

Agenda Report Reviewed by:  
City Manager: 

CITY OF SEBASTOPOL  
CITY COUNCIL  
AGENDA ITEM

Meeting Date: January 17, 2023

To: Honorable Mayor and City Councilmembers

From: Public Works Superintendent, Dante Del Prete

Subject: Adoption of Resolutions amending the Sebastopol Library lease agreement and partner Resolution Authorizing the grant application acceptance and execution of the grant funds from the State of California Budget Act of 2021 (SB129) for the City of Sebastopol Library Energy Efficiency Infrastructure Improvement + Solar PV Project, and approval of change order proposal to facilitate installation of new roof and solar PV  
Responsible Department: (Public Works/City Administration)

Recommendation: That the Sebastopol City Council consider a request to approve resolution for grant award from California State Library Association, Library lease extension, and associated change order to existing energy contract with Syserco Energy Solutions for implementation of grant-funded Scope of Work.

Funding: Currently Budgeted: \_\_\_\_\_ Yes \_\_\_\_\_ No  X  N/A  
Grant Funding of \$707,125

Account Code/Costs authorized in City Approved Budget (if applicable) \_\_\_\_\_ AK \_\_\_\_\_ (verified by Administrative Services Department)

**INTRODUCTION/PURPOSE:**

Consideration of approval of resolution to receive grant award from California State Library for the amount of \$707,125, whereas grant funding shall be used to pay for project costs for new roof and solar PV system.

Consideration of approval of resolution to approve Amendment Number 1. Approving and adopting the amendment to 7140 Bodega Avenue lease agreement.

Consideration of approval of change order Scope of Work to existing Energy Services Agreement that will include the following:

- Design and Implementation of new roof at Library
- Design and Implementation of new rooftop solar PV system at Library

**BACKGROUND:**

In December 2021, City Council Approved an Energy Services Contract with Syserco Energy Solutions, Inc., to design and implement multiple energy-conservation measures at multiple City-owned facilities. Included in the contract is \$715,968 that was allocated toward energy conservation measures at the Library, including the following:

- Replacement of existing natural gas HVAC unit with electric heat pump
- LED lighting upgrades
- Water conservation improvements
- Building Envelope Sealing, including weatherization and door sweeps & seals

City staff also had a need to replace the roof and a desire to install solar PV on the roof at the Library, however,

funding for this Scope of Work was not yet identified at the time of executing the Energy Services Contract. The City intended to work with Syserco Energy Solutions to source a Power Purchase Agreement (PPA) that would serve as the funding source for the new roof and solar PV at the Library. Under a PPA, a 3<sup>rd</sup> party ownership model would be utilized to pay for the design and implementation costs for the project, and under the PPA Agreement, the City would purchase the electricity generated by the PV system from the PPA provider instead of PG&E.

During the process of sourcing a PPA provider, City staff was notified by the Sonoma County Library Association that a grant opportunity was available through the California State Library Association. The grant program is called the "Building Forward Library Infrastructure Grant Program" and provides an opportunity for Library facilities to apply for grant funding that can be used for energy-efficiency related infrastructure improvements. The grant program requires a 50% match from the applicant. City staff recognized an opportunity to leverage the existing energy services contract amount as a funding match. Subsequently, \$707,125 that had been already allocated toward energy conservation measures at the Library was identified as an eligible match to submit for the grant application as a 50% match that would be used to fund project that includes the new roof and rooftop solar PV system at the Library. Staff was able to leverage existing funding that did not include the new roof and solar PV to provide the City with an opportunity to receive grant funding for the new roof and solar PV system. The opportunity to fund this portion of the project (solar + roof) with a grant provides the City with the greatest overall financial benefit, and eliminates the future cost of electricity that would have been required by a PPA contract.

**DISCUSSION:**

City staff worked with Syserco Energy Solutions to complete preliminary design of the new roof and solar PV system and submit the grant application in July 2022. City staff received notification of grant award for the amount of \$715,968 in September 2022. In order to be in compliance for the grant program requirements, the City is required to install 100% of Scope of Work, as identified in grant application, including the following:

- Replacement of existing natural gas HVAC unit with electric heat pump
- Installation of new roof
- Installation of rooftop solar PV

Items found to not be eligible for the funding match were.

- LED lighting upgrades
- Water conservation improvements
- Building Envelope Sealing, including weatherization and door sweeps & seals

As these items had already been completed.

The award of funding for the new roof and solar presents a great opportunity to move forward with the Library solar project as the costs associated with power purchase agreements were not financially favorable. By utilizing the Building Forward Library Infrastructure Grant Program funding to offset the cost of the new roof and solar PV system presents a significant financial benefit as a long-term contractual power purchase agreement would have required the electricity produced to be purchased from a PPA provider.

Additionally, to be compliant of the grant program requirements and receive formal commitment for the release of grant funding, City Council must approve the (attached) resolution of receipt of grant award and a minimum ten-year extension to the library lease agreement. At this time the current lease agreement is proposed to be extended to 2026 to meet the requirements of the grant funding. Although, both the Library Commission and the City agree that details other than the length of the lease will be revisited at a future date.

As part of the grant program requirements, any unused grant funding that is not applied to the above-listed Scope of Work, shall be returned to the California State Library Association, as per requirements of the "Building Forward Library Infrastructure Grant Program"

Syserco Energy Solutions has submitted a change order proposal for Scope of Work extension to existing Energy Services Contract for the design and implementation of the new roof and rooftop solar PV system, for the amount of \$707,125. Upon approval of grant resolution, lease agreement extension and modified Scope of Work change order proposal by City Council, staff will complete all required grant paperwork in order to secure grant funding and finalize design and implementation of final Scope of Work.

**CLIMATE ACTION COMMITTEE REVIEW:**

The Climate Action Committee has had the opportunity to review the proposed Solar PV system components and proposal. Although, while several questions and/or concerns by the Climate Action Committee have been addressed, due to time constraints the full project has not been fully discussed at a commission meeting.

**ENVIRONMENTAL REVIEW:**

The installation of photovoltaic panels, and roofing work, at the existing Sebastopol Library building is categorically exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 10304 (a), Class 1, which exempts minor alterations to an existing structure that involve no expansion or use, including mechanical equipment and repairs.

**GOALS:**

The project responds to the following General Plan goals:

Goal EV 7: Maintain a Stable and Self-Sustaining Fiscal Base in Order to Generate the Resources Necessary to Provide Desired City Services and Support New Growth that is Consistent with the City's Values and Goals

Goal CSF 1: Provide High Quality Community Services, Facilities, and Infrastructure to All Residents, Businesses, and Visitors in Sebastopol

The project is also consistent with the adopted Climate Action Framework goals:

BE1. Reduce greenhouse gas (GHG) emissions from buildings and support better community health by:

- o Making all buildings more energy efficient.

BE3. Expand the installation of solar panels and other renewable energy sources, both locally and in partnership with other entities in Sonoma County, to further decarbonize Sebastopol's electricity supply.

CO3. Reach carbon neutrality for all City-owned buildings and City operations by 2030 or sooner

**PARTNERSHIPS:**

The California State Library Association has provided preliminary approval of grant funding that will enable this project to move forward.

**PUBLIC COMMENT:**

As of the writing of this staff report, the city has not received any public comment. However, staff anticipates receiving public comment from interested parties following the publication and distribution of this staff report. Such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of the agenda item.

**PUBLIC NOTICE:**

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

**FISCAL IMPACT:**

No NET cost to the City. Design and Implementation of new roof and rooftop solar PV system (and all associated project costs) shall be funded by the Building Forward Library Infrastructure Grant Program.

**RECOMMENDATION:**

Staff recommends that the City Council consider approval of grant resolution, Library lease extension update and change order proposal in order to allow staff to submit paperwork by January 20, 2023 to formally approve receipt of grant and authorize Syserco Energy Solutions to implement new roof and solar PV system at the Library.

**ATTACHMENTS:**

Resolution Accepting Library Grant Funding  
Library Lease agreement extension  
Syserco Energy Solutions Change order

RESOLUTION NO. \_\_\_\_\_

**Resolution of the City Council  
AUTHORIZING THE GRANT APPLICATION, ACCEPTANCE, AND EXECUTION OF THE GRANT FUNDS FROM  
THE STATE OF CALIFORNIA BUDGET ACT OF 2021 (SB 129)**

WHEREAS, the Legislature and Governor of the State of California have provided funds for the program shown above; and

WHEREAS, the California State Library has been delegated the responsibility for the administration of this grant program, establishing necessary procedures; and

WHEREAS, said procedures established by the California State Library require a resolution certifying the approval by the potential grantee's governing board either before submission of said application(s) to the State or prior to execution of the grant agreement; and

WHEREAS, the Applicant/Grantee, if selected, will enter into an agreement with the State of California to carry out the project; and

WHEREAS, the City of Sebastopol proposes to implement the City of Sebastopol Library Energy Efficiency Infrastructure Improvement + Solar PV Project; and

WHEREAS, the City of Sebastopol has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, the City of Sebastopol intends to apply for grant funding from the California State Library for the City of Sebastopol Library Energy Efficiency Infrastructure Improvement + Solar PV Project; and

NOW THEREFORE, BE IT RESOLVED THAT the City of Sebastopol, with acknowledgement of Sebastopol's Sonoma County Library, as follows:

1. That pursuant and subject to all of the terms and provisions of the California Budget Act of 2021, the City of Sebastopol, City Manager, or designee is hereby authorized and directed to prepare and file an application for funding with the California State Library, and take such other actions necessary or appropriate to obtain grant funding.
2. The City of Sebastopol, City Manager, or designee is hereby authorized and directed to execute the funding agreement with the California State Library and any amendments thereto.
3. The City of Sebastopol, City Manager, or designee is hereby authorized and directed to submit any required documents, funding requests, and reports required to obtain grant funding.
4. Certifies that the project will comply with any laws and regulations including, but not limited to, the California Environmental Quality Act (CEQA), legal requirements for building codes, health and safety codes, the California Labor Code, disabled access laws, and, that prior to commencement of the project, all applicable permits will have been obtained.

