



CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Donna Burris, Internal Services Manager
Daryl Grigsby, Public Works Director

Date: July 24, 2009

Subject: PETER KIRK COMMUNITY CENTER HVAC REPLACEMENT PROJECT

RECOMMENDATION

It is recommended that the City Council authorize the signing of funding approval forms allowing the State of Washington General Administration, Division of Facilities, Engineering and Architectural Services to provide Energy Conservation Project Management Services on behalf of the City of Kirkland for the Peter Kirk Community Center HVAC Replacement Project.

BACKGROUND AND DISCUSSION

The City of Kirkland entered into an Interagency Agreement with the State of Washington General Administration, Division of Facilities, Engineering and Architectural Services (GA) in January 2008 to provide Energy Conservation Project Management Services.

Trane U.S. Inc. Comprehensive Solutions Group (Trane) was selected, through the State of Washington's Energy Savings Performance Contracting program, to identify, design, and implement the best overall solution for optimizing the efficiency of the HVAC and ancillary systems for the Peter Kirk Community Center (PKCC).

On July 31, 2008, the GA was authorized to go forward with obtaining an Energy Audit and Energy Services Proposal from Trane, which resulted in a proposal to retrofit the existing rooftop DX / electric resistance heating with six (6) high-efficiency, low-ambient, rooftop heat-pump systems providing an estimated 36% reduction in electricity costs and annual greenhouse gas emissions reduction of approximately 144,000 lbs of CO₂e. These units will also be controlled by new Delta Control systems and be tied into the City's Facility Management System.

The total project cost shown on the funding approval forms is \$186,347 and can be funded by life cycle reserves set aside for the Peter Kirk Community Center. In 2008, there was a specific HVAC Replacement project budgeted in the CIP for PKCC. The budgeted amount of \$106,300 was determined to be insufficient to cover the project cost once bids and scope changes were known. Other previously approved PKCC life cycle projects have remaining balances that are available to fund the balance of the HVAC project and are summarized in the table below.

Total Direct Project Cost	186,347
PKCC Life Cycle CIP Project Available Balances	
2009 Folding Partitions	18,400
2008 HVAC Replacement	106,300
2007 Water Heater Replacement	2,980
2006 HVAC Controls/Exhaust System Replacement	47,476
2004 Duct Heaters	6,500
2002 HVAC Components Replacement	6,500
Total Funding Available from Life Cycle Projects	188,156

Notes regarding the available balances of the other projects include:

- 2009 Folding Partitions – a donation was received from Merrill Gardens that was used to replace the partitions, freeing up the life cycle funds
- 2007 Water Heater Replacement – balance available after project was completed
- 2006 HVAC Controls/Exhaust System Replacement – balance available after portions of the project were completed; other portion of project put on hold pending the 2008 HVAC replacement project
- 2004 Duct Heaters – project was suspended to later date so full budgeted funds available
- 2002 HVAC Components Replacement – project was suspended to later date so full budgeted funds available

In addition to the direct project costs of \$186,347 on the funding approval forms, the GA's Administrative, Monitoring and Verification Fees account for an additional \$12,500 making the total project cost \$198,847. However, this project is projected to receive utility incentive payments from Puget Sound Energy of approximately \$17,500 which would be credited against the total project cost. After the incentives, the total project cost is \$181,347 and is summarized in the table below.

A. CONSTRUCTION COSTS	M,E,C	Controls	Lighting	Total
1 Air-Source HP	\$ 85,000	\$ 30,000		115,000
Subtotal Labor and Materials Cost				\$ 115,000
Construction Bond				\$ 2,300
TOTAL CONSTRUCTION COST				\$ 117,300
B. ESCO FEES				
Audit Fee	\$ 12,815			\$ 12,815
Design M,E,C	\$ 9,200			\$ 9,200
Design Lighting	\$ -			\$ -
Construction Management	\$ 5,750			\$ 5,750
Overhead and Profit	\$ 17,250			\$ 17,250
TOTAL ESCO FEES	\$ 45,015			\$ 45,015
C. OTHER COSTS				
Project Contingency	\$ 5,865			\$ 5,865
ESCO M and V Costs (Year 1)	\$ 2,000			\$ 2,000
TOTAL OTHER COSTS				\$ 7,865
D. TOTAL GUARANTEED CONSTRUCTION & ESCO SERVICES				\$ 170,180
E. NON-GUARANTEED COSTS				
Sales Tax	\$ 16,167			\$ 16,167
Estimated Utility Incentives	\$ (17,500)			\$ (17,500)
GA Admin. Fee	\$ 10,500			\$ 10,500
GA M and V Fee	\$ 2,000			\$ 2,000
TOTAL NON GUARANTEED COSTS	\$ 9,167			\$ 11,167
F. TOTAL PROJECT COST				\$ 181,347



