

**CITY COUNCIL REGULAR SESSION**

Resolution authorizing execution of a four-year interagency agreement with the Washington State Department of Enterprise Services (DES) to provide contracting and project management services for energy efficiency projects.

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**EXECUTIVE SUMMARY**

This Resolution authorizes the execution of an interagency agreement with the Washington State Department of Enterprise Services (DES) to provide contracting and project management services for energy efficiency projects. This will support the implementation of the Environmental Stewardship Plan and the City's pursuit of a Department of Commerce (DOC) energy efficiency grant for projects at City-owned facilities.

**RECOMMENDATION**

Move to adopt Resolution No. 9864

**BACKGROUND/ANALYSIS**

The Washington State DES Energy Program supports local governments and other public agencies by streamlining procurement and contract management services to complete energy efficiency projects using pre-qualified energy service companies (ESCOs). The DES roster of ESCOs is updated on a biennial basis through a competitive procurement process. Local governments must enter into interagency agreements with DES (Attachment A) to participate in the Energy Program and work with the pre-qualified ESCOs.

Under the terms of the interagency agreement (IAA), DES provides overall contracting and project management services. As the City identifies energy efficiency projects, the parties will execute amendments to the IAA to specify the project and the associated fees and DES will provide the necessary personnel and services. The City pays DES for project management services based on the total project value as outlined in the fee schedule in Attachment A. If the selected ESCO fails to develop a project that meets the City's established cost-effectiveness criteria and the City decides not to proceed, then there is no cost to the City. Additional information regarding DES's Energy Program can be found in Attachment B.

In the near term, the City will use the IAA with DES to pursue an energy efficiency grant offered through the Washington State Department of Commerce. The grant application requires the City conduct an energy audit. Executing this IAA will allow the City to use one of the pre-qualified ESCOs on DES's roster to complete the energy audit in time to meet the January 29 grant application deadline. If the grant is awarded to the City, staff will return at a future meeting to ask Council to authorize acceptance of the grant and appropriate the funds.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

#### 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 several actions to increase energy efficiency in City facilities and reduce emissions from municipal operations.

### **Fiscal Impact**

This action has no fiscal impact to the City. Executing the IAA allows the City to participate in DES's Energy Program but does not obligate the City to complete any projects. If the City proceeds with an energy efficiency project under the IAA, it will be obligated to pay DES for project management services based on the total project value as outlined in the project management fee schedule.

## **OPTIONS**

1. Adopt the Resolution authorizing execution of a four-year interagency agreement with the Washington State Department of Enterprise Services (DES) to provide contracting and project management services for energy efficiency projects.
2. Do not adopt the Resolution and provide alternative direction to staff.

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

- A. Interagency Agreement Between City of Bellevue and Washington State Department of Enterprise Services
  - B. Washington State Department of Enterprise Services – Energy Savings Performance Contracting Process Description
- Proposed Resolution No. 9864

## **AVAILABLE IN COUNCIL LIBRARY**

Interagency Agreement Between City of Bellevue and Washington State Department of Enterprise Services