

TO : BOARD OF DIRECTORS FROM : GARY PLATT, EXECUTIVE DIRECTOR – BUSINESS **SERVICES** 

SUBJECT : MCKINSTRY - PHASE 7 PROJECT APPROVAL

DATE : APRIL 18, 2017

TYPE : ACTION NEEDED

The Facilities and Technology Levy included funding for the replacement of the boiler control system at Cedarhome Elementary School, lighting updates at Cedarhome, Elger Bay, and Utsalady Elementary schools and the complete overhaul of two air handler units at Stanwood Middle School. Project funding included in the levy and the spending commitments for FY 2016-17 are as follows:

| Total Energy Conservation Project Allocation<br>Projects Approved To Date: | \$1,406,239        |
|--|--------------------|
| 5 11   | 8,393              |
| Phase 6 - Stanwood Elementary boilers \$57                                 | 0,620              |
| Phase 7 - CES boiler control & lighting $\frac{62}{3}$                     | <u>4,152</u>       |
| Total Commitments to Date  | <u>\$1,383,165</u> |
| Project Allocation Unencumbered Balance                                    | <u>\$ 23,074</u>   |
| The cost breakdown for Phase 7 is as follows:                              |                    |
| Project engineering, audit, bonding - McKinstry                            | \$ 131,229         |
| Project Construction – McKinstry (to be bid)                               | \$ 454,142         |
| Measurement and Verification of Energy Savings                             | \$ 6,381           |
| Dept. of Enterprise Services – Project Management                          | <u>\$ 32,400</u>   |
| Total Estimated Phase 7 Project Cost                                       | <u>\$ 624,152</u>  |

This project is being procured pursuant to RCW 39.35C.050 through the state Department of Enterprise Services. The department reviews the contract proposals, issues documentation approving agreements, supervises the construction work, approves change orders, recommends release of payments to the contractor, and approves final completion dates.

April 18, 2017 Board Of Directors Page 2

Attached are the documents and details of the project.

Recommendation:

We recommend the board <u>move to authorize the administration to execute</u> <u>Amendment No. 5 to the interlocal agreement with the Washington State</u> <u>Department of Enterprise Services for Phase 7 services dated April 5, 2017.</u>

We further recommend the board move to authorize the execution of Phase 7 contract documents with McKinstry.

# **INTERAGENCY** Amendment

Date: Agreement No: Project No.: Amendment No:

| - | April 5, 2017 |
|---|---------------|
|   | K3788         |
|   | 2016-233      |
|   | 5             |

## Department of Enterprise Services

# Interagency Agreement Between the State of Washington Department of Enterprise Services and

#### Stanwood-Camano School District No. 401

The parties to this Agreement, 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", 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" 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.

- 1.1 Phase 5 Mechanical, Lighting, and Controls Upgrades outlined in the McKinstry Essention, LLC Stanwood-Camano School District No. 401 Phase 5 Energy Services Proposal dated April 4, 2016.
- 1.2 Review of Measurement and Verification reports for the Phase 5 Mechanical, Lighting, and Controls Upgrades outlined in the McKinstry Essention, LLC Stanwood-Camano School District No. 401 Phase 5 Energy Services Proposal dated April 4, 2016 and the Phase 5 Energy Services Proposal Revision 1 dated June 6, 2016.
- 1.3 Additional Project Management fee for Phase 5 Mechanical, Lighting, and Controls Upgrades outlined in the McKinstry Essention, LLC Stanwood-Camano School District No. 401 Phase 5 Energy Services Proposal dated April 4, 2016.
- 1.4 Project Management fee for Phase 6 Boiler and Heating System Upgrades outlined in the McKinstry Essention, LLC Stanwood-Camano School District No. 401 Phase 6 Energy Services Proposal dated September 26, 2016.

1.5 Project Management fee for Phase 7 Lighting, Controls and HVAC Upgrades outlined in the McKinstry Essention, LLC Stanwood-Camano School District No. 401 Phase 7 Energy Services Proposal dated March 3, 2017.

#### 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 the 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 Energy Services Company (ESCO).