STATE OF WASHINGTON
GENERAL ADMINISTRATION

ENGINEERING AND ARCHITECTURAL SERVICES

210 SW 11th Ave, Rm 206 * PO Box 41012 * Olympia, WA 98504-1012
(360) 902-7272 * Fax (360) 753-2848

February 5, 2008

Erin J. Leonhart
City of Kirkland
Public Works Department
123 Fifth Avenue
Kirkland, WA 98033-6189

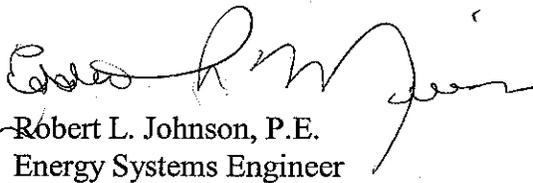
RE: Interagency Agreement No. 2008-508
Energy Conservation Project Management Services
City of Kirkland

NOTICE TO PROCEED

This is your official notice that we will proceed with the work of our Interagency Agreement.
Enclosed is your executed copy of our Interagency Agreement.

Should you have any questions or concerns, please call me at (360) 902-7167.

Sincerely,


Robert L. Johnson, P.E.
Energy Systems Engineer

RJ:em

Enclosure



Interagency Agreement

Date: January 7, 2008

Department of General Administration

Interagency Agreement No: 2008-508

Interagency Agreement Between the Department of General Administration and the City of Kirkland

This Agreement, pursuant to Chapter 39.34 RCW, is made and entered into by and between the Department of General Administration, Division of Facilities, Engineering & Architectural Services, hereinafter referred to as "GA", and the City of Kirkland, hereinafter referred to as the City.

It is the purpose of this Agreement to provide Energy Conservation Project Management Services. 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

GA 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," attached hereto and incorporated herein by reference. Unless otherwise specified, GA shall be responsible for performing all fiscal and program responsibilities as set forth in Attachment "A."

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.

3. Period of Performance

Subject to its other provisions, the period of performance of this Agreement shall commence when this Agreement is properly signed, and be completed on December 31, 2009 unless altered or amended as provided herein.

4. Consideration

For Project Management Services provided by GA under Attachment "A" of this Agreement, the City will pay a fee for services based on the total project value. (See Attachment "B".) A payment schedule will be incorporated by an Amendment to this Agreement.

Compensation for services provided by the ESCO shall be paid directly to the ESCO by the City, after GA has reviewed and approved and sent the invoices to the City for payment.

For Monitoring Services provided by GA under Attachment "C" of this Agreement, the City will pay a fee annually for the term of this Agreement based on Attachment "C." A payment schedule will be incorporated by an Amendment to this Agreement.

5. Billing Procedure

The City will reimburse GA upon receipt of properly executed vouchers. Each voucher will indicate clearly that it is for the services rendered in performance under this Agreement and shall reflect this Agreement number. Invoices for payment submitted by GA to the City for GA fees due and payable under this Agreement that were incurred before the expiration date of this Agreement shall be paid by the City if received by the City within 120 days after the expiration date.

6. Non-Discrimination

In the performance of this Agreement, GA 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. GA 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 GA'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 GA declared ineligible for further Agreement with the City. GA 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.

7. Records Maintenance

The City and GA 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. GA will retain all books, records, documents, and other material relevant to this agreement for five 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.

8. Contract Management

- a. The City's Representative on this Agreement shall be:

Erin J. Leonhart
Public Works Department
City of Kirkland
123 Fifth Avenue
Kirkland, WA 98033-6189
Telephone 425-587-3931

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

- b. The GA Project Manager on this Agreement shall be:

Robert Johnson, P.E.
Dept. of General Administration
Division of Facilities
Engineering and Architectural Services
PO Box 41012
Olympia, WA 98504-1012
Telephone 360-902-7236

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

9. 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.

10. Agreement Alterations and Amendments

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

11. 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.

