



# City of Palo Alto

## City Council Staff Report

(ID # 7192)

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**Report Type: Consent Calendar**

**Meeting Date: 9/26/2016**

**Summary Title: Contract Amendments for Two Energy Efficiency Programs**

**Title: Approval and Authorization for the City Manager or his Designee to Execute two Energy Efficiency Program Contract Amendments: (1) Amendment No. 3 to a Contract with BASE Energy, Inc. for the Administration of the Third-Party Non-Residential new Construction Program Contract Number C11141002 Extending the Term for two Additional Years; and (2) Amendment No. 1 to Eagle Systems International, Inc. DBA Synergy Companies Contract Number C15159125 for the Multifamily Residence Plus Program Increasing Compensation by \$500,000 From \$450,000 to a Total Not-to-Exceed Amount of \$950,000**

**From: City Manager**

**Lead Department: Utilities**

### **Recommendation**

Staff recommends that Council approve and authorize the City Manager, or his designee, to execute the following two Utilities Energy Efficiency Program contract amendments:

1. Amendment Three to the BASE Energy, Inc. Contract (C11141002) for the Business New Construction program to extend the contract term for up to two additional years from an expiration date of December 31, 2016 until the end of December 31, 2018 and to clarify language in the agreement, including that related to incentive payments, but with no change in the not-to-exceed amount of the contract; and
2. Amendment One to the Eagle Systems International, Inc. DBA Synergy Companies Contract (C15159125) for the Multifamily Residence Plus+ Program increasing compensation by \$500,000 from \$450,000 to a total revised not-to-exceed amount of \$950,000 for the contract, and adding a pre-inspection step for the City to the customer enrollment process.

Staff also recommends that Council find that its approval of these two Contract Amendments: (1) does not meet the definition of a project pursuant to Section 21065 of the California Public Resources Code, thus no environmental review under the California Environmental Quality Act

(CEQA) is required; and (2) the work performed by consultants and staff in connection with these programs is categorically exempt from CEQA pursuant to section 15301 of Title 14 of the California Code of Regulations.

### **Executive Summary**

BASE Energy Inc. (“BASE”) is the City of Palo Alto Utilities (“CPAU”) third-party contractor for the Business New Construction program. BASE works with business customers to find energy efficiency (“EE”) opportunities during the design and construction phase of new non-residential building projects, the ideal time to find savings before a customer commits to major new capital expenses.

BASE is engaged with a major key account customer on a new large health care facility that is currently under construction. Staff expects the project will yield significant energy savings. This facility is scheduled for completion by the end of calendar year 2018. Due to the size and scope of this project and the value of the expected savings, the term of the current contract with BASE needs to be extended in order to capture these savings and reward customers for their EE efforts. Although this amendment clarifies language related to aspects of the incentive payment structure, there is no increase in the total not-to-exceed compensation for the vendor recommended as part of this term extension.

Eagle Systems International, Inc. DBA Synergy Companies (“Synergy”) is the third-party contractor for the Multifamily Residence Plus+ Program which provides a no-cost, direct installation, EE program for an underserved customer group: multifamily residences with 4 or more units. The program has been extremely successful with demand far-exceeding initial expectations. The proposed contract amendment increases compensation by \$500,000 to allow Synergy to continue to provide direct installation, no-cost energy efficiency services to this customer group.

### **Background**

The original contract with BASE was approved by Council on May 16, 2011 ([Staff Report 1538](#)) for a period of three years. Council approved Amendment One on April 8, 2013 ([Staff Report 3565](#)) to extend the contract for an additional two years. On June 30, 2016, the contract was administratively extended (as allowed by Municipal Code 2.30.290) by six months to December 31, 2016. The total compensation not-to-exceed amount for the Term of the Agreement does not exceed \$360,000.

The original contract with Synergy for Multifamily Residence Plus+ was approved by Council on May 8, 2015 ([Staff Report 5707](#)) for a period of three years and not to exceed cost of \$450,000. The current contract expires on June 30, 2018.

### **Discussion**

BASE Contract for the Business New Construction Program

The most cost-effective time to make significant energy efficiency investments for a facility is during the design, construction or major retrofit phases. In order to capture these opportunities, BASE completes a detailed engineering and economic feasibility study of the plans for the building design. The study recommends efficiency measures, scheduling and equipment. The estimated savings as well as the incremental installation cost of the measures are coupled with an incentive for customers to select high efficiency equipment.

After the construction is complete, BASE verifies that the efficiency measures were installed as recommended and presents the final energy and water savings to CPAU. The customer is then paid incentives for the energy savings and BASE receives a performance payment.

The proposed Amendment No. 3 is to allow time for the completion of the large health care facility for which significant energy savings are expected—estimated to exceed four megawatt-hours. Staff proposes extending the contract with BASE until the end of 2018 when the facility is expected to be completed to reward the customer for their EE efforts. The proposed amendment also clarifies the incentive payment terms, but does not increase the overall not-to-exceed compensation for BASE. A summary and history of the BASE contract is provided below.

	<b>TOTAL Not-to-Exceed Amount</b>	<b>Compensation Increase</b>	<b>End of Term (Total Term)</b>
Original Contract (July 1 ,2011) <a href="#">Staff Report 1538</a>	\$201,390	n/a	June 30, 2014 (3 years)
Amendment No. 1 (April 8, 2013) <a href="#">Staff Report 3565</a>	\$360,000	\$158,610	June 30, 2016 (5 years)
Amendment No. 2 (July 1, 2016) Administrative 6-mo extension	\$360,000	\$0	December 31, 2016 (5 ½ years)
Amendment No. 3 ( <i>Proposed</i> )	\$360,000	\$0	December 31, 2018 (7 ½ years)

Synergy contract for the Multifamily Residence Plus+ Program

The Multifamily Residence Plus+ Program was launched on May 1, 2015. The goal of this program is to offer direct-install EE measures to multifamily residences with 4 or more units including hospices, care centers, rehab facilities, and select small and medium commercial properties; this is a customer group which has been under-served and hard to reach for Utility EE programs. The majority of the work this past year has been focused on adding insulation and installing lighting upgrades to many of the older apartment buildings in Palo Alto. As a result, the program installed over 100,000 square feet of attic insulation, approximately 1,000 LED lights and upgraded over 700 flourescent tube lights. The program targeted lighting upgrades to locations where lights are on 24 hours per day such as parking gargages, elevators and hallways.

With the advancement of lighting technology, customers are very receptive to have Synergy upgrade their lights from compact fluorescent bulbs to LEDs, which use less energy and provide a brighter and warmer light. For CPAU, offering this upgrade is now possible as the price of LED's has decreased significantly in the last few years and the quality of the LED's has greatly improved.

This is CPAU's first program focused on multifamily residences and staff's initial forecasts of program activity have proven to be quite conservative. After spending the initial \$150,000 allocated to the first year of the contract (of the total not-to-exceed amount \$450,000), in May of 2016 staff encumbered another \$150,000 from the 2<sup>nd</sup> year of the contract to complete some large projects. Synergy has identified a number of larger multifamily facilities which are eager to participate in this program. By increasing compensation as proposed with Amendment No. 1, CPAU is expected to achieve conservative energy savings of close to 1,000,000 kWh and 92,000 therms for the term of the contract. The additional \$500,000 will enable CPAU to continue to provide direct installation, no-cost energy efficiency services to more facilities, resulting in energy savings numbers which can help us with the Georgetown University Energy Prize competition which concludes at the end of 2016. The contract amendment also adds a new provision for pre-inspection to provide extra oversight of each project.

