



# McCleary Regular City Council Meeting

Wednesday, September 25, 2024 – 6:30 PM

McCleary Community Center & Zoom Virtual Meeting

## Agenda

### Join Zoom Meeting

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Meeting ID: **817 9207 7978**

Passcode: **144764**

**(253) 215-8782**

**Call to Order/Flag Salute/Roll Call**

**Agenda Modifications/Acceptance**

**Special Presentations**

**Public Comment - Agenda Items Only**

**Consent Agenda**

1. Accounts Payable Sept. 1-16, 2024 Check Numbers 53722-53776 Including EFT's totaling \$210,515.53

**Updates**

**New Business**

**Old Business**

- [2.](#) Washington Department of Enterprise Services Energy Services Authorization/Agreement
- [3.](#) Right!Systems  
IT Update - Contract Extension Request

**Ordinances and Resolutions**

**Public Comment - City Business Only**

**Executive Session**

**Council Comments**

**Mayor Comments**

**Adjourn**

**Please turn off Cell Phones- Thank you**

Americans with Disabilities Act (ADA) Accommodation is Provided Upon Request.

The City of McCleary is an equal opportunity provider and employer.

La ciudad de McCleary es un proveedor de igualdad de oportunidades y el empleador.



## CITY COUNCIL AGENDA ITEM COVER SHEET

**FROM:** Chad Bedlington, Director of Public Works

**DATE:** September 11, 2024

**AGENDA ITEM  
TITLE:** Washington Department of Enterprise Services  
Energy Services Authorization/Agreement

### SUMMARY

The City submitted a Community Decarbonization Grant (CDG) Application earlier this year and was awarded grant funds for a solar array project in June of 2024. A presentation on the project and contracting delivery method(s) was given to City Council on July 10, 2024 and additional information was provided at the July 24<sup>th</sup>, August 14<sup>th</sup>, and August 28<sup>th</sup> meetings by staff and Ameresco (Energy Savings Company) contractor on the project. Council showed interest in the project, but required further time to consider several questions. Detailed information and Frequently Asked Questions (FAQ) about the project can be found on the City Website at:

<https://www.cityofmccleary.com/buildingplanning/page/mccleary-solar-array-project>.

The next step in the process of developing the project is to complete an Investment Grade Audit (IGA) and generate an Energy Services Proposal (ESP). The IGA is completed to determine cost savings through independent power generation (solar), and the ESP will refine costs for delivery of the project and includes development of 30% project design. In addition to moving forward with the IGA/ESP, Ameresco is also offering to provide a 25-year maintenance agreement as part of the proposed project.

Administration of the IGA and ESP is overseen through direct contracting with the State of Washington Department of Enterprise Services. State funding authorization forms for the IGA and ESP are attached for consideration. Concurrent with the IGA and ESP creation will be the drafting of an Agreement with the State Department of Commerce to secure the grant funding for the project.

### FISCAL IMPACT

The cost to complete the IGA and ESP is \$47,978.00, and is 100% reimbursable through the Department of Commerce CDG Agreement upon execution. The initial cost of the IGA and ESP will be borne by the City and paid for from the Light and Power fund 401.

**RECOMMENDATION/ACTION REQUESTED**

Approve signing of the Agreement with the Department of Enterprise Services.



STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

1500 Jefferson St. SE, Olympia, WA 98501
PO Box 41476, Olympia, WA 98504-1476

ENERGY SERVICES AUTHORIZATION NO. 2025-088 A (1)
Detailed Investment Grade Energy Audit & Energy Services Proposal Agreement
City of McCleary
McCleary Solar PV System
July 16, 2024
MAIN ENERGY SERVICES AGREEMENT NO. 2023-185 A (1)

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
Scope of Work

Schedule for Completion
Civil Rights
Non-Discrimination

I. AUTHORIZATION TO PROCEED:

Energy Services Company:

