



City of Culver City

Mike Balkman Council
Chambers
9770 Culver Blvd.
Culver City, CA 90232

Staff Report

File #: 19-709, **Version:** 1

Item #: C-3.

CC - Approval of an Agreement with Express Energy Services, Inc. in an Amount Not-to-Exceed \$170,000 for the City Hall Parking Lighting Upgrade Project.

Meeting Date: February 11, 2019

Contact Person/Dept: Joe Susca/Senior Management Analyst

Phone Number: (310) 253-5636

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☒ No ☐

Public Hearing: ☐ **Action Item:** ☐ **Attachments:** ☐

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (02/06/19); Express Energy Services (01/24/19); The Energy Coalition (01/24/19); The Gordian Group (01/24/19)

Department Approval: Charles D. Herbertson (02/03/19)

RECOMMENDATION

Staff recommends the City Council approve an agreement with Express Energy Services, Inc. (Express) in an amount not-to-exceed \$170,000 for the City Hall Parking Lighting Upgrade Project, CIP PF-021.

BACKGROUND

Over the past several years, the City has been working with the Southern California Regional Energy Network (SoCalREN, formerly The Energy Network) to implement turn-key energy efficiency projects citywide. SoCalREN, administered by Los Angeles County, was created by the California Public Utilities Commission using "public purpose" utility tax funds to aid public agencies in Southern California to implement projects that save energy, reduce operating costs and reduce greenhouse gas emissions.

Last year, SoCalREN conducted an energy audit at the City Hall's stairwells and subterranean parking levels that focused on lighting. After reviewing the audit, staff and SoCalREN agreed that a lighting project that replaces the existing induction and fluorescent fixtures with Light Emitting Diode

(LED) fixtures would improve energy efficiency and reduce operating costs (the "Project"). The Project also qualifies for Southern California Edison (SCE) incentives and partial on-bill financing.

DISCUSSION

The Project includes:

1. Removal of 165 80-watt induction fixtures and replacing them with 40-watt LED fixtures.
2. Removal of 170 60-watt fluorescent lamp fixtures and replacing them with 33-watt LED fixtures.
3. Removal of 47 30-watt fluorescent lamp fixtures and replacing them with 17-watt LED fixtures.

All of the nearly 400 new LED fixtures that replace the existing fixtures are equipped with occupancy sensors that allow them to operate in a dimmed fashion until motion triggers their full illumination. This feature, coupled with LED technology, will yield the greatest reduction in the amount of electricity used in City Hall's stairwells and parking levels. The new LED fixtures will also reduce the City's maintenance costs due to the long expected life of the LED fixtures.

Given their anticipated 20-year life, the existing induction fixtures being removed still have significant remaining useful service life and therefore will be stored at Express and then donated for reuse by customers who cannot afford to purchase them. Express will work with community leaders from faith and community based organizations to identify places of need. As part of their philanthropic deeds, Express will also train young and low-income individuals expressing an interest in becoming electricians how to install the fixtures. The existing fluorescent lamp fixtures however, are over 22 years old and as such, they will be dismantled and separated into their various components for recycling.

The services retained for the Project are exempt from the formal competitive bidding process, pursuant to Culver City Municipal Code (CCMC) Sections 3.07.045.G (see below) and 3.07.085.C.6 (repair and maintenance of City-owned real property and buildings). CCMC Section 3.07.045.G provides an exception to bidding *"where competitive bid procedures have already been utilized by the City, another public agency, including, but not limited to, federal, state and county governments, including, state of California agencies, counties, cities, joint power agencies and special districts, or nonprofit agencies whose main purpose is to assist cities or other public entities...provided, the equipment, goods or supplies are supplied to the City at the same or better price, as was obtained through the competitive bid procedures of that entity."* Express is a contractor that has been pre-approved and selected by the National Joint Powers Alliance (recently renamed "[Sourcewell](https://www.sourcewell-mn.gov/about)"), which is a public and transparent bidding process agency whose aim is to create a pool of pre-qualified contractors for such projects. The Gordian Group is the local administrator of the Sourcewell contracts and they reviewed the Express bid and confirmed that it adheres to the labor rates, prices, terms and conditions of their existing Sourcewell agreement.

Over the past few years, staff has had favorable experiences with Express, who was selected to replace over one thousand lighting fixtures located at six of the City's largest facilities, including the Ince Parking Structure, City Hall interior offices, Police Station, Transportation, Senior Center and the Veterans Memorial Complex. If approved, staff anticipates it will take three months to manufacture,

install and program the new lighting fixtures.

Completion of the Project will advance the City's position as a community leader in environmental sustainability and elevate the City's Energy Leader Partnership Platinum status with SCE. The Project will increase the amount of energy savings the City has achieved to 30% when compared to 2006. As a result of its energy efficiency efforts to date, the City has received a Platinum level Beacon Award from the Institute of Local Government and a Cool Planet Award from The Climate Registry acknowledging its energy efficiency program successes and their accompanying greenhouse gas emission reductions.

FISCAL ANALYSIS

\$170,000 in General Funds are included within the City Hall Parking Lighting Project, CIP PF-021, which is sufficient to cover the contract with Express to complete the work. The City will save 97,562 kWh of electricity annually (valued at \$14,692.84) by implementing the Project for a total savings of \$176,314 over the Project's 12-year estimated life. The Project is partially funded by a \$60,520.57 zero-interest loan from SCE through their on-bill financing program that is paid back over seven years by cost savings generated by the Project. The City will receive approximately \$12,465.80 in SCE incentives for a net cost of \$157,534 (\$170,000 capital outlay - the \$12,465.80 incentive). The Project will realize a total net savings of \$18,780 (\$176,314 in reduced electricity cost - \$157,534 net capital outlay after incentive), with a Return on Investment of 11.9% based on a 12-year fixture life however, the fixtures typically last in excess of 20 years. The City will realize an additional \$40,800 (\$3,400/year X 12 years) in savings as a result of reduced maintenance costs, primarily from no longer having to purchase and replace burned out bulbs.

MOTIONS

That the City Council:

1. Approve an agreement with Express Energy Services in an amount not-to-exceed \$170,000 to replace the lighting fixtures in City Hall's stairwells and parking levels; and
2. Authorize the City Attorney to review/prepare the necessary documents; and
3. Authorize the City Manager to execute such documents on behalf of the City.