A summary and history of the Synergy contract is provided below:

	<b>TOTAL Not-to-Exceed Amount</b>	<b>Compensation Increase</b>	<b>End of Term (Total Term)</b>
Original Contract (July 1 ,2015) <a href="#">Staff Report 5707</a>	\$450,000	n/a	June 30, 2018 (3 years, and 1 month)
Amendment No. 1 (Proposed)	\$950,000	\$500,000	June 30, 2018 (3 years, and 1 month)

Yearly program energy saving target & budget for the Synergy contract:

<b>Fiscal Year</b>	<b>Budget</b>	<b>Annual Savings</b>		
		kWh	kW	Therms
FY 2016 (Actual)	\$183,464	188,444	194.4	17,812
FY 2017 (Projected)	\$500,000	513,575	529.8	48,543
FY 2018 (Projected)	\$266,536	273,771	282.4	25,877
<b>Total (FY2016-FY2018)</b>	<b>\$950,000</b>	<b>975,790</b>	<b>1,007</b>	<b>92,232</b>

### Resource Impacts

Funding of \$500,000 for year two of the Synergy contract is available in the FY 2017 Demand Side Management budgets in the electric, water and natural gas operating funds. Funding for contract year three is contingent upon appropriation and approval of funds for FY 2018.

### **Policy Impacts**

The recommendation is consistent with Council policy and supports the Council-approved electric, water and natural gas efficiency goals.

In addition, this program supports the City's interest in affordable housing by improving the efficiency, safety and comfort of existing multifamily developments. Staff will ensure that affordable developments are notified of the program to take advantage of its benefits.

### **Environmental Review**

Approval of the two Contract Amendments recommended in this staff report does not meet the definition of a project pursuant to Section 21065 of the California Public Resources Code, thus no environmental review under the California Environmental Quality Act (CEQA) is required and the work performed by consultants and staff in connection with these programs is categorically exempt from CEQA pursuant to section 15301 of Title 14 of the California Code of Regulations.

#### **Attachments:**

- Attachment 1 - Amendment No. 3 to a Contract with BASE Energy, Inc. Contract C11141002 (PDF)
- Attachment 2 - Amendment No. 1 to Eagle Systems International, Inc. DBA Synergy Companies (Synergy) Contract C15159125 (PDF)

ATTACHMENT 1

**AMENDMENT NO. THREE TO CONTRACT NO. C11141002  
BETWEEN THE CITY OF PALO ALTO AND  
BASE ENERGY, INC.**

This Amendment No. Three (“Third Amendment”) to Contract No. C11141002 (“Contract”) is entered into \_\_\_\_\_, 2016 (“Amendment Effective Date”), by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and BASE ENERGY, INC., a California corporation, located at 5 Third Street, Suite 630, San Francisco, CA 94103 (“CONSULTANT”). The Parties are collectively referred to herein as “Parties” (each individually referred to herein as “Party” and collectively as the “Parties”).

**RECITALS**

- A. The Contract was entered into between the parties for the Consultant to provide third-party energy efficiency programs the City’s Utilities Department
- B. The Parties now desire to extend the Term of the Contract by two years from its current expiration date of December 31, 2016 to December 31, 2018.
- C. The Parties now also desire to clarify the Contract’s incentive payment terms, without otherwise modifying the overall not-to-exceed amount under the Contract.
- D. In order to accomplish these purposes, the Parties now wish to amend the Contract.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Third Amendment, the Parties agree:

SECTION 1. Section 2. TERM is hereby amended to read as follows:

“**SECTION 2. TERM.** The term of this Agreement shall be from the date of its full execution through December 31, 2018 unless terminated earlier pursuant to Section 19 of this Agreement.”

SECTION 2. Section 13. PROJECT MANAGEMENT is hereby amended to read as follows:

“**SECTION 13. PROJECT MANAGEMENT.** CONSULTANT will assign Ahmad Ganji as the project supervisor to have supervisory responsibility for the performance, progress, and execution of the Services to represent CONSULTANT during the day-to-day work on the Project. If circumstances cause the substitution of the project director, project coordinator, or any other key personnel for any reason, the appointment of a substitute project director and the assignment of any key new or replacement personnel will be subject to the prior written approval of CITY’s project

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manager. CONSULTANT, at CITY’s request, shall promptly remove personnel who CITY finds do not perform the Services in an acceptable manner, are uncooperative, or present a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property.

CITY’s project manager is Bruce Lesch , Manager, Utility Program Services, or his designee, Utilities Department, 250 Hamilton Ave, Palo Alto, CA 94303. The project manager will be CONSULTANT’s point of contact with respect to performance, progress and execution of the Services. CITY may designate an alternate project manager from time to time.”

SECTION 3. The following exhibits to the Contractor is/are hereby amended to read as set forth in the attachment(s) to this Third Amendment, which are incorporated in full and supersede prior versions of the exhibits by this reference:

- a. Exhibit “A” entitled “SCOPE OF WORK”.
- b. Exhibit “B” entitled “SCHEDULE OF PERFORMANCE”.
- c. Exhibit “C” entitled “COMPENSATION”.

SECTION 4. Except as herein modified, all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have by their duly authorized representatives executed this Third Amendment as of the Amendment Effective Date.

CITY OF PALO ALTO

\_\_\_\_\_  
City Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Senior Deputy City Attorney

BASE ENERGY, INC.

DocuSigned by:  
By: Ahmad R. Ganji  
160A29D9E282489...  
Name: Ahmad R. Ganji

Title: Principal

DocuSigned by:  
By: Sandra Chow  
BC6ACDF49E6F4C0...  
Name: Sandra Chow

Title: BASE Energy, Inc. Secretary

Attachments:

ATTACHMENT 1

EXHIBIT "A": SCOPE OF SERVICES  
EXHIBIT "B": SCHEDULE OF PERFORMANCE  
EXHIBIT "C": COMPENSATION



## ATTACHMENT 1

**EXHIBIT “A”  
SCOPE OF SERVICES**

CONSULTANT agrees to deliver the Business New Construction Program (BNC) (sometimes referred to as the “PROGRAM”) to non-residential customers served by the City of Palo Alto Utilities (“Palo Alto” or “CITY”) in accordance with the specifications set forth in this Exhibit “A”.

**TASK 1 - PROGRAM MARKETING**

Task 1.1 Customer Recruitment

Task 1.2 Project Development

**TASK 2 - PROGRAM IMPLEMENTATION**

Task 2.1 Project Feasibility Study

Task 2.2 Process Program Application

Task 2.3 Technical Assistance

Task 2.4 Project Implementation Verification

Task 2.5 Conflict Resolution

**TASK 3 - PROGRAM ADMINISTRATION**

Task 3.1 Meetings and Communications with City of Palo Alto

Task 3.2 Program Set-Up

Task 3.3 Progress Reporting

Task 3.4 Invoicing

Task 3.5 Develop Program Documentation

Task 3.6 Program Closure

A description of the tasks and sub-tasks follows.

**TASK 1 - PROGRAM MARKETING**

The initial marketing objectives will include promoting program awareness and recruiting customers into the program. As the program progresses, the marketing objectives will slightly shift towards maximizing the number of identified projects that get implemented. To successfully complete this task, work will be subdivided into the following subtasks:

**Task 1.1 Customer Recruitment**

Various program marketing materials will be developed and/or purchased to help promote program awareness and recruit customers. Initial marketing materials that will be developed include: marketing plan, program website, brochure, case studies, and presentations. These materials will be disseminated by attending workshops, organizing informational workshops, mail-ins, and through the program website. Initial program marketing activities will be targeted to:

- Architects and Design Engineers: In conjunction with the City of Palo Alto, BASE will organize workshops targeted to architects and design engineers to promote the program and explain how we can collaborate to better serve the customer.

## ATTACHMENT 1

- City of Palo Alto Personnel: In conjunction with the City of Palo Alto BASE will organize workshops targeted to the City's Permitting Department to promote the program and explore ways in which the program can be incorporated (on a voluntary basis) into the new business permitting process.
- City of Palo Alto Utility Customers: Existing City of Palo Alto Utility customers will be contacted directly or through their Utility Account Representatives to ensure that customers seeking to construct new buildings/facilities or those who seek to expand existing system capacity can do so in an energy, water, and cost efficient manner.

**Task 1.2 Project Development**

Potential program customers will be pre-screened through a short phone interview to ensure that the customer is seeking help under the correct energy efficiency program. If our program is not right for the customer, BASE staff will redirect the customer to other City of Palo Alto program that could best serve their needs. After completing the phone interview, BASE will schedule a project kick off meeting with the customer (owner and/or design engineer) to: 1) explain the program participation process and 2) collect needed information to identify the potential energy and water efficiency opportunities. Once the information is collected and analyzed, BASE staff will develop a Technical Memorandum identifying the potential energy and water efficiency opportunities and provide the customer/designer with preliminary water, energy, demand, and cost savings as well as expected incentive amount. The Technical Memorandum will be presented and discussed with the customer.