Ameresco, Inc.
222 Williams Ave. South, Suite 100
Renton, WA 98057
Telephone No. (206) 708-2830
Fax No.(425) 687-3173
E-Mail AmerescoWADES@ameresco.com

Owner:

City of McCleary
acting through the
Department of Enterprise Services
Energy Program
PO Box 41476
Olympia, WA 98504

By \_\_\_\_\_
Name \_\_\_\_\_
Title \_\_\_\_\_
Date \_\_\_\_\_

By \_\_\_\_\_
Name Kirsten G. Wilson, PE
Title Energy Program Manager
Date \_\_\_\_\_

State of Washington Contractor's License No. AMEREI\*004PZ
State of Washington Revenue Registration No. 602 062 980

II. COMPENSATION FOR ENERGY SERVICES:

Table with 2 columns: Basic Services, COMPENSATION. Rows include Energy Audit and Energy Services Proposal (\$ 47,978.00) and Grand Total (plus WSST as applicable) (\$ 47,978.00).

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### **III. PROJECT CONDITIONS:**

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The Project Conditions contained in the Main Energy Services Agreement will be used unless specifically changed herein. The cost effectiveness criteria for this project are per the Ameresco, Inc. proposal dated July 10, 2024.

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### **IV. SCOPE OF WORK:**

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Per the ESCO proposal dated July 10, 2024 conduct a Detailed Investment Grade Energy Audit of City of McCleary, to identify cost effective energy conservation measures and present a written Energy Services Proposal, including all energy audit documentation. The ESCO shall prepare the final Energy Services Proposal, detailing the actual energy services and ESCO equipment to be provided, energy savings and cost guarantees, measurement and verification plans, and commissioning plans for the proposed measures. Measures will include items that save energy, water and other resources. The Cost Effectiveness Criteria for this project shall be as established in the Main Energy Services Agreement or as modified in Section III above.

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### **V. SCHEDULE FOR COMPLETION**

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Final completion of the Energy Audit and Energy Services Proposal within 120 calendar days after Authorization to Proceed.

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### **VI. CIVIL RIGHTS**

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Contractor represents and warrants that Contractor complies with all applicable requirements regarding civil rights. Such requirements prohibit discrimination against individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin.

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### **VII. NON-DISCRIMINATION**

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1. Nondiscrimination Requirement. During the term of this Contract, Contractor, including any subcontractor, shall not discriminate on the bases enumerated at RCW 49.60.530(3). In addition, Contractor, including any subcontractor, shall give written notice of this nondiscrimination requirement to any labor organizations with which Contractor, or subcontractor, has a collective bargaining or other agreement.
2. Obligation to Cooperate. Contractor, including any subcontractor, shall cooperate and comply with any Washington state agency investigation regarding any allegation that Contractor, including any subcontractor, has engaged in discrimination prohibited by this Contract pursuant to RCW 49.60.530(3).

3. Default. Notwithstanding any provision to the contrary, Agency may suspend Contractor, including any subcontractor, upon notice of a failure to participate and cooperate with any state agency investigation into alleged discrimination prohibited by this Contract, pursuant to RCW 49.60.530(3). Any such suspension will remain in place until Agency receives notification that Contractor, including any subcontractor, is cooperating with the investigating state agency. In the event Contractor, or subcontractor, is determined to have engaged in discrimination identified at RCW 49.60.530(3), Agency may terminate this Contract in whole or in part, and Contractor, subcontractor, or both, may be referred for debarment as provided in RCW 39.26.200. Contractor or subcontractor may be given a reasonable time in which to cure this noncompliance, including implementing conditions consistent with any court-ordered injunctive relief or settlement agreement.
  
4. Remedies for Breach. Notwithstanding any provision to the contrary, in the event of Contract termination or suspension for engaging in discrimination, Contractor, subcontractor, or both, shall be liable for contract damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, which damages are distinct from any penalties imposed under Chapter 49.60, RCW. Agency shall have the right to deduct from any monies due to Contractor or subcontractor, or that thereafter become due, an amount for damages Contractor or subcontractor will owe Agency for default under this provision.

