ECMs</i>						
<i>Report Writeup</i>		8	12	-	2	22
<i>Present Findings</i>		4	4	-		8
Total Hours:		44	80	48	2	174
Hourly Rate:		\$105	\$95	\$85	\$55	
Estimated Fee for Services:		\$4,620	\$7,600	\$4,080	\$110	\$16,410
<i>Total Audit Fee - Energy Project:</i>						\$ 16,410



State of Washington
Department of General Administration
Facilities Division

Engineering & Architectural Services
210 11th Avenue, SW • PO Box 41012 • Olympia, WA 98504-1012
(360) 902.7272 • FAX (360) 753.2848

December 28, 2010

Jeff Cook
City of Lacey
PO Box 3400
Lacey, WA 98509

RE: Interagency Agreement No. 2011-ERG-558
Energy Conservation Project Management Services
City of Lacey

NOTICE TO PROCEED

This is your official notice that we will proceed with the work of our Interagency Agreement.
Enclosed is your executed copy of our Interagency Agreement.

Should you have any questions or concerns, please call me at (360) 902-7281.

Sincerely,


Jim Hayes, P.E.
Energy Systems Engineer

JH:em

Enclosure

Interagency Agreement

Date: December 3, 2010

Department of General Administration

Interagency Agreement No: 2011-ERG-558

Interagency Agreement Between the Department of General Administration and City of Lacey

This Agreement, pursuant to Chapter 39.34 RCW, is made and entered into by and between the Department of General Administration, Facilities Division, Engineering & Architectural Services, hereinafter referred to as "GA", and City of Lacey, hereinafter referred to as the "CITY".

The purpose of this Agreement is to establish a vehicle for GA to provide future Energy/Utility Conservation Project Management and Monitoring Services to the CITY and to authorize the development of the energy services proposal.

Now therefore, in consideration of the terms and conditions contained herein, or attached and incorporated by reference and made a part hereof, the above-named parties mutually agree as follows:

1. Statement of Work

GA 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" and Attachment "C", attached hereto and incorporated herein by reference. Unless otherwise specified, GA shall be responsible for performing all fiscal and program responsibilities as set forth in Attachment "A" and Attachment "C". Energy/Utility Conservation projects shall be authorized by Amendment to this Agreement.

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 CITY shall provide the Energy Services Company (ESCO) with any additional contract language necessary to comply with federal requirements under 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 master Agreement shall commence when this Agreement is properly signed, and be completed on **December 31, 2013** 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 GA under Attachment "A" of this Agreement, the CITY will pay GA a Project Management Fee for services based on the total project value per Project Management Fees Schedule set forth in Attachment "B".

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

If monitoring and verification services are requested by the CITY and provided by GA under Attachment "C" of this Agreement, the CITY will pay GA \$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 GA has reviewed, approved and sent the invoices to the CITY for payment.

5. Billing Procedure

GA shall submit a single invoice to the CITY upon completion of each authorized project, unless a project specifies a Special Billing Condition in the Amendment. Each invoice will indicate clearly that it is for the services rendered in performance under this Agreement and shall reflect the Agreement number.

GA will invoice for any remaining services within 60 days of the termination of this Agreement.

6. Payment Procedure

The CITY shall pay all invoices received from GA within 90 days of receipt of properly executed invoice vouchers. The CITY shall notify GA in writing if the CITY cannot pay an invoice within 90 days.

7. Non-Discrimination

In the performance of this Agreement, GA shall comply with the provisions of Title VI of the Civil Rights Act of 1964 (42 USC 200d), Section 504 of the Rehabilitation Act of 1973 (29 USC 794), and Chapter 49.60 RCW, as now or hereafter amended. GA shall not discriminate on the grounds of race, color, national origin, sex, religion, marital status, age, creed, Vietnam-Era and Disabled Veterans status, or the presence of any sensory, mental, or physical disability in:

- a) Any terms or conditions of employment to include taking affirmative action necessary to accomplish the objectives of this part and
- b) Denying an individual the opportunity to participate in any program provided by this Agreement through the provision of services, or otherwise afforded others.

In the event of GA's non-compliance or refusal to comply with the above provisions, this Agreement may be rescinded, canceled, or terminated in whole or in part, and GA declared ineligible for further Agreement with the CITY. GA shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth therein.

8. Records Maintenance

The CITY and GA shall each maintain books, records, documents, and other evidence that sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the services described herein. These records shall be subject to inspection, review, or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. GA will retain all books, records, documents, and other material relevant to this agreement for six years after expiration; and the Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period.