IN COUNCIL DULY PASSED, APPROVED, and ADOPTED this 17th day of January 2023.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

**VOTE:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: \_\_\_\_\_  
Mayor, City of Sebastopol

ATTEST: \_\_\_\_\_  
Mary Gourley, MMC, Assistant City Manager/City Clerk

APPROVED AS TO FORM: \_\_\_\_\_  
Larry McLaughlin, City Attorney

RESOLUTION NO. XXXX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL  
APPROVING AND ADOPTING THE AMENDMENT TO 7140 BODEGA AVENUE LEASE AGREEMENT  
AMENDMENT NUMBER 1

WHEREAS, the CITY OF SEBASTOPOL, a municipal corporation, hereinafter called CITY, and the SONOMA COUNTY LIBRARY, hereinafter called LESSEE, has an existing agreement for operation and management the Sebastopol Library; and

WHEREAS, the City of Sebastopol and Lessee agree to Amend the current agreement listed as Attachment A (Amendment 1).

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Sebastopol, approval of the Amendment Number 1 to the Agreement with SONOMA COUNTY LIBRARY.

PASSED AND ADOPTED, by the CITY COUNCIL of THE CITY OF SEBASTOPOL, COUNTY OF SONOMA, of STATE OF CALIFORNIA on this 17<sup>th</sup> day of January 2023.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by City of Sebastopol City Council following a roll call vote:

**VOTE:**

Ayes:

Noes:

Absent:

Abstain:

APPROVED: \_\_\_\_\_  
Mayor, City of Sebastopol

ATTEST: \_\_\_\_\_  
Mary Gourley, MMC, Assistant City Manager/City Clerk

APPROVED AS TO FORM: \_\_\_\_\_  
Larry McLaughlin, City Attorney



## LEASE AGREEMENT

LEASE made and entered into the 1st day of January 2023, between the CITY OF SEBASTOPOL, a Municipal Corporation, as Lessor, and the SONOMA COUNTY LIBRARY, as Lessee.

IT IS AGREED between the parties as follows:

DESCRIPTION OF PREMISES. The Lessor hereby leases to Lessee, and Lessee hires from Lessor, for the exclusive use of Lessee, on the terms and conditions hereinafter set forth, those certain premises with appurtenances, situated in the City of Sebastopol, County of Sonoma, State of California, and described as follows:

7140 Bodega Avenue

TERM. The term of the lease shall commence on the first (1<sup>st</sup>) day of January 2023 and shall remain in full force and effect for a period of thirteen (13) years and terminating on the thirty first (31<sup>st</sup>) day of December 2036 unless cancelled by either party by notice in writing to the other party at least eighteen months in advance.

CONSIDERATION. No monetary rent shall be paid for the premises. The material consideration for this lease is the benefit accruing to the City of Sebastopol through the provision of library service by the Sonoma County Library.

USE. The premises are leased to the Lessee for the purpose of conducting thereon and therein a branch of the Sonoma County Library.

ALTERATIONS. Lessee shall not make, or suffer to be made, any structural alterations of the said premises, or any part thereof, without the written consent of the Lessor first sought and obtained, provided, however, that Lessee may install, build and maintain in or on said premises such shelving, counters or other fixtures or furnishings as may be necessary for the use of said premises as a branch of the Sonoma County Library and upon the termination of this lease said Lessee is hereby granted the right to remove such fixtures or furnishings as may have been installed by Lessee during the term of said lease, provided that the Lessee shall repair or replace any areas damaged by such installation or removal to its original conditions, subject to reasonable wear and tear only.

UTILITIES, JANITORIAL SERVICE, LANDSCAPE MAINTENANCE. Lessee shall pay for all gas, electricity and water consumed, and any sewer service charges incurred, in the operation of the premises. Lessee shall provide at its own expense such janitorial service as may be needed. Lessor shall maintain at its own expense any landscaping which is integral to, and associated



with, the subject building.

REPAIRS. Lessee, at its own cost and expense, will maintain the premises and appurtenances and every part thereof in good and sanitary order, condition, and repair throughout its occupation of the premises under this Lease, and shall furnish at its own cost all necessary materials and supplies, including light bulbs, and replacement of fixtures, as may be necessary to keep the premises in good operating order for its intended purposes. Lessee's obligation to maintain includes the obligation to service, maintain and repair all electrical and mechanical equipment installed in the building, except that Lessor shall be responsible for the replacement of any major components of mechanical and electrical equipment, including the equipment itself, which shall become inoperative or non-functional. Lessor shall be responsible for the replacement of carpeting due to excessive wear. Lessor shall maintain and repair as necessary, the building shell including *its* walls, roofs, ceilings, doors, and major structural members. This obligation of the Lessor does not include any obligation, however, to maintain the interior surfaces of the building structure, such as interior walls, ceilings and floor surfaces in clean and sanitary conditions, and Lessor shall not be responsible for any necessary or desirable cleaning, washing, decorative painting, or painting or other similar treatment intended to maintain cleanliness and sightliness in the interior of the building.

TERMINATION. In the event Lessor elects to terminate its participation *in* this agreement, Lessor agrees to enter into a new agreement with Lessee for the joint operation of library services from said premises, for the mutual benefit of residents of the city and of the surrounding unincorporated area, under terms which are mutually agreeable to Lessor and Lessee.

ENTRY BY OWNER. Lessee shall permit Lessor and his agents to enter into and upon said premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the building in which said premises are situated or for the purpose of making repairs, alterations, or additions to any other portion of said building.

INSURANCE. LESSEE shall procure and maintain during the life of this Agreement, Insurance as listed in Exhibit A. Lessee will obtain and keep in force liability insurance and fire and hazard insurance covering the furniture, fixtures, materials and operations conducted on the premises under this lease, in policy form and amounts the same or substantially the same as carried by the Lessee in conducting its operations throughout and in the several locations of Sonoma County in which it provides library services, as shall be determined in the exercise of good discretion and judgment by the governing board of Lessee. Lessee shall transmit copies of certificates of such insurance policies to Lessor upon demand of Lessor. Lessee shall hold Lessor free and harmless from, and shall indemnify Lessor against, any and all costs, claims, liabilities, expenses, attorney fees, and other obligations and detriments which may arise out of the operations of Lessee under this lease, whether the same shall be caused by the death or personal injury of any person or persons or damage or loss to property, or otherwise. Lessor shall be responsible for fire and hazard insurance only on the structure.

BINDING ON SUCCESSORS. The covenants and conditions herein contained shall apply to and bind the successors and assigns of all of the parties hereto.

ADDITIONAL TERMS AND CONDITIONS: USE OF FORUM ROOM. Lessee shall give Lessor first priority in reserving the use of the Forum Room for the purpose of public meetings of the Sebastopol City Council, Sebastopol Planning Commission and other City boards and commissions. Lessee shall make no charge to Lessor for the use of the Forum Room for public meetings. Lessee shall provide 3 sets of keys to Lessor. to the Forum Room and other rooms of the Library, for the purpose of assuring emergency service access. Lessor shall assure that only authorized City personnel use said keys.

ASSIGNMENT OF LEASE TO OTHERS. Lessee shall not assign this lease to any other public agency nor person or private party without first securing the consent of the Lessor.

CITY OF SEBASTOPOL

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
City Clerk

SONOMA COUNTY LIBRARY

By: *Erica Tribelet*  
INTERIM LIBRARY DIRECTOR

ATTEST:

*Erica Tribelet*  
Clerk

**Exhibit A**  
**CITY of Sebastopol**  
**Insurance Requirements for LESSEE**

LESSEE shall procure and maintain for the duration of the lease insurance against claims for injuries to persons or damages to property which may arise from or in connection with LESSEE'S operation and use of the leased premises.

**Minimum Scope and Limits of Insurance**

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 00 01 covering any auto (Code 1), or if LESSEE has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. (This applies to LESSEEs with employees).
4. **Property insurance** against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

If the LESSEE maintains broader coverage and/or higher limits than the minimums shown above, the CITY requires and shall be entitled to the broader coverage and/or the higher limits maintained by the LESSEE. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the CITY.

**Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

***Additional Insured Status***

The **CITY of Sebastopol, its officers, officials, employees, and volunteers** are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the LESSEE including materials, parts, or equipment furnished in connection with such work or operations.

***Primary Coverage***

For any claims related to this contract, the LESSEE's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the CITY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, or volunteers shall be excess of the LESSEE's insurance and shall not contribute with it.

***Notice of Cancellation***

Each insurance policy required above shall provide that coverage shall not be canceled, except after thirty (30) days prior notice to the CITY.

***Waiver of Subrogation***

LESSEE hereby grants to CITY a waiver of any right to subrogation which any insurer of said LESSEE may acquire against the CITY by virtue of the payment of any loss under such insurance. LESSEE agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the CITY has received a waiver of subrogation endorsement from the insurer.

***Acceptability of Insurers***

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A: VII.

***Deductibles and Self-Insured Retentions***

Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the option of the CITY, either: the LESSEE shall obtain coverage to reduce or eliminate such self-insured retentions as respects the CITY, its officers, officials, employees, and volunteers; or the LESSEE shall provide a financial guarantee satisfactory to the CITY guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or CITY.

***Verification of Coverage***

LESSEE shall furnish the CITY with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to CITY before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the LESSEE's obligation to provide them. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

***Special Risks or Circumstances***

CITY reserves the right to modify these requirements at any time, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

**All certificates and endorsements shall reference the appropriate policy number, names of insured, and shall be signed by an authorized representative of the insurer.**

# SCL-City of Sebastopol Lease Update 2022

Final Audit Report

2023-01-10

Created:	2023-01-09
By:	Jaylene Demapan (jdemapan@sonomalibrary.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA_VFscPcRLlwNDcdQPcsECLlry4imtIV

## "SCL-City of Sebastopol Lease Update 2022" History

-  Document created by Jaylene Demapan (jdemapan@sonomalibrary.org)  
2023-01-09 - 11:58:14 PM GMT- IP address: 98.51.217.24
-  Document emailed to Erika Thibault (ethibault@sonomalibrary.org) for signature  
2023-01-09 - 11:59:06 PM GMT
-  Email viewed by Erika Thibault (ethibault@sonomalibrary.org)  
2023-01-10 - 0:00:08 AM GMT- IP address: 76.133.151.140
-  Document e-signed by Erika Thibault (ethibault@sonomalibrary.org)  
Signature Date: 2023-01-10 - 0:00:17 AM GMT - Time Source: server- IP address: 76.133.151.140
-  Agreement completed.  
2023-01-10 - 0:00:17 AM GMT

City of Sebastopol  
Dante Del Prete  
Director of Public Works  
7120 Bodega Ave.  
Sebastopol, CA 95473

**Subject: Change Order Proposal for New Roof and Solar PV at Library**

Reference Documents:

1. Energy Services Agreement, Fully Executed 12/9/21
2. Energy Services Proposal, Exhibit A to Energy Services Agreement

Dear Mr. Del Prete,

Per the existing Energy Services Agreement (dated and signed by the City of Sebastopol and Syserco Energy Solutions on 12/9/21), and in reference to the Energy Services Agreement Exhibit 1 titled “Energy Services Proposal”, this change order proposal includes Scope(s) of Work outlined in Energy Services Proposal according to the following sections:

- Section 2.6: ECM 5.01 “Install New Solar PV” (page 16)
- Section 2.6: ECM 7.03 “Roof Replacement” (page 19)

All terms and conditions of the existing Energy Services Agreement shall apply to this proposed Scope of Work.