If measurement 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.

- 4.1 Energy Project Management Fee for the work described in Section 1.1 is \$49,500.00. Anticipated billing date for this Amendment is January 1, 2017.
- 4.2 Measurement and Verification Fee for the work described in Section 1.2 is \$4,000.00. Anticipated billing dates for these Amendments are January 1, 2019 and January 1, 2020.
- 4.3 Additional Energy Project Management Fee for the work described in Section 1.3 is \$6,500.00. Anticipated billing date for this Amendment is January 1, 2017.
- 4.4 Energy Project Management Fee for the work described in Section 1.4 is \$4,000.00. Anticipated billing date for this Amendment is January 1, 2018.
- 4.5 Energy Project Management Fee for the work described in Section 1.5 is \$32,400.00. Anticipated billing date for this Amendment is October 1, 2017.

#### The new total Agreement value is \$96,400.00.

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.

| Stanwood-Camano School District No. 401 |      | Department of Enterprise Services<br>Engineering & Architectural Services |      |  |
|---|------|---|------|--|
|   |      | Roger A. Wigfield, P<br>Energy Program Man                                |      |  |
| Title                                   | Date | Title   | Date |  |
| K3788am5tg                              |      |   |      |  |



# DEPARTMENT OF ENTERPRISE SERVICES

1500 Jefferson St. SE, Olympia, WA 98501 PO Box 41476, Olympia, WA 98504-1476

April 5, 2017

TO: Gary Platt, Stanwood-Camano School District #401

- FROM: Terrie Glave, Contracts Specialist, (360) 407-9330
- RE: Agreement No. 2016-233 D (4) Phase 7 Lighting, Controls ad HVAC Upgrades

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:

| Design and Implementation of Energy Conservation Measures | \$102,783.00        |
|---|---------------------|
| WSST Tax (9.1%)   | <u>\$ 10,945.76</u> |
| Total   | \$113,728.76        |

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.

2016233Eauthfundtg

# ENERGY SERVICES AUTHORIZATION AMENDMENT NO. 1

| Project Title | Phase 7 Lighting, Controls, and HVAC  | Authorization No. | 2016-233 D (4) |
|---------------|---------------------------------------|-------------------|----------------|
| -             | Upgrades                              |                   |                |
| Facility      | Stanwood Camano School District, #401 | Date              | April 3, 2017  |

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

| Authorization (this sheet)                   |  |
|--|--|
| Scope of Work Options: Modify Basic Services |  |

Project Completion and Compensation

#### Approvals

| Energy Services Company:   | Owner:   |
|--|--|
| McKinstry Essention, LLC<br>5005 3 <sup>rd</sup> Avenue South<br>Seattle, WA 98134 | Stanwood Camano School District, #401<br>acting through the<br>Department of Enterprise Services<br>Engineering and Architectural Services |
| By:  | Roger A. Wigfield, P.E.<br>Energy Program Manager  |

#### Compensation for Energy Services

|   | Ι  | (          | CON | IPENSATIO  | N  |           |
|---|----|------------|-----|------------|----|-----------|
| Basic Services                            |    | Current    | T   | New        | Γ  | Previous  |
| Energy Audit and Energy Services Proposal | \$ | 17,500.00  | \$  | 0.00       | \$ | 17,500.00 |
| Design                                    | \$ | 7,847.00   | \$  | 7,847.00   | \$ | 0.00      |
| Construction Management                   | \$ | 23,540.00  | \$  | 23,540.00  | \$ | 0.00      |
| Overhead and Profit                       | \$ | 71,396.00  | \$  | 71,396.00  | \$ | 0.00      |
| Grand Total (Plus WSST as applicable)     | \$ | 120,283.00 | \$  | 102,783.00 | \$ | 17,500.00 |

Value of this Amendment = \$102,783.00 (Plus Washington State Sales Tax)

#### Scope of Work

Energy efficiency measures under Contract No. 2016-233 I (4-1) will include renovation of Stanwood Middle School's gym HVAC system, upgrade Elger Bay Elementary gym lighting an upgrade Utsalady Elementary gym lighting, commissioning, etc., 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 Stanwood-Camano School District No. 401 Energy Services Proposal dated March 3, 2017.