12. Disputes

If a dispute arises under this Agreement, it shall be determined in the following manner: the City shall appoint a member to the Dispute Board. The Director of GA shall appoint a member to the Dispute Board. The City and GA 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, unless one of the parties requests intervention by the Governor as provided by RCW 43.17.330.

13. 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," Statement of Work; Attachments "B" and "C", Management & Monitoring Fees and
- d) Any other provisions of the Agreement whether incorporated by reference or otherwise.

14. All Writings Contained Herein

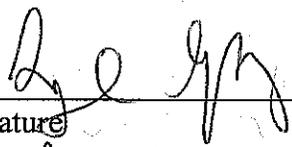
This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

AUTHORIZATION TO PROCEED

Agreed to and signed by:

City of Kirkland

**Department of General Administration
Division of Facilities
Engineering & Architectural Services**



 Signature

 Darl Grigsby

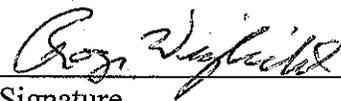
 Name

 Public Works Director

 Title

 1/18/08

 Date



 Signature

 Roger Wigfield, P.E.

 Name

 Energy Program Manager

 Title

 2/15/08

 Date

The Department of General Administration 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) 902-7219.

2008508IAAem

ATTACHMENT A

SCOPE OF WORK ENERGY SERVICES

STATEWIDE ENERGY PERFORMANCE CONTRACT PROJECT NO. 2007-041

GA will provide the following project management services for the City of Kirkland:

1. Assist the City in the selection of an Energy Service Company (ESCO) consistent with the requirements of 39.35A RCW.
2. Identify potential utility conservation measures and approximate cost savings.
3. Negotiate scope and fee for ESCO audit of the facility(s).
4. Identify appropriate project funding sources and assist with obtaining project funding.
5. Review and approve ESCO audits and technical studies.
6. Assist in negotiating the technical, financial and legal issues associated with the ESCO's Energy Services Proposal.
7. Provide assistance during the design, construction and commissioning processes.
8. Assist with final project acceptance.
9. Provide other services as required to complete a successful energy performance contract.
10. If the audit fails to produce a project that meets the City's established payback Cost Effectiveness Criteria, then there is no cost to the City and no further obligation by the City.

ATTACHMENT B

2007-09 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>
\$5,000,000 - or more	Negotiate	Negotiate
Below 5,000,000	\$68,800	\$25,500
" 4,000,000	64,900	23,600
" 3,000,000	59,900	21,700
" 2,000,000	52,800	19,600
" 1,500,000	47,800	17,150
" 1,000,000	40,800	16,150
" 900,000	38,900	15,000
" 800,000	36,900	13,950
" 700,000	34,600	12,800
" 600,000	31,900	11,500
" 500,000	28,700	10,100
" 400,000	24,800	8,800
" 300,000	19,800	7,300
" 200,000	Hourly Cost	Hourly Cost

NOTES:

1. These fees cover the project management of a contract for energy/utility/conservation projects where funding comes from utility grants, Energy Service Companies (ESCO), State Treasurer's Office LOCAL program, capital funds, third party financing or any combination thereof.
2. The Energy Section of the Division of Facilities, Engineering and Architectural Services will assist in: identifying appropriate cost effective energy conservation projects; identifying appropriate funding sources; obtaining project financing; selecting and contracting for ESCO services; obtaining technical studies which meet the approval of funding agencies; and, representing the client's interest during the design, construction and commissioning processes.
3. Termination fees cover the selection and project management costs associated with managing the ESCO's technical study that identifies cost effective energy conservation measures if the client decides not to proceed with the project through GA. The client will have no financial obligation to GA in the event cost effective energy conservation measures are not identified.

ATTACHMENT C

Interagency Reimbursement Costs for Monitoring Energy Conservation Projects

<u>RANGE OF ANNUAL SAVINGS</u>	<u>% FEE</u>	<u>RANGE OF ANNUAL FEE</u>
\$150,000 - and over	5.00%	\$8,250 - upward
125,000 - 149,999	5.50%	7,500 - 8,250
100,000 - 124,999	6.00%	6,500 - 7,500
90,000 - 99,999	6.50%	6,300 - 6,500
80,000 - 89,999	7.00%	6,000 - 6,300
70,000 - 79,999	7.50%	5,600 - 6,000
60,000 - 69,999	8.00%	5,100 - 5,600
50,000 - 59,999	8.50%	4,500 - 5,100
40,000 - 49,999	9.00%	3,800 - 4,500
30,000 - 39,999	9.50%	3,000 - 3,800
20,000 - 29,999	10.00%	2,000 - 3,000
Under 20,000		2,000 - 2,000