2025088Aagrko



222 Williams Avenue South, Suite 100  
Renton, WA 98057  
P: 206 522 4270  
F: 425 687 3171  
ameresco.com

July 10<sup>th</sup>, 2024

Chad A. Bedlington  
City of McCleary  
100 S 3rd Street  
McCleary, WA 98557

Attn: Sarah Thomasson  
Department of Enterprise Services  
1500 Jefferson Street SE  
PO Box 41476  
Olympia, WA 98504-1401

SUBJECT: City of McCleary - Investment Grade Audit Fee Proposal  
City of McCleary Solar PV System

Dear Chad:

We are pleased to submit this amendment for the audit phase of the City of McCleary Solar PV System. The facility which has been identified by City of McCleary is Parcel # 618051114039 (herein referred to as the Site). Ameresco will provide development services for the subject project in accordance with the following:

Development Services

A. Audit Phase Services will include:

Ameresco will undertake a targeted Investment Grade Audit (IGA) of the Site. The Investment Grade Audit will identify cost effective Energy Conservation Measures (ECMs). Ameresco will present to the Owner a written Investment Grade Audit (IGA) Report and an Energy Services Proposal (ESP). Audit activities will include: site walks with client and subcontractors, preliminary system sizing and schematic design, and interconnection discussion with Bonneville Power Administration and the City of McCleary.

Ameresco will require collaboration with the City of McCleary Light and Power including: utility rate data, access to staff and Site, current energy management practices, input regarding interconnection with the utility, and future plans the City may have for the Site.

The **Investment Grade Audit Report** will set forth at least the following:

1. Executive summary of the audit findings;
2. A description of the Site including type of use, square footage, and location;
3. Utility rate schedules for production value estimating;



4. Detailed energy analysis calculations. Energy model is performed using Helioscope software, baseline modeling assumptions, and summary of results;
5. A list of applicable building, mechanical, energy, or other pertinent state and local codes that may impact the project costs;
6. Description of energy efficiency measures recommended;
7. Description of energy efficiency measures considered and not recommended or not financially viable;
8. Measurement and verification (M&V) plan proposed for verifying energy savings consistent with the International Performance Measurement and Verification Protocol (IPMVP);
9. Financial analysis of EEMs;
10. Summary table with measure name, installed cost, and energy production by utility;
11. The audit will incorporate a 30% design incorporating the following: Site layout with solar panel layout and potential interconnection point and Electrical single line with interconnection voltage identified

The **Energy Services Proposal** will set forth at least the following:

1. The selected ESCO Equipment to be installed and ESCO Services; to be provided
2. The Cost Effective EEMs to be installed or caused to be installed by ESCO under the cost-effectiveness criteria.
3. The Benefits including the Energy Cost Savings, the decreased carbon production, operations and maintenance savings, and other non-energy cost savings.
4. The services that ESCO will perform or cause to be performed on or in the Facility, including but not limited to engineering, construction management, self-performed work, the operations and maintenance procedures for use on ESCO Equipment, training for Facility personnel, providing warranty service, and equipment maintenance;
5. The Guaranteed Maximum Project Cost, itemized in detail (including but not limited to direct labor, material and equipment, Construction Contingency, performance bond, design, construction management, and overhead and profit), which may be amended to represent actual costs;
6. The calculated and Guaranteed Energy Savings and estimated Energy Cost Savings that are expected to result from the installation of ESCO Equipment and from ESCO Service.
7. The method by which Energy Savings and Energy Cost Savings will be calculated during the term of the Energy Services Authorization;
8. A description of how ESCO will finance its acquisition of ESCO Equipment and when title to ESCO Equipment will pass to the Owner;
9. A description of how Energy Savings will be guaranteed by ESCO;
10. A description of how ESCO proposes to be compensated;
11. The term of the Energy Services Authorization;
12. The Termination Value for each year during the term of the Energy Services Authorization;
13. The schedule for project completion;
14. The nature and extent of the Work and equipment that ESCO anticipates it will receive from other firms under subcontract;
15. A project-specific Diverse Business Inclusion Plan (Inclusion Plan), when applicable and where constraints or other factors prevent ESCO from applying its pre-submitted Diverse Business Inclusion Plan to the Work.



