

# Meeting of the Board of Commissioners

## TUKWILA METROPOLITAN PARK DISTRICT

Allan Ekberg, *President of the Board*  
Verna Seal, *Clerk of the Board*

*Board Members:* ▶ Joe Duffie ▶ Dennis Robertson  
▶ Kathy Hougardy  
▶ De'Sean Quinn ▶ Kate Kruller

**Monday, January 9, 2012, 6:00 PM**  
**Tukwila City Hall Council Chambers**

**Resolution #8**

**1. CALL TO ORDER**

**2. CITIZEN COMMENTS**

**3. BUSINESS ITEMS**

- a. Approval of minutes: 12/12/11
- b. 2012 Board Appointments:
  - (1) Appointment of Commissioner Seal as Board President.
  - (2) Appointment of Commissioner Hougardy as Clerk of the Board.
- c. Energy Savings Performance Contracting Program items:
  - (1) ***Interagency agreement:*** Authorize the Board President to sign the interagency agreement with the Washington Department of Enterprise Services (DES) for Consultant, Engineering and Project Management services using the Energy Savings Performance Contracting Program.
  - (2) ***Selection of Energy Services Company:*** Authorize the selection of McKinstry Energy Services as the Energy Services Company (ESCO) from the DES prequalified list for the Tukwila Pool Capital Improvement Program project, and authorize the Board President to sign related documentation.
  - (3) ***Investment grade audit:*** Authorize the initiation of the investment grade audit at the Tukwila Pool for \$29,151 for the ESCO's work and \$47,800 for Washington DES Project Management, and authorize the Board President to sign related documentation.
- d. Authorize the approval of the draft long-term agenda.
- e. Update and timeline regarding Citizens Pool Advisory Committee (information only).

**Pg.1**

**Pg.31**

**Pg.33**

**4. REPORTS**

- a. Commissioners: Voucher report
- b. Staff: Next meeting is February 13, 2012.

**5. MISCELLANEOUS**

**6. ADJOURNMENT**

**Tukwila City Hall is wheelchair accessible.**

Reasonable accommodations are available at public hearings with advance notice to the City Clerk's Office (206-433-1800 or tukclerk@tukwilawa.gov). This notice is available at [www.tukwilawa.gov](http://www.tukwilawa.gov), and in alternate formats with advance notice for those with disabilities.

**Tukwila Metropolitan Park District Board meetings are audio taped.**



# **INFORMATIONAL MEMORANDUM**

## **Tukwila Metropolitan Park District**

**TO: Tukwila Pool MPD Board President**

**FROM: Rick Still, Parks and Recreation Director  
Robert Eaton, Project Coordinator**

**DATE: January 4, 2012**

**SUBJECT: Energy Savings Performance Contracting Program Overview**

### **ISSUE**

This is a high level review of three steps pertaining to the Energy Savings Performance Contracting process for the Tukwila Pool. The purpose of this memo is to aid in walking through these three decision points that need to be made.

### **BACKGROUND**

In efforts to move this project along so that a fall construction timeline can still be realized, staff have prepared a high level review of the three decision points that need to be made to advance the progress of this project. Each step is a decision point that staff is seeking Board action.

There is a detailed Informational Memo for each of the steps explaining the options of each decision point. All three memos are attached. The three steps are summarized below:

Step 1. ESPC Program and Interagency Agreement (Exhibit 1)

Step 2. Selection of Energy Services Company (Exhibit 2)

Step 3. Investment Grade Audit (Exhibit 3)

### **DISCUSSION**

To aid in moving through all the information and all three decision points, the Board action points listed below are staff's recommendations for each of the decision points. The other options for each step are listed in the Discussion area of the appropriate memo.

### **RECOMMENDATION**

#### **Step 1, ESPC Program and Interagency Agreement:**

Staff recommends the Board to consider at the January 9, 2012 MPD Board Meeting, to authorize the Board President to sign the Interagency Agreement with Washington Department of Enterprise Services (DES) for Consultant, Engineering and Project Management services using the Energy Savings Performance Contracting program.

**Step 2, Selection of Energy Services Company (ESCO):**

Staff recommends the Board to consider at the January 9, 2012 MPD Board Meeting, to approve the selection of McKinstry Energy Services as the ESCO from the DES prequalified list for the Tukwila Pool CIP Project.

**Step 3, Investment Grade Audit:**

Staff recommends the Board to consider at the January 9, 2012 MPD Board Meeting, to authorize the DES to initiate the approved ESCO to begin the Investment Grade Audit at the Tukwila Pool for \$29,151 for the ESCO's work and \$47,800 for Washington DES Project Management.