Scope of Work for Monitoring Energy Conservation Projects:

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. Negotiate change orders to an ESCO or Grant Agreement for the acquisition of additional equipment or services.
4. Manage and coordinate any ESCO and/or facility efforts in maintaining and operating the installed equipment.
5. Oversee training programs to ensure that the facility operating personnel are adequately trained in the operation and maintenance of the energy systems installed.
6. Provide annual letter report describing the ESCO's performance, equipment performance and operation, energy savings and additional opportunities, if any, to reduce energy costs.



STATE OF WASHINGTON
GENERAL ADMINISTRATION
ENGINEERING AND ARCHITECTURAL SERVICES
210 SW 11th Ave, Rm 206 * PO Box 41012 * Olympia, WA 98504-1012
(360) 902-7272 * Fax (360) 753-2848

May 28, 2009

Erin J. Leonhart
City of Kirkland
Public Works Department
123 Fifth Avenue
Kirkland, WA 98033-6189

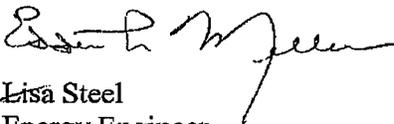
RE: Interagency Agreement No. 2008-508
Project No. 2009-011
Energy Conservation Project Management Services

Amendment No. 1

Enclosed is the above-referenced Amendment for signature. Please sign and return it to this office as soon as possible.

Should you have any questions or concerns, please contact me at (360) 902-7236.

Sincerely,



Lisa Steel
Energy Engineer

LS:em

Enclosure



INTERAGENCY Amendment

Department of General Administration

Date: May 28, 2009
Agreement No: 2008-508
Project No.: 2009-011
Amendment No: 1

Interagency Agreement Between the Department of General Administration And City of Kirkland

The parties to this Agreement, the Department of General Administration, Division of Facilities, Engineering & Architectural Services, hereinafter referred to as "GA", and the City of Kirkland, hereinafter referred to as the "CITY", hereby amend the Agreement as follows:

1. Statement of Work

GA 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-1", attached hereto and incorporated herein by reference. Unless otherwise specified, GA shall be responsible for performing all fiscal and program responsibilities as set forth in Attachment "A" and Attachment "C-1".

Projects shall be authorized by Amendment to this Agreement.

1.1 Energy projects outlined in Trane U.S. Inc. Comprehensive Solutions Group's Peter Kirk Community Center Energy Services Proposal dated May 12, 2009.

3. Period of Performance

Subject to its other provisions, the period of performance of this Agreement shall commence on February 5, 2008, and be completed on December 31, 2012 unless altered or amended as provided herein.

4. Consideration

Compensation under this Agreement shall be by Amendment to this Agreement for each authorized project.

For Project Management Services provided by GA under Attachment "A" of this Agreement, the CITY will pay GA a Project Management Fee for services based on the total project value per Project Management Fees Schedule set forth in Attachment "B-1".

For Monitoring Services provided by GA under Attachment "C-1" of this Agreement, the CITY will pay GA \$2,000.00 annually for each year of monitoring and verification services.

4.1 Energy Project Management Fee for the Peter Kirk Community Center HVAC Replacement is \$10,500.00

The new total Agreement value is \$10,500.00.

Compensation for services provided by the ESCO shall be paid directly to the ESCO by the CITY, after GA has reviewed, approved and sent the invoices to the CITY for payment.

5. Billing /Payment Procedure

GA shall submit a single invoice to the CITY upon completion of each authorized project, unless a project specified a Special Billing Condition in the Amendment. Each invoice will indicate clearly that it is for the services rendered in performance under this Agreement and shall reflect this Agreement and Amendment number.

GA shall invoice the CITY for all remaining services within 60 days of the termination of this Agreement.

The CITY shall pay all invoices received from GA within 90 days of receipt of properly executed invoice. The CITY shall notify GA in writing if the CITY cannot pay an invoice within 90 days.

