



Memorandum of Understanding

City of Racine Sustainability as a Service Program

2023 Scope of Work

March 17, 2023

City of Racine, Wisconsin

Attn: Trevor Jung - Transit & Mobility Director, City of Racine, WI

CC: Mayor Cory Mason – Mayor, City of Racine, WI
Paul Vornholt – City Administrator, City of Racine, WI

Dear Mr. Jung,

Thank you for the opportunity to present a proposal to the City of Racine to provide a *Sustainability as a Service Program* – a foundational program to assist the City in continuing to plan, implement, monitor, and fund progress on sustainability and decarbonization initiatives. Based upon our collaborative partnership with the City, we understand Racine’s strong commitment to sustainability, resilience, and adaptation with a goal of adopting the Paris Climate Accord commitments and pursuing carbon neutrality in the future. We too share in this commitment, and we understand achieving these goals requires both short term, and long term, strategic planning, implementation, and funding strategies. Thus, we are excited to continue our work with the City as part of this Sustainability as a Service Program to tackle initial steps in the advancement of the City’s vision for being a National leader on innovation, climate action and decarbonization. And, to weave together the sustainability work we have accomplished together thus far, sustainability work in progress, and sustainability and decarbonization work proposed.

On behalf of the McKinstry Team, we greatly appreciate your consideration of this proposal and to continue our work with the City of Racine on advancing its achievement of the City’s sustainability and decarbonization goals.

Sincerely,

Laura Malwitz, MBA
Energy Solutions and Strategic Partnerships

Tim McAvoy, P.E., CEM, CP EnMS
BD Manager, Technical Services



Memorandum of Understanding

City of Racine Sustainability as a Service Program

This jointly authored Memorandum of Understanding (MOU) is to confirm the interest of the City of Racine, WI in working with McKinstry Essention, LLC (McKinstry) to conduct this *Preliminary Assessment for the Electrification and Greening of the City of Racine's Fleet*. The following outlines our team's approach, understanding of the City's objectives and deliverables, critical fleet assessment factors, and the McKinstry Team's proposed deliverables, schedule, and compensation.

City of Racine Goals and Objectives

Based upon our collaborative partnership with the City, we understand Racine's strong commitment to sustainability, resilience, and adaptation, with a goal of pursuing carbon neutrality in the future. And, to protect and optimize the City's natural resources and built environments by creatively incorporating sustainable practices and behaviors throughout the City of Racine. Using the City's sustainability commitments as a guide, we understand the City would like to continue efforts to memorialize said sustainability commits, and engage with McKinstry and inter departmental leads, to continue planning, designing, implementing, monitoring and reporting progress on critical sustainability and decarbonization efforts.

City of Racine Sustainability Achievements

- LEED for Cities
- Paris Climate Accord Commitment
- Climate Mayors – Mayor Cory Mason
- Sol Smart Designation - Bronze
- Smart City Initiatives
- Coastal Resilience Initiatives
- Electric Vehicle Adaption
- Facility Condition Assessment - Align with Capital Improvement Planning
- Align with Key Performance Indicators (FCI, EUI, Carbon Reduction)



Our Approach

Harmonize the work accomplished to date + sustainability work in progress + sustainability work proposed as part of the *Sustainability as a Service Program*

Our approach is to provide an adaptable program that can evolve over time, as the City's needs and requirements for sustainability and decarbonization work progress. We understand the greater vision for the City of Racine is to be Carbon Neutral long term. And, in the near term, our team proposes a scope of work that may be reasonably accomplished in the calendar year 2023; that sets a functional foundation for a full decarbonized Racine.

Our approach includes the following success factors:

- Harmonize the sustainability work we have accomplished to date, the energy and sustainability work in progress, and the sustainability and decarbonization work we have proposed as part of this program.
Our goal is that this program may reduce risk of redundant, duplicating efforts.
- Provide a program that leverages short term sustainability strategies, as well as long term decarbonization initiatives.
- McKinstry to act as an on-going sustainability advisor, and provide thought leadership, technical expertise, and vast sustainability experience.
- Agile and adaptable development approach, with flexibility, creativity, and collaboration.
- Project finance and implementation expertise, with the flexibility to accommodate uncommon asset design.
- Utility and net metering experience, particularly within WE Energy's program.
- Stakeholder and community engagement capabilities.
- Local and National decarbonization experience.
- Collaborate across City departments.
- Create a diverse portfolio of projects allowing for flexibility throughout the project based on staff and community input.
- Design a program that will be beneficial and replicable to other communities.
- Demonstrated commitment to the future of the City of Racine and the State of Wisconsin.