**ATTACHMENTS**

- Exhibit 1) Informational Memo – ESPC Program and Interagency Agreement (dated 1-4-12)
- Exhibit 2) Informational Memo – Selection of Energy Services Company (dated 1-4-12)
- Exhibit 3) Informational Memo – Investment Grade Audit (dated 1-4-12)

# INFORMATIONAL MEMORANDUM

## Tukwila Metropolitan Park District

TO: Tukwila Pool MPD Board President

FROM: Rick Still, Parks and Recreation Director  
Robert Eaton, Project Coordinator

DATE: January 4, 2012

SUBJECT: ESPC Program and Interagency Agreement

**Exhibit 1**

### ISSUE

The Energy Savings Performance Contracting (ESPC) program, through the Washington State Department of Enterprise Services (DES), can be utilized to complete the Tukwila Pool Capital Improvement Projects. An Interagency Agreement needs to be entered into with the State to utilize this program.

### BACKGROUND

As a quick side note, recently the Washington State Department of General Administration (GA) has changed to the Washington Department of Enterprise Services (DES). As we progress through this program you will see both the GA and DES, they are one in the same.

This purpose of this memo is to accomplish three items, 1) delve deeper into the ESPC Program details answering any questions you have about it, 2) initiate the Interagency Agreement with the DES and 3) outline the Project Timeline.

#### **Item 1) ESPC Program Details**

Attachment A is the Informational Memo – ESPC Overview from the December 12, 2011 Board Meeting. Here is a section of that memo for quick reference. *“ESPC is a professional service by the State that utilizes energy savings to help fund capital projects. The ESPC program was established in 1986 and meets all bidding criteria for capital projects. State and local governments, public school districts, colleges and universities have all utilized this service.*

*Some benefits of this program are:*

- *Known guaranteed maximum price for the project*
- *Guaranteed energy savings, otherwise the difference will be reimbursed to the owner*
- *Open Book Pricing and construction cost reconciliation assure best value for owner*
- *Allows selection of the most qualified general contractor not the “lowest bidder”*

The City of Tukwila just finished a grant funded energy savings lighting retrofit project throughout several city facilities that used the ESPC program. For that project, the City entered into the Interagency Agreement with the DES and Ameresco Quantum was the ESCO selected after the City conducted phone interviews with two different ESCOs. Todd Flynn, Energy Engineer DES, participated in the phone interviews.

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**Item 2) Interagency Agreement**

The Tukwila MPD would enter into an Interagency Agreement (IAA) with the DES to participate in the ESPC Program and to work with one of the prequalified ESCOs. Attachment B is a copy of the Interagency Agreement. This document is the first step in moving forward with this program. It also allows the MPD to work with the DES for Engineering, Consulting and Project Management.

By entering into the Interagency Agreement with the DES the project is officially initiated. Todd Flynn with DES has two signed copies with him tonight.

**Item 3) Project Timeline**

All ESPC Projects follow the same six steps. The first three steps can be moved through very quickly. Steps four and five are the major time investments and then step six is follow up for one year after construction is complete. Below are the six steps.

Typical ESPC Project Sequence:

1. Project initiated by an Interagency Agreement
2. ESCO Selection
3. Preliminary Audit
4. Investment Grade Audit
5. Design and Construction
6. Measurement and Verification

The recommended timeline for these six steps for the Tukwila Pool Capital Improvement Projects is outlined below.

**January 9, 2012 MPD Board Meeting**

- Step 1) Enter into Interagency Agreement with the DES
- Step 2) Select an ESCO
- Step 3) Authorize the ESCO to conduct the Preliminary Audit
- Step 4) Authorize the ESCO to conduct the Investment Grade Audit

February – March

Implementation of the Investment Grade Audit (data logging, calculations,)

March – April

Development of the Facility Improvement Measures and Rough Order of Magnitude

**April 9, 2012 MPD Board Meeting**

Rough Order of Magnitude presentation to Board

**May 14, 2012 MPD Board Meeting**

Presentation of the ESP to Board

Authorize the ESCO to move forward with implementing the Energy Savings Performance Contract

May – October

Step 5) Design and Pre-Construction:

- Complete design
- Order long lead time equipment
- Develop Bid Packages and obtain sub-contractor bids
- Secure Utility Rebate Incentives
- Obtain Permits

November 2012

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Construction Begins  
January - December 2013  
Step 6) Measurement and Verification

Attachment C is a summary list of consultants that have seen and inspected the pool for various project and Capital Improvement items over that last several years. Staff shared this list with the citizen's group at their November 19<sup>th</sup> meeting. It was a handout at the meeting and not included in the packet of information that went to the Board. This list is a reflection of staff's awareness of the projects that need to happen at the pool.

## **DISCUSSION**

There are three options before the Board:

Option 1) Approve the use of the ESPC program by authorizing the Board President to sign the Interagency Agreement with Washington Department of Enterprise Services (DES) for Consultant, Engineering and Project Management services.

By entering in to this program and using the DES as the Consultant and Project Manager, greater knowledge and experience are gained. There are 11 Engineers on staff with DES and the ESCO's staff has years of knowledge and experience with these kinds of projects as well. This will aid in much greater development of the scope of work and specifications of the project and produces a much faster timeline for the project starting construction in November feasible. City Staff will still be managing the project as the Owner and will be greatly involved in all the steps throughout the entire process.

