



## SPECIAL MEETING NOTICE OAK HARBOR CITY COUNCIL

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**NOTICE IS HEREBY GIVEN** that the Oak Harbor City Council will hold a Special Meeting on:

**Date:** Wednesday, March 25, 2015

**Time:** 2:45 p.m.

**Location:** City Hall Council Chambers, 865 SE Barrington Drive, Oak Harbor, WA 98277

Note that ***Action will be taken*** at this meeting.

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### AGENDA

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1. Resolution 15-07: Authorizing the City to enter into CWSRF loan agreements with the Washington State Department of Ecology
2. Amendment to the Department of Enterprise Services (DES) Contract for the City energy and lighting upgrade project.

Anna M. Thompson  
City Clerk  
Posted on March 19, 2015

POSTED: City Hall Bulletin Boards  
[www.oakharbor.org](http://www.oakharbor.org)

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Mayor Scott Dudley  
Oak Harbor City Council  
Directors

REMOVE: After March 25, 2015

The City Council may meet informally in workshop sessions (open to the public) to do concentrated strategic planning, to review forthcoming programs of the City, receive progress reports on current programs or projects, or receive other similar information from the City Administrator, provided that all discussions and conclusions thereon shall be informal. Council shall make no disposition of any item at a workshop meeting. Public comment is not normally allowed at workshop meetings, although Council may allow, or request participation.

**Please contact the City Clerk at 360-279-4539 within 24 hours advance notice for special accommodations.**



**City of Oak Harbor  
City Council Agenda Bill**

Bill No. 1.  
Date: March 25, 2015  
Subject: Resolution 15-07: Authorization  
to enter into CWSRF loan  
agreements

**FROM:** Dr. Merriman, Finance Director/Deputy City Administrator

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

- Scott Dudley, Mayor
- Larry Cort, City Administrator
- Doug Merriman, Finance Director
- Nikki Esparza, City Attorney, as to form

**RECOMMENDED ACTION**

Pass Resolution No. 15-07.

**BACKGROUND / SUMMARY INFORMATION**

The Washington State Department of Ecology (DOE) has awarded the City of Oak Harbor funding, in the form of two separate loan agreements, through the Water Quality Combined Financial Assistance Program. Agreement #WQC-2015-OakHar-00021 represents an agreement for an \$8,260,000 loan for twenty years at an interest rate of 2.7% for funding the design component of the project. Agreement #WQC-2015-OakHar-00110 represents an agreement for a \$3,200,000 loan for twenty years at an interest rate of 2.7% for funding of the wastewater outfall construction.

Previously, City Council took action to authorize the Mayor to sign both agreements with the DOE. Upon receipt of our documents, DOE has requested that the City, in addition to the signed documents, include a formal Resolution passed by the legislative authority of the City authorizing the City to enter into the agreements with DOE. Accordingly, the requested action of this agenda bill is to present Resolution No. 1507 which provides such authorization. Upon passage and signature, the Resolution will be forwarded to DOE to complete our loan package.

**LEGAL AUTHORITY**

**FISCAL IMPACT**

The total fiscal impact is an increase in outstanding revenue debt in the amount of \$11,460,000 secured by the revenues of the City's wastewater system.

**PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

**ATTACHMENTS**

1. [Draft Resolution No. 15-07](#)

RESOLUTION NO. 15-07

A RESOLUTION GIVING THE CITY OF OAK HARBOR AUTHORITY TO ENTER INTO WATER QUALITY COMBINED FINANCIAL ASSISTANCE LOAN AGREEMENTS WQC-2015-OAKHAR-00110 AND WQC-2015-OAKHAR-00021 WITH THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY.

**WHEREAS**, the City desires to undertake the design and engineering of a new membrane bioreactor (MBR) facility that will replace the existing wastewater treatment facilities to provide continued reliable wastewater service to the community of Oak Harbor while protecting and preserving the surrounding environment, and

**WHEREAS**, the City additionally desires to design and construct a replacement outfall in advance of the new wastewater treatment plant, and

**WHEREAS**, the City wishes to enter into the Water Quality Financial Assistance Agreement WQC-2015-OakHar-00021 (SRF) with the State of Washington Department of Ecology, in the amount of \$8,260,000.00 at an effective interest rate of 2.7% for twenty years, to provide funding for the design of the new MBR wastewater treatment facility.