**TASK 2 - PROGRAM IMPLEMENTATION**

After reviewing the Technical Memorandum the customer will decide on the energy and water efficiency opportunities to implement. The selected measures will become the basis for developing and processing the Program Application. To successfully complete this task, work will be subdivided into the following sub-tasks:

**Task 2.1 Project Feasibility Study**

A detailed engineering and economic feasibility study will be developed for the customer. The study will describe operation of the designed systems and equipment considered, establish energy and water consumption baselines, estimate the proposed energy and water consumption and energy and water savings, estimate the expected incremental measure cost, and estimate the potential financial incentive for implementing the recommended upgrades. The feasibility study will help the customer to further assess the economics of the proposed projects and at the same time serve as a basis to more accurately document projected savings.

**Task 2.2 Process Program Application**

Along with the Project Feasibility Study BASE staff will prepare a signature-ready Program Application. The Program Application will commit BASE to reserve the estimated incentive amount and commit the customer to implement

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the selected projects.

**Task 2.3 Technical Assistance**

While the customer moves forward with the project BASE staff will assist the customer with any technical questions regarding the recommended projects. BASE staff will work with the customer's system designers, contractors, and/or equipment vendors to ensure installed projects operate as intended.

**Task 2.4 Project Implementation Verification**

After proposed projects are implemented and operational the customer will notify BASE of project completion. BASE will schedule a site visit with the customer to inspect the installed project. BASE staff will notify the customer of any deficiencies in implementation and recommended modifications (if needed). Once the implementation verification is approved, BASE will develop a Verification Report to document installed energy savings.

**Task 2.5 Conflict Resolution**

BASE recognizes that specific issues may arise from time to time. BASE will develop procedures for dealing with potential conflicts between BASE-Customer. In addition to developing procedures, BASE will record any outstanding issues and methods of resolution in a Conflict Resolution Log and submitted to the City Program Manager in a quarterly basis.

**TASK 3 - PROGRAM ADMINISTRATION**

Program administration tasks include all activities related to setting up the program, processing incentives, and satisfying reporting requirements and procedures set by the City. To successfully meet City needs, program administration will be divided into the following sub-tasks:

**Task 3.1 Meetings and Communications with City of Palo Alto**

A successful energy efficiency program implementation requires close collaboration between the program sponsor (City of Palo Alto Utilities) and program administrator (BASE). Most communication will be done through email or phone conversations, with in-person meetings scheduled on an as needed basis.

**Task 3.2 Program Set-Up**

In this task, BASE staff will attend meetings with the City for further training, familiarity with the City of Palo Alto Utility Organization, and develop all the necessary program documents such as: Program and Procedures Manual, Quality Control Plan, Conflict Resolution Plan, Invoicing Template, and Program Forms.

**Task 3.3 Progress Reporting**

BASE staff will develop monthly, quarterly, and annual reporting templates that satisfy City of Palo Alto reporting requirements. These reports will be developed and submitted within the timeframe specified by the City of Palo Alto.

ATTACHMENT 1

**Task 3.4 Invoicing**

BASE will submit a monthly invoice to the City of Palo Alto for program accomplishments and installations performed in the preceding calendar month. Monthly invoices and supporting documents will be submitted on a schedule specified by the City of Palo Alto. All submissions will adhere to City requirements.

**Task 3.5 Develop Program Documentation**

On an as needed basis, BASE staff will develop new program documentation or modify existing program documents to ensure that documents are up to date with new program developments. New program documents may include: new program forms, expanding the portfolio of energy efficiency projects considered under the program, etc.

**Task 3.6 Program Closure**

Program activities will start ramping down by October 2018, to ensure all customers can be fully served by the end of the program cycle (December 31, 2018). Prior to the ramp down date, BASE staff will ensure that all services are complete, projects and measures are installed, and all incentives are processed by BASE staff to assure that they can be paid by December 31, 2018. Program closure announcements will be made to the City and posted on the program website to alert program customers.

ATTACHMENT 1

**EXHIBIT “B”  
SCHEDULE OF PERFORMANCE**

CONSULTANT shall perform the Services so as to complete each milestone within the number of days/weeks specified below. The time to complete each milestone may be increased or decreased by mutual written agreement of the project managers for CONSULTANT and CITY so long as all work is completed within the term of the Agreement. CONSULTANT shall provide a detailed schedule of work consistent with the schedule below within 2 weeks of receipt of the notice to proceed.

Program work plan and timeline will continue as in Contract No. C11141002, with the understanding that the program must be completed by December 31, 2018, including the completion of one large efficiency project (estimated savings over 4 million kWh, underway as of September 1, 2016). Smaller projects currently in progress are scheduled to be and must be completed prior to December 31, 2018. As of September 1, 2016, no new projects may be accepted under this program.

Task	Timing (Due Date)
<b>TASK 1 - PROGRAM MARKETING</b>	
Task 1.1	Ongoing over Term of Agreement
Task 1.2	One week after all needed customer information is collected
<b>TASK 2 - PROGRAM IMPLEMENTATION</b>	
Task 2.1	After interested customer located One month after all needed customer information is collected
Task 2.2	After customer approves study Program Application will be delivered to the customer in conjunction with the Project Feasibility Study
Task 2.3	After customer approves study
Task 2.4	One week after completing a successful verification inspection
Task 2.5	Ongoing over Term of Agreement
<b>TASK 3 - PROGRAM ADMINISTRATION</b>	
Task 3.1	Monthly - Ongoing over Term of Agreement
Task 3.2	One month after contract award
Task 3.3	Monthly - Ongoing over Term of Agreement
Task 3.4	Monthly - Ongoing over Term of Agreement
Task 3.5	Monthly - Ongoing over Term of Agreement (on an as needed basis)
Task 3.6	Prior to December 31, 2018

## ATTACHMENT 1

**EXHIBIT “C”  
COMPENSATION**

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement, and as set forth in the budget schedule below. Compensation shall be calculated based on the hourly rate schedule attached as in the budget schedule below and up to the not to exceed budget amount for each task set forth below.

As set forth in Table 1, the compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit “A” (“Basic Services”) shall not exceed a total of three hundred and sixty thousand dollars (\$360,000). Total compensation will be sixty-seven thousand, one hundred and thirty dollars (\$67,130) per year for Fiscal Year (FY) 2012, 2013, and 2014 of the Agreement. Starting in FY2015 compensation will be increased. For FY2015 and FY2016 compensation shall not exceed \$79,305 per year..

CITY in its sole discretion reserves the right to modify the annual compensation limits and task limits, with CITY’s advance written approval, as long as the maximum total compensation not to exceed amount for the Term of the Agreement does not exceed \$360,000. CONSULTANT agrees to complete all Services within this amount. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth in this Agreement shall be at no cost to CITY.

CONSULTANT shall perform the tasks and categories of work as outlined and budgeted below. The CITY’s Project Manager may approve in writing the transfer of budget amounts between any of the tasks or categories listed below provided the total compensation for Basic Services.