Option 2) Enter into an agreement with an ESCO without using the Washington DES for Consultant, Engineering, and Project Management.

If this option is chosen then the knowledge and experience of the 11 DES Engineers is lost as well as their Project Management. To select an ESCO and do an ESPC project without using the state, then an RFQ process needs to be conducted, which could further delay the project. Also, without having DES to manage the project there could be issues with the time constraints of contracted city staff to manage the project. The only benefit of this option is the financial savings of not contracting with DES, approximately 3% of the overall project cost.

Option 3) Direct staff to act as their own ESCO and perform the ESCO duties and manage the project in house.

The biggest downside of this option is that staff is not aware of all the various utility rebates and incentives available for this kind of project. The utility companies are not as accustomed to working with non-ESCO agencies for this kind of project. And similar to option 2, all the knowledge and experience of the DES, and now the ESCO too, are lost. Since no Investment Grade Audit would be conducted, there would be no baseline information for computing energy savings making utility rebates more difficult to get. Also, there will not be a known guaranteed maximum project cost.

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There would be an even greater issue with time constraints of contracted city staff to manage the entire project and the project would take much longer to accomplish. An RFQ process would have to be conducted to hire outside consultants and the problem with that is that most of the qualified firms are already on the DES prequalified ESCO List. Construction this November is not feasible with this option. The only real benefit of this option is again, not having a 3% project management cost for DES. There would still be the expense of hiring an ESCO-like consultant for the design and specifications work so that would not be any savings to the project.

Staff recommendation is Option 1.

### **RECOMMENDATION**

Staff recommends the Board to consider at the January 9, 2012 MPD Board Meeting, to authorize the Board President to sign the Interagency Agreement with Washington Department of Enterprise Services for Consultant, Engineering and Project Management services using the Energy Savings Performance Contracting program.

### **ATTACHMENT**

- A) Informational Memo - ESPC Overview (attachments not included) (dated 12-2-11)
- B) Interagency Agreement
- C) Consultants and Professional Services Log





## INFORMATIONAL MEMORANDUM

**Exhibit 1 – Attachment A**

TO: MPD Board Commissioners

FROM: *RS* Rick Still, Parks and Recreation Director  
*RE* Robert Eaton, Project Coordinator

DATE: December 2, 2011

SUBJECT: Energy Savings Performance Contracting Overview

### ISSUE

This is a very high level introduction to the Energy Savings Performance Contracting (ESPC) program that is being considered to implement the MPD CIP projects.

### BACKGROUND

ESPC is a professional service by the State that utilizes energy savings to help fund capital projects. The ESPC program was established in 1986 and meets all bidding criteria for capital projects. State and local governments, public school districts, colleges and universities have all utilized this service.

Some benefits of this program are:

- Known guaranteed maximum price for the project
- Guaranteed energy savings otherwise the difference will be reimbursed to the owner
- Open Book Pricing and construction cost reconciliation assure best value for owner
- Allows selection of the most qualified general contractor not the lowest bidder
- Owner can specify equipment

There are two options for selecting an Energy Savings Contractor (ESCO) to be the general contractor for the work; either from the State managed pre-qualified list or through an RFQ selection process.

### ANALYSIS

The State has prequalified a list of 14 ESCO's. As staff have been looking further into this program they have been meeting with some of the local ESCO companies. The plan is to have a company from the ESCO list make a presentation at the January 9, 2012 MPD Board Meeting to further explain this program and answer any questions the Board may have.

There are three attachments, all are from the State:

- 1) A brochure on Energy Savings Performance Contracting gives a brief overview of the program.
- 2) A list of advantages of the ESPC Program.
- 3) A comparison of ESPC with Conventional Procurement Procedures.

### RECOMMENDATION

This is informational only.



STATE OF WASHINGTON  
DEPARTMENT OF ENTERPRISE SERVICES

1500 Jefferson Street SE, Olympia, WA 98501

January 5, 2012

**EXHIBIT 1 ATTACHMENT B**

Robert Eaton  
Tukwila Metropolitan Park District  
Tukwila Community Center  
12424 2<sup>nd</sup> Avenue South  
Tukwila, WA 98168

RE: Interagency Agreement No. 2012-ERG-538  
Energy Conservation Project Management Services  
Metropolitan Park District

Enclosed is the above-referenced Agreement for signature. Please sign and return it to this office.

Please note that this Agreement is not binding upon the State of Washington until it is signed by the state's contracting officer; therefore, work will not begin until the Agreement is completely signed.

Should you have any questions or concerns, please contact me at (360) 407-9375.

Sincerely,

Todd Flynn, P.E.  
Energy Engineer

**DRAFT**

Enclosures

# ***Interagency Agreement***

Date: January 5, 2012

Department of Enterprise Services

Interagency Agreement No: 2012-ERG-538

**Interagency Agreement Between the  
Department of Enterprise Services  
and  
Tukwila Metropolitan Park District**

**DRAFT**

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 Tukwila Metropolitan Park District, hereinafter referred to as "MPD".