Note: The cost of these (2) ECMs is not included in the existing Energy Services Agreement total cost of \$4,968,891. Per the Energy Services Proposal, the initially intended source of funding for these (2) ECMs was a Power Purchase Agreement, however, due to a recently awarded grant to the City by the California State Library, titled “Building Forward Grant”, the City now intends to fund the implementation of these (2) ECMs with grant funding, provided by the California State Library. All terms and conditions outlined by the Building Forward Grant program shall apply to the payment and execution of this Scope of Work.

Please see Attachment A for technical specifications for the proposed Scope of Work.

**Total Change Order Proposal Price: \$707,125**



Please signify acceptance of this Change Order Proposal by signing below.

Authorized by:

Larry McLaughlin  
City Manager / City Attorney  
City of Sebastopol

Scott Meizen  
VP / General Manager  
Syserco Energy Solutions, Inc.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Attachment A – Technical Specifications**



**ENERGY SERVICES CONTRACT**

This Energy Services Contract ("**Contract**") is made and entered into as of Dec. 9, 2021 ("**Effective Date**"), between Syserco Energy Solutions, Inc., a California company ("**Energy Services Contractor**"), having its principal offices at 215 Fourier Ave. Suite 140, Fremont, CA 94539, and City of Sebastopol, having its principal office at 7120 Bodega Ave, Sebastopol, CA 95472 ("**Customer**"), who are collectively referred to as the "**Parties**", or individually as a "**Party**".

WHEREAS, Energy Services Contractor is a company with experience and technical and management capabilities to provide for the discovery, engineering, procurement, installation, financing, maintenance and monitoring of energy saving measures, solar power generation measures, and/or operations and maintenance cost reductions at facilities similar to Customer's facilities;

WHEREAS, Energy Services Contractor has prepared a project proposal in the form of an Energy Services Proposal ("**Proposal**") for Customer; and

WHEREAS, Customer desires for Energy Services Contractor to perform certain work as identified in this Contract, and Energy Services Contractor desires to perform such work;

WHEREAS, if Customer is a public entity, this Contract is procured pursuant to the following procurement statute or other authority: CA Legislative Government Code 4217. Energy Services Contractor enters into this Contract in reliance on Customer's representations concerning the appropriateness and validity of the procurement mechanism(s) under which this contract is procured. Customer as a fiduciary acknowledges such reliance by Energy Services Contractor.

NOW THEREFORE, the parties agree as follows:

**1. Contacts.** As of the Effective Date, and subject to change from time to time, the following persons are the primary representatives of each party as related to execution of this project:

For Energy Services Contractor:

Name: Gabe Johnson  
Title: Account Executive  
Address: 215 Fourier Ave., Fremont, CA 94539 *Ste. 140*  
Telephone: 707-227-6377  
Email: g.johnson@syserco.com

For Customer:

Name: Dante Del Prete  
Title: Public Works Superintendent  
Address: 714 Johnson St., Sebastopol, CA 95472  
Telephone: 707-823-5331  
Email: ddelprete@cityofsebastopol.org

**2. Scope of Work.** Energy Services Contractor agrees to perform the design and/or construction work set forth in the proposal described as Energy Services Proposal ("**Work**") and attached hereto as Exhibit A. Customer agrees to take all actions identified in this Contract that are necessary to achieve the project benefits identified. Energy Services Contractor will provide all labor, materials, equipment, and supervision, including subcontractors, necessary to perform the Work. If included in the Proposal or other exhibit to this Contract, Energy Services Contractor also agrees to perform post-construction services, which may include monitoring, measurement and verification services, following Substantial Completion of the Work ("**Services**").

**3. Compensation.** Customer shall pay Energy Services Contractor Four Million, Nine Hundred Sixty-Eight Thousand, Eight Hundred Ninety-One Dollars and Zero Cents (\$4,968,891.00) (“**Price**”) as compensation for Energy Services Contractor’s performance of the Work and Services as provided herein. Customer shall pay Energy Services Contractor in accordance with the Schedule of Values that shall be reviewed and approved by Customer prior to beginning the Work. Customer shall pay Energy Services Contractor within fifteen (15) days of receiving an invoice. Energy Services Contractor will be entitled to interest at the rate allowed by law on all sums overdue and unpaid from the date due. Additional project financial information including total compensation and payment terms is as set forth in the Proposal, or other attached exhibits, as applicable.

**4. Time.** The Work to be performed under this Contract shall begin within 30 days of the date of an Executed Contract or Letter of Award (“**Commencement Date**”) and is anticipated to end by the earlier of the dates set forth in Section 4.a. or 4.b., below (“**Time**”). If the Work is divided into phases or individual projects, each phase or project will start in accordance with the timeline included as part of this Contract. The Work, but not the Services, shall be completed by the date that is the earlier of:

- a. The date on which Energy Services Contractor is substantially complete with the Work. Substantial completion means that Energy Services Contractor has performed enough of the Work so that Customer may use the Work for its intended purpose or realize an intended benefit from the Work. If the Work is divided into phases or individual projects for which individual prices have been negotiated (“**Phase**”), then substantial completion dates shall apply to each phase or individual project as indicated in this Contract. Substantial completion should be demonstrated via execution by Customer of a certificate of substantial completion.
- b. (365) days after the Commencement Date, subject to equitable extensions of Time, or pursuant to this Contract.

Any Services shall commence on the substantial completion date, unless a different date is specified herein, and shall continue for a 1-year period unless a different period is specified herein. The conditions of all utility cost savings as set forth in the Energy Services Proposal shall coincide with the term of the Services. If for any reason Customer terminates or breaches this Contract including but not limited to its obligations pursuant to the Services portion of the Contract or other separate agreement, the utility cost conditions of this agreement shall automatically terminate.

**5. Permits, Approvals, Taxes.** Unless obtained by Customer or otherwise specified in this Contract, Energy Services Contractor shall obtain all permits, licenses, and inspections that are required for the Work. Customer shall be responsible for securing all other necessary approvals, easements, zoning changes, or similar entitlements. An equitable adjustment in the Time and Price of the Contract shall be made to account for any time Customer spends securing any of these items after the Commencement Date, and reasonable costs incurred by Energy Services Contractor as a result. Customer shall pay all taxes associated with the Work including, sales, use, real estate, and personal property taxes.

**6. Safety.** Energy Services Contractor shall be responsible for initiating, maintaining, and supervising safe performance of the Work. Energy Services Contractor shall comply with all applicable laws, ordinances, rules, regulations, and lawful orders of public authorities related to safety of persons or property.

**7. Cleanup.** Energy Services Contractor shall keep the premises and the surrounding area free from accumulation of waste materials or rubbish caused by the Work. Upon completion of the Work, Energy Services Contractor shall remove all waste materials, rubbish, tools, construction equipment, machinery, and surplus materials.

**8. Subcontractors.** Energy Services Contractor may hire subcontractors to perform any portion of the Work or Services under this Contract. Energy Services Contractor is entirely and ultimately responsible for compliance with the provisions of this Contract and for any part of work that is performed by a subcontractor.

**9. Borrowed Equipment.** If requested by Energy Services Contractor and if permitted by Customer's representative, Energy Services Contractor may use Customer's equipment in performing the Work or Services. Energy Services Contractor assumes full and complete responsibility for the use of the equipment, will ensure that only a competent operator will be permitted to use the equipment and only after fully inspecting the equipment, shall not modify the equipment, shall be solely responsible for all claims, demands, lawsuits, losses, expenses and/or liabilities that arise from its use of the equipment to the extent of Energy Services Contractor's negligence, and agrees that Customer makes no representation or warranty regarding the condition or suitability of equipment for any intended use.

**10. Insurance.** Prior to commencing Work, Energy Services Contractor shall provide to Customer required insurance certificate and endorsements per attached City of Sebastopol Insurance Requirements for Professional Services, **Exhibit B**.

**11. Bonds.** If required by Customer and not included in the Proposal, Energy Services Contractor shall furnish a performance bond and/or a payment bond, in an amount equal to the construction cost of the Work, and such cost shall be paid by Customer in addition to the Price. The performance bond shall cover completion of the physical work per the approved design. The bonds shall not guarantee or warranty the efficiency or performance of any aspect of the Work or Services, and shall not cover any obligation of Energy Services Contractor to ensure that the Work as constructed, or Services, will result in any particular level of energy savings. Any suit on the Bonds must be brought within the period of one (1) year after substantial completion; provided, however, that if this suit limitation is void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable. Energy Services Contractor may furnish a retention bond in lieu of retainage held on respective monthly invoices. Because such bond is for Customer's protection, the cost of such bond shall be paid by Customer in addition to the Price.

**12. Hazardous Materials.** The Work and Services expressly exclude any work of any nature associated or connected with the identification, abatement, cleanup, control, removal, or disposal of hazardous materials or substances, including but not limited to asbestos, lead, or PCBs. As of the Effective Date, Customer represents that, to the best of its knowledge, there is no hazardous material on the premises that may in any way relate to the Work or affect Energy Services Contractor's ability to deliver the Work or Services. Prior to the Commencement Date, Customer shall provide to Energy Services Contractor a comprehensive good faith survey that at a minimum complies with applicable regulatory requirements, and identifies all actual or suspected hazardous materials, quantities, and specific locations of such materials on the premises. Failure to provide such good faith survey timely shall result in an equitable adjustment to Time. If Energy Services Contractor becomes aware of or suspects the presence of hazardous materials on the premises during the Work or Services, Energy Services Contractor shall notify Customer, Customer shall investigate and correct the suspected hazardous materials in accordance with all applicable laws, Energy Services Contractor shall have the right to stop work in the affected area until the suspected hazardous materials are investigated and remediated by Customer, and the Time and Price shall be equitably adjusted relative to the duration of Customer's investigation and remediation of the suspected hazardous materials.