Sustainability Work Matrix – McKinstry and City of Racine

Below is a matrix of work accomplished, work in progress and work proposed – weaving together many sustainability initiatives City-wide.

See the Appendix for a summary of work accomplished and work in progress.

Sustainability Partnership Work of City of Racine & McKinstry Work Complete + Work in Progress + Work Proposed + Vision for Future

Sustainability Components	SUSTAINABILITY WORK ACCOMPLISHED			Progress		
	Accomplished	In Progress	Proposed to DPW	Proposed to DPW	Proposed to DPW	Proposed to DPW
SUSTAINABILITY WORK IN PROGRESS						
SUSTAINABILITY WORK PROPOSED						
Sustainability as a Service Program						
2023 Scope of Work						
<i>Harmonize work accomplished, work in progress, work proposed</i>						
CITY VISION FOR FUTURE SUSTAINABILITY AND DECARBONIZATION						
City Decarbonization Roadmap - Carbon Neutral City						
						Future Scope of Work



2023 Scope of Work - Proposed

Sustainability as a Service Program

The following outlines McKinstry's proposed sustainability work to kick start the near-term Sustainability as a Service Program and put the City on path to long-term Carbon Neutrality. This scope of work may be reasonably accomplished in 12 months (1 year); and will set forth a program to evolve for years to come.

SUSTAINABILITY AS A SERVICE PROGRAM

2023 PROPOSED SCOPE OF WORK

1 City of Racine Sustainability Plan and Green House Gas (GHG) Inventory

Description:

Lead three, 2-hour meetings with cross department stakeholders to discuss and formalize the following:

1. Goal Setting: Work with City to identify and memorialize City of Racine's climate goal commitments (Paris Climate Accord, etc.), key performance indicators for measuring success, and timelines (baseline year, goal target year, ex: 2030 goal and 2050 goal). Based on our experience, leading climate Cities may include goals such as, but not limited to: percent reduction of GHG scopes 1, 2 or 3 (absolute or intensity), full decarbonization of the City of Racine - Carbon Neutrality, science-based target carbon reduction goals, roadmaps to achieve sustainability goals with critical milestones, etc.
2. Sustainability standards for decarbonizing new construction, transit projects, multi-modal projects, major renovations, and capital improvement projects. Ex: Energy Star, LEED, % above energy code, Net Zero Energy, etc.
3. Complete Scope 1 and Scope 2 GHG inventory for all city buildings and vehicles with all available data¹
4. Lead Scope 3 GHG discussions, regarding Scope 3 GHG emissions and goal setting. Assist in defining key performance indicators to be included to track and how the data could be collected. Ex: Business travel, waste, capital goods, investments...

2 Sustainability Baseline Tracking and Reporting – REVEAL™ Platform

Description:

1. Benchmark as many buildings as we have utility data for, up to 80 hours. Benchmarking in this scope includes energy use intensity (EUI) analysis and how it compares with Energy Star median values by building type²
 - a. This does not include weather normalization analysis or inputting data into Energy Star Portfolio Manager. We can offer this service for additional fee if of value to the City
2. Includes real time utilities tracking in Reveal on top 7 buildings in energy use
 - a. McKinstry to expand Reveal to 57 buildings over 2k sq. ft. or all city facilities (as desired)