The purpose of this Agreement is to establish a vehicle for DES to provide future Energy/Utility Conservation Project Management and Monitoring Services to MPD 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.

## **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 **June 30, 2014** 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, MPD 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 MPD decides not to proceed with an Energy/Utility Conservation project that meets MPD's cost effective criteria, then MPD 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 Energy Services Company (ESCO).

If monitoring and verification services are requested by MPD and provided by DES under Attachment "C" of this Agreement, MPD 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 MPD, after DES has reviewed, approved and sent the invoices to MPD for payment.

## **5. Billing Procedure**

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DES shall submit a single invoice to MPD upon completion of each authorized project, unless a project specifies 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 the Agreement number.

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

## **6. Payment Procedure**

MPD shall pay all invoices received from DES within 90 days of receipt of properly executed invoice vouchers. MPD shall notify DES in writing if MPD 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 MPD. 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

MPD 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. MPD Representative on this Agreement shall be:

Robert Eaton  
Tukwila Metropolitan Park District  
Tukwila Community Center  
12424 2<sup>nd</sup> Avenue South  
Tukwila, WA 98168  
Telephone (206) 267-2350

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:

Todd Flynn, P.E.  
Department of Enterprise Services  
Facilities Division  
Engineering and Architectural Services  
PO Box 41012  
Olympia, WA 98504-1012  
Telephone (360) 407-9375

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

DRAFT

## **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**

MPD 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 MPD 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: MPD shall appoint a member to the Dispute Board. The Director of DES shall appoint a member to the Dispute Board. MPD 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.

**DRAFT**

**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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**AUTHORIZATION TO PROCEED**

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Agreed to and signed by:

**Tukwila Metropolitan Park District**

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

**DRAFT**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

Roger Wigfield, P.E.  
Name

\_\_\_\_\_  
Title

Energy Program Manager  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
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.

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# ATTACHMENT A

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

DRAFT

### Statewide Energy Performance Contracting Program Master Energy Services Agreement No. 2011-169

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

1. Assist MPD 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. Negotiate 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

## 2011-13 Interagency Reimbursement Costs for Project Management Fees to Administer Energy/Utility Conservation Projects

DRAFT

<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 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 MPD decides not to proceed with the project through DES.
3. If the project meets MPD's cost effectiveness criteria and MPD decides not to move forward with a project, then MPD will be invoiced per Attachment B Termination or \$25,500.00 whichever is less. If MPD 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 MPD's established Cost Effectiveness Criteria, then there is no cost to MPD and no further obligation by MPD.

# ATTACHMENT C

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

Statewide Energy Performance Contracting Program  
Master Energy Services Agreement No. 2011-169

DRAFT

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

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.

Company	Scope of Services	Date
Johnston Consulting	Facility Inspection and Review	Aug '02
Reid Middleton/City of Tukwila	Pool Condition Survey - Facility Assessment & Response to Johnston Assessment	Oct '02
Cole Industrial	New Cast Iron Sectional Boiler (Pool water and Bldg Heat)	Jan '04
Long Painting/Tnemec	High Performance Coating - Interior & Exterior	Aug '05
Orca Pacific, Inc.	Pool Liner Quote/Specifications	Oct '06
Automated Mechanical Controls, Inc	Temperature Controls System Upgrade and Renovation	Jul '07
McKinstry	ESCO Performance Contracting - Directed Engineer Study - Facility Energy Audit	Oct '07
Beckwith Consulting/City of Tukwila	Tukwila Parks and Rec Master Plan - Citizen comments on Aquatics in Tukwila	Jun '08
Specification Sales	New PVI Domestic Hot Water Tank/Boiler Quote	May '10
ORB Architects	New Pool Construction Pricing	Jul '10
Professional Contact	Pool Cover Options Research/HVAC Work/Ballpark pricing	Aug '10
Hermanson Company	Energy Conservation Upgrade Proposal - Facility Energy Audit	Feb '11
King County Aquatics/City of Tukwila	King County Aquatic Center Facility Tour (post recent capital work)	Jul '11
Auburn School District/City of Tukwila	Auburn Pool Tour (post recent \$2M capital work)	Sep '11
University Place School District/Tukwila	Curtis Pool Tour (during recent \$8M capital renovation)	Oct '11
Orca Pacific, Inc.	Pool Cover/Reels Quote	Oct '11
City of Tukwila - PW Director	Pool CIP List Review and Performance Contracting Options	Oct '11
Ameresco Quantum	Energy Conservation Options Inspection - Facility Energy Audit	Nov '11
McKinstry	Energy Conservation Study - Facility Energy Audit	Nov '11

Note: Over the last 9 yrs there have been many discussions with Professional Consultants (WRPA, Pool Operators, Consultants, etc.) in regards to CIP and future needs of the Tukwila Pool.

# INFORMATIONAL MEMORANDUM

## Tukwila Metropolitan Park District

TO: Tukwila Pool MPD Board President

FROM: Rick Still, Parks and Recreation Director  
Robert Eaton, Project Coordinator

DATE: January 4, 2012

SUBJECT: Selection of Energy Services Company

**Exhibit 2**

### ISSUE

There are two options for selecting an Energy Services Company (ESCO), using the Washington Department of Enterprise Services (DES) prequalified list of ESCOs or conducting an advertising Request For Qualifications (RFQ) process.