9. Contract Management

- a. The CITY Representative on this Agreement shall be:

Jeff Cook
City of Lacey
PO Box 3400
Lacey, WA 98509
Telephone (360) 491-5642

The Representative shall be responsible for working with GA, approving billings and expenses submitted by GA, and accepting any reports from GA.

- b. The GA Project Manager on this Agreement shall be:

Jim Hayes, P.E.
Dept. of General Administration
Facilities Division
Engineering and Architectural Services
PO Box 41012
Olympia, WA 98504-1012
Telephone (360) 902-7281

Jim Hayes will be the contact person for all communications regarding the conduct of work under this Agreement.

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Each party to this Agreement shall be responsible for its own acts and/or omissions and those of its officers, employees and agents. No party to this Agreement shall be responsible for the acts and/or omissions of entities or individuals not a party to this Agreement.

11. Agreement Alterations and Amendments

The CITY and GA may mutually amend this Agreement. Such Amendments shall not be binding unless they are in writing and signed by personnel authorized to bind the CITY and GA or their respective delegates.

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Except as otherwise provided in this Agreement, either party may terminate this Agreement upon thirty (30) days written notification. If this Agreement is so terminated, the terminating party shall be liable

only for performance in accordance with the terms of this Agreement for performance rendered prior to the effective date of termination.

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If a dispute arises under this Agreement, it shall be determined in the following manner: The CITY shall appoint a member to the Dispute Board. The Director of GA shall appoint a member to the Dispute Board. The CITY and GA shall jointly appoint a third member to the Dispute Board. The Dispute Board shall evaluate the dispute and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on the parties hereto.

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In the event of an inconsistency in this Agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order:

- a) Applicable Federal and State Statutes and Regulations
- b) Terms and Conditions
- c) Attachment "A", Project Management Scope of Work; Attachments "B", Project Management Fees; and Attachment "C", Monitoring Services Scope of Work, and
- d) Any other provisions of the Agreement incorporated by reference.

15. All Writings Contained Herein

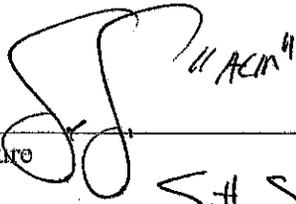
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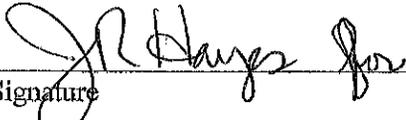
AUTHORIZATION TO PROCEED

Agreed to and signed by:

City of Lacey

Department of General Administration
Facilities Division
Engineering & Architectural Services


Signature _____
Name Scott Spence
Title Assistant City Manager
Date 12/16/2010


Signature _____
Name Roger Wigfield, P.E.
Title Energy Program Manager
Date 12/28/10

The Department of General Administration provides equal access for all people without regard to race, creed, color, religion, national origin, age, gender, sex, marital status, or disability. Contract information is available in alternative formats. For more information, please call Eddie Miller at (360) 902-7219.

2011558IAAem
REVIEWED BY GA CFO 12/3/10

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.

ATTACHMENT B

2009-11 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>
\$5,000,000 - or more	1.1% of project cost	\$25,500
Below 5,000,000	\$68,800	\$25,500
" 4,000,000	64,900	23,600
" 3,000,000	59,900	21,700
" 2,000,000	52,800	19,600
" 1,500,000	47,800	17,150
" 1,000,000	40,800	16,150
" 900,000	38,900	15,000
" 800,000	36,900	13,950
" 700,000	34,600	12,800
" 600,000	31,900	11,500
" 500,000	28,700	10,100
" 400,000	24,800	8,800
" 300,000	19,800	7,300
" 200,000	10,500	4,400
" 100,000	6,500	3,000
" 50,000	4,000	2,000
" 20,000	2,000	1,000

1. These fees cover project management services for energy/utility conservation projects managed by GA'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 CITY decides not to proceed with the project through GA.
3. If the project meets the CITY's cost effectiveness criteria and the CITY decides not to move forward with a project, then the CITY will be invoiced per Attachment B Termination or \$25,500.00 whichever is less. If the CITY 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 CITY's established Cost Effectiveness Criteria, then there is no cost to the CITY and no further obligation by the CITY.

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.



State of Washington
Department of General Administration
Facilities Division

Engineering & Architectural Services
 210 11th Avenue, SW • PO Box 41012 • Olympia, WA 98504-1012
 (360) 902.7272 • FAX (360) 753.2848

September 8, 2011

af TO: Jeff Cook, City of Lacey
 FROM: Andrea Faust, Contracts Specialist, (360) 902-7223
 RE: Authorization No. 2012-069 A (1)
 Detailed Investment Grade Energy Audit & Energy Services Proposal
 Ameresco Quantum, Inc.
 SUBJECT: Funding Approval

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

Energy Audit and Energy Services Proposal	\$ 16,410.00
Total	\$ 16,410.00

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, and that the using/client agency bears the liability for any issues related to the funding for this project.