¹ <https://www.epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance>

² https://www.energystar.gov/buildings/benchmark/understand_metrics/what_eui

	<ol style="list-style-type: none"> 3. Utilities module provides real time reporting 4. Incorporate EUI into comprehensive sustainability report listed above
3	<p>Identification of Energy Projects to Align with Funding Opportunities</p> <p><i>Description:</i></p> <ol style="list-style-type: none"> 1. Collaborate with City Departments to identify energy projects that align with the City’s CIP, future planning efforts, and Federal/ State Local funding opportunities. 2. Future project management of projects identified.
4	<p>Federal and State Funding Assistance for applications specific to Appropriations, IIJA, IRA</p> <p><i>Description:</i></p> <ol style="list-style-type: none"> 1. 50 hours of technical assistance – provide technical data as requested by the City for City identified and approved State and Federal Funding applications. Requests limited to energy related funding opportunities, only. Anticipate 1-3 applications per year for 20 hours.
5	<p>Miscellaneous Sustainability Work</p> <p><i>Description:</i></p> <ol style="list-style-type: none"> 1. 30 hours of miscellaneous sustainability work not covered above, as mutually agreeable to both the City and McKinstry – Ideas for potential functions (not all inclusive): <ul style="list-style-type: none"> • Identification of potential energy savings and GHG gas reduction projects/ strategies, and evaluate such projects/ strategies in terms of feasibility and satisfaction of designed criteria • Thought leadership workshop for sustainability and decarbonization implementation • Collaboration/ consultation with City’s consultants/ contractors for new facility/ energy infrastructure projects (Health Clinic – Net Zero Building, Fuel Depot, etc.) • Assist departments in identifying and implementing best practices in sustainable operations • Assist departments in identifying, designing, and implementing energy efficiency measures to reduce energy demand in existing facilities • Presentations to City leadership, Commissions, Departments, etc. regarding Sustainability as a Service Program initiatives • Align funding solutions with sustainability project design and implementation • Energy as a Service – VIRIDIS
6	<p>Future Vision – 2024, 2025 Scope of Services for Sustainability as a Service Program are to be determined</p> <p><i>Ideas for future services may include, but are not all inclusive:</i></p> <p><i>City Decarbonization Roadmap</i></p> <p><i>Future Federal Funding applications, grants, loans, etc.; self-funding energy project identification; etc.</i></p>



McKinstry Deliverables

1. Sustainability Plan and GHG Inventory Report
 - a. GHG Inventory of Scope 1 and 2 for buildings and vehicles with available data
 - b. EUI results for all buildings with data
2. Three 2-hour McKinstry led Decarbonization Planning workshops with Final Report of outcomes and road map
3. Sustainability standards for decarbonizing new construction, major renovations and capital improvement projects
4. Technical assistance with funding applications
5. Presentations to City leadership

Customer Deliverables

The customer agrees to assist the McKinstry Team in the development of the Sustainability as a Service Program by providing:

1. Meetings with the McKinstry Team
2. Site visit(s)
3. Facility data information
4. Utility and electrical service information, as available
5. Providing feedback and comments
6. City leadership presentations

Proposed Timeline

Complete the *2023 Scope of Work for the Sustainability as a Service Program* as expeditiously as the work allows. Final McKinstry Team report deliverables to be provided within 12 months upon MOU approval. Presentations to City staff, leadership and stakeholders may be provided post deliverable due date. Official schedule and milestones to be co-authored by the City and the McKinstry Team upon project kick-off.



Compensation

Within 60 days after McKinstry Team’s submission of the *2023 Scope of Work for the Sustainability as a Service Program*, the City of Racine shall compensate McKinstry Essention, LLC by payment to McKinstry of a lump sum amount of [\$96,000] (Ninety-six thousand dollars).

SUSTAINABILITY AS A SERVICE PROGRAM 2023 PROPOSED SCOPE OF WORK		COST PROPOSED IN SUSTAINABILITY AS A SERVICE PROGRAM
Electrification and Greening of the City of Racine’s Fleet – Preliminary Assessment <i>MOU Proposal being review by DPW</i> <i>Proposal presented – March, 2023</i>	Under Review by DPW	
Sustainability as a Service Program <i>City Sustainability Plan and GHG Inventory</i> <i>Sustainability Baseline Tracking and Reporting – REVEAL Platform</i> <i>Identification of Energy Projects to Align with Funding Opportunities</i> <i>Federal and State Funding Assistance for applications specific to Appropriations, IIJA, IRA</i> <i>Miscellaneous Sustainability Work</i>		\$96,000
Future Vision <i>City Decarbonization Roadmap</i> <i>Future Federal Funding applications, grants, loans, etc.;</i> <i>self-funding energy project identification; etc.</i>		TBD <i>as part of potential 2024, 2025 Scope of Work</i>
TOTAL - SUSTAINABILITY AS A SERVICE PROGRAM 2023 Proposed Scope of Work		\$96,000



Acceptance of MOU

By signing below, City of Racine and McKinstry Essention, LLC agree that this MOU adequately captures the intent of the *Preliminary Assessment for the Electrification and Greening of the City of Racine's Fleet* as well as both parties' interest in partnering throughout the process.