**13. Delays.** If Energy Services Contractor is delayed in the commencement or completion of the Work or Services by causes beyond its control, including but not limited to fire, flood, theft, vandalism, labor disputes, abnormal adverse weather conditions, acts of God, acts of the public enemy, riot, war, unavailability of equipment or supplies, or supply chain delays caused by any of the foregoing, then Energy Services Contractor shall provide written notice to the Customer of the existence, extent of, and reason for such delays, and an equitable adjustment in the Time of the Contract shall be made as a result. If a delay is attributable to failure by Customer to perform its obligations under the Contract or failure to cooperate with Energy Services Contractor in the timely completion of the Work, an equitable adjustment to Time and Price shall be made as a result.

**14. Certificate of Substantial Completion.** Upon Substantial Completion of any Phase of the Work, Customer shall execute a certificate of substantial completion acknowledging:

- a. The portion of the Work substantially completed, and the date of substantial completion.
- b. Receipt of any manuals and training provided by Energy Services Contractor under this Contract.
- c. Any warranty start date and warranty period.
- d. A punchlist of items remaining to be completed by Energy Services Contractor.

Timing of Substantial Completion does not depend on Customer's timely executing a certificate of substantial completion, and failure by Customer timely to execute a certificate of substantial completion shall not operate to extend the date of Substantial Completion.

**15. Customer Use.** Upon substantial completion or start of beneficial use, whichever occurs first, Customer is responsible for use, operation, and maintenance of all aspects of the Work and Services. Energy Services Contractor shall not be responsible for improper use, operation, or maintenance of any aspect of the Work or Services by Customer or others at any time.

**16. Warranty.** Energy Services Contractor warrants that the Work will be of good quality and new; that the Work will be free from defects not inherent in the quality required or permitted; and that the Work will conform to this Contract. Energy Services Contractor warrants that the Work shall be free from defects in material and workmanship arising from normal usage for a period of one (1) year from the date of substantial completion, or start of beneficial use by Customer, whichever is earlier. This warranty does not cover any improper use, operation, or maintenance of any aspect of the Work, or if the Work has been abused, altered, or repaired by the Customer or third parties without supervision by or prior written approval from Energy Services Contractor, or if serial numbers or warranty date decals have been removed or altered. Customer must report any warranty claims to Energy Services Contractor in writing, and such claims must be presented immediately upon having reason to know that a warranty issue exists. Failure by Customer to notify Energy Services Contractor of the need for warranty service within ten days of discovery of a warranty claim will void this warranty. Additionally, Customer shall not hire or direct others to repair any warranty item without Energy Services Contractor's written consent. Customer's repair of any warranty item without the written consent of Energy Services Contractor shall void this warranty with respect to such item, and the cost of such repair shall not be reimbursable to Customer by Energy Services Contractor. Energy Services Contractor makes no warranty whatsoever regarding materials or products provided by third parties that are incorporated into the Work. THE WARRANTIES CONTAINED IN THIS CONTRACT ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY, HABITABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE.

**17. Indemnity.** Where the services to be provided by Consultant under this Agreement are design professional services as that term is defined under Civil Code Section 2782.8, Consultant agrees to indemnify, defend and hold harmless, the City, its officers, officials, employees and volunteers from any and all claims, demands, costs or liability that actually or allegedly arise out of, or pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant and its agents in the performance of services under this contract, but this indemnity does not apply to liability for damages for bodily injury, property damage or other loss, arising from the sole negligence, active negligence or willful misconduct by the City, its officers, official employees, and volunteers. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, then Consultant's indemnification and defense obligations shall be reduced in proportion to the established comparative liability of the indemnified party and shall not exceed the Consultant's proportionate percentage of fault.

As respects all acts or omissions which do not arise directly out of the performance of design professional services,



including but not limited to those acts or omissions normally covered by general and automobile liability insurance, Consultant agrees to indemnify, defend and hold harmless the City, its officers officials, employees and volunteers for an against any claim, demands, losses, liability of any kind or nature arising out of or in connection with the Consultant's performance or failure to perform under the terms of this contract, excepting those which arise out of the negligence or misconduct of the City, its officers, officials, employees and volunteers.

**18. Damages.** NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, OR SIMILAR DAMAGES OR LOSSES, INCLUDING LOSS OF PROFITS, ARISING OUT OF OR RELATING TO THIS CONTRACT, WHETHER BASED IN CONTRACT OR TORT OR ANY OTHER THEORY, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

**19. Force Majeure.** Energy Services Contractor shall not be liable to Customer for damages, loss, injury, or delay caused by conditions that are beyond the reasonable control of Energy Services Contractor. Such conditions include, but are not limited to flood, fire, theft, pandemic, epidemic, vandalism, abnormal adverse weather conditions, acts of the public enemy, acts of God, riot, war, strike, loss, or shortage of transportation facilities, lock-out, commandeering of materials, product, plant, or facilities by the government, or supply chain delays caused by any of the foregoing.

**20. Fire Safety and Security Equipment.** If this Contract covers fire safety or security equipment, Customer acknowledges that Energy Services Contractor is not an insurer regarding those services, and Energy Services Contractor shall not be responsible for any damage or loss that may result from fire safety or security equipment that fails to perform properly or fails to prevent a casualty loss.

**21. Changes.** The Work or Services may be changed pursuant to a written change order executed by an authorized Energy Services Contractor signer and Customer signer ("**Change Order**"). A Change Order is valid only to the extent that it changes the scope of Work or Services, Price, and/or Time. Any invalid portions of a Change Order shall be disregarded. The Parties contemplate that Change Orders may include scope changes such as installation of additional utility conservation measures, facility improvement measures, and operational efficiency improvements or the furnishing of additional services within the identified facilities, as well as other facilities owned or operated by Customer. Energy Services Contractor shall be entitled to a Change Order for additional or extra work or services provided by Energy Services Contractor to Customer at Customer's request, without regard to whether such request is verbal or in writing.

**22. Intellectual Property.** Plans, designs, specifications, drawings, materials, exhibits, reports, memoranda, studies, software code, electronic data, and other intellectual information and materials provided by Energy Services Contractor to Customer (collectively the "**Intellectual Property**") as part of the Work or Services are instruments of service owned by Energy Services Contractor and are not "work made for hire" as such term is defined under U.S. copyright law. If this Contract is performed to completion, then Energy Services Contractor grants to Customer a limited license to use the Intellectual Property to operate, maintain, renovate, and manage the subject matter of this Contract. The Intellectual Property shall not be used on other projects or for completion of the Work or Services by others, unless Energy Services Contractor is adjudged to be in material breach of this Contract, in which case Customer shall use the Intellectual Property at its sole risk, and shall hold Energy Services Contractor harmless from any and all errors or omissions in the Intellectual Property. The parties acknowledge that monetary damages may not be a sufficient remedy for unauthorized use of Intellectual Property and that Energy Services Contractor shall be entitled, without waiving any other rights or remedies, to such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction. If any bond is required in connection with such an action, the allegedly breaching party agrees that \$3,000 shall be a reasonable amount of such bond.

Energy Services Contractor and Customer recognize that the damages to be sustained by Energy Services Contractor in the event of improper use of Intellectual Property by Customer will be difficult if not impossible to ascertain.

Consequently, Energy Services Contractor and Customer, after each having consulted with their respective legal counsel and being fully aware of their rights herein, do hereby agree that in the event that Customer breaches this Agreement with respect to use of Intellectual Property, Customer agrees to pay to Energy Services Contractor \$1,000.00 per day as liquidated damages for the period of three (3) years following the date of breach. Customer and Energy Services Contractor, after consulting with their respective legal counsel on their rights herein, do hereby agree and stipulate that the liquidated damages sum is a fair and reasonable estimate of the damages which Energy Services Contractor will sustain in the event Customer materially breaches this Agreement with respect to use of Intellectual Property, and that nothing herein shall be construed to be a penalty.

**23. Termination.** This Contract may be terminated at any time as described below:

- a. Termination for Cause.** If Energy Services Contractor materially fails to perform under this Contract, Customer may notify Energy Services Contractor in writing of Customer's intent to terminate this Contract along with a description of the alleged failure. If Energy Services Contractor does not in good faith take reasonable steps to correct such failure within fifteen (15) days after receipt of such notice, Customer may terminate this Contract, and Energy Services Contractor shall be entitled to receive payment for all amounts earned prior to termination. If it is determined for any reason that termination was improper, the termination shall be treated as a termination for convenience.
- b. Termination for Convenience.** Customer may terminate this Contract in whole or in part for any reason by providing written notice of termination to Energy Services Contractor and specifying the date on when the termination becomes effective. Upon receipt of such notice, Energy Services Contractor shall incur no further obligations in connection with the terminated work and will stop work to the extent specified. Energy Services Contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work. Energy Services Contractor shall settle liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work, and Customer shall pay Energy Services Contractor for such expenses, demobilization costs incurred by Energy Services Contractor due to the termination, overhead through the end of work performed due to termination of the Contract, and lost profits on terminated work. Such amounts shall be paid by Customer to Energy Services Contractor within fifteen (15) days of Energy Services Contractor's delivery to Customer of a request for payment. In addition, Energy Services Contractor may terminate this Contract in whole or in part for any reason by providing written notice of termination to Customer and specifying when termination becomes effective. In such case, Energy Services Contractor shall refund to Customer all amounts prepaid by Customer and unearned by Energy Services Contractor as of the date of termination, and Customer shall have no payment obligation to Energy Services Contractor for unperformed Work.
- c. Unappropriated Public Funds.** If Customer is a public entity that is prohibited by law from making fiscal commitments beyond the term of its current fiscal period, and does not currently have funds set aside to pay for this Contract in future years, then Energy Services Contractor's compensation in future years is contingent upon the availability of appropriations in future years sufficient to pay for this Contract. Payments pursuant to this Contract shall be made only from funds appropriated or available, as of the Effective Date of this Contract, to pay for this Contract, and Customer's liability for payments shall be limited to the amount of appropriated or available funds as of the Effective Date of this Contract. If Customer funds are not appropriated or available to fund this Contract, then Customer may terminate this Contract without further obligation related to the non appropriated or unavailible funds.