By _____
 Name Title Date

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





State of Washington
Department of General Administration
Facilities Division

Engineering & Architectural Services
210 11th Avenue, SW • PO Box 41012 • Olympia, WA 98504-1012
(360) 902.7272 • FAX (360) 753.2848

September 8, 2011

Ameresco Quantum, Inc.
222 Williams Avenue South, Suite 100
Renton, WA 98057

RE: Authorization No. 2012-069 A (1)
Detailed Investment Grade Energy Audit & Energy Services Proposal
City of Lacey

Enclosed is the above-referenced Authorization for your signature. Please sign and return it to this office as soon as possible.

Please note that this Authorization is not binding upon the State of Washington until it is signed by the state's contracting officer. Therefore, should you begin work prior to receiving a signed copy of this Authorization, your firm will assume all risk associated with your actions.

Should you have any questions or concerns, please contact me at (360) 902-7248.

Sincerely,



Donna K. Albert, P.E.
Energy Engineer

DKA:af

Enclosure

cc: Jeff Cook, City of Lacey

ENERGY SERVICES AUTHORIZATION NO. 2012-069 A (1)
 Detailed Investment Grade Energy Audit & Energy Services Proposal
City of Lacey
 September 8, 2011
MASTER ENERGY SERVICES AGREEMENT NO. 2011-169 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:

Authorization to Proceed
 Compensation for Energy Services

Project Conditions

I. AUTHORIZATION TO PROCEED:

Energy Services Company:

Ameresco Quantum, Inc.
 222 Williams Avenue South
 Suite 100
 Renton, WA 98057
 Telephone No. (206) 522-4270
 Fax No. (425) 687-3173
 E-Mail Address moconnor@quantum-engr.com

Owner:

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

By _____
 Name _____
 Title _____
 Date _____

By _____
 Name Roger A. Wigfield, P.E.
 Title Energy Program Manager
 Date _____

State of Washington Contractor's License No. AMEREGI892D2
 State of Washington Revenue Registration No. 601 938 324
 Federal Tax Identification No. 91-1956734
 MWBE Certification No. _____

II. COMPENSATION FOR ENERGY SERVICES:

Name of Facility	COMPENSATION	
	New	Previous
Energy Audit and Energy Services Proposal	\$ 16,410.00	\$ 0.00
Grand Total (plus WSST as applicable)	\$ 16,410.00	\$ 0.00

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 August 15, 2011 conduct a Detailed Investment Grade Energy Audit of the City of Lacey 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.

Assignment To Successor Washington State Government Entity Due To Transfer Of Authority. In the event that the authority of GA is withdrawn by operation of law or otherwise, and that authority is transferred and vested in a successor Washington State government entity, with written notice to the ESCO from an authorized agency of the State of Washington, this Agreement may be assigned to such successor Washington State government entity. The assignment of this Agreement under the aforementioned conditions shall not relieve the parties of their duties and/or obligations hereunder.

V. SCHEDULE FOR COMPLETION

Final completion of the Energy Audit and Energy Services Proposal within 180 calendar days after Authorization to Proceed.

2012069Aagraf

August 15, 2011

Ms. Donna Albert
Department of General Administration
206 General Administration Building
P.O. Box 41012
Olympia, WA 98504-1012

SUBJECT: Energy Audit Fee Proposal
City of Lacey - Energy Services Project

Dear Donna,

We are pleased to submit this proposal for the audit phase of Energy Services for the City of Lacey.

Ameresco Quantum will provide engineering services for the subject project in accordance with the following:

Engineering Services

A. Audit Phase Services will include:

Ameresco Quantum will undertake an Energy Audit of the Facility. The Energy Audit will identify cost effective Energy Conservation Measures (ECMs). Ameresco Quantum will present to the Owner a written Energy Services Proposal, including the Energy Audit Documentation. The Energy Services Proposal will set forth at least the following:

1. A description of the Facility and a description of those buildings and systems which will receive ESCO Equipment and ESCO Services;
2. The Cost Effective ECMs to be installed or caused to be installed by the ESCO and a description of the ECMs analyzed but disqualified under the cost effectiveness criteria;
3. The services that the ESCO will perform on or in the Facility, including but not limited to engineering, construction management, the operations and maintenance procedures for use on ESCO Equipment, training for Facility personnel, providing warranty service, and equipment maintenance;
4. The Maximum Allowable Project Cost, itemized in detail;
5. Recommendations for replacement of Existing Equipment, along with recommendations for improvements to Existing Equipment and Operating Conditions;
6. The standards of comfort and service appropriate for the Facility as determined by the City;
7. The Baseline Energy Consumption for the Facility, including the data, methodology and variables used to compute the Baseline, and the Baseline calendar period which will not be less than twelve (12) months;
8. The estimated Energy Savings and Energy Cost Savings that are expected to result from the installation of the ESCO Equipment and from the ESCO Service, and an explanation of the method used to make the estimate;

9. The method by which Energy Savings and Energy Cost Savings will be calculated during the term of the Energy Services Agreement;
10. A description of how the ESCO will finance its acquisition of the ESCO Equipment and when title to the ESCO Equipment will pass to the Owner;
11. A description of how the Energy Cost Savings will be guaranteed by the ESCO;
12. A description of how the ESCO proposes to be compensated;
13. The term of the Energy Services Agreement;
14. The Termination Value for each year during the term of the Energy Services Agreement;
15. The schedule for project completion.

Conservation measures will be limited to those pre-selected by the Owner:

HVAC and control system improvements, domestic water heating improvements, building envelope improvements, exterior lighting improvements and interior lighting control measures. The audit will be limited to systems at Lacey City Hall, 420 College St SE, Lacey, WA 98503. See the Preliminary ECM list at the end of this proposal for the full list of measures and systems to be audited.

The Energy Audit will provide detailed documentation of fieldwork for the audit, calculation input and output in support of the recommendations made in the Energy Services Proposal, economic and engineering assumptions, sketches, floor plans and any other information developed in the course of the Audit. It is understood that the cost effectiveness criteria for this project includes measures that pay for themselves through utility cost savings and utility incentives over a ten year term.

Fee for Engineering Services:

A. Basis and amount:

Fixed Fee for Services.

Energy Audit includes lighting and mechanical systems at City Hall. Audit site was selected by the City of Lacey.

Total Project Audit Fee: \$16,410

It is understood by Ameresco Quantum that payment and terms are contingent upon the requirements set forth in the Energy Services Proposal.

Schedule for Engineering Services:

The Energy Audit will be complete within 180 days of the Notice to Proceed.

We at Ameresco Quantum, Inc. appreciate the opportunity to provide these services. If this proposal for Audit Services is satisfactory, please forward contract documents.

Sincerely,
Ameresco Quantum, Inc.



Michael J. O'Connor
President

Attachments: Fee Proposal and Conservation Measure Lists dated 4/14/2011

Project:	City of Lacey - Energy Services Project	
Project No.	097-2010-01	
Date:	4/14/2011	
Subject:	Potential Energy Conservation Measures	
ECM	Description	Payback Rank
<i>Building Envelope Improvement Conservation Measures</i>		
ECM-B1	Perform Air Gap Analysis	1
<i>Mechanical Conservation Measures</i>		
ECM-M1	Energy Management System - install new controls in areas served by VVT system - install communication thermostats on units serving Police areas - integrate EMS into a common user interface	2
ECM-M2	Convert VVT system to VAV - install fan-powered VAV terminals	3
ECM-M3	Convert VVT system to VRF	3
ECM-M4	Install occupancy sensors in conference rooms and other areas of sporadic use - implement occupancy-based economizer controls	1
ECM-M5	Install CO2 sensors - implement demand-controlled ventilation	1
ECM-M6	Retrofit Locker Room HRU DX to heat pump	2
ECM-M7	Install VFD on Locker Room HRU - reduce fan speed when not in use	2
ECM-M8	Repair or replace collapsed duct work	3
ECM-M9	Replace slot diffusers with 4-way diffusers	3
ECM-M10	Investigate heat pump water heater for domestic water	2
ECM-M11	Commissioning - verify proper operation of equipment - verify sequence of operation - spot check air balance and zoning	1
<i>Lighting Conservation Measures</i>		
ECM-L1	Exterior Lighting Improvements - replace HID fixtures with fluorescent, induction, or LED	1
ECM-L2	Install lighting control system - implement daylighting control	1