16. ESCO's Measurement and Verification (M&V) Plan for documenting energy savings, including specifying utility rates to be used, methodology, post-construction equipment adjustment and any recommendation to continue or discontinue M&V reporting beyond the first 12-months post-installation, consistent with the International Performance Measurement and Verification Protocol (IPMVP), specifying how the cost of M&V was determined if they exceed 10% of cost savings;
17. A list of applicable building, mechanical, energy or other pertinent state and local codes for selected EEMS that may impact the project costs.

Conservation measures will include items that save energy, water, or other resources (including various cost savings measures). Measures to be studied under this audit agreement are outlined in the Conservation Measure List attachment. *Should additional measures be requested, an amendment to this proposal may be submitted and associated costs evaluated as applicable. Additional measures requiring supplemental fees will not be studied until the Audit Amendment is approved and processed.*

Cost Effectiveness Criteria

It is understood that the cost effectiveness criteria for this project include measures that are paid for through a capital contribution of \$50,000, a grant contribution of \$2,750,000, and/or potential utility cost savings and Federal Tax Credits. Ameresco will present to the Owner a project that meets the requirements of the awarded WA Dept. of Commerce Decarbonization Grant.

- If Ameresco is NOT able to develop a project that meets the above cost effectiveness criteria and City of McCleary chooses not to proceed with a construction contract, the associated audit fee will be waived.
- If Ameresco develops a project that meets the cost effectiveness criteria, City of McCleary is responsible for the full amount of the audit; the audit fee can either be rolled into the construction contract or be paid in full by City of McCleary.

Fee for Development Services:

A. Basis and amount:

Fixed Fee for Services

Audit & Development:                 \$22,358

Engineering Services (30% Design Set):     \$25,620

**Total:             \$47,978**

It is understood by Ameresco that payment and terms are contingent upon the requirements set forth in the Energy Services Proposal.

Schedule for Development Services:

The Investment Grade Audit Report will be completed within 90 days of the Notice to Proceed. The Energy Services Proposal will be completed within 120 days of the Notice to Proceed.

We at Ameresco, Inc. appreciate the opportunity to provide these services. If this proposal for Audit Services is satisfactory, please forward contract documents.

Sincerely,  
Ameresco, Inc.

*Matthew Bowser*

Project Development Engineer

Attachments: Fee Proposal, Conservation Measure Lists

**Hourly Summary:**

TASK	Field Audit					Total Hours
	Project Developer	Project Engineer	Construction Manager	Technician / TAB / Cx	Admin. Assistant	
Field/Audit	8					8
Analysis/Calculations	20	16		2		38
Evaluation of ECMs	8	8	4	2		22
Report Write-up	32	16			4	52
Customer Presentation	8	4	4		4	20
Travel	8					8
<b>Total Hours:</b>	<b>84</b>	<b>44</b>	<b>8</b>	<b>4</b>	<b>8</b>	<b>148</b>
<b>Hourly Rate:</b>	<b>\$ 148</b>	<b>\$ 128</b>	<b>\$ 145</b>	<b>\$ 114</b>	<b>\$ 78</b>	
<b>Estimated Fee for Services:</b>	<b>\$ 12,432</b>	<b>\$ 5,632</b>	<b>\$ 1,160</b>	<b>\$ 456</b>	<b>\$ 624</b>	<b>\$ 20,304</b>
					Travel	\$ 2,054
					Engineering/Design	\$ 25,620
					<b>Total Audit Fee:</b>	<b>\$ 47,978</b>