### BACKGROUND

Every two years the DES advertises an RFQ to form a prequalified list of ESCOs. The proposals are evaluated based upon the company's qualifications and experience. If a company is deemed qualified and meets all the criteria they may enter into an agreement with the DES to be added to the prequalified list of ESCOs eligible to develop energy related projects under the ESPC Program through the DES. This satisfies the selection process for public works projects saving local agencies the need to conduct their own RFQ process. An agency may select any one of the 14 different ESCOs from the DES prequalified list for their project as long as they agree to participate in the ESPC program through the DES.

The other option is that an agency may still solicit RFQs for their specific project. This would allow them to use a company that is not on the DES prequalified list or gain more information from a company about their experience pertaining to a specific type of work. However, using this option then removes the DES from the picture entirely.

### DISCUSSION

Each of the ESCO's RFQ proposals are on the DES website for review. Over the last year, as part of their due diligence, staff has been working with three of these local ESCOs. Multiple meetings have occurred with each of them. Staff has also been in communication with Todd Flynn from DES and received full support to solicit further information from the ESCOs that is more specific to the Tukwila Pool CIP Project.

A list of supplemental questions was sent to the three ESCOs that staff has been working with, Hermanson, McKinstry Energy Services, and Ameresco Quantum. These three were selected from the 14 based upon their, experience, company profiles, past projects and involvement with the City of Tukwila. The supplemental questions pertained to the ESCO's specific experience

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with pool projects, especially King County Forward Thrust pools and their overall project success (namely being on budget and obtaining greater than expected energy savings). Answers were scored and ranked based upon meeting the criteria specific to the Tukwila Pool Capital Improvement Projects as seen in the attachment, "ESCO Ranking Results." McKinstry Energy Services scored the highest and showed to be the most qualified for this project.

There are four options before the Board depending upon what was decided in regards to the ESPC Program:

Option 1) Approve the selection of McKinstry Energy Services as the ESCO off the DES prequalified list.

Option 2) Select one of the other ESCOs off the DES prequalified list.

Option 3) Select an ESCO not using the DES prequalified list but through an RFQ process.

Option 4) Direct staff to act as their own ESCO and perform the ESCO duties and manage the project in house.

Staff recommendation is Option 1. If option 3 or 4 are chosen then there does not need to be an Interagency Agreement with DES.

### **RECOMMENDATION**

Staff recommends the Board to consider at the January 9, 2012 MPD Board Meeting, to approve the selection of McKinstry Energy Services as the ESCO from the DES prequalified list for the Tukwila Pool CIP Project.

### **ATTACHMENT**

A) ESCO Ranking Results

# ESCO Ranking Results

Questions/Category	Point	Ameresco	McKinstry	Hermanson
Overall ESCO Project Experience	15	15	15	15
General Pool Project Experience	25	15	25	10
Forward Thrust Pool Project Experience	15	0	15	0
Being Under Budget	5	5	5	3
Higher Than Predicted Energy Savings	10	0	7	5
Not Meeting Predicted Energy Savings	10	10	4	8
Rebate Check Potential	10	10	10	10
Other Pertinent Info	5	5	5	3
Opinion of Why Right ESCO for Tukwila Pool Project	5	5	5	5
	100	65	91	59

\*Points were given separately to each ESCO from the Point Value (not divided amongst each other).

Either way the ranking happens McKinstry has the highest overall point value.





# INFORMATIONAL MEMORANDUM

## Tukwila Metropolitan Park District

TO: Tukwila Pool MPD Board President

FROM: Rick Still, Parks and Recreation Director  
Robert Eaton, Project Coordinator

DATE: January 4, 2012

SUBJECT: Investment Grade Audit

**Exhibit 3**

### ISSUE

Investment Grade Audit (IGA) should begin as soon as possible to obtain most accurate energy usage data and potential utility rebates for the Tukwila Pool.

### BACKGROUND

By doing the IGA study during the heating season, higher amounts of energy are being used which reflects more accurately where energy is being utilized and consumed. The study consists of data logging devices being installed all around the facility and on all the equipment to monitor and track the energy usage.

This information is then used to develop an Energy Services Proposal (ESP) which lists specific Energy Conservation Measures for the facility and shows all the different projects to be done and the rebates and utility savings projected for each one. This tool will aid in obtaining rebates from the utility companies for the CIP work that will be done. As the energy conservation measures are being developed the ESCO will work very closely with City Staff to ensure all measures dovetail with the existing Tukwila Pool Capital Improvement Projects List.

The ESP will be a summation of both the existing Tukwila Pool Capital Improvement Projects List and any other appropriate energy conservation measures that fall under the scope of work for this project and if approved will be coming before the Board at the May 14, 2012 Board meeting.