**Table 1 Annual Program Budget:**

<b>Fiscal Year (FY) July 1<sup>st</sup> – June 30<sup>th</sup></b>		<b>Budget</b>
1 <sup>st</sup> Year	<b>FY12</b>	\$67,130
2 <sup>nd</sup> Year	<b>FY13</b>	\$67,130
3 <sup>rd</sup> Year	<b>FY14</b>	\$67,130
4 <sup>th</sup> Year	<b>FY15</b>	\$79,305
5 <sup>th</sup> Year	<b>FY16</b>	\$79,305
6 <sup>th</sup> Year	<b>FY17</b>	\$0
7 <sup>th</sup> Year	<b>FY18</b>	\$0
<b>Total (FY12-FY18)</b>		<b>\$360,000</b>

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**Table 2 Program Budget:**

<b>Task</b>	<b>Labor/Performance Category</b>	<b>Rate</b>	<b>Not-to-Exceed Amount</b>	<b>% of Contract</b>
<b>Task 1</b> <b>Program Marketing</b> Time and Material	Program Manager	\$165/hour	\$42,500	12%
	Assistant Program Manager	\$130/hour		
	Lead Engineer	\$130/hour		
<b>Task 2</b> <b>Program Implementation</b> Performance Payment*	Electrical	\$0.0454/kWh	\$292,250	81%
	Natural Gas	\$0.5000/therm		
	Water	\$0.0033/gal		
<b>Task 3</b> <b>Program Administration</b> Time and Material	Program Manager	\$165/hour	\$25,250	7%
	Assistant Program Manager	\$130/hour		
<b>NOT TO EXCEED AMOUNT</b>			<b>\$360,000</b>	<b>100%</b>

Notes: \*For Task 2, Consultant is compensated using performance payments. Notwithstanding payment schedules set forth in section 5 of the Contract or Task 3.4 of Exhibit "A", performance payments are calculated and paid in accordance with the schedule set forth below:

Amount:

- Consultant finds energy savings in buildings in the design and new construction phase. City incentive payments to Consultant are as set forth in Table 2, Task 2.

Schedule:

- Audit: 25% of the performance payment estimated in the customer's project feasibility study is paid at the time that the report is presented to the customer and the customer signs an agreement to complete the work.
- Final / Verification: 75% of the performance payment estimated in the customer's project feasibility study be paid at the time that the report is presented to the customer and the customer signs an agreement to complete the work.

**Maximum Total Compensation NOT TO EXCEED AMOUNT  
for Term of the Agreement = \$360,000**

## Certificate Of Completion

Envelope Id: 7992EEA0970746F0A95E19F351517E4C	Status: Completed
Subject: Please DocuSign this document: BASE Energy Amendment No 3 (9-12-16).pdf	
Source Envelope:	
Document Pages: 10	Signatures: 2
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Kevin Carley
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	250 Hamilton Ave
	Palo Alto , CA 94301
	kevin.carley@cityofpaloalto.org
	IP Address: 199.33.32.254

## Record Tracking

Status: Original	Holder: Kevin Carley	Location: DocuSign
9/12/2016 12:54:00 PM	kevin.carley@cityofpaloalto.org	

## Signer Events

Ahmad R. Ganji  
arg@baseco.com  
Principal  
Security Level: Email, Account Authentication (None)

## Signature

DocuSigned by:  
  
160A29D9E282489...  
Using IP Address: 23.124.72.169

## Timestamp

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Viewed: 9/13/2016 10:28:58 AM  
Signed: 9/13/2016 10:38:41 AM

Electronic Record and Signature Disclosure:  
Not Offered via DocuSign  
ID:

Sandra Chow  
schow@baseco.com  
BASE Energy, Inc. Secretary  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
BC6ACDF49E6F4C0...  
Using IP Address: 23.124.72.169

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Viewed: 9/13/2016 10:08:16 AM  
Signed: 9/13/2016 10:41:11 AM

Electronic Record and Signature Disclosure:  
Not Offered via DocuSign  
ID:

## In Person Signer Events

## Signature

## Timestamp

## Editor Delivery Events

## Status

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## Agent Delivery Events

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## Intermediary Delivery Events

## Status

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## Certified Delivery Events

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## Carbon Copy Events

## Status

## Timestamp

Bruce Lesch  
Bruce.Lesch@CityofPaloAlto.org  
Manager Util Mkt Svcs, Utilities  
City of Palo Alto  
Security Level: Email, Account Authentication (None)  
Electronic Record and Signature Disclosure:  
Not Offered via DocuSign  
ID:

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<p>Carolynn Bissett  carolynn.bissett@cityofpaloalto.org  Contracts Administrator  City of Palo Alto  Security Level: Email, Account Authentication (None)  Electronic Record and Signature Disclosure:  Not Offered via DocuSign  ID:</p>	<b>COPIED</b>	Sent: 9/13/2016 10:41:12 AM
<p>joshua wallace  joshua.wallace@cityofpaloalto.org  Security Level: Email, Account Authentication (None)  Electronic Record and Signature Disclosure:  Not Offered via DocuSign  ID:</p>	<b>COPIED</b>	Sent: 9/13/2016 10:41:12 AM
<p>Kevin Carley  kevin.carley@cityofpaloalto.org  Util Acct Rep  City of Palo Alto  Security Level: Email, Account Authentication (None)  Electronic Record and Signature Disclosure:  Not Offered via DocuSign  ID:</p>	<b>COPIED</b>	Sent: 9/13/2016 10:41:12 AM Resent: 9/13/2016 10:41:16 AM Viewed: 9/15/2016 7:54:17 AM
<p>Marites Ward  Marites.Ward@CityofPaloAlto.org  Administrative Assistant  City of Palo Alto  Security Level: Email, Account Authentication (None)  Electronic Record and Signature Disclosure:  Not Offered via DocuSign  ID:</p>	<b>COPIED</b>	Sent: 9/13/2016 10:41:12 AM
<p>Rebecca Duchon  Rebecca.Duchon@CityofPaloAlto.org  Admin Assoc II  City of Palo Alto  Security Level: Email, Account Authentication (None)  Electronic Record and Signature Disclosure:  Not Offered via DocuSign  ID:</p>	<b>COPIED</b>	Sent: 9/13/2016 10:41:12 AM

Notary Events	Timestamp
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Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	9/13/2016 10:41:12 AM
Certified Delivered	Security Checked	9/13/2016 10:41:12 AM
Signing Complete	Security Checked	9/13/2016 10:41:12 AM
Completed	Security Checked	9/13/2016 10:41:12 AM

ATTACHMENT 2

**AMENDMENT NO. ONE TO CONTRACT NO. C15159125  
BETWEEN THE CITY OF PALO ALTO AND  
EAGLE SYSTEMS INTERNATIONAL, INC. DBA SYNERGY COMPANIES**

This Amendment No. One (“First Amendment”) to Contract No. C15159125 (“Contract”) is entered into \_\_\_\_\_, 2016 (“Amendment Effective Date”), by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and EAGLE SYSTEMS INTERNATIONAL, INC. DBA SYNERGY COMPANIES, a California corporation, located at 28436 Satellite Street, Hayward, CA 94545 (“CONSULTANT”) (each individually referred to herein as “Party” and collectively as the “Parties”).

**RECITALS**

A. The Contract dated effective June 1, 2015 was entered into between the parties for Consultant to administer, manager and deliver a direct install energy savings program in connection with the Project (“Services”).

B. The Parties now desire to increase the current “Not to Exceed Amount” by Five-Hundred Thousand (\$500,000), from Four Hundred and Fifty Thousand Dollars to a new total Not to Exceed Amount of Nine Hundred and Fifty Thousand Dollars (\$950,000) over the three year and one month Term of the Contract.

C. The Parties also now desire to add a pre-inspection step for the City to the customer enrollment process.

D. In order to accomplish these purposes, the Parties wish to amend the Contract.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the Parties agree:

SECTION 1. Section 4. NOT TO EXCEED COMPENSATION is hereby amended to read as follows:

**“SECTION 4. NOT TO EXCEED COMPENSATION.**

The compensation to be paid to CONSULTANT for performance of the Services described in Exhibit “A” (Basic Services) shall not exceed Nine Hundred and Fifty Thousand Dollars (\$950,000). No Additional Services or Reimbursable Expenses are contemplated as part of this Agreement. The applicable rates and schedule of payment are set out in Table “C-1”, entitled “Multifamily Residence Plus+ Program Eligible Measure Cost Per Unit” which is included in Exhibit “C” entitled “COMPENSATION” and made part of this Agreement. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to CITY.”

ATTACHMENT 2

SECTION 2. Section 13. PROJECT MANAGEMENT is hereby amended to read as follows:

**“SECTION 13. PROJECT MANAGEMENT.** CONSULTANT will assign Jim Amos as the project supervisor to have supervisory responsibility for the performance, progress, and execution of the Services to represent CONSULTANT during the day-to-day work on the Project. If circumstances cause the substitution of the project director, project coordinator, or any other key personnel for any reason, the appointment of a substitute project director and the assignment of any key new or replacement personnel will be subject to the prior written approval of CITY’s project manager. CONSULTANT, at CITY’s request, shall promptly remove personnel who CITY finds do not perform the Services in an acceptable manner, are uncooperative, or present a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property.