McCleary Light and Power			M&V
Electric Conservation Measures		Rank	
MLP-E1	Solar PV - This measure will investigate installing a ground mount solar electricity generation system to reduce carbon emissions and lower energy costs.	3	IPMVP Option A

**PAYBACK RANK NOTES:**

- 1) Measures that are likely to pay for themselves through energy savings and utility incentives.
- 2) Measures that may pay for themselves, or may require some capital infusion
- 3) Measures that will require significant (>50%) capital infusion



STATE OF WASHINGTON  
DEPARTMENT OF ENTERPRISE SERVICES

1500 Jefferson St. SE, Olympia, WA 98501  
PO Box 41476, Olympia, WA 98504-1476

July 16, 2024

TO: Chad Bedlington, City of McCleary  
FROM: Kim Obi, Contracts Specialist, (360) 972-5003  
RE Agreement No. 2025-088 A (1)  
IGA – McCleary Solar PV System  
IAA No. K7925  
Ameresco, Inc.

SUBJECT: Funding Approval

The Dept. of Enterprise Services (DES), Energy Program, requires funding approval for the above referenced contract documents. The amount required is as follows:

ESCO Audit	\$ 47,978.00
<b>Total Funding</b>	<b>\$ 47,978.00</b>

**In accordance with the provisions of RCW 43.88, the signature affixed below certifies to the DES Energy Program that the above identified funds are appropriated, allotted or that funding will be obtained from other sources available to the using client/agency. The using/client agency bears the liability for any issues related to the funding for this project**

By \_\_\_\_\_  
Name / Title Date

Please sign and return this form to the Energy Program. If you have any questions, please call me.

2025088Aagrundingko



## CITY COUNCIL AGENDA ITEM COVER SHEET

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**FROM:** Chad Bedlington, Director of Public Works

**DATE:** September 25, 2024

**AGENDA ITEM  
TITLE:** Right!Systems  
IT Update - Contract Extension Request

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### SUMMARY

The City contracted with Right!Systems earlier this year to perform managed information technology support under a six month agreement. The contract is due to expire on September 30, 2024. The City is currently, through a Request for Proposals (RFP) process, seeking long term managed IT services. Unfortunately, an extension of time was required for the RFP process to be completed as several vendors who are interested in submitting RFP's did not receive their electronic notifications in a timely manner due to technical error.

Staff is requesting Council to approve a one-month extension of services from Right!Systems to allow adequate time to complete review, selection, and approval of a long term Managed IT provider. An extension request is attached for approval.

### FISCAL IMPACT

The monthly cost for services from Right!Systems is \$5,118.30.

### RECOMMENDATION/ACTION REQUESTED

Approve signing of the one-month extension.



# AGREEMENT AMENDMENT

In reference to the Managed Services Agreement between Right! Systems, Inc. (RSI) and City of McCleary, both parties hereby agree, by the signature of an authorized representative, that this document will amend and be fully incorporated into the existing agreement.

**AGREEMENT NAME:** Managed Service Agreement  
**REASON FOR AMENDMENT:** Extend through October

Original End Date	New End Date
9/30/2024	10/31/2024

**Purchase Order Issuance (if applicable):** City of McCleary shall issue a written Purchase Order to RSI or shall issue an Amendment to its original Purchase Order issued under this Agreement.

Except as changed herein, all terms and conditions of the original Agreement remain in full force and effect.

IN WITNESS WHEREOF, the duly authorized representatives of the parties hereto have caused this Agreement Amendment to be fully executed.

**Right! Systems Inc.**

**City of McCleary**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed or Typed Name

\_\_\_\_\_  
Printed or Typed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

This Amendment is valid for signature 15 days September 18, 2024.

Please email signed document to [projectservices@rightsys.com](mailto:projectservices@rightsys.com) .