**24. Disputes.** The Parties agree that the following process will be used to resolve any dispute between them.

All dispute resolution shall be conducted in good faith, shall be confidential, shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence, and shall be inadmissible in any litigation, or other judicial proceeding.

- a. **Negotiations.** First, the Parties will attempt to negotiate a resolution.
  - b. **Mediation.** If a dispute remains unresolved more than thirty (30) calendar days after the commencement of negotiations and the Parties have not mutually agreed to extend the negotiation period, then the Parties shall pursue mediation. In mediation, the Parties shall mutually select a mediator, the cost of the mediator and other administrative costs shall be shared equally by the Parties, and each Party shall be responsible for its own costs and expenses.
  - c. **Arbitration.** If any dispute remains unresolved more than sixty (60) calendar days after the commencement of mediation, and the Parties have not mutually agreed to extend the mediation period, then either Party may pursue arbitration. The following rules shall apply to arbitration: The Parties shall mutually select an arbitrator. In the interest of fairness and to ensure that any arbitrator renders an award in accordance with California law, the Parties agree that the arbitrator shall not have the power to commit (a) errors of law or legal reasoning, (b) errors of fact, (c) errors with regard to mixed questions of law and fact; or to render an award: (d) not based on substantial evidence, (e) based on evidence not presented at the hearing, or (f) not in conformity with the substantive and procedural law of the state of California. If the arbitrator exceeds any of the foregoing specific powers, the award may be vacated or corrected by filing a petition pursuant to the Act in the Superior Court in and for the county where the project is located. In reviewing the award, the Superior Court shall sit as if it were an appellate court, in all respects, including but not limited to the scope of review. The decision of the Superior Court is, itself, subject to review by the California appellate courts. The arbitrator shall hear and determine the matter, and shall execute and acknowledge the award in writing and cause a copy thereof to be delivered to each of the parties. The award shall include factual findings, conclusions of law, and the reasons on which the decision is based. The decision of the arbitrator shall be final, binding, and conclusive, except to the extent the decision may be submitted for judicial review as provided herein. The award of the arbitrator may be confirmed by the Superior Court in the county where the project is located, and such Court may vacate, modify, or correct the award in accordance with the prevailing sections of the Act and in accordance with the terms and conditions herein. The non-prevailing Party shall reimburse the prevailing Party for all of its reasonable attorneys' fees, costs, and expenses related to the arbitration, provided, however, that as a precondition to such award, the prevailing Party shall have participated in negotiations and mediation in good faith.
25. **Notices.** All notices to Energy Services Contractor shall be written, shall be sent via certified mail or a national courier service or personally delivered, shall consist of one original to Attn: General Counsel, Energy Services Contractor, 215 Fourier Ave, Fremont, CA 94539, and one original to the primary Energy Services Contractor contact for the Work, and shall be deemed delivered when received by the General Counsel.
26. **Non-Solicitation of Employees.** Customer shall not, so long as Energy Services Contractor is engaged by Customer and for twelve (12) months after such engagement ends, directly or indirectly solicit or recruit any employee of Energy Services Contractor to leave his or her employment with Energy Services Contractor. This provision does not apply if the Energy Services Contractor employee approaches Customer of his or her own accord. Energy Services Contractor and Customer recognize that the damages to be sustained by Energy Services Contractor in the event of unauthorized hiring of an employee of Energy Services Contractor by Customer will be difficult if not impossible to ascertain. Consequently, Customer and Energy Services Contractor, after each having consulted with their respective legal counsel and being fully aware of their rights herein, do hereby agree that in the event that Customer causes Energy Services Contractor to lose any Energy Services Contractor



employee, Customer agrees to pay to Energy Services Contractor an amount equivalent to the total prior twelve (12) months' compensation, including but not limited to salary, bonuses, and benefits, of the Energy Services Contractor employee lost due to the unauthorized conduct of Customer. Company and Energy Services Contractor, after consulting with their respective legal counsel on their rights herein, do hereby agree and stipulate that the liquidated damages sum is a fair and reasonable estimate of the damages which Energy Services Contractor will sustain in the event Company materially breaches this Agreement as referenced above, and that nothing herein shall be construed to be a penalty.

**27. Choice of Law/Venue.** This Agreement shall be governed and construed under the laws of the State of California, notwithstanding any choice of law provision whether statutory, common law, or contractual. The Parties consent to exclusive jurisdiction and venue in the state courts of California. Energy Services Consultant and Customer waive all defenses of lack of personal jurisdiction and forum non conveniens.

**28. Assignment.** Neither Party may assign or transfer its rights and/or obligations under this Contract without the prior written consent of the other Party which shall not be unreasonably withheld, unless the assignment is to an affiliate of the Party.

**29. No Waiver.** No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver.

**30. No Third Party Beneficiaries.** There are no third party beneficiaries under this Contract or any portion thereof.

**31. Severability, Survival.** If any portion of this Contract shall be held invalid in whole or in part under any law, rule, regulation, or order, then such portion shall remain in effect only to the extent permitted, and the remaining portions of the Contract shall remain in full force and effect. Any invalid portions shall be substituted with an interpretation that most accurately reflects the Parties' intentions.

**32. Tax Benefits.** Unless otherwise specified in this Contract, Energy Services Contractor is solely entitled to claim tax benefits available under section 179D of the Internal Revenue Code (EPAAct), or its successor.

**33. Waiver of Subrogation.** The Parties waive all rights against each other and their directors, officers, agents, and employees, and other contractors, for damages or losses to the extent covered by insurance.

**34. Amendment.** This Contract may not be amended except pursuant to a written amendment signed by an authorized signer of each Party.

**35. Headings.** The headings of this Contract are for purposes of reference only and shall not limit or define the meaning of the provisions of this Contract.

**36. Complete Agreement.** This Contract, including the exhibits attached hereto, is a fully integrated agreement and contains the entire understanding between Energy Services Contractor and Customer with respect to the subject matter hereof. Any legal terms and conditions appearing in any attachment to this Contract shall be ignored to the extent they contradict or are inconsistent with the terms and conditions contained in the foregoing numbered paragraphs. All previous agreements between Energy Services Contractor and Customer as to the Work are superseded by this Contract.

**37. Contract Documents.** By this reference, the following exhibits are attached hereto and made a part of this Contract:

Exhibit A: Energy Services Proposal  
Exhibit B: City of Sebastopol Insurance Requirements for Professional Services

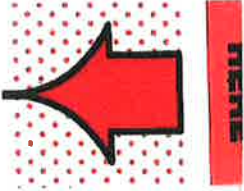
IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the Effective Date.

**ENERGY SERVICES CONTRACTOR**

By: [Signature]  
Printed Name: J. Mayden  
Title: CEO  
Date Signed: 12/9/21

**CUSTOMER**

By: [Signature]  
Printed Name: Lawrence McLaughlin  
Title: City Manager  
Date Signed: 12-8-21





# Energy Services Proposal

Prepared for the City of Sebastopol, CA



Date Submitted: October 6, 2021

Presented by: Chad Olsen, PE, CEM  
Gabe Johnson

Doc Revision: R02



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**SECTION 0 – EXECUTIVE SUMMARY**

The City of Sebastopol selected Syserco Energy Solutions (SES), a qualified Energy Services Company, to develop a City-Wide, comprehensive Energy and Operations Project compliant with CA GC 4217. The process of developing the Energy Conservation and Facility Improvement Measures (ECMs and FIMs) for the City involved performing an Investment Grade Audit (IGA) of the City’s facilities. The IGA established a historical energy and utility baseline and identified ECMs and FIMs and incorporates the main needs of the City’s Facilities team.

Syserco Energy Solutions is pleased to present the following energy efficiency and facility improvement project to the City of Sebastopol. This project shall utilize funding from a Tax-Exempt Municipal Lease, Capital Contribution and a Power Purchase Agreement (PPA).

The primary goals of this Project are:

1. Replace the HVAC equipment at the Sebastopol Library
2. Install new solar PV generation and replace the roof at the Sebastopol Library
3. Improve the water & wastewater pumping system efficiency
4. Reduce energy consumption across City-owned infrastructure
5. Reduce overall City greenhouse gas reductions
6. Improve tenant ability for real-time monitoring of water use
7. Allow City staff to monitor water-usage real-time
8. Upgrade aging infrastructure

The following table is the firm-fixed Project Cost and estimated utility and operational savings.

Project Cost	<b>\$4,968,891</b>
1 <sup>st</sup> Year Utility Cost Savings	\$241,821
1 <sup>st</sup> Year O&M Savings	\$74,533
Total 1 <sup>st</sup> Year Savings	\$316,354
Funding Contribution from Ives Pool Club	\$30,000
Project Payback *	11.5

**NET PROJECT 25-YEAR CUMULATIVE SAVINGS = \$7,208,040**

\* - Factored Payback based on Municipal Lease Financing with 15-year term at 2.85% interest and 4% annual utility escalation. See Exhibit 1 “Cash Flow” for year-by-year calculation of project payback.

## SECTION 1 – INTRODUCTION

Syserco Energy Solutions (SES) is pleased to present this Energy Services Proposal (ESP) to the City of Sebastopol (Sebastopol) for the purpose of implementing the recommended Energy Conservation Measures (ECMs) included in the final Investment Grade Audit (IGA) at the City of Sebastopol's various facilities.

The intent of this ESP is to detail the Scope of Work, Project Cost and Financing structure that will result from the implementation of the identified ECMs. On the basis of these projections, SES will update existing systems, improve occupant comfort, reduce utility consumption and increase revenue. The City of Sebastopol will also realize maintenance and operational cost savings and Capital Cost Avoidance as a result of this work.

This Proposal marks the culmination of a detailed energy and operational audit of the City's facilities, during which resource consuming systems and equipment were analyzed to understand the potential for energy savings and metering equipment was evaluated for existing accuracy. To develop the recommended project, experienced Energy Engineers, Project Managers and Project Developers from SES have assessed and analyzed energy efficiency opportunities. Syserco Energy Solutions has investigated multiple means for accomplishing this goal, including retrofitting equipment or installation of new devices and/or employing enhanced strategies to improve operational efficiency.

