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City Council

Approval of Amendment to Interagency Agreement with State of Washington Department of Enterprise Services for Energy Project Management

Agenda Date: 9/15/2015
Agenda Item Number: 4.C
File Number: 15-0811

Type: decision **Version:** 1 **Status:** Passed

Title

Approval of Amendment to Interagency Agreement with State of Washington Department of Enterprise Services for Energy Project Management

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve Amendment #2 to the Interagency Agreement with the Department of Enterprise Services ("DES") and authorize the Mayor to sign the amendment.

Report

Issue:

Whether to approve the Amendment to the Interagency Agreement with DES which will allow the City to complete an HVAC project at Fire Station Headquarters facility using DES as the Project Manager.

Staff Contact:

Debbie Sullivan, Deputy Public Works Director, 360.753.8494

Presenter(s):

None - consent calendar.

Background and Analysis:

The City entered into an Interagency Agreement ("IAA") with Washington State Department of Enterprise Services ("DES") in August 2014 to provide management services for energy saving projects on behalf of the City. The Agreement allows the City to pursue energy efficiency projects using DES's staff to manage the project. The Amendment also extends the term of the Agreement to December 31, 2018.

The attached Amendment #2 authorizes DES to replace the failing HVAC system at the Fire Station

Headquarters with more energy efficient, commercial grade equipment. The HVAC equipment was evaluated during the 2008 energy audit and as part of the 2013 Building Condition Assessment. As a result of those reports, this project was planned for replacement.

Earlier this year, the HVAC equipment failed before we could start design. Because it was included in the 2008 energy audit, the City used DES and an Energy Savings Performance Contractor, Ameresco. Ameresco performed another energy audit and recommended an approach that will result in guaranteed energy savings of approximately \$1,000 per year and a reduction in greenhouse gas emissions of six metric tons per year. If the amendment is approved, construction will begin this fall and be completed by spring 2016, in time for the cooling season.

DES's fee for this project is \$24,800. The cost for the design and construction of the project is \$354,947 for a total project cost of \$379,747. The cost includes design, construction, system verification, measurement and verification services, and DES project management services.

Neighborhood/Community Interests (if known):

None known.

Options:

1. Move to approve Amendment #2 to the IAA with DES and authorize the Mayor to sign. Using DES's services is the most cost-effective and expeditious way to complete this project. The Energy Savings Performance Contractor, Ameresco, has completed an energy audit and design and is prepared to start work immediately. Approving the Amendment allows staff to move forward with the HVAC replacement Fire Station Headquarters.
2. Do not approve Amendment #2 to the IAA with DES. The project will be delayed approximately one year. City staff will need to hire a design consultant to prepare the plans and bid documents. This will significantly increase the cost of the project.

Financial Impact:

The funding for this project is from the Building Repair and Replacement Fund (029).

Attachment:

Amendment #2 - Fire HVAC with Funding Authorizations