



SCHOOL BOARD ACTION REPORT

DATE: June 6, 2017
FROM: Dr. Larry Nyland, Superintendent
LEAD STAFF: Dr. Lester Herndon, Associate Superintendent, Facilities and Operations
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For Introduction: June 28, 2017
For Action: July 5, 2017

1. TITLE

BEX II/BEX III: Approval of Authorization No. 2017-089 A (1) and Contract No. 2017-089 G (1-1) for Implementation of the Solar Photovoltaic Systems Project at Six Seattle Public Schools

2. PURPOSE

This Board Action Report would authorize the Superintendent to provide the Department of Enterprise Services notification of Funding Approval for Authorization No. 2017-089 A (1) and Contract No. 2017-089 G (1-1) in the amount of \$2,174,008.03 (including sales tax).

3. RECOMMENDED MOTION

I move that the School Board authorize the Superintendent to provide the Department of Enterprise Services notification of Funding Approval for Authorization No. 2017-089 A (1) and Contract No. 2017-089 G (1-1) in the amount of \$2,174,008.03 (including sales tax) in accordance with provisions of Interagency Agreement No. K3865 with Department of Enterprise Services (DES) for the implementation of an energy efficiency project at six schools utilizing solar technology.

4. BACKGROUND INFORMATION

a. Background

Need for ESCO Contract Approval to proceed with Project:

Seattle Public Schools, through the adoption of Board Resolution 2012/13-12 “the Green Resolution,” has expressed its desire to optimize energy efficiency through cost effective practices and pursue outside funding partners to help leverage available incentive programs. Seattle Public Schools applied for an energy efficiency grant through the State of Washington Department of Commerce. State Energy Efficiency and Solar grants are awarded through a competitive process and must be used solely for energy and operational cost saving and solar installations.

On June 14, 2017, it was announced that the District will receive \$500,000 for the implementation of an energy efficiency project at six schools utilizing solar technology.

The six facilities selected are:

1. Arbor Heights Elementary
2. Ballard High School

- 3. Denny International School
- 5. Bailey Gatzert Elementary

- 4. Hazel Wolf K-8
- 6. South Shore Middle School

Seattle Public Schools Department of Capital Projects and Planning evaluated fourteen potential school sites and identified six school sites where annual savings would provide a positive cash flow. Selection was based on, but not limited to: BEX projects that were designed to be solar ready; cost effectiveness criteria to ensure a competitive grant application; and geographic location to ensure equity throughout the district facilities inventory.

Energy Savings Performance Contracting Project Delivery

The District entered into an Interagency Agreement (K3865) with the State of Washington Department of Enterprise Services, Engineering and Architectural Services (DES) to establish a vehicle for DES to provide project management services as required for a successful project including, but not limited to: assistance during design, construction and commissioning, review and approval of invoice vouchers for payment and assistance with final project acceptance.

The Interagency Agreement between Seattle Public Schools and DES specifies that the “Energy/Utility Conservation projects shall be authorized by Amendment to this Agreement.” ESCO Contract No. 2017-089 and the Energy Services Amendment are the proposed Amendments to the Interagency Agreement for the Energy/Utility Conservation projects.

The project delivery method will be a Design/Build approach as authorized by RCW 39.35 where the Contractor or Energy Service Company (ESCO) guarantees the performance, cost and savings of the project. The ESCO guaranteed energy savings in year one is \$59,206 (which is the minimum amount guaranteed per year).

The proposed solar panel installations will fit aesthetically with the designs of the buildings. The installations will be limited to the existing roof surfaces with the goal of not being readily visible to site occupants and include an energy dashboard for educational use.

b. Alternatives

If the motion is denied, the Department of Commerce Energy Efficiency and Solar Grant for Six Seattle Public Schools project would not be completed and the District’s students will not benefit from grant-funded facilities infrastructure improvements and the savings generated for the General Fund.

c. Research

- RCW 39.35
- Department of Commerce 2015-17 Energy Efficiency and Solar Grants (program guidelines)
- Ameresco (ESCO Company) Energy Services Proposal

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will be the expenditure of \$2,174,008.03 which falls within the total budgeted project amount.

Revenue Source as follows:

BEX II	\$ 647,816*
BEX III	\$ 947,816*
Department of Commerce Grant	\$ 500,000
State of Washington Sales Tax Rebate	\$ 146,646
Hazel-Wolf K-8 PTSA Contribution	\$ 50,000
Measurement and Verification (M&V)	\$ 10,096
Seattle City Light Utility Grant	\$ <u>0</u>
Total Project Budget	\$2,302,374*

*Budget transfer of BEX II and BEX III funds and Total Project Budget was approved in a separate Board Action Report

Expenditure: One-time Annual Multi-Year N/A

Revenue: One-time Annual Multi-Year N/A

6. COMMUNITY ENGAGEMENT

With guidance from the District's Community Engagement tool, this action was determined to merit the following tier of community engagement:

Not applicable

Tier 1: Inform

Tier 2: Consult/Involve

Tier 3: Collaborate

7. EQUITY ANALYSIS

This motion was not put through the process of a full racial equity analysis. The selection of projects in this Grant were designed to provide equitable distribution across the district.

8. STUDENT BENEFIT

This action will benefit students by providing cost savings to the general fund and an educational opportunity to observe and interact with clean energy technology.

9. WHY BOARD ACTION IS NECESSARY

Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)

Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)

Adopting, amending, or repealing a Board policy

Formally accepting the completion of a public works project and closing out the contract

Legal requirement for the School Board to take action on this matter

Board Policy No. _____, [TITLE], provides the Board shall approve this item

Other: _____

10. POLICY IMPLICATION

Per Board Policy No. 6220, Procurement, any contract over \$250,000 must be brought before the Board for approval.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on Jun 15, 2017. The Committee reviewed the motion and moved this forward to the full Board for approval.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, the District will be able to proceed with

- Design and Permitting
- Construction anticipated to occur Fall 2017 through Summer 2018

13. ATTACHMENTS

- Authorization No. 2017-089 A(1) for approval
- Contract No. 2017-089 G (1-1) for approval
- Energy Services Authorization Amendment No. 1; 2017-089 A (1)R
- ESCO Contract 2017-089 G (1-1)
- Energy Services Proposal 2017-089 A(1)
- DES Interagency Agreement No: K3865
- Department of Commerce 2015-2017 Energy Efficiency and Solar Grant Award Round Two