

CITY COUNCIL REGULAR SESSION

Ordinance 1) authorizing the execution of a Grant Agreement (and supplements if necessary) with the Washington State Department of Commerce (DOC) to accept \$129,000 for energy efficiency projects at City facilities; 2) amending the 2021-2022 General Capital Investment Program (CIP) Fund to increase the appropriation by \$129,000; 3) amending the 2021-2027 CIP Plan to increase the budget for the Fire Facility Maintenance (CIP Plan No. PS-16) by \$121,179 and the Facility Services Major Maintenance (CIP Plan No. G-113) by \$7,821; 4) authorizing the execution of an Amendment to an Interagency Agreement with the Washington State Department of Enterprise Services (DES) (and related documents if needed) in an amount not to exceed \$488,037, plus all applicable taxes, to replace heating ventilation air conditioning (HVAC) and make lighting upgrades at Fire Stations; and 5) authorizing the execution of an Addenda to the Master Services Agreement with Allumia Inc. (and related documents if needed) in an amount not to exceed \$156,902, plus all applicable taxes, to upgrade lighting at City facilities.

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Finance & Asset Management Department

EXECUTIVE SUMMARY

This Ordinance authorizes acceptance of a DOC Grant for energy efficiency projects at City facilities. This action also authorizes execution of an Amendment to an Interagency Agreement with the DES and an Addenda to a Master Services Agreement with Allumia, both of which will be partially funded by the Grant and are necessary to meet certain requirements of Grant. These projects support the implementation of the Environmental Stewardship Plan and to cost effectively achieve energy reduction targets at City facilities.

RECOMMENDATION

Move to adopt Ordinance No. 6614.

BACKGROUND/ANALYSIS**DOC Energy Efficiency Grant**

Every two years the DOC issues a competitive grant for energy efficiency projects based on cost effectiveness, leverage ratio, and energy savings. The grant includes conditions that funds be spent on specific energy projects. By collaborating across departments, the City was able to successfully compete for the grant and was awarded \$129,000 for projects to complete the retrofitting or replacement of lighting fixtures with LED technology at five Fire Stations and the Bellevue Service Center (BSC). In addition, the grant will allow the City to convert existing HVAC system from gas fired heat to heat pump (VRF) technology at Fire Station 2.

Amendment 1 to Interagency Agreement with the DES

On January 4, City Council signed Resolution 9864 authorizing execution an Interagency Agreement with the Department of Enterprise Services (DES) to enable the City to contract with a pre-approved energy service company (ESCO). Under this Interagency Agreement, DES provides project and contract management services. As the City identifies energy efficiency projects, the parties execute amendments to the Interagency Agreement to specify the projects ESCOs and the associated fees.

Through the Interagency Agreement, the City has selected Ameresco as pre-approved ESCO to implement the HVAC system replacement at Fire Station 2 and lighting upgrades at five Fire Stations. The proposed Amendment 1 to the Interagency Agreement details the scope of work and project costs with Ameresco. Executing Amendment 1 (and related documents if needed) will increase the cost of the contract by \$488,037, enable the City to move forward with project implementation, and enable the City to fund the projects in part with Grant funds.

Addenda 2 to Master Services Agreement with Allumia

In March, the City signed a Master Service Agreement with Allumia to designate the company as a lighting contractor for City-owned buildings. The proposed Exhibit A Project Addenda 2 to the Master Services Agreement (Addenda 2) details the scope of work and project costs for Allumia to complete lighting retrofits at the BSC and five fire stations. Executing Addenda 2 (and related documents if needed) will enter the City into a contract for \$156,902, enable the City to move forward with project implementation, and enable the City to fund the projects in part with Grant funds.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code

BCC 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. Council approval is also required to award the bid where the cost exceeds \$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 will authorize City expenditures in an amount not to exceed \$644,939 for energy efficiency projects. The City's contribution to the project (less grants) is \$515,939 and was anticipated and fully funded within the 2021-2022 Adopted General Capital Investment Program (CIP) Fund budget.

The table below illustrates the planned expenditures across the CIP funding sources and the net impact to the City.

Funding Source	Total Anticipated Project Cost	\$129k Grant Allocation	Net City Contribution
Facility Services Major Maintenance Plan (CIP Plan No. G-113)	\$130,647	(\$7,821)	\$122,826
Renovation of Public Safety Facilities (CIP Plan No. PS-16)	\$514,292	(\$121,179)	\$393,113
Total	\$644,939	(\$129,000)	\$515,939

In the Energy Services Proposal, the contractor guarantees the City's costs will be reduced by \$20,018 annually, based on 164,612 kWh and 3,754 therms savings per year. Additional savings from reduced operating and maintenance costs are anticipated but are not included in the cost savings estimates.

Environmental Benefits

The project will reduce greenhouse gas emissions by 217,169 pounds of carbon per year. The contractor guarantees up to 90% of the energy savings annually, based on 164,612 kWh and 3,754 therms savings per year.

OPTIONS

1. Adopt Ordinance 1) authorizing the execution of a Grant Agreement (and supplements if necessary) with the Washington State Department of Commerce (DOC) to accept \$129,000 for energy efficiency projects at City facilities; 2) amending the 2021-2022 General Capital Investment Program (CIP) Fund to increase the appropriation by \$129,000; 3) amending the 2021-2027 CIP Plan to increase the budget for the Fire Facility Maintenance (CIP Plan No. PS-16) by \$121,179 and the Facility Services Major Maintenance (CIP Plan No. G-113) by \$7,821; 4) authorizing the execution of an Amendment to an Interagency Agreement with the Washington State Department of Enterprise Services (DES) (and related documents if needed) in an amount not to exceed \$488,037, plus all applicable taxes, to replace heating ventilation air conditioning (HVAC) and make lighting upgrades at Fire Stations; and 5) authorizing the execution of an Addenda to the Master Services Agreement with Allumia Inc. (and related documents if needed)

in an amount not to exceed \$156,902, plus all applicable taxes, to upgrade lighting at City facilities.

2. Do not adopt Ordinance 6614 and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. CIP Project Description (CIP Plan No. G-113)
 - B. CIP Project Description (CIP Plan No. PS-16)
- Proposed Ordinance No. 6614

AVAILABLE IN COUNCIL LIBRARY

WA State Department of Commerce – Grant Agreement
Amendment 1 to Department of Enterprise Services Interagency Agreement
Exhibit A – Project Addenda 2 to Master Service Agreement with Allumia