### DISCUSSION

At the May 14, 2012 Board meeting a decision point will be brought before the Board to either 1) move ahead with construction thus committing the \$1.5 Million for the construction project or 2) withdraw from the ESPC program paying only for the IGA and a Termination Reimbursement Fee for the Project Management Services provided by the DES. If construction is approved then the project moves forward and both the IGA fee of \$29,151 and the Washington DES Project Management fee (3% or approximately \$47,800) will be rolled into the overall project expense to be paid later in the project process. If construction is not approved then the IGA fee (\$29,151) and the DES Termination Fee of \$17,150 will need to be paid.

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There are two options before the Board:

Option 1) Authorize the DES to initiate the approved ESCO to begin the Investment Grade Audit at the Tukwila Pool.

Option 2) Defer the decision to authorize the Investment Grade Audit until the February 13, 2012 Board Meeting.

Staff recommendation is Option 1.

### **RECOMMENDATION**

Staff recommends the Board to consider at the January 9, 2012 MPD Board Meeting, to authorize the DES to initiate the approved ESCO to begin the Investment Grade Audit at the Tukwila Pool for \$29,151 for the ESCO's work and \$47,800 for Washington DES Project Management.

# City of Tukwila Pool

## Directed Engineering Study Proposal



TUKWILA, WA  
JANUARY 3, 2012

### EXHIBIT 3 ATTACHMENT A





# Directed Engineering Study (DES)

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## City of Tukwila Pool

**To:** Robert Eaton – City of Tukwila Parks and Recreation  
Rick Still – City of Tukwila Parks and Recreation  
Todd Flynn – Washington Department of Enterprise Services  
**From:** Andrew Williamson – McKinstry  
**Project:** City of Tukwila Pool Phase 1  
**Subject:** Investment Grade Audit Proposal

Dear Robert and Rick,

We appreciate the opportunity to present you with this proposal to complete an Investment Grade Audit of the Tukwila Pool. The intent of this Investment Grade Audit is to identify cost effective **Facility Improvement Measures (FIMs)** that address needed infrastructure improvements. The following outlines the investment grade audit that McKinstry refers to as the **Directed Engineering Study (DES)**.

The Tukwila Parks and Recreation team, together with the City of Tukwila have expressed that they would like to investigate their pool facility for opportunities to address aging, failing, unsafe and inefficient infrastructure. McKinstry will investigate further, the measures as detailed in the City of Tukwila's prioritized capital improvement plan, as appropriate given the identified "Criteria for Implementation" (see section below).

In order to evaluate these initiatives McKinstry proposes to contract with the City of Tukwila through the Department of Enterprise Services to provide a focused and in depth analysis of the identified measures.

To date, McKinstry has completed an initial study and collaborated with the facilities team to identify Facility Improvement Measures (FIMs) which have considerable potential to improve energy and operational efficiency by addressing the operation of the existing mechanical, electrical, chemical and plumbing systems. Realizing the exact savings potential of the identified facility improvement measures requires completing a more detailed and directed energy engineering analysis. The engineering effort to be completed as part of the detailed analysis is described below.

### **Study Approach:**

The Investment Grade Audit is an intense engineering effort and completes the required energy engineering and modeling, design and feasibility study as well as a detailed financial and cash flow analysis for each proposed improvement measure. The Investment Grade effort is intended to lead to the implementation of the identified FIMs. As such, the Investment Grade effort is a very collaborative process with the City of Tukwila's Parks and Recreation Department.

Mid-way through the development of the Investment Grade Audit, a Rough Order of Magnitude meeting will be held to communicate the status of project scope and financial options. This meeting will be held in an effort to allow the Tukwila Parks and Recreation team to gain important insight



# Directed Engineering Study (DES)

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into viable measures and give direction to the McKinstry team based upon the Rough Order of Magnitude budget information presented.

Once the project scope has been identified, McKinstry will refine the Rough Order of Magnitude project figures for the identified measures to present the project scopes, guaranteed maximum project cost and guaranteed energy savings. After presenting and reviewing these figures, all applicable recommendations and scope changes are incorporated into what becomes the final Energy Services Proposal. The final Energy Services Proposal incorporates the detailed Investment Grade Audit report and includes all detailed financial pro forma. This detailed financial analysis includes the guaranteed project construction costs, guaranteed efficiency savings, all secured grants and rebates as well as their associated payback scenarios.

It is anticipated that the information contained within this investment grade audit will form the basis of contracting documents. The specific deliverables associated with this proposal can be found in **Attachment A**.

**Requested Information:** For effective execution of this proposal, we ask that the Tukwila Parks and Recreation Department provide access to the following:

- ✓ Any relevant historical utility information for the last 24 months of occupancy.
- ✓ All existing mechanical, electrical, architectural, and structural drawings.
- ✓ All operational and maintenance manuals, balancing records, & specifications.
- ✓ Operational records related to the cost of maintaining specific equipment.
- ✓ Service records and information from existing service providers
- ✓ Information with regards to any on-going maintenance contracts.
- ✓ Access to individuals that have relevant information pertaining to the day-to-day operation of energy using systems on site.