#### **Schedule For Completion**

Final completion shall be 165 days from execution of this Amendment.

2016233Damd1tg



# DEPARTMENT OF ENTERPRISE SERVICES

1500 Jefferson St. SE, Olympia, WA 98501 PO Box 41476, Olympia, WA 98504-1476

April 5, 2017

| TO:   | Gary Platt, Stanwood-Camano School District No. 401                          |
|-------|--|
| FROM: | Terrie Glave, Contracts Specialist, (360) 407-9330                           |
| RE:   | Contract No. 2016-233 I (4-1)<br>Phase 7 Lighting, Controls ad HVAC Upgrades |

McKinstry Essention, LLC

SUBJECT: Funding Approval

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

| ESCO Contract Amount          | \$        | 396,646.00 |
|-------------------------------|-----------|------------|
| Sales Tax (9.1%)              | \$        | 36,094.79  |
| Contingency Amount (with Tax) | <u>\$</u> | 21,401.21  |
| Total                         | \$        | 454,142.00 |

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.

2016233Iconfundtg

| ESCO Contract No. | 2016-233 I (4-1)                        |
|-------------------|---|
| Project           | Phase 7 Lighting, Controls and          |
|                   | HVAC Upgrades                           |
| Agency            | Stanwood-Camano School District No. 401 |
| Date              | April 5, 2017                           |

# ENERGY SERVICE COMPANY (ESCO) CONSTRUCTION CONTRACT

# For the DEPT. OF ENTERPRISE SERVICES, ENGINEERING & ARCHITECTURAL SERVICES

This Energy Service Company (ESCO) Construction Contract, made and entered into this 5<sup>th</sup> day of April, 2017, shall be the agreed basis of performing the following work by and between the State of Washington, Stanwood-Camano School District No. 401 acting through the Department of Enterprise Services, Engineering & Architectural Services, hereinafter referred to as the Owner, and

McKinstry Essention, LLC 5005 3rd Avenue South PO Box 24567 Seattle, WA 98124-0567 Telephone (206) 762-3311 ContractsDept@mckinstry.com

hereinafter referred to as the ESCO or Contractor.

WITNESSETH: Whereas the parties hereto have mutually covenanted and by these presents do covenant and agree with each other as follows:

FIRST: The said ESCO agrees to furnish all permits, material, labor, tools, equipment, apparatus, facilities, etc., necessary to perform and complete in a workmanship like manner the work called for in the attached Scope of Work, Energy Services Proposal dated March 3, 2017, for:

Energy Services Authorization No. 2016-233 D (4) Master Energy Services Agreement No. 2015-181 G (7)

Audits and Proposals for this project were prepared by the ESCO according to the terms of the Contract Documents which include, but are not limited to, the Master Energy Services Agreement, Energy Services Authorization(s), the accepted Proposal, *General Conditions for Washington State Energy Savings Performance Contracting*, Addenda, Specifications, Drawings, Bond, and this Construction Contract.

SECOND: Time of Completion: The work to be performed under this contract shall commence as soon as the ESCO has been officially notified to proceed and shall be substantially complete within 165 consecutive calendar days after the date of Notice to Proceed. THIRD: In consideration of the Performance of the Work, herein contained on the part of the ESCO, the Owner hereby agrees to pay the ESCO for said work completed according to the Contract Documents, for not more than the sum of \$396,646.00, plus 9.1% state sales tax consisting of the following:

ESCO Contract Cost

\$396.646.00

The ESCO shall bond this contract in accordance with Section 2.04 of the General Conditions for Washington State Energy Savings Performance Contracting. The construction value plus contingency is a guaranteed maximum not-to-exceed cost and final payment to the ESCO shall be reconciled to reflect the actual installed cost provided it does not exceed the guaranteed maximum cost.