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 Kirkland

**Department of General Administration
Division of Facilities
Engineering & Architectural Services**



Public Works Director 6/21/09
Title Date

Roger Wigfield, P.E.
Energy Program Manager

Title Date

2008508IAAamlcm

REVIEWED BY GA CFO 5/30/09

ATTACHMENT B-1

2009-11 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>
\$5,000,000 - or more		1.1% of project cost	\$25,500
Below	5,000,000	\$68,800	\$25,500
"	4,000,000	64,900	23,600
"	3,000,000	59,900	21,700
"	2,000,000	52,800	19,600
"	1,500,000	47,800	17,150
"	1,000,000	40,800	16,150
"	900,000	38,900	15,000
"	800,000	36,900	13,950
"	700,000	34,600	12,800
"	600,000	31,900	11,500
"	500,000	28,700	10,100
"	400,000	24,800	8,800
"	300,000	19,800	7,300
"	200,000	10,500	4,400
"	100,000	6,500	3,000
"	50,000	4,000	2,000
"	20,000	2,000	1,000

1. These fees cover project management services for energy/utility conservation projects managed by GA'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 CITY decides not to proceed with the project through GA.
3. If the project meets the CITY's cost effectiveness criteria and the CITY decides not to move forward with a project, then the CITY will be invoiced per Attachment B-1 Termination or \$25,500.00 whichever is less. If the CITY decides to proceed with the project then the Agreement will be amended per Attachment B-1 for Project Management Fee.
4. If the audit fails to produce a project that meets the CITY's established Cost Effectiveness Criteria, then there is no cost to the CITY and no further obligation by the CITY.

ATTACHMENT C-1

Scope of Work Energy/Utility Conservation Projects Monitoring Services

Statewide Energy Performance Contracting Program Master Energy Services Agreement No. 2007-041

If requested GA will provide the following monitoring services for each specific project for the CITY.

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.



STATE OF WASHINGTON
GENERAL ADMINISTRATION
 ENGINEERING AND ARCHITECTURAL SERVICES
 210 SW 11th Ave, Rm 206 * PO Box 41012 * Olympia, WA 98504-1012
 (360) 902-7272 * Fax (360) 753-2848

May 28, 2009

TO: Erin J. Leonhart, City of Kirkland
 FROM:  Eddie Miller, Contracts Specialist, (360) 902-7219
 RE: Authorization No. 2009-011 A (1)
 Amendment No. 1
 Project No. 2009-011 G (2-1)
 Project Title Peter Kirk Community Center HVAC Replacement
 Facility Name City of Kirkland

Trane U.S. Inc. Comprehensive Solutions Group

SUBJECT: Funding Approval

The Department of General Administration, E&AS, requires funding approval for the above referenced contract document(s). The amount required is as follows:

Energy Audit & Energy Services Proposal from 2009-011A (1)	\$ (12,815.00)
Energy Audit & Energy Services Proposal to 2009-011 B (2)	\$ 12,815.00
TOTAL	\$ 0.00

In accordance with the provisions of RCW 43.88, the signature affixed below certifies to the Division of Facilities, Engineering & Architectural Services that the above identified funds are appropriated, allotted, and that the using/client agency bears the liability for any issues related to the funding for this project. Otherwise it is the intent of the facility to obtain funding from the State Treasurer's Lease/Purchase or LOCAL program and/or obtain the balance from _____.

By _____
 Name Title Date

Please sign and return this form to E&AS. If you have any questions, please call me.





STATE OF WASHINGTON
GENERAL ADMINISTRATION
ENGINEERING AND ARCHITECTURAL SERVICES
210 SW 11th Ave, Rm 206 * PO Box 41012 * Olympia, WA 98504-1012
(360) 902-7272 * Fax (360) 753-2848

May 28, 2009

Trane U.S. Inc.
Comprehensive Solutions Group
2021 152nd Avenue NE
Redmond, WA 98052

RE: Authorization No. 2009-011 A (1)
Detailed Investment Grade Energy Audit & Energy Services Proposal
Peter Kirk Community Center
City of Kirkland

Amendment No. 1

Enclosed is the above-referenced Amendment for your signature. Please sign and return it to this office as soon as possible.

Please note that this Amendment is not binding upon the State of Washington until it is signed by the state's contracting officer. Therefore, should you begin work prior to receiving a signed copy of this Amendment, your firm will assume all risk associated with your actions.

Should you have any questions or concerns, please contact me at (360) 902-7236.