CITY’s project manager is Bruce Lesch, Manager, Utility Program Services, or his designee, Utilities Department, at 250 Hamilton Ave, Palo Alto, CA 94303. The project manager will be CONSULTANT’s point of contact with respect to performance, progress and execution of the Services. CITY may designate an alternate project manager from time to time.”

SECTION 3. The following exhibit(s) to the Contract are hereby amended to read as set forth in the attachment(s) to this First Amendment, which are incorporated in full by this reference:

- a. Exhibit “A” entitled “SCOPE OF SERVICES”.
- b. Exhibit “B” entitled “SCHEDULE OF PERFORMANCE”.
- c. Exhibit “C” entitled “COMPENSATION”.”

SECTION 4. Except as herein modified, all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

ATTACHMENT 2

IN WITNESS WHEREOF, the parties have by their duly authorized representatives executed this First Amendment as of the Amendment Effective Date.

CITY OF PALO ALTO

\_\_\_\_\_  
City Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Senior Deputy City Attorney

EAGLE SYSTEMS INTERNATIONAL,  
INC. DBA SYNERGY COMPANIES

DocuSigned by:  
By: Steven Shallenberger  
5ED111E2D52C43E...  
Name: Steven Shallenberger

Title: President

DocuSigned by:  
By: russell jacobson  
455B7C7C18CB4E9...  
Name: russell jacobson

Title: CFO

Attachments:

- EXHIBIT "A": SCOPE OF SERVICES
- EXHIBIT "B": SCHEDULE OF PERFORMANCE
- EXHIBIT "C": COMPENSATION

ATTACHMENT 2

## **EXHIBIT “A” SCOPE OF SERVICES**

CONSULTANT agrees to deliver the *Multifamily Residence Plus+ Program* (sometimes referred to as the “PROGRAM”) to multifamily residences with 4+ units, including hospices, care centers, rehab facilities, and select small and medium commercial properties for the City of Palo Alto Utilities department (“Palo Alto” or “CITY”) in accordance with the specifications set forth in this Exhibit “A”.

### **OVERVIEW**

This *Multifamily Residence Plus+ Program* is designed to provide direct installation of energy efficiency (EE) measures at no-cost to targeted customers. The PROGRAM serves Palo Alto’s hard to reach multifamily residences, 4 + units that include apartments, hospices, care centers and rehab facilities.

In addition to the specific project components identified in Section B – “Program Implementation and Delivery” of this Exhibit “A”, CONSULTANT will develop and implement a Marketing Plan, Quality Assurance Plan, and Staffing Plan.

### **Target Customers/Markets**

CONSULTANT’s primary targets for the PROGRAM are residences with 4 or more units, include 4 + apartments, hospices, care centers, rehab facilities, and select small and medium commercial properties in CITY in accordance with the specifications set forth in this Exhibit “A”.

### **Marketing Plan**

CONSULTANT will carefully develop marketing and outreach plans. CONSULTANT will utilize marketing strategies to garner high levels of responses and participation, including marketing directly to targeted customers segments via in-person visits by CONSULTANT’s associates and technicians. Additionally, CONSULTANT will develop relationships with home owner associations.

### **Quality Assurance Plan**

CONSULTANT will maintain a Project Manager that monitors the work performed by each technician to verify the correct installation of work, to ensure that work is completed in compliance with CITY requirements, and to coordinate with the owner, property manager and maintenance teams, where applicable. CONSULTANT’s Project Manager will evaluate 100% of the work that is completed and report to CITY regarding the same.

CONSULTANT will contact property managers/owners and business managers/owners after work is completed to determine satisfaction and to gain other pertinent information about the work completed.

CONSULTANT agrees to maintain an in-house inspection team that physically inspects 100% of all jobs completed by each technician.

## ATTACHMENT 2

**Program Staffing Plan**

CONSULTANT agrees to staff the PROGRAM in accordance with the Staffing Plan set forth in Table A-1. CONSULTANT shall notify CITY concerning proposed changes to the staffing plan, and all such changes require the prior written consent of CITY.

CITY reserves the right to (i) request CONSULTANT conduct criminal background checks to City's satisfaction on all CONSULTANT's staff, contractors or agents that may enter customer property, and (ii) require that any staff, contractor or agent of CONSULTANT that fails the background check shall not be permitted to enter any customer premises.

Without limiting Section 16 (Indemnity) of the Agreement, CONSULTANT agrees and understands it is responsible for all costs and damages associated with any theft, vandalism, damage or criminal acts involving or committed by CONSULTANT staff, contractors or agents involving a customer or customer premises.

**Table A-1 PROGRAM Staffing Plan**

<b>Staffing Direct Labor</b>	<b>Responsibilities</b>	<b>% of Total Hours</b>
Dave Clark, CEO	Administration, Marketing, Production	2 %
Steve Shallenberger, President	Administration, Marketing, Production, EM&V	2 %
David Shallenberger, Engineer	Quality Assurance	3%
Jim Amos, Program Manager	Administration, Marketing, Production, EM&V	8%
Russ Jacobson, Controller	Administration, EM&V	5 %
Dave Millward, Outreach & Business Development	Property Owner/ Manager Liaison	30 %
Office Staff	Administrative	2 %
Customer Service & Scheduling Staff	Administration	2 %
Receptionist & Admin. Staff	Administration	1 %
Data Entry & Scheduling Staff	Administration	5 %
Quality Assurance Manager	Production and EM&V	8 %
Direct Marketing Manager	Marketing, Surveys, Reporting	2 %
Crew Chiefs & Technicians	Installation of measures and customer service	30%
<b>TOTAL</b>		<b>100%</b>

a) **PROGRAM IMPLEMENTATION AND DELIVERY**

The following outlines a summary of the PROGRAM design and implementation:

ATTACHMENT 2

**Task 1 –Program Ramp-up**

**Task 1.1 Program Kick-off Meeting:** CONSULTANT will lead a PROGRAM kick-off meeting with CITY’s Program Manager and other CITY staff, as necessary in order to discuss project logistics, marketing coordination, evaluation, monitoring and verification coordination, invoicing and reporting requirements, scope of work, any contractual issues, and to explore new technologies to enhance energy savings.

**Task 1.2 Program Data, Invoicing, and Reporting Training:** CONSULTANT will train its team and personnel on reporting systems. CONSULTANT agrees to participate in training to learn how to submit monthly reports into CITY’s tracking system as needed.

**Task 1.3 Schedule of Activities:** CONSULTANT will finalize the schedule of activities that provide a monthly work plan and implementation timeline and submit such plan to CITY, for evaluation of the work plan and timeline.

**Task 1.4 Marketing Plan:** CONSULTANT will finalize a detailed marketing plan (“Marketing Plan”) which will include a discussion of all necessary PROGRAM marketing materials directly involved with PROGRAM implementation or for general customer information.

**Task 1.5 Marketing Materials:** CONSULTANT will submit to CITY’s Program Manager all marketing collateral materials, as outlined in the Marketing Plan. CONSULTANT will obtain CITY authorization prior to any distribution, circulation, or publication of all such materials.

**Task 1.6 Invoice and Reporting Tools:** CONSULTANT will submit to CITY a sample of all the reporting tools (i.e., flat files, monthly narrative, quarterly reporting, etc.) that are required, as further outlined herein, including under Task 5 - Invoicing and Reporting for Completed Jobs.

**Task 2 –Program Launch**

**Task 2.1 Implement Marketing Campaign:** CONSULTANT will execute the planned marketing campaign based on the proposed marketing plan. All marketing activities will be coordinated with CITY’s Program Manager.

**Task 3 – Enroll Customers (pre-commitment stage)**

**Task 3.0 Pre-Inspection/Pre-Approval:** CONSULTANT will submit a detailed estimate of proposed project. CITY will review and may conduct a Pre-Inspection to review scope of work for each project.