### 1.1 TEAM EFFORT

Syserco Energy Solutions would like to thank members of City Staff and Facilities personnel who worked closely with our team throughout this process. Without their assistance, this project would not have been possible.

### 1.2 APPROACH

The IGA process involved numerous site visits, interaction with City of Sebastopol Management and Facilities Staff, as well as a detailed analysis of existing equipment and systems, current utility consumption and any available logs and profiles of equipment. Studies of the energy usage, operating conditions and interviews with facility personnel were valuable sources of information that contributed greatly to this effort. Syserco Energy Solutions has taken into consideration the input provided and has integrated the various infrastructure needs of the City of Sebastopol through the proposed ECMs.



## SECTION 2 – SCOPE OF WORK

### 2.1 ENERGY CONSERVATION MEASURE (ECM) SUMMARY

For the detailed scope of work descriptions please refer to the “2.6 ECM DESCRIPTIONS & DETAILED SCOPES OF WORK” section.

The following table shows the description of each Energy Conservation Measures (ECMs), energy savings, cost savings and the estimated O&M savings for each ECM.

ECM #	ECM Description	ECM Elec Energy Savings (kWh/yr)	ECM Gas Savings (therms/yr)	ECM Water Savings (CCF/yr)	Total Cost Savings (\$/yr)	Est O&M Savings Yr 1 (\$)
2.02	DESTRATIFICATION FANS	-560	891	0	\$978	\$371
2.03	E-GEN HP HEATER	16,689	0	0	\$4,867	\$490
2.05	HVAC UNIT REPLACEMENT	0	0	0	\$0	\$10,607
2.06	POOL CHLORINE GENERATOR	0	0	1,854	\$20,564	\$1,979
3.01	BUILDING LIGHTING UPGRADE & STREETLIGHTS	108,759	0	0	\$31,714	\$3,847
4.01	CITY WATER METER REPLACEMENT	0	0	9,988	\$110,772	\$33,203
4.02	PUMP REPAIR/REPLACEMENT	227,400	0	0	\$66,310	\$22,932
4.03	DOMESTIC WATER EFFICIENCY	1,273	68	207	\$2,751	\$564
5.01	NEW SOLAR PV ON ROOF	0	0	0	\$0	\$0
7.01	BUILDING ENVELOPE SEALING	1,055	527	0	\$998	\$182
7.02	WINDOW FILM	9,831	0	0	\$2,867	\$359
7.03	ROOF REPLACEMENT	0	0	0	\$0	\$0
<b>Total</b>	--	<b>364,447</b>	<b>1,486</b>	<b>12,049</b>	<b>\$241,821</b>	<b>\$74,533</b>

Projected energy reduction and cost avoidance figures are calculated based upon existing building occupancy, operation and stipulated assumptions of performance. Legacy utility billing was derived from City generated reports and future revenue increases are calculated using the historical data and applying an improved rate of accuracy for water meters. All calculations are based upon industry best practices and methodologies.

### 2.2 ENERGY SERVICES

SES will include the following services related to this project:

1. **DESIGN SERVICES:** SES will provide a detailed engineering design as needed to obtain the City’s review and approval. In addition, SES will also provide Project / Construction management services, start-up, testing, as-built drawings of systems designed, and provide relevant operations and maintenance manuals.
2. **CONSTRUCTION:** SES will provide, or cause to be provided, all material, labor, and equipment, including paying for permits, fees, bonds, and insurance, as required for complete working installation of the proposed equipment.
  - a. SES will provide a Site Superintendent who will be responsible for the onsite supervision and coordination of trades and subcontractors. This individual’s responsibilities will include regular work observations, quality control, enforcement of site-specific safety plan, as well as coordinating any impact upon building occupants with the Owner.
  - b. SES may perform portions of the contract work or may subcontract portions to qualified firms.





- c. When SES has completed the installation of the equipment, including start-up, operations verification, and training in accordance with the proposal, SES will provide to Owner a "Notice of Commencement of Energy Savings".
  - d. At the conclusion of the project, SES will submit a "Notice of Substantial Completion" to the Owner.
3. **CONSTRUCTION MANAGEMENT:** SES will provide an experienced Construction Manager who will provide contract administration services for the Project. The Owner is expected to coordinate day-to-day communications with tenants and any scheduling of tenant relocations in and around occupied areas.
4. **OPERATION TRAINING:** SES will provide training of Facilities and Utility Billing Staff during the construction and close out period. In addition to this, the manufacturer recommended training for all new and upgraded systems will be provided upon completion.
5. **WARRANTY:** SES will warrant equipment and workmanship for (1) year following Notice of Substantial Completion. Specific information regarding equipment warranties will be passed on to Owner.
6. **EQUIPMENT MAINTENANCE:** SES will provide no equipment maintenance or repairs after the warranty period. Following the completion of the installation and Owner acceptance of the equipment, the Owner shall provide all necessary service, repairs, and adjustments to the equipment so that the equipment will perform in the manner and to the extent set forth in the proposal. SES shall have no obligation to service or maintain the equipment after the warranty period.
7. **HAZARDOUS WASTE:** The Work and Services expressly exclude any work of any nature associated or connected with the identification, abatement, cleanup, control, removal, or disposal of hazardous materials or substances, including but not limited to asbestos, lead, or PCBs. As of the Effective Date, Customer represents that, to the best of its knowledge, there is no hazardous material on the premises that may in any way relate to the Work or affect the ability of SES to deliver the Work or Services. Prior to the Commencement Date, Customer shall provide to SES a comprehensive good faith survey that at a minimum complies with applicable regulatory requirements, and identifies all actual or suspected hazardous materials, quantities, and specific locations of such materials on the premises. Failure to timely provide such good faith survey shall result in an equitable adjustment to Time. If SES becomes aware of or suspects the presence of hazardous materials on the premises during the Work or Services, SES shall notify Customer. Customer shall investigate and correct the suspected hazardous materials in accordance with all applicable laws. SES shall have the right to stop work in the affected area until the suspected hazardous materials are investigated and remediated by Customer, and the Time shall be equitably adjusted relative to the duration of Customer's investigation and remediation of the suspected hazardous materials.

## 2.3 CLARIFICATIONS & EXCLUSIONS

### 2.3.1 CLARIFICATIONS

- All work to be performed during regular work hours when occupied spaces are accessible. SES will work closely with City staff to identify work areas that may require after-hours work. SES will review

project schedule with City staff so that mutual agreement is reached for site access and City-approved work in occupied spaces.

- All field craft labor will comply with prevailing wage requirements and current California DIR.
- All existing field sensors, valves, actuators, conduit, and wiring will be re-used.
- City of Sebastopol to provide all required static IP addresses and Ethernet drops for equipment.
- All structural engineering related to the support of mechanical equipment as identified is included, all other structural work is excluded.
- It is assumed that the Owner will provide a laydown and storage area during the construction period.
- All existing curbs / sleepers for rooftop equipment and support structures are assumed to be in good condition and are structurally adequate.
- All permit drawings, Title 24 forms and permit fees required for the execution of the work are included.
- It is assumed that the existing piping isolation valves are working in good order and are not leaking.
- It is assumed that City of Sebastopol will provide electrical power to operate electrical construction tools and equipment.
- Proposal is based on reusing existing electrical circuits unless specifically stated.
- Assumes proper grounding exists for all electrical equipment.
- Testing and Balancing for replaced equipment is included, all other is excluded.
- Pricing is based on a single-phase project, multiple phases or extensions to schedule may constitute a change in scope
- A one year warranty from date of measure acceptance is included.

### 2.3.2 EXCLUSIONS

- Replacement of isolation valves is excluded.
- Temporary heating, cooling, fans and domestic water are excluded.
- Pressure testing of existing piping is excluded.
- Any repair work for existing systems is to be excluded, all existing equipment is assumed to be in good working order.
- Work or other performance requirements shown in any other documents not stated in this proposal.
- Fire and life safety system programming or related work associated with the Work.
- Repairs or modifications to existing electrical, mechanical, controls, structural or other systems code violations unless specifically stated.

### 2.4 EXTENT OF SUBCONTRACTING

Syserco Energy Solutions may subcontract portions of the final M/E/P design, equipment installation, start-up, and training of this contract to qualified firms.

### 2.5 PROJECT SCHEDULE

Initial Construction Schedule start date shall be based upon execution of Contract as the predecessor milestone. Excluding holidays, owner directed work stoppages and weather events, the projected overall project implementation schedule shall be developed by Construction Manager, and reviewed with City staff at Construction Kickoff Meeting.

## 2.6 ECM DESCRIPTIONS & DETAILED SCOPE OF WORK

### 2.6.1 INTRODUCTION

Based upon the investigation of the IGA, a number of Energy Conservation Measures (ECMs) have been identified to meet the specific needs of the facility. ECM identification and selection is the result of SES detailed review of the sites, in conjunction with City of Sebastopol building plans, specification, equipment arrangements and interviews with personnel. These ECMs are intended to improve the efficiency of the buildings through new equipment, repair, retrofit and reprogramming of the different systems in the buildings.

The following are the detailed description of each proposed ECM. Each description includes the existing and proposed conditions, design method, planned scope of work, measurement and verification and any operation and maintenance impacts.

### 2.6.2 DETAILED SCOPE OF WORK

#### 2.0 – HVAC ECM's

##### ECM 2.02 – Install New Destratification Fans

###### General Intent

The gym at the Community Center is a high ceiling space where air temperature stratification causes occupancy comfort issues. By installing destratification fans in the space the average bulk air conditions will be more uniform creating a more comfortable space for occupants as well as be more responsive to the HVAC equipment conditioning the space. This will result in decreased energy use, specifically for heating. This will utilize less energy to maintain the space temperature and have a useful life of approximately 15 years.

###### ECM Benefits

By installing the new equipment there will be enhances occupancy comfort and improve the energy efficiency.

###### Impacted Equipment

Community Center: Gym

###### Mechanical

- Install new destratification fans in gym rafter structure
- Install new electrical power circuits for fans
- Provide necessary engineering and project management for complete turnkey system
- Provide as built drawings, cut sheets/submittal package, O&M manual
- Provide owner/operator training
- Provide M&V in accordance with the stated plan

###### Design

- As required for electrical permit

### ECM 2.03 – Generator Heat Pump Heater

#### General Intent

The backup generator serving the sewer lift station utilizes an electrical resistance heating element to maintain the oil sump and block temperature for rapid start operations. This element has a useful life of approximately 6 years and utilizes a constant supply of electricity to operate. This measure will replace this heating element with a heat pump heating system. This will utilize less energy to maintain the engine temperature and have a useful life of approximately 15 years.

