

October 23, 2020

John Calise
Director of Facilities
Berkeley Public Schools
2020 Bonar Street
Berkeley, CA 94702

Subject: Letter of Intent to Contract and Approval to Proceed with Detailed Engineering and Final Project Development

Dear Mr. Calise,

Berkeley Public Schools ("District") intends to enter into an Energy Services Agreement ("Project") with Syserco Energy Solutions, Inc. ("SES") utilizing CA GC 4217. The Scope of Work for the Project will be comprised of a variety of Energy Conservation Measures ("ECM"s) that will be assessed through Detailed Engineering and Final Project Development ("Work").

The Work will evaluate the following systems: Lighting, Heating, Ventilation and Air Conditioning (HVAC), Building Automation and Controls, Building Envelope, IT Equipment, and Building Plug-Loads.

Based on Results of SES's Preliminary Facility Analysis (PFA), the Work will be performed at the sites with the best opportunity for energy savings, which include the following location(s):

Berkeley Arts Magnet at Whittier (BAM)
Cragmont ES
Emerson ES
Jefferson ES
John Muir ES
Malcom X ES
Rosa Parks ES
Sylvia Mendez ES
Thousand Oaks ES
Washington ES
Longfellow MS
Martin Luther King Jr. MS
Williard MS
Berkeley HS
Berkeley Technology Academy
Adult School
District Office

The intent of the Work is to refine the Project's final Scope of Work, Utility savings, Implementation Schedule, Financing, and Final Project Construction Costs.

ACTIONS TO BE PERFORMED:

SES will complete a directed Project Development and Design/ Engineering effort necessary for the development of a contract for a Performance-Based Energy Services Agreement.

SES will identify and present available utility rebates & grant programs associated with the final proposed ECMs.

The specific deliverables associated with the Work are an Investment Grade Audit (“IGA”) and an Energy Services Proposal (“ESP”). (See Attachment A)

In order for SES to complete the Work, District shall provide SES with the following (if not already provided):

- 2-year history of utility bills or a signed form authorizing SES to act as an Agent for Berkeley Public Schools and receive the data directly from the Utility Provider.
- Records of Maintenance and Operational costs and copies of existing Service Contracts for maintenance performed by third-parties.
- Reasonable access to facilities and design drawings

The Work is a very collaborative effort. The Work is intended to form the basis of a Final Proposal and contracting documents. Therefore, District shall also:

- Assign a main Point of Contact for the Work: Stephen Collins, Maintenance Manager
- Provide reasonable access to Key Stakeholders:
 - Facilities Director Point of Contact: John Calise, Director of Operations
 - Chief Business Officer Point of Contact: Pauline Follansbee, Assistant Superintendent of Business Services

Objectives:

The objectives of the Project to be assessed during the Work are as follows:

SES shall work collaboratively with District to develop a Project that leverages Utility Cost Savings over a period not-to-exceed 10 years and utilizes PG&E’s “On-Bill Financing” (OBF) program to fund the Project. At the discretion of the District, Capital Funds may be applied to the Project to increase Scope of Work, or “buy down” the financing period.

If the District decides to not use PG&E’s OBF Program, SES will work collaboratively with District to identify and secure an alternative financing mechanism for the District.

Successfully meeting the Objectives of this Project is contingent upon formal approval and commitment to fund the project by PG&E’s OBF program administrators.

FEE:

All Design, Engineering and Project Development costs incurred by SES during this Project Development effort will be included in the Final Project Costs and payback calculations, under the condition that the Final Project meets the Objectives and both parties execute a Project Implementation Agreement.



However, if SES presents a Final Project that meets the Objectives, and the parties do not execute an Agreement for the implementation of the recommended facility improvement measures within sixty (60) days thereafter, then District agrees to pay SES a Break Fee of \$96,500.

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

TIMELINE AND MILESTONES: SES will initiate this Work immediately upon acceptance of this letter of intent. Formal progress review meetings will be conducted regularly throughout the process of the Work. During these review meetings, SES will recommend measures based on preliminary analysis, while District will provide final direction regarding acceptance of the recommended measures in the Scope of Work of the Project. The goal of these review meetings is to focus engineering / project development efforts, budgeting, and savings assessment of the measures that possess a high probability for implementation.

The following are proposed key milestone dates:

- Nov, 2020 - Authorization to Proceed based on signature of proposal
- Nov, 2020 - IGA Project Development Kickoff Meeting
- Jan, 2021 - 30% Design Review Meeting
- Feb, 2021 - 60% Design Review Meeting
- March, 2021 - 90% Pre-Final Workshop Meeting
- April, 2021 - SES to Deliver Final Energy Services Proposal
- May, 2021 - Energy Services Proposal Authorized and Work Started

Please signify acceptance of this Letter of Intent by signing below.

Letter of Intent Authorized by:

John Calise
Director of Facilities
Berkeley Public Schools

Scott Meinzen
VP General Manager
Syserco Energy Solutions, Inc.

Signature

Signature

Date: _____

Date: _____

Attachment A
Directed Engineering Study Deliverables

1. EXECUTIVE SUMMARY
 - a. Executive Summary Overview
 - b. Project Team
 - c. Energy Services & Performance Based Solutions
 - d. Property Overview
 - e. Client Goals
 - f. Overview of Directed Engineering Study
 - g. Analytical Methodology
 - h. Findings Summary
 - i. System/Facility Improvement Measures
 - j. Summary of Benefits
 - k. Project Cost
 - l. Financing & Alternative Funding Overview
2. Energy Conservation Measures (ECMs)
 - a. ECM Overview
 - b. ECM Matrix Summary
 - c. ECM Scopes of Work
 - d. ECM Support Material
3. ENERGY COST SAVINGS
 - a. Energy Cost Savings Overview
 - b. Energy Savings Summary Table
 - c. Performance Assurance Plan Outline Table
 - d. Utility Base Rates Table
4. PROJECT FINANCIALS
 - a. Project Financials Overview
 - b. ECM Summary (Costs, Utility Savings, Operational Savings, Potential Savings & Net Customer Cost with Incentives)
 - c. Cost Summary Breakdown
 - d. Cash Flow Analysis
5. EXHIBITS
 - a. Utility Data Analysis
 - b. Facility Overview
 - c. Detailed Data and Calculations to Support above information