**Task 3.1 Program Agreement:** CONSULTANT will implement the Marketing Plan and utilize the marketing materials created to enroll customers. Customer enrollment occurs when CONSULTANT executes a “Program Agreement” with the customer to receive preliminary program services.

ATTACHMENT 2

**Task 3.2 Optimize other EE Programs for customer benefit:** CONSULTANT will coordinate with CITY to leverage CONSULTANT interactions with participating small and medium sized businesses in order to promote CITY's other energy efficiency, demand response, renewable and water program offerings.

**Task 4 – Install EE Measures (commitment stage)**

**Task 4.1 Project Installation:** CONSULTANT will deliver energy savings to customers through the installation of energy efficient hardware, upgrades, and services.

**Task 4.2 Inspections:** CONSULTANT will inspect and verify (per specification) that all installed measures/projects in the PROGRAM are properly installed.

CONSULTANT will have a Project Manager that supervises installations and work completed at each site. This individual will inspect 100% of its jobs as technicians are completing their work. When the work is complete, CITY's Program Manager will review work completed with the customer and have the customer sign off that the work is acceptable and satisfactory.

**Task 5 – Invoicing and Reporting**

**Task 5.1** In addition to the invoicing and other requirements set forth in the Agreement, CONSULTANT will send in monthly report and annual reports to CITY. CONSULTANT shall also provide CITY with the following documentation:

- a. Narrative Report, in alignment with format as prescribed by CITY;
- b. Spreadsheet report with budget and energy savings;
- c. Program information in a format compatible with CITY's tracking database;
- d. Beginning on a date set by CITY's Program Manager, CONSULTANT will input PROGRAM information into CITY's tracking system (if applicable). CITY in its sole discretion may determine that entries in the tracking system are a substitute for the monthly reports required under Task 5.1;
- e. Such other information reasonably requested by CITY.

**Task 5.2** CONSULTANT will evaluate PROGRAM progress with each monthly report.

**Task 5.3** CONSULTANT agrees to work with CITY to respond to federal, state or local data requests or reporting requirements.

**Task 5.4** Only energy savings that are incremental to the minimum energy savings mandated by Title 20 and Title 24 can be counted towards PROGRAM savings. To that end, the California Municipal Utility Association Technical Reference Manual (TRM), as the same may be amended from time to time, should be used as the reference source for determining annual energy savings. If a PROGRAM measure is not covered by the TRM, the CONSULTANT shall provide, to CITY's satisfaction, the estimated energy savings and work paper(s) or reference source documenting the savings estimation methodology.



ATTACHMENT 2

At its discretion, CITY holds the right to request updated energy savings calculations.

Additionally, for projects that involve lighting retrofit installations at nonresidential customer sites, CONSULTANT shall estimate the energy savings using the “TRM Non-Residential lighting energy savings calculator”, or other similar calculators that incorporate the Title 24 and Title 20 baseline for estimating energy savings. If the latter is preferred, CONSULTANT will need to demonstrate, to CITY’s satisfaction, that the energy savings calculation methodologies and the resultant savings from the TRM energy savings calculator and the CONSULTANT-preferred calculator are equivalent.

At CITY’s discretion, CONSULTANT may work with CITY’s EM&V consultant(s) to develop a plan that accurately validates PROGRAM outcomes.

**Task 6 – Customer Service**

**Task 6.1** CONSULTANT will address and resolve all customer issues discovered through either survey feedback or other means of customer contact. CONSULTANT will pursue continuous improvements to promote complete customer satisfaction. Customer feedback issues will be tracked by CONSULTANT using the monthly reports, as well as a completed complaint form filled out by CONSULTANT.

CITY retains the right to separately survey PROGRAM participants.

If any issues cannot be resolved to the satisfaction of the customer by CONSULTANT within five (5) days, CONSULTANT shall immediately provide CITY with a detailed description of any such complaint, which will include the name and contact information of the customer and any other information requested by CITY.

CONSULTANT will provide a one year warranty to customers for all measures from the date of installation.

**Task 7 – Program Ramp-Down and Shutdown**

**Task 7.1** **Program Ramp-down:** The CONSULTANT will complete and fully resolve all outstanding jobs in progress and any customer complaints.

**Task 8 – Submit Final Program Report**

**Task 8.1** CONSULTANT will submit a final report which includes a narrative with an overview of the PROGRAM and a workbook report with budget and energy savings performance from the Program. The narrative will also contain a report on quality assurance information. The final report will include PROGRAM achievements, challenges, goals, lessons learned, and program improvements.

ATTACHMENT 2

**Task 8.2** CONSULTANT agrees to deliver the final report within 30 days of the end of the Term as such date may be extended at the sole discretion of CITY.

CONSULTANT will maintain electronic copies of invoices as is required by CITY.

## ATTACHMENT 2

**EXHIBIT “B”  
SCHEDULE OF PERFORMANCE**

CONSULTANT shall perform the Services so as to complete each milestone within the number of days/weeks specified below. The time to complete each milestone may be increased or decreased by mutual written agreement of the project managers for CONSULTANT and CITY so long as all work is completed within the term of the Agreement. CONSULTANT shall provide a detailed schedule of work consistent with the schedule below within 2 weeks of receipt of the notice to proceed.

<b>Task</b>	<b>Timing (Due Date)</b>
<b>Task 1 –PROGRAM RAMP-UP</b>	
Task 1.1	Within 15 days of contract execution date
Task 1.2	Within 15 days of contract execution date
Task 1.3	Within 30 days of contract execution date
Task 1.4	Within 30 days of contract execution date and Ongoing
Task 1.5	Within 30 days of contract execution date and Ongoing
Task 1.6	Within 30 days of contract execution date and Ongoing
<b>Task 2 –PROGRAM LAUNCH</b>	
Task 2.1	Ongoing over Term of Agreement
<b>Task 3 – ENROLL CUSTOMERS (PRE-COMMITMENT STAGE)</b>	
Task 3.0	Ongoing over Term of Agreement
Task 3.1	Ongoing over Term of Agreement
Task 3.2	Ongoing over Term of Agreement
<b>Task 4 – INSTALL EE MEASURES (COMMITMENT STAGE)</b>	
Task 4.1	Ongoing over Term of Agreement
Task 4.2	Ongoing over Term of Agreement
<b>Task 5 – INVOICING AND REPORTING</b>	
Task 5.1	15 <sup>th</sup> of each month
Task 5.2	15 <sup>th</sup> of each month
Task 5.3	Ongoing over Term of Agreement
Task 5.4	Ongoing over Term of Agreement
<b>TASK 6 – CUSTOMER SERVICE</b>	
Task 6.1	Ongoing over Term of Agreement
<b>Task 7 – RAMP-DOWN AND SHUTDOWN PROGRAM</b>	
Task 7.1	Ongoing through June 30, 2018
<b>Task 8 – SUBMIT FINAL PROGRAM REPORT</b>	
Task 8.1	As requested by CITY Program manager
Task 8.2.	Prior to June 30, 2018

## ATTACHMENT 2

## EXHIBIT “C” COMPENSATION

CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement, and as set forth in this Exhibit C.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit “A” (“Basic Services”) shall not exceed a total of nine hundred fifty thousand dollars (\$950,000).

As set forth in Table 1 below, CONSULTANT compensation shall not exceed one hundred and eighty four thousand five hundred dollars (\$184,500) for FY2016 of the Agreement (note that FY 2016 amount includes one month (June 2015) from FY 2015). For FY2017 compensation shall not exceed five hundred thousand dollars (\$500,000). For FY2018 compensation shall not exceed two hundred sixty six thousand five hundred thirty six dollars (\$266,536). CITY in its sole discretion reserves the right to modify the annual compensation limit, with CITY’s advance written approval, as long as the maximum total compensation not to exceed amount for the Term of the Agreement does not exceed nine hundred and fifty thousand dollars (\$950,000).

CONSULTANT agrees to complete all Services within this amount. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth in this Agreement shall be at no cost to CITY.