**Timeline & Milestones:** McKinstry will initiate this scope of work immediately upon acceptance of this letter of intent. Progress review meetings will be conducted throughout the study phase. During these review meetings, McKinstry will provide status on the development of the measures, while the Tukwila Parks and Recreation Department will provide final direction. The goal of these meetings is to focus engineering efforts, budgeting, and savings assessment on those measures that possess a high probability for implementation.

The following are proposed milestones:

- 01/09/2012 - Directed Engineering Study Authorized
- 01/16/2012 - Directed Engineering Study Kick-off Meeting with Stakeholders
- 03/09/2012 - Rough Order of Magnitude Scope and Pricing Review
- 04/23/2012 - McKinstry to Deliver Pre-Final Analysis and Recommendations
- 05/04/2012 - McKinstry to Deliver Final Investment Grade Analysis & Energy Services Proposal
- 05/14/2012 - Implementation Agreement Authorized and Work Started



# Directed Engineering Study (DES)

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**Criteria for Implementation:** It is McKinstry's intent to develop energy and infrastructure improvements that meet the following criteria:

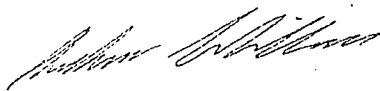
- ✓ McKinstry will utilize the existing prioritized Capital Improvement Projects List as a guide to develop the project scope of work.
- ✓ Priorities of this project are Patron Safety, Facility Maintenance and Operations and Energy Savings.
- ✓ The City of Tukwila has \$250,000 available as a capital infusion for the project.
- ✓ In addition to the capital infusion, the City of Tukwila will commit \$100,000-150,000 annually over the term of the financing from their tax revenues.
- ✓ For the purposes of financing, a 15 year term will be used. McKinstry will work with the Department of Enterprise Services to determine the viability of the State Treasurer's Local Lending program. This program will be evaluated to determine if more effective than a bond issuance by the City of Tukwila. These options will be presented to the City of Tukwila for further direction.
- ✓ Needs based initiatives may be considered as directed by the owner as they relate to the energy scope of work.
- ✓ Savings will include utility (electrical, water, sewer or other pertinent to the building's systems) and may also include hard-cost operational and maintenance savings at the owner's approval.
- ✓ McKinstry will work with the local utilities to maximize & secure all available conservation grant funding as well as other available creative funding/financing as applicable.

**Fee Billing Based on Project Criteria:**

All design and engineering fees assessed under the proposed Directed Engineering Study effort will be included in the final guaranteed project construction costs. Based on our site assessments, client feedback and the City of Tukwila's Parks and Recreation Department goals for improved operations; McKinstry's engineering costs to develop the guaranteed project costs, guaranteed annual utility savings and associated returns shall not exceed \$ **29,151**.

All associated information, including the listed deliverables in Attachment A, will become the property of the owner upon receipt of payment.

Regards,



Andrew Williamson  
McKinstry Energy Services  
206.491.7117



# Directed Engineering Study (DES)

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## Attachment A Directed Engineering Study Deliverables

The Directed Engineering Study for the City of Tukwila's Parks and Recreation Department will include the following elements:

1. A description of the facility and a description of the mechanical and electrical systems which shall receive ESCO Equipment and ESCO Services;
2. The cost effective Facility Improvement Measures (FIMs) to be installed or caused to be installed by the ESCO and a description of the FIMs analyzed but disqualified under the cost effectiveness criteria;
3. A description of the services that the ESCO will perform or cause to be performed on or in the facility, including but not limited to engineering, construction management, the operations and maintenance procedures for use on ESCO Equipment, training for facility personnel, warranty service provided, and equipment maintenance provided;
4. The Maximum Allowable Project Cost, itemized in detail, which may be amended to represent actual costs;
5. Recommendations for replacement of existing equipment, along with recommendations for improvements to existing equipment and operating conditions;
6. The standards of comfort and service appropriate for the facility;
7. The baseline energy consumption for the facility, including the data, methodology and variables used to compute the baseline, and the baseline calendar period which shall not be less than twelve (12) months;
8. The estimated energy savings and energy cost savings that are expected to result from the installation of the ESCO Equipment and from the ESCO Service, and an explanation of the method used to make the estimate;
9. The method by which Energy Savings and Energy Cost Savings will be calculated during the term of the Energy Services Agreement;
10. A description of how project financing (if required) will be completed;
11. A description of how the Energy Cost Savings will be guaranteed by the ESCO;
12. A description of how the ESCO proposes to be compensated;
13. The term of the Energy Services Agreement;
14. The Termination Value for each year during the term of the Energy Services Agreement;
15. The schedule for project completion;
16. The nature and extent of the work and equipment that the ESCO anticipates it will receive from other firms under subcontract





# **INFORMATIONAL MEMORANDUM**

## **Tukwila Metropolitan Park District**

**TO:** Tukwila Pool MPD Board President

**FROM:** Rick Still, Parks and Recreation Director

**DATE:** January 4, 2012

**SUBJECT:** Draft Long-Term Agenda

### **ISSUE**

A preliminary schedule of agenda items that may be brought forward to the Board in 2012.