#### ECM Benefits

Energy savings will be realized from the improved efficiency of the heat pump system and reduced maintenance and parts needed to maintain the generator.

#### Impacted Equipment

Morris Lift Station: 500 kW backup generator

#### HVAC Service

- Remove existing electrical heating system electrical components and properly dispose of
- Provide and install heat pump heating element system, system controls and integration
- Perform system startup and confirm operation with generator
- Provide necessary engineering and project management for complete turnkey system
- Provide as built drawings, line-by-line audit, cut sheets/submittal package, O&M manual
- Provide owner/operator training
- Provide M&V in accordance with the stated plan

## ECM 2.05 – Replace HVAC Equipment on Roof

### General Intent

The library building has packaged HVAC equipment located in the mechanical well on the roof. This equipment is at the end of its useful life and beginning to be difficult to maintain and has significantly reduced energy efficiency. This measure will replace the existing systems with new electric heat pump systems eliminating the need for primary gas at the site.

### ECM Benefits

This measure will realize a full maintenance cycle on the HVAC equipment and improve the efficiency and operation of the systems. Additionally, it will shift the heating fuel from natural gas to clean, renewable electricity.

### Impacted Equipment

Library: (3) RTUs

### Mechanical

- Remove and properly dispose of existing RTUs in accordance with all state and local codes
- Remove and properly dispose of existing attic vents
- Provide and install new heat pump RTU's with minimum efficiency of 12.2 EER
  - If no natural gas backup heat selected, demo natural gas pipe back to roof penetration, valve off and cap
  - If electrical backup heat selected, provide and install new electrical feeder, circuit breakers and conduit for hookup
- Reuse existing equipment sleepers and provide and install new sleeper drip cap.
- Provide and install new isolation spring dampers for each unit
- Include crane pick and rigging
- Provide and install new attic vents
  - Modify curbs as needed to prevent water intrusion from new roof system
- Reconnect new RTUs to existing thermostat controls
- Provide pre and post air balancing to match existing air flows
- All new duct to be insulated in accordance with Title 24
- Provide and install new electrical disconnects and fuses
- Provide necessary engineering and project management for complete turnkey system
- Provide as built drawings, cut sheets/submittal package, O&M manual
- Provide owner/operator training

### Design

- As required for mechanical and electrical permits

## ECM 2.02 – Install New On-Site Pool Chlorine Generator

### General Intent

Existing equipment has passed the end of its useful life and is showing significant signs of wear. The existing system continually increased the salt content of the pool water making managing pool chemistry difficult and damaging to equipment. The new system is designed to reduce new salt introduction and more effectively control pool chemistry.

### ECM Benefits

By installing new on-site chlorine generation, the system will realize a full round of maintenance and simplify pool operations, reducing O&M costs.

### Impacted Equipment

Ives Pool: (1) On-Site Chlorine Generator

### Mechanical

- Remove and properly dispose of existing on-site generation system, in accordance with all applicable codes
- Provide, install and start up new NEX-GENpH Generator
- Include all electrical disconnect and reconnect
- Include all chemical connections to feedstock and injection ports
- Provide necessary engineering and project management for complete turnkey system
- Provide as built line-by-line implementation audit, cut sheets/submittal package, O&M manual
- Provide owner/operator training
- Provide M&V in accordance with the stated plan



### 3.0 – Lighting ECMs

#### ECM 3.01 – Lighting Efficiency & Controls Update

##### General Intent

The existing lighting systems in the city buildings are generally a mix of original linear T8 fluorescent tubes, recessed can lights with 2 and 3 lamp CFL pin lamps and LED lighting. There are (16) sixteen city owned streetlights that are not LED. This measure will replace the existing lighting systems identified in the lighting audit with new LED lamps or fixtures as recommended. Additional controls will be integrated where identified.

##### ECM Benefits

By replacing the exiting lighting systems with LED a full round of maintenance will be realized as well as longer lamp life with reduced energy consumption and increased light production.

##### Impacted Equipment

City Hall, Community Center, Corporate Yard, Fire Department, Ives Pool Complex, Police Department, Sebastopol Library, Senior Center, Youth Annex, Libby Park / Garzot Building, Streetlights: Lighting systems identified in the line by line audit

##### Building Lighting

- Project per ECM Holdings line by line audit
- Disconnect and reconnect line voltage
- Coordinate working periods to minimize occupant impact
- Clean all work areas of debris and dust after lighting work is completed
- Dry wipe all new and remaining lighting surfaces to be free of dust and debris
- Provide necessary engineering and project management for complete turnkey system
- Provide as built line-by-line audit, cut sheets/submittal package, O&M manual
- Provide owner/operator training
- Provide M&V in accordance with the stated plan

##### Street Lighting

- Project per City provided GIS and streetlight line by line data
- Remove and properly dispose of existing fixture head
- Provide and install new LED cobra head in accordance with City of Sebastopol requirements
- Includes all crew, trucks, rigging, deployment equipment needed for installation
- Dry wipe all new and remaining lighting surfaces to be free of dust and debris
- Update any GIS or other data tracking required by City of Sebastopol to fully document update
- Ensure that all fixtures are working properly and turning off and on based on daylight
- Assist City with submission of documentation of fixture change to PG&E for rate tariff update
- Provide necessary engineering and project management for complete turnkey system
- Provide as built line-by-line audit, updated GIS or other tracking, cut sheets/submittal package, O&M manual
- Provide owner/operator training
- Provide M&V in accordance with the stated plan





#### 4.0 – Water ECMs

##### ECM 4.01 – City Water Meter Replacement

###### General Intent

The existing domestic water meter system employed by the city for water use and billing is aging. All Residential meters that are 5/8"x3/4" and are 11 years or older will be replaced with new Badger E-Series ultrasonic meters. The balance of the existing water meter fleet will be retrofit with new digital dial registers. All meters, city-wide, will be fit with a cellular radio for consumption reporting. This meter consumption data transfer will occur periodically throughout the day, reporting back to the billing system for logging. This will allow the city to monitor for leaks and be proactive in water management as well as to reallocate manpower from reading meters to other city projects. This will also allow the city to bill Customers monthly.

###### ECM Benefits

By replacing the exiting domestic water meters and fitting them with radios the city will be able to monitor for water leaks proactively and increase billing frequency from bi-monthly to monthly.

###### Impacted Equipment

City-wide water meters

###### Water

- Perform city-wide pit / meter / lid survey and pit cleaning
- Provide and install 1,650 new 5/8"x3/4" Badger E-Series ultrasonic meters to replace existing meters 11 years and older across the city, with armor cable and twist lock connector
- Provide and install 1,352 retrofit register head from Badger with wired connection with armored cable and twist lock connector for radio connection on all meters not replaced
- Provide and install 3,002 new cellular radio connections to all meters, city-wide
- Provide and install new Badger approved radio transparent pit lids or accessory box and lids for all meter pits as required
- Coordinate new meter data transfer into billing system
- Coordinate working periods to minimize occupant impact
- Assume that all water shut off valves are functional
- Provide necessary engineering and project management for complete turnkey system
- Provide as built line-by-line audit, cut sheets/submittal package, O&M manual
- Provide Operator training

## ECM 4.02 – Water & Wastewater Pumping Efficiency

### General Intent

The city produces and sells water to the residents via four (4) water production wells and a distribution network connecting reservoirs to the end consumers. There are two (2) wastewater lift stations that pump wastewater over hills and ultimately to the treatment facility located in Santa Rosa. The pumps at the Morris lift station are showing signs of decreased efficiency to move material from the wet well to the pipeline. This measure will replace the three (3) pumps with new and relocate to them to the pump room, removing the 2-story drive shaft system currently in place. Wells 6 and 8 are showing signs of reduced efficiency. By redeveloping and replacing well components the production efficiency may be increased.

### ECM Benefits

By replacing equipment and redeveloping wells, pumping efficiency may be increased to reduce the cost to produce water and remove wastewater. This will also realize a significant maintenance improvement at the sites.

### Impacted Equipment

Morris Lift station, Well #6, Well #8

### Morris Lift

- Coordinate working periods to minimize occupant impact
- Assume that all water shut off valves are functional
- Remove existing drive shaft pumps, drive shafts and motors
- Retain existing valves for reuse
- Provide and install (3) new Flygt dry-submersible pump set with serrated impeller blades
- Provide and install new power and control conductor wiring from VFD/line reactors to new pump housings through existing drive shaft floor openings in waterproof conduit
- Include factory start up of motors and calibration of VFDs
- Excluded backup pumping or bypass pumping
- Provide necessary engineering and project management for complete turnkey system
- Provide as built engineered drawings, test reports, cut sheets/submittal package, O&M manual
- Provide operator training

### Well #6

- Coordinate working periods to minimize occupant impact
- Assume that all water shut off valves are functional
- Pull pump/motor and video inspect well casing and pump for needed rehab/develop well and/or repairs to pump/motor
- Rehab/develop well to clean screens
- Remove and replace existing 75 HP pump with new, inspect existing motors for repair
- Remove existing 6" blending intake, distribution and mixing piping
- Install new 8" intake from zone 1 system to pump house
- Install new distribution piping to each pump and mixing water to well discharge to prevent cavitation
- Provide and install new 125 HP 460V 3Ph submersible pump with check valve
- Provide necessary engineering and project management for complete turnkey system
- Provide as built engineered drawings, test reports, cut sheets/submittal package, O&M manual

- Provide operator training

#### Well #8

- Coordinate working periods to minimize occupant impact
- Assume that all water shut off valves are functional
- Pull pump/motor and video inspect well casing and pump for needed rehab/develop well and/or repairs to pump/motor
- Rehab/develop well to clean screens
- Provide and install new 125 HP 460V 3Ph submersible pump with check valve
- Provide necessary engineering and project management for complete turnkey system
- Provide as-built engineered drawings, test reports, cut sheets/submittal package, O&M manual
- Provide operator training

### ECM 4.03 – Low Flow Water Devices

#### General Intent

The existing domestic water systems in the city buildings are generally original to the construction. These fixtures have higher water flow rates than are needed or recommended. This results in excessive water use by the buildings. This measure will replace/retro-commission existing toilets, urinal flush valves, sink aerators, showerheads and kitchen sprayer with new high efficiency equipment.