Acceptance:

City of Racine, WI

Signed

Title

Date

Printed Name

Acceptance:

McKinstry Essention LLC

Signed

Title

Date

Printed Name



Terms and Conditions

PERFORMANCE OF WORK

McKinstry shall perform the scope of work (“Work”) specified herein. McKinstry shall furnish all services necessary to perform the Work and perform the Work to completion diligently, expeditiously and with adequate forces. Customer shall use its best efforts to provide all information, materials, documents, and assistance that is reasonably required for McKinstry to perform any and all aspects of the Work.

PAYMENTS

Customer shall pay McKinstry the compensation specified herein (“Price”) for the value of Work that McKinstry has completed, as the Work is completed. Customer shall pay McKinstry within fifteen (15) days of receiving an invoice. McKinstry will be entitled to interest at the rate of 1.5 percent per month on all sums overdue and unpaid from the date due.

WARRANTIES

Customer shall receive a one (1) year warranty that covers labor and materials provided by McKinstry as part of the Work. This warranty commences on the date that the portion of the Work warranted is substantially complete. However, McKinstry makes no warranty whatsoever regarding components of the Work provided by third parties, and in such case the terms of the third party’s warranty, including manufacturers’ warranties, if any, shall apply between Customer and the third party. The warranties in this section are exclusive and in lieu of all other warranties, whether express or implied.

TERMINATION

Either Party may terminate this agreement upon fifteen (15) days written notice to the other Party. In such case, the rights and obligations of each Party that arose prior to the termination date shall survive such termination.

DISPUTES

In case of dispute between the Parties, the Parties will attempt to negotiate a resolution. If a dispute remains unresolved more than thirty (30) calendar days after the commencement of negotiation, and the Parties have not agreed to extend such date, then the Parties shall pursue mediation. If any dispute remains unresolved more than sixty (60) calendar days after the commencement of mediation, then either Party may pursue arbitration. No litigation will be commenced by either Party unless all of the foregoing steps have been pursued to completion.

CHOICE OF LAW, VENUE

The validity, interpretation, and performance of this agreement shall be governed by the laws of the state in which the Work is performed. The venue for resolving any dispute shall be the county in which the Work is performed.

FORCE MAJEURE

Neither McKinstry nor Customer shall be considered in breach of this agreement to the extent that the Party’s performance is prevented by an event or events that are beyond the control of such party, including but not limited to acts of God, fire, earthquake, flood, storm, war, rebellion, revolution, insurrection, riot, strike, nuclear contamination, and/or acts or threats of terrorism.



NO WAIVER

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.

INTELLECTUAL PROPERTY

Intellectual property provided by McKinstry to Customer as part of the Work are instruments of service owned by McKinstry and are not “work made for hire” as such term is defined under U.S. copyright law. When the Work is performed to completion, McKinstry grants to Customer a limited license to use the Intellectual Property to operate, maintain, renovate, and manage the subject matter of the Work.

DAMAGES LIMITATION

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 agreement, whether based in contract or tort or any other theory, even if a party has been advised of the possibility of such damages. Furthermore, the total aggregate liability of either party, under any theory, is limited to the agreement price.

INDEMNIFICATION

McKinstry shall indemnify and hold harmless Customer from and against all third-party claims, damages, losses and expenses for bodily injury, sickness, disease, or death or destruction of tangible property, directly arising from McKinstry’s performance of the Work, but only to the extent caused by the negligent acts or omissions of McKinstry.

SEVERABILITY, SURVIVAL

If any portion of this agreement 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 agreement shall remain in full force and effect. Any invalid portions shall be substituted with an interpretation that most accurately reflects the Parties’ intentions.

AMENDMENT

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

COMPLETE AGREEMENT

This agreement, including the exhibits attached hereto, is a fully integrated agreement. Any legal terms and conditions appearing elsewhere in this agreement shall be ignored to the extent they contradict or are inconsistent with the terms and conditions contained in the foregoing numbered list. All previous agreements between McKinstry and Customer as to the Work are superseded by this agreement.