**WHEREAS**, the City wishes to enter into the Water Quality Financial Assistance Agreement WQC-2015-OakHar-00110 (SRF) with the State of Washington Department of Ecology, in the amount of \$3,200,000.00 at an effective interest rate of 2.7% for twenty years, to provide funding for the design and construction of the replacement wastewater outfall, and

**THE CITY COUNCIL OF THE CITY OF OAK HARBOR** does hereby resolve as follows:

**SECTION ONE:** The City of Oak Harbor is hereby authorized to enter into the Water Quality Financial Assistance Agreement WQC-2015-OakHar-00021 (SRF) with the State of Washington Department of Ecology, in the amount of \$8,260,000.00 at an effective interest rate of 2.7% for twenty years.

**SECTION TWO:** The City is hereby authorized to enter into the Water Quality Financial Assistance Agreement WQC-2015-OakHar-00110 (SRF) with the State of Washington Department of Ecology, in the amount of \$3,200,000.00 at an effective interest rate of 2.7% for twenty years.

**PASSED** by the City Council and approved by its Mayor this 25th day of March, 2015.

CITY OF OAK HARBOR

\_\_\_\_\_  
SCOTT DUDLEY, MAYOR

Attest:

Approved as to Form:

\_\_\_\_\_  
Anna Thompson, Esq., City Clerk

\_\_\_\_\_  
Nikki Esparza, City Attorney

Introduction:  
Adopted:  
Published:

City of Oak Harbor  
City Council Agenda Bill

Bill No. 2.  
Date: March 25, 2015  
Subject: Authorization to sign Interagency  
Amendment with Department of  
Energy Services (DES) for  
energy/lighting project.

**FROM:** Dr. Merriman, Finance Director/Deputy City Administrator

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

- Scott Dudley, Mayor
- Larry Cort, City Administrator
- Doug Merriman, Finance Director
- Nikki Esparza, City Attorney, as to form

**RECOMMENDED ACTION**

Authorize the Mayor to sign the Department of Enterprise Services Interagency Agreement No. K2548

**BACKGROUND / SUMMARY INFORMATION**

On February 10, 2014, the City entered into an agreement with the Washington State Department of Enterprise Services (DES) for project management services relating to the City's energy efficiency and lighting upgrade project. The purpose of the project is to upgrade the City's lighting systems with power infrastructure that is more efficient - an upgrade which will result in the City's saving both energy resources and funding.

The contractual process involved in completing the project is a two-step process executed in the following manner:

- 1) The City initially signs an interagency agreement with DES for the provision of project management services. This step was completed upon the acceptance and signing of the original Interagency Agreement with DES on February 10, 2014. This component of the agreement authorizes DES to perform the design work and energy savings analytics, and to determine the total estimated project cost. The fee for DES services, based on a sliding scale built on total project cost, is not included in this initial phase as the total cost is not known until the completion of the work referred to above.
- 2) The City signing an amendment to the original Interagency Agreement to set the appropriate fee for the project management services. The fee of \$39,600, reflected in the DES project fee schedule included herein, is based on a sliding scale based on the total estimated project cost of \$847,705. This amendment, in effect, is to set the fee for DES services.

**LEGAL AUTHORITY**

**FISCAL IMPACT**

This action encumbers the City to pay the \$39,600 fee to DES for project management services. The funding will be allocated and subsequently incorporated into the budget of those funds involved in the scope of work.

**PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

**ATTACHMENTS**

1. [Department of Enterprise Services \(DES\) Contract Materials](#)

# **INTERAGENCY Amendment**

*Department of Enterprise Services*

Date: March 16, 2015  
Agreement No: K2548  
Project No.: 2013-233  
Amendment No: 1

**Interagency Agreement Between the  
State of Washington  
Department of Enterprise Services  
and  
City of Oak Harbor**

The parties to this Agreement, the Department of Enterprise Services, Facilities Division, Engineering & Architectural Services, hereinafter referred to as “DES”, and City of Oak Harbor, 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 Facility Lighting Upgrades outlined in the City of Oak Harbor Energy Services Proposal dated June 20, 2014.**

## **3. Period of Performance**

Subject to its other provisions, the period of performance of this Agreement shall commence on February 10, 2014, and be completed on **December 31, 2018** unless altered or amended as provided herein.

## **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 \$39,600.00. Anticipated billing date for this Amendment is April 1, 2016.**

**The new total Agreement value is \$39,600.00.**

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.