Sincerely,


Lisa Steel
Energy Engineer

LS:em

Enclosure

cc: Erin J. Leonhart, City of Kirkland



ENERGY SERVICES AUTHORIZATION AMENDMENT NO. 1

Project Title Detailed Investment Grade Energy Authorization No. 2009-011 A (1)
and Energy Services Proposal

Facility City of Kirkland Date May 28, 2009

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

Authorization (this sheet) Project Completion and Compensation
 Scope of Work Options: Modify Basic Services

Approvals

Energy Services Company:

Trane U.S. Inc.
 Comprehensive Solutions Group
 2021 152nd Avenue NE
 Redmond, WA, 98052

Owner:

City of Kirkland
 acting through the
 Department of General Administration,
 Division of Facilities,
 Engineering & Architectural Services

By: _____
 Name: _____
 Title: _____
 Date: _____

Lisa Steel
Energy Engineer

Compensation for this Authorization

Total Services being provided under this Authorization:

Basic Energy Services	COMPENSATION	
	Current	Previous
Energy Audit and Energy Services Proposal - Peter Kirk Community Center	\$ 12,000.00	\$ 24,815.00
Grand Total (Plus Washington State Sales Tax)	\$ 12,000.00	\$ 24,815.00

PROJECT COMPLETION AND COMPENSATION

Energy Services Compensation	Fee	Compensation	
		New	Previous
Energy Audit & Proposal to Authorization B		\$ (12,815.00)	\$ 24,815.00
Energy Services Sub-total =		\$ (12,815.00)	\$24,815.00
Maximum Energy Services Fee Amount (New + Previous) =			\$12,000.00

Energy Services Authorization Total = \$12,000.00

Value of this Amendment = \$(12,815.00) (Plus Washington State Sales Tax)

Scope of Work

This Amendment reduces the Energy Audit and Energy Services Proposal amount of \$24,815.00 by \$12,815.00, leaving \$12,000.00, and transfers the funds to Authorization No. 2009-011 B (2), City of Kirkland, Peter Kirk Community Center HVAC Replacement.

2009011Aam1em



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GENERAL ADMINISTRATION
 ENGINEERING AND ARCHITECTURAL SERVICES
 210 SW 11th Ave, Rm 206 * PO Box 41012 * Olympia, WA 98504-1012
 (360) 902-7272 * Fax (360) 753-2848

May 28, 2009

TO: Erin J. Leonhart, City of Kirkland
 FROM:  Eddie Miller, Contracts Specialist, (360) 902-7219
 RE: Authorization No. 2009-011 B (2)
 Peter Kirk Community Center HVAC Replacement
 Trane U.S. Inc. Comprehensive Solutions Group

SUBJECT: Funding Approval

The Department of General Administration, E&AS, requires funding approval for the above referenced contract document(s). The amount required is as follows:

Audit & Energy Services Proposal from Authorization 2009-011 A (1)	\$(12,815.00)
Audit & Energy Services Proposal to Authorization 2009-011 B (2)	\$ 12,815.00
Design and Implementation of Energy Conservation Measures	\$ 34,200.00
WSST Tax (9.5%) (includes tax on Audit & Proposal)	\$ 4,466.43
Total	\$ 38,666.43

In accordance with the provisions or RCW 43.88, the signature affixed below certifies to the Division of Facilities, Engineering & Architectural Services that the above identified funds are appropriated, allotted, and that the using/client agency bears the liability for any issues related to the funding for this project. Otherwise it is the intent of the facility to obtain funding from the State Treasurer's lease/purchase or LOCAL program and/or obtain the balance from _____.

By _____
 Name Title Date

Please sign and return this form to E&AS. If you have any questions, please call me.





STATE OF WASHINGTON
GENERAL ADMINISTRATION
ENGINEERING AND ARCHITECTURAL SERVICES
210 SW 11th Ave, Rm 206 * PO Box 41012 * Olympia, WA 98504-1012
(360) 902-7272 * Fax (360) 753-2848

May 28, 2009

Trane U.S. Inc.
Comprehensive Solutions Group
2021 152nd Avenue NE
Redmond, WA 98052

RE: Authorization No. 2009-011 B (2)
Peter Kirk Community Center HVAC Replacement
City of Kirkland

Enclosed is the above-referenced Authorization for your signature. Please sign and return it to this office as soon as possible.

Please note that this Authorization is not binding upon the State of Washington until it is signed by the state's contracting officer. Therefore, should you begin work prior to receiving a signed copy of this Authorization, your firm will assume all risk associated with your actions.

Should you have any questions or concerns, please contact me at (360) 902-7236.