Project:	City of Lacey - Energy Services Project					
Project No.	097-2010-01					
Date:	4/14/2011					
Subject:	Audit Fee Proposal					
		Project Manager	Project Engineer	Field Audit Technician	Admin. Assistant	Total Hours
TASK						
<i>Baseline Condition Measurement</i>						
Field Work - Baseline Measurement		8	24	40	-	72
Baseline Calculations		16	24	8	-	48
<i>Analysis of Potential ECMs</i>						
<i>Report Writeup</i>		8	12	-	2	22
<i>Present Findings</i>		4	4	-		8
Total Hours:		44	80	48	2	174
Hourly Rate:		\$105	\$95	\$85	\$55	
Estimated Fee for Services:		\$4,620	\$7,600	\$4,080	\$110	\$16,410
<i>Total Audit Fee - Energy Project:</i>						\$ 16,410

Interagency Agreement

Date: December 3, 2010

Department of General Administration

Interagency Agreement No: 2011-ERG-558

Interagency Agreement Between the Department of General Administration and City of Lacey

This Agreement, pursuant to Chapter 39.34 RCW, is made and entered into by and between the Department of General Administration, Facilities Division, Engineering & Architectural Services, hereinafter referred to as "GA", and City of Lacey, hereinafter referred to as the "CITY".

The purpose of this Agreement is to establish a vehicle for GA to provide future Energy/Utility Conservation Project Management and Monitoring Services to the CITY and to authorize the development of the energy services proposal.

Now therefore, in consideration of the terms and conditions contained herein, or attached and incorporated by reference and made a part hereof, the above-named parties mutually agree as follows:

1. Statement of Work

GA 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" and Attachment "C", attached hereto and incorporated herein by reference. Unless otherwise specified, GA shall be responsible for performing all fiscal and program responsibilities as set forth in Attachment "A" and Attachment "C". Energy/Utility Conservation projects shall be authorized by Amendment to this Agreement.

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 CITY shall provide the Energy Services Company (ESCO) with any additional contract language necessary to comply with federal requirements under 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 master Agreement shall commence when this Agreement is properly signed, and be completed on **December 31, 2013** 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 GA under Attachment "A" of this Agreement, the CITY will pay GA a Project Management Fee for services based on the total project value per Project Management Fees Schedule set forth in Attachment "B".

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

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- a) Any terms or conditions of employment to include taking affirmative action necessary to accomplish the objectives of this part and
- b) Denying an individual the opportunity to participate in any program provided by this Agreement through the provision of services, or otherwise afforded others.

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Jeff Cook
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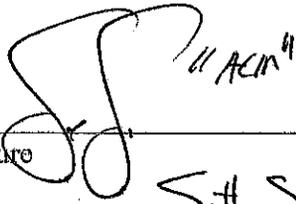
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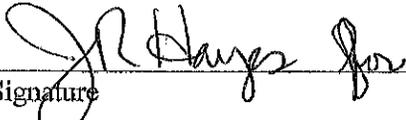
AUTHORIZATION TO PROCEED

Agreed to and signed by:

City of Lacey

Department of General Administration
Facilities Division
Engineering & Architectural Services


Signature _____
Name Scott Spence
Title Assistant City Manager
Date 12/14/2010


Signature _____
Name Roger Wigfield, P.E.
Title Energy Program Manager
Date 12/28/10

The Department of General Administration provides equal access for all people without regard to race, creed, color, religion, national origin, age, gender, sex, marital status, or disability. Contract information is available in alternative formats. For more information, please call Eddie Miller at (360) 902-7219.

2011558IAAem
REVIEWED BY GA CFO 12/3/10

ATTACHMENT A

Scope of Work Energy/Utility Conservation Projects Management Services

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

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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.

ATTACHMENT B

2009-11 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>
\$5,000,000 - or more	1.1% of project cost	\$25,500
Below 5,000,000	\$68,800	\$25,500
" 4,000,000	64,900	23,600
" 3,000,000	59,900	21,700
" 2,000,000	52,800	19,600
" 1,500,000	47,800	17,150
" 1,000,000	40,800	16,150
" 900,000	38,900	15,000
" 800,000	36,900	13,950
" 700,000	34,600	12,800
" 600,000	31,900	11,500
" 500,000	28,700	10,100
" 400,000	24,800	8,800
" 300,000	19,800	7,300
" 200,000	10,500	4,400
" 100,000	6,500	3,000
" 50,000	4,000	2,000
" 20,000	2,000	1,000

1. These fees cover project management services for energy/utility conservation projects managed by GA'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 CITY decides not to proceed with the project through GA.
3. If the project meets the CITY's cost effectiveness criteria and the CITY decides not to move forward with a project, then the CITY will be invoiced per Attachment B Termination or \$25,500.00 whichever is less. If the CITY 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 CITY's established Cost Effectiveness Criteria, then there is no cost to the CITY and no further obligation by the CITY.

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.