**City of Oak Harbor**

**Department of Enterprise Services  
Facilities Division  
Engineering & Architectural Services**

\_\_\_\_\_  
\_\_\_\_\_  
Title Date

\_\_\_\_\_  
William J. Frare, P.E.  
Public Works Administrator  
\_\_\_\_\_  
Title Date

K2548am1em

## IV. PROJECT COSTS

### A. MAXIMUM PROJECT COST

The ESCO guarantees that the Maximum Project Cost will not exceed Seven Hundred Forty Three Thousand Four Hundred Twenty Seven Dollars and No Cents (\$743,427). This cost does not include sales tax, DES Energy Program project management fees, or continued measurement and verification charges. With sales tax and DES Energy Program project management fees, the Total Project Cost is Eight Hundred Forty Seven Thousand Seven Hundred Five Dollars and No Cents (\$847,705). The ESCO does not guarantee the value of sales tax or DES Energy Program project management fees.

### B. PROJECT COST TABLE

PROJECT COSTS	Mech, Water, General	Lighting	Total Project Costs
Engineering Audit	\$ -	\$ -	\$ -
Estimated Labor and Material Cost	\$ -	\$ 538,045	\$ 538,045
M,W,G Design @ 10.0% of Labor & Material	\$ -		\$ -
Lighting Design @ 6.0% of Labor & Material		\$ 32,283	\$ 32,283
Construction Mgt @ 6.0% of Labor & Material	\$ -	\$ 32,283	\$ 32,283
Bonding @ 2.0% of Labor & Material	\$ -	\$ 10,761	\$ 10,761
ESCO Overhead and Profit @ 18.0% of Labor & Material	\$ -	\$ 96,848	\$ 96,848
1st Year of Ameresco M&V			\$ 6,305
Subtotal:	\$ -	\$ 710,220	\$ 716,525
Construction Contingency @ 5.0% of CC	\$ -	\$ 26,902	\$ 26,902
<b>Subtotal - Maximum Project Cost:</b>	\$ -	\$ 737,122	\$ 743,427
Est. Sales Tax @ 8.7% of Maximum Project Cost	\$ -	\$ 64,130	\$ 64,678.15
0 Additional Years of M&V - Ameresco (includes tax)			\$ -
1 Years of M&V - DES			\$ -
DES Project Management Fees			\$ 39,600
<b>TOTAL PROJECT PRICE:</b>	\$ -	\$ 801,252	\$ 847,705
Estimated Utility Incentive	\$ -	\$ 124,061	\$ 124,061
Commerce Grant Request			\$ 210,000
Estimated Client Net Cost (excluding add'l years M&V)			\$ 513,644
Client Initial Cash Payment of Non-State Dollars			\$ -
Client Initial Cash Payment of State Dollars			\$ -
<b>Amount to be Financed by Client:</b>			\$ 513,644
<b>Year 2 Estimated Cash Flow:</b>			\$ 3,693

# **Interagency Agreement**

Date: December 4, 2013

*Department of Enterprise Services*

Interagency Agreement No: K2548

**Interagency Agreement Between the  
Department of Enterprise Services  
and  
City of Oak Harbor**

This Agreement, pursuant to Chapter 39.34 RCW, is made and entered into by and between the Department of Enterprise Services, Facilities Division, Engineering & Architectural Services, hereinafter referred to as "DES", and the City of Oak Harbor, hereinafter referred to as the "CLIENT AGENCY".

The purpose of this Agreement is to establish a vehicle for DES to provide future Energy/Utility Conservation Project Management and Monitoring Services to the CLIENT AGENCY and to authorize the development of the energy services proposal.

Now therefore, in consideration of the terms and conditions contained herein, or attached and incorporated by reference and made a part hereof, the above-named parties mutually agree 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.

## **2. Terms and Conditions**

All rights and obligations of the parties to this Agreement shall be subject to and governed by the terms and conditions contained in the text of this Agreement.

The CLIENT AGENCY shall provide the Energy Services Company (ESCO) with any additional contract language necessary to comply with the requirements established under federal grants, the American Recovery & Reinvestment Act of 2009 (ARRA) and the Energy Efficiency and Conservation Block Grant (EECBG). The ESCO and their subcontractors are required to comply with all applicable federal regulations and reporting procedures.

## **3. Period of Performance**

Subject to its other provisions, the period of performance of this master Agreement shall commence when this Agreement is properly signed, and be completed on **December 31, 2016** unless altered or amended as provided herein.

#### **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 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 ESCO.

If monitoring 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.

#### **5. Billing Procedure**

DES shall submit a single invoice to the CLIENT AGENCY upon substantial completion of each authorized project, unless a project specified a Special Billing Condition in the Amendment. Substantial completion of the project will include the delivery and acceptance of closeout documents and commencement of energy savings notification. Each invoice will clearly indicate that it is for the services rendered in performance under this Agreement and shall reflect this Agreement and Amendment number.