#### ECM Benefits

By replacing the exiting domestic water systems with low flow devices, a full round of maintenance will be realized as well as longer equipment life with reduced water and energy consumption.

#### Impacted Equipment

City Hall, Community Center, Corporate Yard, Fire Department, Ives Pool Complex, Police Department, Sebastopol Library, Senior Center, Youth Annex, Libby Park / Garzot Building: Water systems identified in the water audit

#### Water

- Per water audit
- Disconnect and reconnect water
- Coordinate working periods to minimize occupant impact
- Assume that all water shut off valves are functional
- Clean all work areas of debris and dust after domestic water work is completed
- Provide necessary engineering and project management for complete turnkey system
- Provide as built line-by-line audit, cut sheets/submittal package, O&M manual
- Provide District/operator training

## 5.0 – Renewable ECMs

### ECM 5.01 –Install New Solar PV

#### General Intent

There currently is no solar photovoltaic system installed at the Sebastopol Library. This measure will install new solar PV on the roof of the library to generate electricity behind the meter. This will offset the amount of energy that the library pays to PG&E for electricity with the cost of purchased electricity from the solar PV system.

#### ECM Benefits

By utilizing behind the meter solar PV the library will be able to more effectively manage the cost of electricity for the next 30 years.

#### Funding

This measure shall be funded separately, under a Power Purchase Agreement (PPA). The Cost of this measure is not included in Total Project Price, as outlined on Page 2 of this report.

#### Impacted Equipment

Sebastopol Library: Roof

#### Solar

- Size, design and coordinate permits for proposed solar PV installation on the roof of the library
- Provide, install roof stanchions for anchoring system racking to roof
- Provide, install solar PV racking system, modules and electrical conductors
- install new electrical conduit to combine and route generated power back to building Main Electric Switchboard
- provide and install new solar electrical disconnect and circuit breaker
- coordinate installation of new PG& smart meter
- Coordinate inspections for permits and execute any items needed to complete the permit
- Provide necessary engineering and project management for complete turnkey system
- Provide cut sheets/submittal package, O&M manual, pre and post photo documentation
- Provide M&V in accordance with the stated plan
- Provide owner/operator training

#### Design

- As required for electrical and structural permits



### 7.0 – Envelope ECM's

#### ECM 7.01 – Repair / Replace Door Sweeps and Seals

##### General Intent

The exterior doors and exit stair well doors have missing or damaged door sweeps and seals. This allows for air, water and pest infiltration to the buildings. By repairing or replacing the door sweeps and seals of the exterior doors, the amount of infiltration will be reduced. By installing door sweeps on the interior exit doors the occupied spaces will be able to be conditioned better.

##### ECM Benefits

Reduced infiltration and conditioned air migration will reduce the amount of energy needed to condition the occupied spaces.

##### Impacted Equipment

Exterior doors for City Hall, Corporate Yard, Sebastopol Library, Police Department and Senior Center

##### Envelope

- Provide and install appropriate door sweeps and seals for all exterior exit doors
- Provide necessary engineering and project management for complete turnkey system
- Provide cut sheets/submittal package, O&M manual
- Provide owner/operator training
- Provide replacement stock for equipment as needed



### ECM 7.02 – Install Window Film

#### General Intent

The windows on the East, South and Western exposures have windows that let in a significant amount of solar heat and UV radiation. There are manual shades to reduce the amount of solar glare entering the building but are typically left closed. The intent of this measure is to install window film directly on the interior surface of the glazing to reduce glare, UV and heat gain in the spaces.

#### ECM Benefits

By reducing the amount of heat gain to the spaces the air conditioning will not have to work as hard to cool the spaces. Additionally, by reducing the amount of UV incidence in the spaces, the interior finishes will not be worn as quickly.

#### Impacted Equipment

City Hall, Corporate Yard, Senior Center, Youth Annex: East, South and Western windows

#### Envelope

- Provide and install window film on East, South and West exposure windows
  - Final approval will be provided by Facility personnel
- Includes any rigging, lifts needed to provide a complete install
- Special care is to be made in selecting and installing film to not bubble and warp or damage any glazing
- Provide necessary engineering and project management for complete turnkey system
- Provide cut sheets/submittal package, O&M manual
- Provide owner/operator training

### ECM 7.03 – Roof Replacement

#### General Intent

The existing roof on the library is past the end of its useful life. The existing roof is bubbling and showing signs of wear, however, there are no leaks. There is known to be lead and/or other hazardous materials under the roof. The proposed roof will be a spray on urethane foam approximately 1” thick covered with silicone and sand for traction. This foam will be structural and will go over the existing without removal. New drip cap will be installed. There will be significant coordination with the HVAC replacement and solar PV installation scopes.

#### ECM Benefits

This measure will provide a new leak free roof system increasing the thermal efficiency of the roof. The main benefit will be the reduced cost of installation without having to mitigate hazardous material under the roof. Additionally, the white roof color will make cooling the building easier.

#### Funding

This measure shall be funded separately, under a Power Purchase Agreement (PPA). The Cost of this measure is not included in Total Project Price, as outlined on Page 2 of this report.

#### Impacted Equipment

Sebastopol Library Roof

#### Envelope

- Remove existing drip cap and properly dispose of
- Prepare roof for new installation by cleaning and removing any bubbles
- Coordinate and install stanchions for new solar PV array anchor points
- Coordinate with HVAC mechanical work to include mechanical well in scope
- Install new foam roof 1” thick and cover with 20-year warranty coating of silicone and sand
- Provide necessary engineering and project management for complete turnkey system
- Provide cut sheets/submittal package, O&M manual
- Provide owner/operator training

## SECTION 3 – PROJECT FINANCIALS

### 3.1 FIRM-FIXED PROJECT COST

Costs presented in this proposal are valid for 60 days from the date of publication. If the Notice to Proceed is issued after 60 days from publication, SES reserves the right to re-evaluate the project and make necessary modifications to the construction cost. Other factors that SES does not have direct control may affect the ability to complete the project in the time proposed or at the price presented. In the event of delay that SES could not control, we reserve the right to request schedule extensions and reasonable adjustments to Project Costs to cover additional costs associated with the delay.

### 3.2 ITEMS INCLUDED IN PROJECT COST

Project costs include the following:

1. Engineering audit / Project Development, including the cost for preparation of this proposal.
2. Engineering design.
3. Construction management services.
4. Installation of Syserco Energy Solutions equipment including the following as specified in the scope of work
  - a. All costs paid by SES for the installation of the equipment. This includes costs paid to subcontractors or directly to Syserco personnel, when related to installation or system verification of equipment.
  - b. The portion of reasonable travel, lodging, and meal expenses of officers or employees incurred while traveling in discharge of duties connected with the Work.
  - c. Cost of all equipment, materials, supplies, and equipment incorporated in the Work, including costs of transportation thereof.
  - d. Cost or rental charges, including transportation and maintenance, of all materials, supplies, equipment, temporary facilities, and hand tools not owned by the workers.
  - e. Cost of premiums for all bonds and insurance, which SES is required to purchase and maintain.
  - f. Permit fees, royalties, and deposits lost for causes other than the SES negligence.
  - g. Losses and expenses not compensated by insurance or otherwise, sustained by SES in connection with the Work, provided they have resulted from causes other than the fault or neglect of SES. Such losses shall include settlements made with the written consent and approval of the owner. If, however such loss requires reconstruction and SES is placed in charge thereof, they shall be paid for their services a fee.
  - h. Demolition cost and cost of removal of all debris.
  - i. Costs incurred due to an emergency affecting the safety of persons and property.
  - j. Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the Owner.
  - k. Cost of equipment startup, training, system verification and balancing performed by SES.
5. Construction Bonds (including Performance & Payment), if required.
6. SES shall provide a Schedule of Values. The schedule of values will include all costs related to the installation of the equipment. Upon execution of Energy Services Agreement, SES Construction Manager shall prepare and present Schedule of Values at Construction Kickoff meeting.



### 3.3 ONGOING SERVICES / WARRANTY

Project includes 1-year warranty for material and labor. Additional warranty services may be available by product manufacturers and shall be "passed on" to City. Extended warranty beyond 1-year is not included in this proposal.

### 3.4 SES COMPENSATION

1. **Terms:** Net 30 days from the date of invoice, monthly billing as the job progresses.
2. **Payments:** At a minimum, payments will be made in the amount of 100%, less retention of five percent (5%) per the contract, at the completion and implementation of any individual Energy Conservation Measure (ECM) in the amount of that ECM as delineated in the contract. If more than one ECM is completed in a monthly period, all of those ECM's will be paid.
3. **Mobilization / Project Development / Engineering Fee:** invoice will be presented upon mutual execution of the Contract and will be in the amount of 25% of the Project's total value.
4. **Finance Charges on Unpaid Balances:** Payments due and unpaid shall be subject to interest charges per contract terms and conditions.

### 3.5 TERMS AND CONDITIONS

#### 3.5.1 TERMS OF AGREEMENT

The Contract shall be effective and binding upon the parties immediately upon its execution and the period from contract execution until the Commencement Date shall be known as the "Interim Period". All energy savings achieved during the interim period will be fully credited to Owner as mutually agreed to by the Owner and SES.

#### 3.5.2 INSURANCE AND BONDING

If required, SES shall provide a Payment and Performance bond.

1. The bond amount consists of Labor and Materials and State Sales Tax.
2. This bond does not include any construction contingencies.
3. Certificates of General Liability Insurance will be provided prior to Contract Signing

Syserco Energy Solutions shall provide a payment and performance bond in the amount of 100% of the construction cost. The amount shall include state sales tax.

The Bond shall specifically exclude coverage for those portions of the Energy Services Agreement and/or Energy Services Agreement Addendum pertaining to design services, maintenance, utility incentives, and any other clauses which do not relate specifically to construction management and supervision of work for purchasing and installing of SES Equipment, or for work to be accomplished by the Owner. The Bond shall be with a Surety or Bonding Company that is registered with the State of California Insurance Commissioner's Office.

Syserco Energy Solutions shall provide proof of insurance naming the City of Sebastopol as additionally insured under the General Liability Policy. Insurance will comply with the City of Sebastopol requirements and be shown as exhibit to Energy Services Agreement.