

CITY COUNCIL REGULAR SESSION

Resolution authorizing the execution of a contract and all necessary related documents for MacDonald-Miller Facility Solutions, LLC, to perform an Investment Grade Audit at the Bellevue Service Center through the Washington State Department of Enterprise Services Energy Service Performance Contracting program and to comply with the Clean Buildings Law (HB 1257, 2019) in an amount not to exceed \$108,868 plus all applicable taxes.

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Finance & Asset Management Department

EXECUTIVE SUMMARY

This Resolution authorizes the execution of a contract for MacDonald-Miller Facility Solutions, LLC, (MacDonald-Miller) to perform an Investment Grade Audit (Audit) at the Bellevue Service Center through the Washington State Department of Enterprise Services (DES) Energy Service Performance Contracting (ESPC) program and to comply with the Clean Buildings Law. This will support the implementation of the Environmental Stewardship Plan and achievement of greenhouse gas and energy reduction targets.

RECOMMENDATION

Move to adopt Resolution No. 10135

BACKGROUND/ANALYSIS

Washington State - Clean Buildings Law

The Washington State Clean Buildings bill (HB 1257, 2019) became effective on July 28, 2019, and was expanded on March 3, 2022. The intent of this law is to improve energy efficiency in existing buildings to reduce energy costs and pollution from the use of fossil fuels. To support implementation, the Washington State Department of Commerce (DOC) established energy efficiency standards for buildings greater than 20,000 square feet. Compliance deadlines are based on the building square footage starting with larger buildings in 2026. Failure to meet the State's Energy-Use Intensity (EUI) performance metric results in an annual non-compliance penalty of \$5,000 plus \$1 per square footage per year.

Washington State - Energy Savings Performance Contracting

The City of Bellevue entered into an interagency agreement with DES to contract with pre-qualified companies, including MacDonald Miller, through the ESPC program (Resolution No. 9864). In order to develop an Energy Savings Proposal to achieve the target EUI for the Clean Buildings Standard, MacDonald-Miller must complete an Audit of the energy use in the facility. This contract through the DES ESPC program will allow MacDonald-Miller to perform an Audit at the Bellevue Service Center to

comply the Clean Buildings Law (HB 1257, 2019). The Audit is expected to take approximately three months to complete. The City's other buildings will have energy performance assessments in the future in order to comply by the standards in relation to their use and size.

The Audit must be completed in 2022 to inform project work planned in 2023-2024. After the Audit is complete, City staff will return to Council with another DES contract for the Energy Conservation Measures (ECMs), project costs, energy savings, and measurement and verification plan.

City Council 2021-2023 Vision and Priority #8

The City Council 2021-2023 Vision and Priority #8 is to implement the Environmental Stewardship Plan, which outlines targets to reduce greenhouse gas emissions by 80 percent and reduce energy use in City owned buildings by 50 percent before 2040. This Resolution supports the implementation of the Environmental Stewardship Plan's action M.E. 1.1: Conduct building tune-ups and implement energy efficiency measures at City-owned buildings.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code 4.28 provides for the fair and equitable treatment of all persons involved in the purchasing process. Council approval is required to execute grants exceeding \$90,000.

State Law

The Interlocal Cooperation Act (Chapter 39.34 RCW) authorizes public agencies to contract with other public agencies through interlocal agreements that enable cooperation among governments to perform governmental activities and deliver public services.

Comprehensive Plan

Environment Element: EN-47. Construct and operate new City facilities to exceed required development standards in order to conserve energy, water, and environmental resources.

Environmental Stewardship Plan

The Environmental Stewardship Plan adopted by Council on December 14, 2020 (Resolution No. 9859) includes actions to increase energy efficiency in City facilities and reduce emissions from municipal operations.

Fiscal Impact

Approval of this action obligates the City to pay up to \$108,868, plus all applicable taxes, to MacDonald-Miller to perform an Audit at the BSC to comply with WA State requirements outlined for the ESPC program.

These expenditures were anticipated, and sufficient funding exists in the 2021-2027 General Capital Investment Program within the Facility Operations Major Maintenance Plan Project (CIP Plan No. G-113) to fully fund this cost.

OPTIONS

1. Adopt the Resolution authorizing the execution of a contract and all necessary related documents for MacDonald-Miller Facility Solutions, LLC, to perform an Investment Grade Audit at the Bellevue

Service Center through the Washington State Department of Enterprise Services Energy Service Performance Contracting program and to comply with the Clean Buildings Law (HB 1257, 2019) in an amount not to exceed \$108,868 plus all applicable taxes.

2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

- A. CIP Plan No. G-113 Description
Proposed Resolution No. 10135

AVAILABLE IN COUNCIL LIBRARY

Energy Services Authorization and Department of Enterprise Services Funding Agreement for MacDonald-Miller Investment Grade Audit