CITY will compensate CONSULTANT using a fixed-unit pricing structure. CITY will compensate CONSULTANT a fixed price (the Cost per Unit) per Eligible Measure installed and approved by CITY as set forth in Table C-1. The Cost per Unit for each Eligible Measure set forth in Table C-1 includes all of CONSULTANT’s costs, including, without limitation, administrative costs, marketing/outreach costs, and direct implementation (materials and labor) costs. It is CITY’s expectation that approximately 85% of CONSULTANT’s costs be related to direct implementation costs (materials and labor) with approximately 15% reserved for marketing/outreach costs and administrative costs respectively.

### Maximum Total Compensation NOT TO EXCEED AMOUNT For Term of the Agreement = \$950,000

**Table 1 PROGRAM Energy Saving Target & Budget**

Fiscal Year (FY) July 1 <sup>st</sup> – June 30 <sup>th</sup>		Budget	Annual Gross		
			kWh	kW	Therms
Year 1*	FY16	\$183,464	188,444	194.4	17,811.8
Year 2	FY17	\$500,000	513,575	529.8	48,543
Year 3	FY18	\$266,536	273,771	282.4	25,877
<b>Total (FY16-FY18)</b>		<b>\$950,000</b>	<b>975,790</b>	<b>1,007</b>	<b>92,232</b>

*Note: \*Year 1 includes one additional month from FY2015 (June 2015) preparing for the contract to launch*

## ATTACHMENT 2

CITY, in its sole discretion by providing written notice to CONSULTANT retains the right to add, delete, modify or limit the Eligible Measures, Cost per Unit, maximum number of individual Eligible Measures per customer or per year or other characteristics set forth in this Table C-1, installed by CONSULTANT.

**Table C-1 Multifamily Residence Plus+ Program Eligible Measure Cost Per Unit Summary**

#	Description of EE Measure	Unit of Measure	Cost per Unit	TRC	Annual Savings Per Unit			Source for Savings Assumptions (Name and Year of Publication)	EUL* (Years)	Effective Period (Year)
					kWh	kW	therm			
1	Attic Insulation R-12 to Standard R-38	Sq.Ft.	\$1.05	2.71	0.5	0.000	0.2	CMUA TRM 2016	20	6/1/15 - 6/30/18
2	Attic Insulation R-0 to Standard R-38	Sq.Ft.	\$1.25	2.28	0.5	0.000	0.2	CMUA TRM 2016	20	6/1/15 - 6/30/18
3	Occupancy Sensors	Unit	\$79.00	1.31	144.1	0.045	0.0	DEER 2014	8	6/1/15 - 6/30/18
4	Tier 2 Advanced Power Strip (APS)	Unit	\$118.00	1.79	212.0	0.002	0.0	CMUA TRM 2016	12	6/1/15 - 6/30/18
5	LED 10-13 W replacing 50 W halogen downlight (Exterior)	Unit	\$28.00	2.02	48.0	0.000	0.0	CMUA TRM 2016	15	6/1/15 - 6/30/18
6	LED 10-13 W replacing 50 W halogen downlight (Interior)	Unit	\$28.00	0.93	22.0	0.002	0.0	CMUA TRM 2016	15	6/1/15 - 6/30/18
7	LED 19-21 W replacing 90 W halogen downlight (Exterior)	Unit	\$36.00	2.85	87.0	0.000	0.0	CMUA TRM 2016	15	6/1/15 - 6/30/18
8	LED 19-21 W replacing 90 W halogen downlight (Interior)	Unit	\$36.00	1.28	39.0	0.004	0.0	CMUA TRM 2016	15	6/1/15 - 6/30/18
9	LED A Type 10W replacing 60W Incandescent	Unit	\$16.50	4.57	64.0	0.010	0.0	CMUA TRM 2016	15	6/1/15 - 6/30/18
10	LED A Type 8W replacing 40W Incandescent	Unit	\$14.00	4.04	48.0	0.008	0.0	CMUA TRM 2016	15	6/1/15 - 6/30/18
11	LED 7 W replacing 50 W MR16 (Exterior)	Unit	\$33.00	1.93	54.0	0.000	0.0	CMUA TRM 2016	15	6/1/15 - 6/30/18
12	Open Sign LED - Office	Unit	\$265.00	3.92	843.0	0.225	0.0	CMUA TRM 2016	16	6/1/15 - 6/30/18
13	Open Sign LED - Retail	Unit	\$265.00	4.14	889.0	0.214	0.0	CMUA TRM 2016	16	6/1/15 - 6/30/18
14	LED Exit Sign - One Sided	Unit	\$57.00	3.94	191.8	0.028	-1.1	CMUA TRM 2016	16	6/1/15 - 6/30/18
15	LED Exit Sign - Two Sided	Unit	\$57.00	6.42	313.0	0.045	-1.8	CMUA TRM 2016	16	6/1/15 - 6/30/18
16	Vending machine controller	Unit	\$213.00	3.61	1612.0	0.000	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
17	T8 28W replacing T8 32W 4F4L	Lamp	\$56.22	2.08	245.0	0.380	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
18	T8 28W replacing T8 32W 4F3L	Lamp	\$46.02	1.90	183.0	0.285	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
19	T8 28W replacing T8 32W 4F2L	Lamp	\$36.02	1.61	122.0	0.190	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
20	T8 28W replacing T8 32W 4F1L	Lamp	\$28.72	1.01	61.0	0.095	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
21	T8 28W replacing T8 32W 8F2L	Lamp	\$38.92	1.91	156.0	0.225	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
22	T8 28W replacing T8 32W 8F1L	Lamp	\$32.15	1.60	108.0	0.120	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
23	T8 Delamp 1-lamp - Corridors, stairs, etc.	Lamp	\$27.00	1.46	82.8	0.025	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
24	T8 Delamp 1-lamp - Kitchen, Food Prep	Lamp	\$27.00	2.48	140.6	0.027	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
25	T8 Delamp 1-lamp - Office space <250 sf	Lamp	\$27.00	1.40	79.1	0.024	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
26	T8 Delamp 1-lamp - Office space >250 sf	Lamp	\$27.00	1.40	79.1	0.024	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
27	T8 Delamp 1-lamp - Office space < 1,000 sf	Lamp	\$27.00	1.40	79.1	0.024	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
28	T8 Delamp 1-lamp - Tenant lease space	Lamp	\$27.00	1.79	101.3	0.024	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
29	T8 Delamp 1-lamp - Waiting area	Lamp	\$27.00	1.44	81.8	0.025	0.0	CMUA TRM 2016	5	6/1/15 - 6/30/16
30	Hot Water Sensor Circulation Pump	Pump	\$1,650.00	7.15	1206.0	0.000	1458.0	SCG Workpaper 2014	10	6/1/15 - 6/30/18
31	VFD Pool Pump Retrofit (MF Complexes)	Unit	\$2,400.00	2.01	5586.0	0.360	0.0	Cal TF Workpaper 2014	10	6/1/15 - 6/30/18
32	LED 30W Wall Pack replacing 150W fixture	Unit	\$240.00	2.02	559.0	0.027	0.0	CMUA TRM 2016	10	6/1/15 - 6/30/18