FOURTH: ESCO payments to subcontractors and materialmen shall not be contingent upon the ESCO receiving payment from the Owner. Unless otherwise agreed upon, payment to the ESCO shall be made only after completion of the energy efficiency measure(s) and the ESCO has issued a Notice of Commencement of Energy Savings and the Owner has accepted such Notice.

IN WITNESS WHEREOF: The said Department of Enterprise Services, Engineering & Architectural Services, has caused this ESCO Construction Contract to be subscribed in its behalf, and the said ESCO has signed this ESCO Construction Contract the day and year first above written.

| Owner   | :   |  |
|---|---|--|
| Stanwood-Camano School District No acting through the |   |  |
| Department of Enterprise Services                     |   |  |
| Engine  | ering & Architectural Services                      |  |
| By  |   |  |
| Name  | Roger Wigfield, P.E.                                |  |
| Title   | Energy Program Manager                              |  |
| Date  |   |  |
| -   | acting t<br>Depart<br>Engine<br>By<br>Name<br>Title |  |

State Contractor's License No. MCKINEL8/4CL

| Federal Tax II | ) No. <u>46-1563231</u> |
|----------------|-------------------------|
| UBI Number     | 603 259 907             |

MWBE Certification No.

2016233Icontg

# April 5, 2017

## SCOPE OF WORK

# ESCO Contract No. 2016-233 I (4-1)

# Phase 7 Lighting, Controls and HVAC Upgrades Stanwood-Camano School District No. 401

Furnish and install the energy efficiency measures, including any and all necessary ancillary equipment, as described in the Stanwood-Camano School District No. 401 Phase 7 Lighting, Controls and HVAC Upgrades Proposal dated March 3, 2017.



# DEPARTMENT OF ENTERPRISE SERVICES

1500 Jefferson St. SE, Olympia, WA 98501 PO Box 41476, Olympia, WA 98504-1476

April 5, 2017

# RETAINAGE INVESTMENT

| ESCO Contractor   | McKinstry Essention, LLC                     |
|-------------------|--|
| ESCO Contract No. | 2016-233 I (4-1)                             |
| Description       | Phase 7 Lighting, Controls and HVAC Upgrades |
| Client Agency     | Stanwood-Camano School District No. 401      |

Pursuant to R.C.W. 60.28, you are required to exercise your option, <u>IN WRITING</u>, on whether or not monies reserved from the amounts due you on the above contract shall be placed in escrow. You are therefore directed to complete and return this form with the signed copy of the above contract to Engineering & Architectural Services.

Should you desire to have the retained monies invested, it will then be necessary that you enter into an escrow agreement with a bank, trust or savings and loan company, and the above Client Agency.

This form will be transmitted to the Client Agency for further action in preparing the escrow agreement.

## ENERGY SERVICES CONTRACTOR'S OPTION

| 1  | do not request | retainage on | the above | contract to | be invested. |
|--|----------------|--------------|-----------|-------------|--------------|
| and a state of the |                |              |           |             |              |

I hereby <u>request</u> retainage on the above contract be invested.

I hereby <u>request</u> retainage on the above contract be invested and converted into bonds and sureties.

|           | ····· |
|-----------|-------|
| Signature | Date  |
|           |       |

Title



# DEPARTMENT OF ENTERPRISE SERVICES

1500 Jefferson St. SE, Olympia, WA 98501 PO Box 41478, Olympia, WA 98504-1476

April 5, 2017

TO: Gary Platt, Stanwood-Camano School District #401

- FROM: Terrie Glave, Contracts Specialist, (360) 407-9330
- RE: Agreement No. 2016-233 E (5) M&V Phase 7 Lighting, Controls and HVAC Upgrades

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:

| First Year Measurement & Verification | \$ 5,849.00      |
|---------------------------------------|------------------|
| WSST Tax (9.1%)                       | \$ <u>532.26</u> |
| Total                                 | \$ 6,381.26      |

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.