DES will invoice for any remaining services within 60 days of the termination of this Agreement.

#### **6. Payment Procedure**

The CLIENT AGENCY shall pay all invoices received from DES within 90 days of receipt of properly executed invoice vouchers. The CLIENT AGENCY shall notify DES in writing if the CLIENT AGENCY cannot pay an invoice within 90 days.

## **7. Non-Discrimination**

In the performance of this Agreement, DES shall comply with the provisions of Title VI of the Civil Rights Act of 1964 (42 USC 200d), Section 504 of the Rehabilitation Act of 1973 (29 USC 794), and Chapter 49.60 RCW, as now or hereafter amended. DES shall not discriminate on the grounds of race, color, national origin, sex, religion, marital status, age, creed, Vietnam-Era and Disabled Veterans status, or the presence of any sensory, mental, or physical disability in:

- a) Any terms or conditions of employment to include taking affirmative action necessary to accomplish the objectives of this part and
- b) Denying an individual the opportunity to participate in any program provided by this Agreement through the provision of services, or otherwise afforded others.

In the event of DES's non-compliance or refusal to comply with the above provisions, this Agreement may be rescinded, canceled, or terminated in whole or in part, and DES declared ineligible for further Agreement with the CLIENT AGENCY. DES shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth therein.

## **8. Records Maintenance**

The CLIENT AGENCY and DES shall each maintain books, records, documents, and other evidence that sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the services described herein. These records shall be subject to inspection, review, or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. DES will retain all books, records, documents, and other material relevant to this agreement for six years after expiration; and the Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period.

## **9. Contract Management**

- a. The CLIENT AGENCY Representative on this Agreement shall be:

Larry Cort, City Administrator  
City of Oak Harbor  
865 SE Barrington Drive  
Oak Harbor, WA 98277  
Telephone (360) 279-4501

The Representative shall be responsible for working with DES, approving billings and expenses submitted by DES, and accepting any reports from DES.

b. The DES Project Manager on this Agreement shall be:

Stuart Simpson, CEM, LEED A.P.  
Department of Enterprise Services  
Facilities Division  
Engineering and Architectural Services  
PO Box 41476  
Olympia, WA 98504-1476  
Telephone (360) 407-9376

Stuart Simpson will be the contact person for all communications regarding the conduct of work under this Agreement.

#### **10. Hold Harmless**

Each party to this Agreement shall be responsible for its own acts and/or omissions and those of its officers, employees and agents. No party to this Agreement shall be responsible for the acts and/or omissions of entities or individuals not a party to this Agreement.

#### **11. Agreement Alterations and Amendments**

The CLIENT AGENCY and DES may mutually amend this Agreement. Such Amendments shall not be binding unless they are in writing and signed by personnel authorized to bind the CLIENT AGENCY and DES or their respective delegates.

#### **12. Termination**

Except as otherwise provided in this Agreement, either party may terminate this Agreement upon thirty (30) days written notification. If this Agreement is so terminated, the terminating party shall be liable only for performance in accordance with the terms of this Agreement for performance rendered prior to the effective date of termination.

#### **13. Disputes**

If a dispute arises under this Agreement, it shall be determined in the following manner: The CLIENT AGENCY shall appoint a member to the Dispute Board. The Director of DES shall appoint a member to the Dispute Board. The CLIENT AGENCY and DES shall jointly appoint a third member to the Dispute Board. The Dispute Board shall evaluate the dispute and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on the parties hereto.

#### **14. Order of Precedence**

In the event of an inconsistency in this Agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order:

- a) Applicable Federal and State Statutes and Regulations
- b) Terms and Conditions
- c) Attachment "A", Project Management Scope of Work; Attachments "B", Project Management Fees; and Attachment "C", Monitoring Services Scope of Work, and
- d) Any other provisions of the Agreement incorporated by reference.

**All Writings Contained Herein**

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

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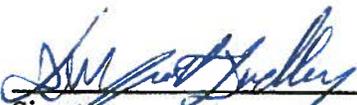
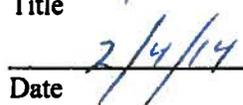
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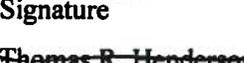
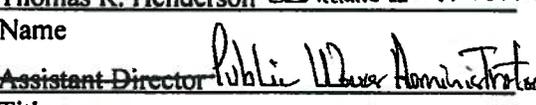
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Agreed to and signed by:

**City of Oak Harbor**

**Department of Enterprise Services  
Facilities Division  
Engineering & Architectural Services**

  
 \_\_\_\_\_  
 Signature  
  
 \_\_\_\_\_  
 Name  
  
 \_\_\_\_\_  
 Title  
  
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 Date

The Department of Enterprise Services provides equal access for all people without regard to race, creed, color, religion, national origin, age, gender, sex, marital status, or disability. Contract information is available in alternative formats. For more information, please call Eddie Miller at (360) 407-9363.