Sincerely,


Lisa Steel
Energy Engineer

LS:em

Enclosure

cc: Erin J. Leonhart, City of Kirkland



ENERGY SERVICES AUTHORIZATION NO. 2009-011 B (2)

Peter Kirk Community Center HVAC Replacement

City of Kirkland

May 28, 2009

MASTER ENERGY SERVICES AGREEMENT NO. 2007-041 G (7)

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

Authorization to Proceed
Compensation for Energy Services

Project Conditions

I. AUTHORIZATION TO PROCEED:

Energy Services Company:

Owner:

Trane U.S. Inc.
Comprehensive Solutions Group
2021 152nd Avenue NE
Redmond, WA 98052
Telephone No. (425) 586-1618
Fax No. (425) 643-4314
E-Mail Address sharbers@trane.com

City of Kirkland
acting through the
Department of General Administration,
Division of Facilities,
Engineering and Architectural Services
PO Box 41012
Olympia, WA 98504
Telephone No. (360) 902-7272

By _____
Name _____
Title _____
Date _____

By _____
Name _____
Title _____
Date _____

State of Washington Contractor's License No. TRANE**934RE
State of Washington Revenue Registration No. 409 002 086
Federal Tax Identification No. 25-0900564
MWBE Certification No. _____

II. COMPENSATION FOR ENERGY SERVICES:

Name of Facility	COMPENSATION	
	New	Previous
Energy Audit and Energy Services Proposal	\$ 12,815.00	\$ 0.00
Design	\$ 9,200.00	\$ 0.00
Construction Management	\$ 5,750.00	\$ 0.00
Overhead and Profit	\$ 17,250.00	\$ 0.00
Monitoring & Verification – 1 st Year	\$ 2,000.00	\$ 0.00
Grand Total (plus WSST as applicable)	\$ 47,015.00	\$ 0.00

III. PROJECT CONDITIONS:

The Project Conditions contained in the Master Energy Services Agreement will be used unless specifically changed herein.

IV. SCOPE OF WORK:

Energy conservation measures under Contract No. 2009-011 G (2-1) will include replacement of the Peter Kirk Community Center HVAC system, 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 competitive bids. The ESCO will provide construction management, as-built drawings, and O&M manuals. All work is per the Trane U.S. Inc., City of Kirkland, Peter Kirk Community Center Energy Services Proposal dated May 12, 2009.

V. SCHEDULE FOR COMPLETION

Completion of this work will be within 62 calendar days after Authorization to Proceed.

2009011Bauthem



State of Washington

Department of General Administration

Facilities Division

Engineering & Architectural Services

210 11th Avenue, SW • PO Box 41012 • Olympia, WA 98504-1012

July 2, 2009

(360) 902.7272 • FAX (360) 753.2848

TO: Donna Burris, City of Kirkland

FROM:  Eddie Miller, Contracts Specialist, (360) 902-7219

RE: Contract No. 2009-011 G (2-1) Revised
Peter Kirk Community Center HVAC Replacement
Trane U.S. Inc. Comprehensive Solutions Group

SUBJECT: Funding Approval

The Department of General Administration, E&AS, requires funding approval for the above referenced contract document. The amount required is as follows:

ESCO Contract Amount	\$ 117,300.00
Sales Tax (9.5%)	\$ 11,143.50
Contingency Amount (with Tax)	<u>\$ 6,422.07</u>
Total	\$ 134,865.57

In accordance with the provisions of RCW 43.88, the signature affixed below certifies to the Division of Facilities, Engineering & Architectural Services that the above identified funds are appropriated, allotted, and that the using/client agency bears the liability for any issues related to the funding for this project. Otherwise it is the intent of the facility to obtain funding from the State Treasurer's Lease/Purchase or LOCAL program and/or obtain the balance from _____.

By _____
Name Title Date

Please sign and return this form to E&AS. If you have any questions, please call me.





State of Washington

Department of General Administration

Facilities Division

Engineering & Architectural Services

210 11th Avenue, SW • PO Box 41012 • Olympia, WA 98504-1012

July 2, 2009

(360) 902.7272 • FAX (360) 753.2848

Trane U.S. Inc.
Comprehensive Solutions Group
2021 152nd Avenue NE
Redmond, WA 98052

RE: ESCO Contract No. 2009-011 G (2-1) Revised
Peter Kirk Community Center HVAC Replacement
City of Kirkland

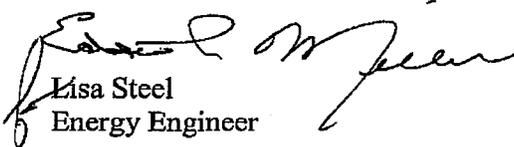
We have enclosed the following documents:

1. Energy Service Company Contract with payment and performance bond.
2. Certificate of Insurance form and memo for your insurance agent.
3. Retainage investment form.