## ATTACHMENT 2

**Table C-1 (Continued from Page 12)**

#	Description of EE Measure	Unit of Measure	Cost per Unit	TRC	Annual Savings Per Unit			Source for Savings Assumptions (Name and Year of Publication)	EUL* (Years)	Effective Period (Year)
					kWh	kW	therm			
33	LED 60W Wall Pack replacing 250W fixture	Unit	\$290.00	2.54	852.0	0.041	0.0	CMUA TRM 2016	10	6/1/15 - 6/30/18
34	7W LED replacing 23W CFL (1.5 hrs. per day) low usage	Bulb	\$14.00	0.8	8.1	0.001	0.0	CMUA TRM 2016	15	7/1/16 - 6/30/18
35	7W LED replacing 23W CFL (3.4 hrs. per day) med usage	Bulb	\$14.00	1.8	19.8	0.001	0	CMUA TRM 2016	15	7/1/16 - 6/30/18
36	7W LED replacing 23W CFL (11.4 hrs. per day) high usage	Bulb	\$14.00	6.2	65.9	0.001	0	CMUA TRM 2016	15	7/1/16 - 6/30/18
37	7W LED replacing 18W CFL (1.5 hrs. per day) low usage	Bulb	\$14.00	0.5	5.6	0.001	0	CMUA TRM 2016	15	7/1/16 - 6/30/18
38	7W LED replacing 18W CFL (3.4 hrs. per day) med usage	Bulb	\$14.00	1.3	13.6	0.001	0	CMUA TRM 2016	15	7/1/16 - 6/30/18
39	7W LED replacing 18W CFL (11.4 hrs. per day) high usage	Bulb	\$14.00	4.2	45.3	0.001	0	CMUA TRM 2016	15	7/1/16 - 6/30/18
40	9W LED replacing 23W CFL (1.5 hrs. per day) low usage	Bulb	\$16.50	0.6	7.1	0.001	0	CMUA TRM 2016	15	7/1/16 - 6/30/18
41	9W LED replacing 23W CFL (3.4 hrs. per day) med usage	Bulb	\$16.50	1.4	17.3	0.001	0	CMUA TRM 2016	15	7/1/16 - 6/30/18
42	9W LED replacing 23W CFL (11.4 hrs. per day) high usage	Bulb	\$16.50	4.6	57.7	0.001	0	CMUA TRM 2016	15	7/1/16 - 6/30/18
43	11W LED replacing 23W R30 CFL (11.4 hrs. per day) high usage	Bulb	\$28.00	2.3	49.4	0.001	0	CMUA TRM 2016	15	7/1/16 - 6/30/18
44	T8 to LED 1- bulb (11.4 hrs. per day) high usage	Fixture	\$58.00	1.43	74.0	0.004	-0.4	CMUA TRM 2016	15	7/1/16 - 6/30/18
45	T8 to LED 2- bulb (11.4 hrs. per day) high usage	Fixture	\$74.00	2.25	148.5	0.007	-0.8	CMUA TRM 2016	15	7/1/16 - 6/30/18
46	T8 to LED 3- bulb (11.4 hrs. per day) high usage	Fixture	\$92.00	2.71	222.0	0.012	-1.2	CMUA TRM 2016	15	7/1/16 - 6/30/18
47	T8 to LED 4 - bulb (11.4 hrs. per day) high usage	Fixture	\$109.00	3.06	297.0	0.014	-1.6	CMUA TRM 2016	15	7/1/16 - 6/30/18
48	T8 to LED 1- bulb (5.2 hrs. per day) med usage	Fixture	\$58.00	0.65	33.7	0.004	-0.2	CMUA TRM 2016	15	7/1/16 - 6/30/18
49	T8 to LED 2- bulb (5.2 hrs. per day) med usage	Fixture	\$74.00	1.02	67.4	0.007	-0.4	CMUA TRM 2016	15	7/1/16 - 6/30/18
50	T8 to LED 3- bulb (5.2 hrs. per day) med usage	Fixture	\$92.00	1.24	101.2	0.011	-0.5	CMUA TRM 2016	15	7/1/16 - 6/30/18
51	T8 to LED 4 - bulb (5.2 hrs. per day) med usage	Fixture	\$109.00	1.39	134.9	0.014	-0.7	CMUA TRM 2016	15	7/1/16 - 6/30/18
52	T8 to LED 1- bulb with ballast switch out (11.4 hrs. per day) high usage	Fixture	\$89.00	1.16	91.7	0.004	-0.5	CMUA TRM 2016	15	7/1/16 - 6/30/18
53	T8 to LED 2- bulb with ballast switch out (11.4 hrs. per day) high usage	Fixture	\$99.00	2.08	183.5	0.009	-1.0	CMUA TRM 2016	15	7/1/16 - 6/30/18
54	T8 to LED 3- bulb with ballast switch out (11.4 hrs. per day) high usage	Fixture	\$109.00	2.83	275.2	0.001	-1.5	CMUA TRM 2016	15	7/1/16 - 6/30/18
55	T8 to LED 4 - bulb with ballast switch out (11.4 hrs. per day) high usage	Fixture	\$119.00	3.47	366.9	0.018	-1.9	CMUA TRM 2016	15	7/1/16 - 6/30/18
56	T8 to LED 1- bulb with ballast switch out (5.2 hrs. per day) med usage	Fixture	\$89.00	0.53	41.7	0.004	-0.2	CMUA TRM 2016	15	7/1/16 - 6/30/18
57	T8 to LED 2- bulb with ballast switch out (5.2 hrs. per day) med usage	Fixture	\$99.00	0.95	83.3	0.009	-0.4	CMUA TRM 2016	15	7/1/16 - 6/30/18
58	T8 to LED 3- bulb with ballast switch out (5.2 hrs. per day) med usage	Fixture	\$109.00	1.29	125.0	0.013	-0.7	CMUA TRM 2016	15	7/1/16 - 6/30/18
59	T8 to LED 4 - bulb with ballast switch out (5.2 hrs. per day) med usage	Fixture	\$119.00	1.57	166.6	0.018	-0.9	CMUA TRM 2016	15	7/1/16 - 6/30/18
60	T12 to LED 1- bulb with ballast (11.4 hrs. per day) high usage	Fixture	\$89.00	1.05	83.0	0.004	-0.4	CMUA TRM 2016	15	7/1/16 - 6/30/18
61	T12 to LED 2- bulb with ballast (11.4 hrs. per day) high usage	Fixture	\$99.00	1.88	166.0	0.008	-0.9	CMUA TRM 2016	15	7/1/16 - 6/30/18
62	T12 to LED 3- bulb with ballast (11.4 hrs. per day) high usage	Fixture	\$109.00	2.57	249.0	0.012	-1.3	CMUA TRM 2016	15	7/1/16 - 6/30/18
63	T12 to LED 4- bulb with ballast (11.4 hrs. per day) high usage	Fixture	\$119.00	3.13	332.0	0.016	-1.8	CMUA TRM 2016	15	7/1/16 - 6/30/18
64	T12 to LED 1- bulb with ballast (5.2 hrs. per day) med usage	Fixture	\$89.00	0.48	37.7	0.004	-0.2	CMUA TRM 2016	15	7/1/16 - 6/30/18
65	T12 to LED 2- bulb with ballast (5.2 hrs. per day) med usage	Fixture	\$99.00	0.86	75.4	0.008	-0.4	CMUA TRM 2016	15	7/1/16 - 6/30/18
66	T12 to LED 3- bulb with ballast (5.2 hrs. per day) med usage	Fixture	\$109.00	1.17	113.1	0.012	-0.6	CMUA TRM 2016	15	7/1/16 - 6/30/18
67	T12 to LED 4- bulb with ballast (5.2 hrs. per day) med usage	Fixture	\$119.00	1.42	150.7	0.016	-0.8	CMUA TRM 2016	15	7/1/16 - 6/30/18

Notes: \* Estimated Useful Life (EUL)

Source for Savings Assumptions:

California Municipal Utilities Association (CMUA) Technical Reference Manual (TRM): [CMUA TRM 2016](#)Database for Energy Efficient Resources (DEER): [DEER 2014](#)Southern California Gas (SCG): [SCG Workpaper 2014](#)California Technical Forum (Cal TF): [Cal TF Workpaper 2014](#)

## Certificate Of Completion

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	Palo Alto , CA 94301
	kevin.carley@cityofpaloalto.org
	IP Address: 199.33.32.254

## Record Tracking

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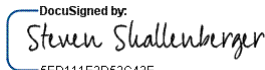
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## Status

## Timestamp

Bruce Lesch  
Bruce.Lesch@CityofPaloAlto.org  
Manager Util Mkt Svcs, Utilities  
City of Palo Alto  
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<p>Hiroimi Kelty  Hiroimi.Kelty@CityofPaloAlto.org  Test  Security Level: Email, Account Authentication (None)  Electronic Record and Signature Disclosure:  Not Offered via DocuSign  ID:</p>	<b>COPIED</b>	Sent: 9/12/2016 4:07:41 PM
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Notary Events	Timestamp
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Envelope Sent	Hashed/Encrypted	9/12/2016 4:07:41 PM
Certified Delivered	Security Checked	9/12/2016 4:07:41 PM
Signing Complete	Security Checked	9/12/2016 4:07:41 PM
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