K2548CityofOakHarborem

# ATTACHMENT A

## Scope of Work Energy/Utility Conservation Projects Management Services

### Statewide Energy Performance Contracting Program Master Energy Services Agreement No. 2013-133

DES will provide the following project management services for each specific project for the CLIENT AGENCY. Each individual project shall be authorized by Amendment to this Agreement.

1. Assist the CLIENT AGENCY in the selection of an Energy Service Company (ESCO) consistent with the requirements of RCW 39.35A for local governments; or 39.35C for state agencies and school districts.
2. Assist in identifying potential energy/utility conservation measures and estimated cost savings.
3. Negotiate scope of work and fee for ESCO audit of the facility(s).
4. Assist in identifying appropriate project funding sources and assist with obtaining project funding.
5. Assist in negotiating the technical, financial and legal issues associated with the ESCO's Energy Services Proposal.
6. Review and recommend approval of ESCO energy/utility audits and Energy Services Proposals.
7. Provide assistance during the design, construction and commissioning processes.
8. Review and approve the ESCO invoice vouchers for payment.
9. Assist with final project acceptance.
10. Provide other services as required to complete a successful energy performance contract.

# ATTACHMENT B

## Fee Schedule

2013-15 Interagency Reimbursement Costs  
for Project Management Fees to Administer  
Energy/Utility Conservation Projects

<u>TOTAL PROJECT VALUE</u>	<u>PROJECT MANAGEMENT FEE</u>	<u>TERMINATION</u>
5,000,001.....6,000,000.....	\$66,000.....	25,700
4,000,001.....5,000,000.....	65,000.....	25,400
3,000,001.....4,000,000.....	64,000.....	25,000
2,000,001.....3,000,000.....	60,000.....	23,400
1,500,001.....2,000,000.....	56,000.....	21,800
1,000,001.....1,500,000.....	49,500.....	19,300
900,001.....1,000,000.....	42,000.....	16,400
800,001.....900,000.....	39,600.....	15,400
700,001.....800,000.....	36,800.....	14,400
600,001.....700,000.....	35,000.....	13,700
500,001.....600,000.....	32,400.....	12,600
400,001.....500,000.....	29,000.....	11,300
300,001.....400,000.....	24,800.....	9,700
200,001.....300,000.....	19,800.....	7,700
100,001.....200,000.....	13,800.....	5,400
50,001.....100,000.....	7,500.....	3,500
20,001.....50,000.....	4,000.....	2,000
0.....20,000.....	2,000.....	1,000

The project management fee on projects over \$6,000,000 is 1.1% of the project cost. The maximum DES termination fee is \$25,700.

1. These fees cover project management services for energy/utility conservation projects managed by DES's Energy Program.
2. Termination fees cover the selection and project management costs associated with managing the ESCO's investment grade audit and proposal that identifies cost effective conservation measures if the CLIENT AGENCY decides not to proceed with the project through DES.
3. If the project meets the CLIENT AGENCY's cost effectiveness criteria and the CLIENT AGENCY decides not to move forward with a project, then the CLIENT AGENCY will be invoiced per Attachment B Termination or \$25,700 whichever is less. If the CLIENT AGENCY decides to proceed with the project then the Agreement will be amended per Attachment B for Project Management Fee.
4. If the audit fails to produce a project that meets the CLIENT AGENCY's established Cost Effectiveness Criteria, then there is no cost to the CLIENT AGENCY and no further obligation by the CLIENT AGENCY.

# **ATTACHMENT C**

## **Scope of Work Energy/Utility Conservation Projects Monitoring Services**

### **Statewide Energy Performance Contracting Program Master Energy Services Agreement No. 2013-133**

If requested DES will provide the following monitoring services for each specific project for the CLIENT AGENCY.

1. Monitor actual energy use and dollar costs, compare with the ESCO's annual Measurement and Verification (M&V) report and any ESCO guarantee, resolve differences, if needed, and approve any vouchers for payment.
2. Monitor facility operations including any changes in operating hours, changes in square footage, additional energy consuming equipment and negotiate changes in baseline energy use which may impact energy savings.
3. Provide annual letter report describing the ESCO's performance, equipment performance and operation, energy savings and additional opportunities, if any, to reduce energy costs.