TOWN OF Herndon VIRGINIA

Town Council Regular Meeting
Agenda Item 6.a.

Agenda Item: **Resolution 25-G-67 to Award Energy Performance Contract Master Agreement and the Phase 1 Energy Performance Contract**

Meeting Date: December 9, 2025

Category: Consent

Prepared by: John Irish, Deputy Director of Public Works

Description:
Request to award the Energy Performance Contract Master Agreement and the Phase 1 Energy Performance Contract.

Background:
Energy Savings Performance Contracting (ESPC) is a state contract program managed by the Virginia Department of Energy (VEDO) and the Department of General Services. It is available to all state agencies and is approved for use by all public bodies in the Commonwealth. The ESPC program allows agencies and public bodies to use a streamlined procurement process by selecting from a list of pre-qualified contractors.

Agreement for Investment Grade Audit and Investment Grade Audit Memorandum of Understanding (IGA) was entered into with CMTA (Vendor/Contractor) on August 30, 2024. The purpose of the audit was to determine what energy conservation measures (ECMs) could be identified in five (5) of the Town of Herndon's ("Town") major facilities: Herndon Municipal Center & Council Chambers (HMC), Herndon Community Center (HCC), Herndon Police Department (HPD), Old Town Hall (OTH), and Town Shop (TS); and five other Town facilities: Bready Park Concession Stand (BPCS), Bready Park Field Lights (BPFL), Centennial Golf Course Clubhouse (GCC), Golf Course Maintenance Building (GCMB) and Herndon Train Depot (HTD).

The IGA identified ECMs for all facilities and were prioritized by the immediacy of need for facilities, with failing HVAC equipment and escalating maintenance and repair costs as the first priority. Along with those identified, ECMs other easily attainable cost savings that would reduce the cost burden of capital outlay were also included in the Phase 1 scope of work.

This award includes two separate but interconnected agreements, the Master Agreement for the entirety of the energy savings performance contract that consists of a five-year initial term, along with the option for the Town to renew the award for two additional five-year terms. This will allow for subsequent phases of energy savings contracts to continue in a timely fashion as funds become available.

The Phase 1 Contract scope is the Town Shop HVAC Replacement, the HMC HVAC Replacement, the HPD and 397 Lease side LED Lighting Upgrades and the OTH Controls Integration. The initial estimate for this scope of work in August 2024 was $3,400,000 based on a unit cost basis per square footage of facility without any professional design effort started. Upon completion of bidding for the 100% designed scope of work with local and regional bidders familiar with and suited to perform the work, the final construction cost estimate, including all facilities, is approximately $7,239,823.

Timing Impact:
The Master agreement and by incorporation of the Phase 1 agreement, the proposed scope of work will commence once the agreements are executed. The expected Notice To Proceed and mobilization to perform the Phase 1 work will commence immediately.

Strategic Focus Area:
Strong Fiscal Stewardship
Environmental and Economic Sustainability
Good Governance

Fiscal Impact:
To fund this contract award, the adopted FY 2026 CIP appropriated $3,000,000 for this project. Additional FY 2026 funds, if needed, will be appropriated through a future requested budget amendment. To fully fund FY 2027 expenditures, a CIP project for continuation of the five-year EPC plan will be included in the FY 2027 budget process.

Legal Impact:
The Town reserves the option to renew the award for two additional five-year periods not to exceed a total of fifteen (15) years. The Town and the Contractor must mutually agree on the contract renewal. Renewals will be based on price, service capability, product availability and appropriation of funds.

Staff Recommendation/Next Steps:
Staff recommends that the Town Council:

1. Award the Energy Performance Contract Master Agreement and the incorporated Phase 1 Energy Performance Contract to CMTA, Inc.for $7,239,823.

2. Authorize the Town Manager or their designee to sign and deliver the contracts on such forms approved by the Town Attorney and any other instrument necessary to evidence or effectuate the contracts and approve contract modifications that modify project scope, costs, and length of contract time in accordance with procurement policy and regulations.

Attachments:

1. Resolution (Proposed)