



## CITY OF FULLERTON

Public Works Department – Engineering Division

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May 5, 2026

Ryan Gunstream  
Veregy Pacific, LLC  
3090 Bristol St. Suite 400  
Costa Mesa, CA 92626  
E: [rgunstream@veregy.com](mailto:rgunstream@veregy.com)  
C: 949.531.1979

**Subject:** Letter of Engagement for Investment Grade Audit (IGA) Services

Dear Ryan,

Your ongoing discussions with our Leadership Team have provided valuable insights into our critical energy infrastructure across our facilities. We believe that partnering with Veregy could be beneficial to the City. The City of Fullerton “City” is pleased to present this engagement letter, directing Veregy to perform an Investment Grade Audit (IGA) for our City-owned facilities. The purpose of this IGA is to identify and evaluate potential energy conservation measures, facility improvements, and sustainability projects that align with the City’s goals and priorities.

We envision a highly collaborative partnership where Veregy will leverage its expertise to guide the City and offer well-informed recommendations based on the findings of the IGA. The City is dedicated to sustainability, greenhouse gas (GHG) reduction, water use efficiency and energy efficiency, seeking comprehensive insights into our energy usage and opportunities for improvement.

Given the budget constraints, project priorities will be based on sustainability objectives, cost reduction, safety, functionality and financial considerations. The IGA should provide a detailed analysis of energy conservation measures, including their potential savings and implementation costs. Additionally, the IGA report should provide a retrofit plan with detailed pricing and savings estimate for all evaluated measures.

The scope of the IGA should include, but not limited to:

1. Analyze energy consumption, identifying major end-uses, present disaggregated usage data and efficiency opportunities.
2. Identify and develop energy conservation measures with associated savings, costs, and financial metrics, such as:
  - a. Conduct interior and exterior lighting assessment; provide retrofit plan with costs and energy savings estimates.
  - b. Review and assess HVAC and controls/BAS equipment; provide HVAC system upgrade/replacement plan with costs and energy savings estimates.
  - c. Conduct water and energy conservation assessment of the water enterprise pumping equipment and Water Meters to deliver a retrofit plan with costs and water conservation projections and any potential revenue enhancements.
  - d. Assess the feasibility of on-site solar generation using the latest technology and analyze the project's economic viability.
  - e. Assess building envelope (roofs, doors, windows) as needed; recommend improvements with costs and energy savings estimates.
3. Assist with project funding options, including identifying and applying for applicable grants, rebates, and incentives as directed by the city.

### **THE EDUCATION COMMUNITY**

303 West Commonwealth Avenue, Fullerton, California 92832-1775  
(714) 738-6845 • Fax (714) 738-3115 • Web Site: [www.cityoffullerton.com](http://www.cityoffullerton.com)

The City understands that Veregy will require access to our facilities and relevant data to conduct the IGA effectively. The City will provide an escort/or arrange access to the building(s) to be surveyed. The City will also share all relevant information with Veregy to ensure the best possible outcomes from this partnership.

Veregy will deliver the IGA in a 3 phase iterative fashion to allow for sufficient review and adjustment to the scope of work. A 30/60/100% deliverable will be generated. The deliverables will be as follows at each phase:

- 30% - conduct audits and preliminary design for measures proposed, provide high level savings and costing with a focus on determining which measures are fundamentally viable.
  - Goal of Phase: to eliminate measures that are not viable.
- 60% - Complete viability studies and initial design and present Rough Order of Magnitude (ROM) pricing
  - Goal of Phase: Test viability of project with ROM pricing and to determine procurement approach
- 100% - Final Design for Construction and Final Contract Pricing
  - Goal of Phase: Potential contract for viable projects

We understand that there are no upfront costs required for the IGA. If the City decides not to proceed with a contract for Veregy to perform the work on one or more projects presented in the IGA, the City agrees that Veregy will retain all documents and data related to the creation of the IGA.


We look forward to working with Veregy on this important initiative/and developing a long-term partnership to improve our facilities, energy efficiency and sustainability. Please sign below to indicate your acceptance of the terms outlined in this engagement letter.

Thank you,



Stephen Bise  
Public Works Director

| City of Fullerton |
|-------------------|
| By:               |
| Signature:        |
| Title:            |
| Date:             |

| Veregy Pacific, LLC  |
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| By: Ryan Gunstream   |
| Signature:  |
| Title: Senior Manager  |
| Date: 4.21.2026  |