Please be advised that the General Conditions for Washington State Facility Construction require that the above listed documents be returned to Engineering & Architectural Services (E&AS) within 15 days of receipt, or E&AS may terminate the award of this ESCO contract. Transmittal of this ESCO contract for signature and request for bond and insurance does not obligate E&AS to proceed with award. This ESCO contract is not binding upon the State of Washington until it has been duly signed by E&AS' contracting officer.

Should you have any questions about this contract package, please call Eddie Miller, Contracts Specialist, at (360) 902-7219.

Sincerely,


Lisa Steel
Energy Engineer

LS:em

Enclosures

cc: Donna Burris, City of Kirkland



ESCO Contract No.	<u>2009-011 G (2-1) Revised</u>
Project	<u>Peter Kirk Community Center</u> <u>HVAC Replacement</u>
Agency	<u>City of Kirkland</u>
Date	<u>July 2, 2009</u>

STATE OF WASHINGTON

ENERGY SERVICE COMPANY (ESCO) CONSTRUCTION CONTRACT

For the DIVISION OF FACILITIES, ENGINEERING & ARCHITECTURAL SERVICES

This Energy Service Company (ESCO) Construction Contract, made and entered into this 2nd day of July, 2009, shall be the agreed basis of performing the following work by and between the State of Washington, City of Kirkland acting through the Department of General Administration, Division of Facilities, Engineering & Architectural Services, hereinafter referred to as the Owner, and

Trane U.S. Inc.
Comprehensive Solutions Group
2021 152nd Avenue NE
Redmond, WA 98052
Telephone (425) 586-1618
Fax (425) 643-4314

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 May 12, 2009, for:

Energy Services Authorization No. 2009-011 B (2)
Master Energy Services Agreement No. 2007-041 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, *Conditions of the Master Energy Services Agreement, Instructions to Bidders/General Conditions/Supplemental Conditions For State Facility Construction, EPC Modifications to Instructions to Bidders/*

General Conditions/Supplemental Conditions For State Facility Construction, 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 62 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 \$117,300.00, plus 9.5% state sales tax consisting of the following:

ESCO Contract Cost	\$ 117,300.00
--------------------	---------------

The ESCO shall bond this contract at 100% of the construction contract cost, plus Washington State sales tax, per Section 13 of the Conditions of the Energy Services Agreement. The construction value 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 General Administration, Division of 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.

ESCO:
Trane U.S. Inc.

Owner:
Division of Facilities
Engineering & Architectural Services

By _____
Name _____
Title _____
Date _____

By _____
Name Roger Wigfield, P.E.
Title _____
Date _____

Washington State Contractor's License No. TRANE**934RE
Federal Tax ID No. 25-0900465
UBI Number 409 002 086
MWBE Certification No. _____
E-mail address: sharbers@trane.com

July 2, 2009

SCOPE OF WORK

ESCO Contract No. 2009-011 G (2-1) Revised

**Peter Kirk Community Center HVAC Replacement
City of Kirkland**

Replace the HVAC system at the Peter Kirk Community Center, including any and all necessary ancillary equipment, as described in the City of Kirkland Peter Kirk Community Center Energy Services Proposal dated May 12, 2009.



State of Washington

Department of General Administration

Facilities Division

Engineering & Architectural Services

210 11th Avenue, SW • PO Box 41012 • Olympia, WA 98504-1012

July 2, 2009

(360) 902.7272 • FAX (360) 753.2848

RETAINAGE INVESTMENT

ESCO Contractor	Trane U.S. Inc. Comprehensive Solutions Group
ESCO Contract No.	2009-011 G (2-1) Revised
Description	Peter Kirk Community Center HVAC Replacement
Client Agency	City of Kirkland

Pursuant to R.C.W. 60.28, you are required to exercise your option, IN WRITING, 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 the Division of 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

_____ I do not request retainage on the above contract to be invested.

_____ I hereby request retainage on the above contract to be invested.

_____/Date
Signature

Title

