

Stanwood Camano School District

TO : BOARD OF DIRECTORS
FROM : GARY PLATT, EXECUTIVE DIRECTOR – BUSINESS SERVICES
SUBJECT : INTERAGENCY AGREEMENT – ENERGY GRANT
DATE : NOVEMBER 17, 2015
TYPE : ACTION REQUIRED



Attached is a copy of the Washington State Department of General Administration (GA) Interagency Agreement to provide project management services necessary to apply for state energy grants related to updating mechanical systems in Twin City Elementary, Stanwood Elementary or Port Susan Middle Schools.

GA has assisted the district to develop grant proposals for facility improvements that have resulted in over \$1,000,000 in state grant funding. Currently, state funds are available for projects resulting in energy savings in public school facilities. GA will assist the district in the selection of an energy services company (McKinstry). McKinstry will perform an audit of the previously mentioned district facilities this fall. GA will review the audit, make recommendations for determining projects to be included on the grant application, and monitor the actual construction of the accepted and funded recommendations.

Any costs associated with this project, including GA fees will be charged to the district Capital Projects Fund.

Recommendation:

We recommend the Board **move to approve the Interagency Agreement Between the Department of General Administration and the Stanwood-Camano School District as attached AND further move to authorize the district administration to execute documents related to proceeding with the work and funding commitments.**

Interagency Agreement

Date: November 10, 2015

Department of Enterprise Services

Interagency Agreement No: K3788

**Interagency Agreement Between the
State of Washington
Department of Enterprise Services
and
Stanwood-Camano School District No. 401**

This Agreement, pursuant to Chapter 39.34 RCW, is made and entered into by and between the Department of Enterprise Services, Engineering & Architectural Services, hereinafter referred to as "DES", and Stanwood-Camano School District No. 401, hereinafter referred to as the "CLIENT AGENCY".

The purpose of this Agreement is to establish a vehicle for DES to provide future Energy/Utility Conservation Project Management and Monitoring Services to the CLIENT AGENCY 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

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" and Attachment "C", 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" 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 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 master Agreement shall commence when this Agreement is properly signed, and be completed on **December 31, 2021** 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" 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".

If the CLIENT AGENCY decides not to proceed with an Energy/Utility Conservation project that meets CLIENT AGENCY's cost effective criteria, then the CLIENT AGENCY 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 the ESCO.

If monitoring and verification services are requested by the CLIENT AGENCY and provided by DES under Attachment "C" 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.

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

6. Payment Procedure

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

7. Non-Discrimination

In the performance of this Agreement, DES 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. DES 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 DES'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 DES declared ineligible for further Agreement with the CLIENT AGENCY. DES 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 CLIENT AGENCY and DES 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. DES 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 CLIENT AGENCY Representative on this Agreement shall be:

Gary Platt, Executive Director of Business Services
Stanwood-Camano School District No. 401
26920 Pioneer Highway
Stanwood, WA 98292-9548
Telephone (360) 629-1215

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

b. The DES Project Manager on this Agreement shall be:

Joe Sullivan, P.E.
Department of Enterprise Services
Engineering and Architectural Services
PO Box 41476
Olympia, WA 98504-1476
Telephone (360) 407-9377

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

10. Hold Harmless

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

12. Termination

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.

13. Disputes

If a dispute arises under this Agreement, it shall be determined in the following manner: The CLIENT AGENCY shall appoint a member to the Dispute Board. The Director of DES shall appoint a member to the Dispute Board. The CLIENT AGENCY and DES 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.

14. Order of Precedence

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

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

AUTHORIZATION TO PROCEED

Agreed to and signed by:

Stanwood-Camano School District No. 401

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

Signature

Signature

Name

William J. Frare, P.E.

Name

Title

Assistant Director

Title

Date

Date

The Department of Enterprise Services 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 Terrie Glave at (360) 407-9330.