Appendix

Summary of Sustainability Work Accomplished

SUSTAINABILITY WORK ACCOMPLISHED

Facility Condition Assessment

Phase 1 and Phase 2 Reports

Report Deliverable Dates

- ✓ Phase 1: June, 2021; Phase 2, June, 2022

Summary Description: The intent of this Facility Condition Assessment (FCA) is to provide a review of the existing conditions of the physical assets of the City of Racine, which will contribute to the development of a long-term, capital renewal budget. The information provided in this report can assist in avoiding costly emergency repairs or other unplanned renovations and enables stakeholders to plan for future capital projects more effectively. This, in turn, allows for improved non-facilities project planning and resource allocation.

Feasibility Analysis for Solar PV and Battery Energy Storage at the Storage Garage Site

Detailed Energy Study

Report Deliverable Date

- ✓ February 18, 2021

Summary Description: The City purchased nine (9) electric vehicle (EV) buses with grant funds, adding low-emission vehicles to the City's fleet in 2021 and 2022. The Bus Storage Garage (Storage Garage) site, located at 1900 Kentucky Street, was selected by the City to house the EV buses and operate EV bus charging. The City's vision is to charge the EV buses with renewable energy to offset the future increased electric load and cost, explore financial and resiliency benefits of a battery energy storage system (BESS) in conjunction with solar PV, and reduce carbon and GHG emissions.

Preliminary Energy Evaluation for Federal Funding Opportunities

Full Report deliverable

Report Deliverable Dates

- ✓ April 5, 2022 - Presented Executive Summary to City of Racine

Summary Description: To evaluate the viability of Federal Funding Opportunities for the City of Racine; focused on energy efficiencies in City-owned and operated buildings, renewable energy / solar photovoltaic (PV) applications, battery energy storage applications, Net Zero and/or unique clean energy demonstration projects, and electric vehicle (EV) charging infrastructure). **\$8.3 Million of sustainability and energy opportunities were identified City-Wide.**

FY23 CDS Application – City-Wide Sustainability and decarbonization Demonstration Project

CDS Application

Report Deliverable Dates

- ✓ April 8, 2022 - Application submitted for FY23 Congressional Directed Spending via Senator Baldwin's office
- ✓ May 6, 2022 - Application selected by Senator Baldwin for consideration of Federal Appropriations Committee
- ✓ July 28, 2022 – City of Racine energy project selected by the Federal Appropriations Committee for an award of \$1,235,000

Summary Description: To evaluate the viability of Federal Funding Opportunities for the City of Racine; focused on energy efficiencies in City-owned and operated buildings, renewable energy / solar photovoltaic (PV) applications, battery energy storage applications, Net Zero and/or unique clean energy demonstration projects, and electric vehicle (EV) charging infrastructure.



The outcome of this evaluation is to provide a high-level concept and cost estimate required for completing an application for Federal Funding; specifically, the FY23 Congressionally Directed Spending Request.

Summary of Sustainability Work In Progress

SUSTAINABILITY WORK IN PROGRESS

Solar and Decarbonization Demonstration Project – Transit Bus Garage Site - Investment Grade Audit - Federally funded via FY23 CDS application for

✓ Investment Grade Audit Agreement dated October 7, 2022

Description Summary:

“City of Racine’s City-Wide Sustainability and Decarbonization Demonstration Project”

This IGA report culminates the next step to provide further discovery, engineering, packaging, costing, procurement, installation, financing, and monitoring information of the identified energy efficiency solutions included in the Federal Funding application for the City of Racine’s energy project.

FCA, Benchmarking and Capital Planning Annuity

✓ Purchase Order received February 27, 2023, Proposal dated January 12, 2023

Description Summary:

To maintain an accurate, up to date understanding of facility conditions for the City of Racine’s building portfolio, McKinstry will provide annual updates to the recently completed 2021 Facility Condition Assessment (FCA). These annual updates will allow the City of Racine to continue making informed, data-driven decisions on building related capital needs for the years to come. This effort will begin transition to Reveal™ dashboard which is cloud-based dashboard with logins for all requested City staff to view capital improvement plans and much more.

Electrification and Greening of the City of Racine’s Fleet – Preliminary Assessment

Memorandum of Understanding in progress for DPW’s review

Description Summary:

The City would like to receive assistance in conducting a preliminary assessment of the City of Racine’s fleet, and to explore plans, strategies and best practices to electrifying and greening the City’s fleet. Transitioning to a greener fleet over time, aligns with the City’s sustainability and decarbonization commitments, current and future State and Federal funding opportunities, and near and long-term operating and maintenance objectives.