2016233Eauthfundtg

# MEASUREMENT & VERIFICATION (M&V) AUTHORIZATION No. 2016-233 E (5) Stanwood Camano School District No. 401 Phase 7 Lighting, Controls, and HVAC Upgrades April 5, 2017 MASTER ENERGY SERVICES AGREEMENT NO. 2015-181 G (7)

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

Authorization to Proceed Compensation Schedule Project Conditions Scope of Work Compensation for M&V Services Schedule for M&V Services

#### I. AUTHORIZATION TO PROCEED:

Energy Services Company:

McKinstry Essention, LLC 5005 3<sup>rd</sup> Avenue South PO Box 24567 Seattle, WA 98124-0567 Telephone No. (206) 762-3311 Fax No. (206) 658-1769 E-Mail <u>contractsdept@mckinstry.com</u>

| By    |  |
|-------|--|
| Name  |  |
| Title |  |
| Date  |  |

State of Washington Contractor's License No. State of Washington Revenue Registration No. Federal Tax Identification No. MWBE Certification No. Owner:

Stanwood-Camano School District No. 401 acting through the Department of Enterprise Services Engineering and Architectural Services PO Box 41476 Olympia, WA 98504

Ву \_\_\_\_

NameRoger A. Wigfield, P.E.TitleEnergy Program ManagerDate

MCKINEL874CL 603 259 907 46-1563231

#### **II. COMPENSATION SCHEDULE:**

Total Services being provided under this Agreement:

| Services                                     |    | Compensation |  |
|--|----|--------------|--|
|  |    | New          |  |
| Measurement and Verification Services Year 1 |    | 5,849.00     |  |
| Grand Total (plus WSST as applicable)        | \$ | 5,849.00     |  |

# **III. PROJECT CONDITIONS:**

The Project Conditions contained in the Master Energy Services Agreement will be used unless specifically changed herein. Specifically, after the project is constructed and the Notice of Commencement of Energy Cost Savings (NCES) has been issued, the Measurement and Verification (M&V) period begins. The guarantee of savings by the ESCO shall remain in effect for the term of the M&V Agreement.

# **IV. SCOPE OF WORK:**

Provide M&V reporting for 365 days starting immediately after Owner acceptance of the NCES for the Phase 7 Lighting, Controls and HVAC Upgrades, 2016-233 I (4-1), per the Stanwood Camano School District's Energy Services Proposal dated March 3, 2017.

The ESCO shall submit within sixty (60) days of the end of the annual M&V period, an M&V report consistent with the M&V procedures described in the ESCO's approved Energy Services Proposal (ESP). The M&V report shall describe the energy savings and equipment performance for the previous twelve-month period. The M&V report shall be consistent with and incorporate relevant data described in the ESCO energy audit, ESP and the project's Energy Services Authorization. Utility bill reporting, if appropriate, shall include reporting of current billing utility units compared to the baseline use both in tabular and graphic form, for the previous 12 months. Relevant data and calculations will support the conclusions and findings of the M&V report. It is understood that the ESCO and the Owner have agreed that the International Performance Measurement & Verification Protocol, will be used as a reference for the M&V report should there be questions or disagreements on the form or content of the report.

## V. COMPENSATION FOR M&V SERVICES:

The Owner shall reimburse the ESCO annually, in accordance with the M&V fee schedule included in the original ESP or as agreed to under a separate proposal for ongoing M&V services. The total compensation for M&V services shall be \$5,849.00, from the guaranteed savings for the M&V services. The M&V fee shall be paid to the ESCO within sixty (60) days following acceptance of the M&V report. Payment to the ESCO shall be contingent upon the Owner's acceptance of the ESCO's M&V report. The ESCO's M&V report shall be considered accepted 30 days after its submission; unless the ESCO is notified in writing that the report has been rejected.

## VI. SCHEDULE FOR M&V SERVICES:

M&V Services shall start immediately after Owner acceptance of the NCES and will run for 365 days plus 60 days for final report preparation, unless this Authorization is amended earlier to add additional years of M&V services. The amendment shall be based upon a proposal by the ESCO for ongoing M&V services. The proposal shall indicate the length of the guarantee period and the cost of required annual M&V reporting.

#### 2016233Eauthtg

Authorization No. 2016-233 E (5)