### **BACKGROUND**

The past four Board meeting agendas have been full due to the initial set up the Metropolitan Park District. Staff wanted to identify known issues for the Board's consideration and develop a timeline for the monthly meetings in 2012. The goal is to ensure critical items have sufficient time for discussion and to utilize the monthly meetings efficiently.

### **DISCUSSION**

The agenda timeline was established by laying out items that must be undertaken this year: 2013 Budget Adoption in December, Citizen Pool Advisory Committee Appointment in February and the Capital Improvement Projects construction beginning by November. If additional steps or Board discussion were needed prior to final action, steps were added to the monthly schedule. Additional items that the Board has requested to consider were then added to the timeline: Pool program presentation, Rental Policy review and Contracted Services research and review. Staff also added quarterly updates regarding Operations Statistical Review and Budget Review to the calendar.

The Draft Long-Term Agenda is a preliminary work plan for 2012 and it can be amended as needed to accommodate other issues as they arise. If the agenda work load is increased too much the Board may want to consider adding another Board meeting in the months where the agenda items cannot be taken care of in the current meeting schedule.

### **RECOMMENDATION**

The Board is being asked to consider at the January 9, 2012 MPD Board Meeting, to approve the Draft Long-Term Agenda as a preliminary work plan for 2012.

### **ATTACHMENT**

Draft Long-Term Agenda

# Tukwila Metropolitan Park District 2012 Draft Long-Term Agenda

## **January 9**

Overview ESPC Program/Sign Interagency Agreement (IAA) with DES (memo)  
Approve McKinstry as ESCO (memo)  
Authorize ESPC program to proceed with IGA (memo)  
18<sup>th</sup> – 25<sup>th</sup> CPAC Application Review / Interviews (who and when?)

## **February 13**

CPAC member appointment/confirmation, Board Ad-Hoc appointment and “charge” by Board  
2011 Operations Statistical Review  
2011 Budget Review

## **March 12**

2011 Pool program presentation  
2011 CAFR presentation

## **April 9\* Additional meeting time?**

Pre-Final Analysis Presentation – Energy Service Plan (ESP)  
Rental policy review and discussion

## **May 14**

Present Energy Service Plan (ESP) to Board (get authorization to move ahead with construction)  
and financing options  
Quarterly Operations Statistical Review  
Quarterly Budget Review

## **June 11**

Contracted Services Research

## **July 9**

City Services Contract review  
Budget Direction

## **August 13**

Contracted Services Presentation  
Quarterly Operations Statistical Review  
Quarterly Budget Review

## **September 10\* Additional meeting time?**

Preliminary 2013 Program and Fees Review

## **October 8**

Pre-Construction/Development Status/Projected Construction Timeline  
Preliminary Budget

## **November 13**

2013 Program and Fees Review  
Construction Status Update/Project Timeline  
Quarterly Operations Statistical Review  
Quarterly Budget Review

## **December 10**


Adopt 2013 Budget  
Construction Status Update/Project Timeline

**OTHER:** Build relation w/ TSD, Marketing

# INFORMATIONAL MEMORANDUM

## Tukwila Metropolitan Park District

TO: Tukwila Pool MPD Board President

FROM: Rick Still, Parks and Recreation Director 

DATE: January 3, 2012

SUBJECT: Citizens Pool Advisory Committee

### ISSUE

Resolution Number 8 authorized the formation of the Citizens Pool Advisory Committee.

### BACKGROUND

This memo is a progress update regarding the status of advertising for Citizens Pool Advisory Committee members. As of January 3, 2012 the following has been completed to seek applications for Committee members:

- Announcement on the City's website under "City Headlines" with a link to the application.
- 2400 copies of an announcement mailed with the City of Tukwila water/ sewer bills on December 30, 2011
- Hazelnut circulation
- Tukwila Reporter (December edition) – currently in circulation
- Volunteer e-mail database (email on 12/23)
- Tukwila Businesses: mailed to approximately 300 Tukwila businesses
- Tukwila Talk –
- Announcements have been placed at City Hall, the Tukwila Community Center and the Pool.

The following is a timeline the Board adopted for the Committee formation:

Applications accepted through:	January 17, 2012.
Application review period:	January 18 - January 25, 2012
Interviews:	January 30 - February 3, 2012
Recommendations:	February 8, 2012
Appointments / Confirmation:	February 13, 2012
First Meeting:	March 12, 2012

### DISCUSSION

It is anticipated that the Board President will make Committee appointment recommendations to the Board at their February 8<sup>th</sup> Board meeting. The Board may choose to provide direction or a "charge" to the Committee as they become established. The Board's charge may include items such as: review the CIP list, Programming Ideas, Rental Policy review, Contracted Services research and review, Pool Fee review, Budget review, or Tukwila School District outreach and relationship development.

### RECOMMENDATION

Information Only.