K3788IAAem

ATTACHMENT A

Scope of Work Energy/Utility Conservation Projects Management Services

Statewide Energy Performance Contracting Program Master Energy Services Agreement No. 2015-181

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

Fee Schedule

2015-17 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.....	\$66,000.....	25,700
4,000,001.....5,000,000.....	65,000.....	25,400
3,000,001.....4,000,000.....	64,000.....	25,000
2,000,001.....3,000,000.....	60,000.....	23,400
1,500,001.....2,000,000.....	56,000.....	21,800
1,000,001.....1,500,000.....	49,500.....	19,300
900,001.....1,000,000.....	42,000.....	16,400
800,001.....900,000.....	39,600.....	15,400
700,001.....800,000.....	36,800.....	14,400
600,001.....700,000.....	35,000.....	13,700
500,001.....600,000.....	32,400.....	12,600
400,001.....500,000.....	29,000.....	11,300
300,001.....400,000.....	24,800.....	9,700
200,001.....300,000.....	19,800.....	7,700
100,001.....200,000.....	13,800.....	5,400
50,001.....100,000.....	7,500.....	3,500
20,001.....50,000.....	4,000.....	2,000
0.....20,000.....	2,000.....	1,000

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 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

Scope of Work Energy/Utility Conservation Projects Monitoring Services

Statewide Energy Performance Contracting Program
Master Energy Services Agreement No. 2015-181

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.



STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

1500 Jefferson St. SE, Olympia, WA 98501
PO Box 41478, Olympia, WA 98504-1478

November 10, 2015

TO: Gary Platt, Stanwood-Camano School District No. 401
FROM: Eddie Miller, Contract Specialist, (360) 407-9363
RE: Agreement No. 2016-233 A (1)
Detailed Investment Grade Energy Audit and Energy Services Proposal
McKinstry Essention, LLC
SUBJECT: Funding Approval

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

Energy Audit and Energy Services Proposal	\$ 39,587.00
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In accordance with the provisions of RCW 43.88, the signature affixed below certifies to 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.

2016233Afundem

ENERGY SERVICES AUTHORIZATION NO. 2016-233 A (1)
Detailed Investment Grade Energy Audit and Energy Services Proposal
Stanwood-Camano School District No. 401
November 10, 2015
MASTER ENERGY SERVICES AGREEMENT NO. 2015-181 G (7)

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
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I. AUTHORIZATION TO PROCEED:

Energy Services Company:	Owner:
McKinstry Essention, LLC 5005 3 rd Avenue South PO Box 24567 Seattle, WA 98124-0567 Telephone No. (206) 762-3311 Fax No. (206) 658-1769 E-Mail Address contractsdept@mckinstry.com	Stanwood-Camano School District No. 401 acting through the Department of Enterprise Services, Engineering and Architectural Services PO Box 41476 Olympia, WA 98504-1476 Telephone No. (360) 902-7272

By _____	By _____
Name _____	Name <u>Roger Wigfield, P.E.</u>
Title _____	Title <u>Energy Program Manager</u>
Date _____	Date _____

State of Washington Contractor's License No.	<u>MCKINEL874CL</u>
State of Washington Revenue Registration No.	<u>603 259 907</u>
Federal Tax Identification No.	<u>46-1563231</u>
MWBE Certification No.	_____

II. COMPENSATION FOR ENERGY SERVICES:

Basic Services	COMPENSATION
Energy Audit and Energy Services Proposal	\$ 39,587.00
Design	\$ 0.00
Construction Management	\$ 0.00
Overhead and Profit	\$ 0.00
Measurement and Verification – Year 1	\$ 0.00
Measurement and Verification – Years 2 through 3	\$ 0.00
Grand Total (plus WSST as applicable)	\$ 39,587.00

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 November 2, 2015 conduct a Detailed Investment Grade Energy Audit of various facilities at Stanwood-Camano School District No. 401, 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 by March 31, 2016.

2016233Aauthem