



AGENDA REPORT

Meeting Date: June 3, 2010
Item Number: F-10
To: Honorable Mayor & City Council
From: Alan Schneider, Director of Project Administration
Subject: APPROVAL OF AMENDMENT NO. 2 TO THE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND FRANCIS KRAHE & ASSOCIATES, INC. FOR SOLAR ENERGY SYSTEM MASTERPLAN SERVICES RELATED TO CITY FACILITIES; AND,

APPROPRIATING FUNDS IN THE AMOUNT OF \$50,000 THEREFOR;
AND,

APPROVAL OF A CHANGE PURCHASE ORDER IN THE AMOUNT OF \$32,000 TO FRANCIS KRAHE & ASSOCIATES, INC. FOR THESE SERVICES

Attachments: 1. Agreement

RECOMMENDATION

It is recommended that the City Council appropriate funds in the amount of \$50,000 as follows:

From		To	
\$50,000	08-30000 Capital Assets unrestricted fund balance	\$50,000	0923 - Solar Panels on City Facilities

It is further recommended that the City Council approve the "Amendment No. 2 to the agreement with Francis Krahe & Associates, Inc. for solar energy system masterplan services related to City facilities", and approve a Change Purchase Order in the amount of \$32,000 for these services. The total compensation for the services under this agreement and amendments is \$82,000.

INTRODUCTION

In October 2009, staff engaged the services of Francis Krahe & Associates (Francis Krahe) to develop a solar energy feasibility masterplan for City facilities. These services provided a comprehensive analysis to define the performance and design criteria, which would optimize the implementation of solar energy systems. This analysis included an evaluation of operating efficiency, durability, maintenance costs, construction schedule, appearance, neighborhood and environmental impact, construction compatibility, coordination with existing building systems, total life system cost (equipment, installation, maintenance) and potential energy savings, rebates or incentives. The program included the following potential solar energy facility sites:

- Third Street Parking Garage – 9333 W. 3rd St.
- Public Works Facility & Water Treatment Plant – 345 Foothill Road
- Public Works Fleet Services Center – 9333 W. 3rd St.
- Library – 444 N. Rexford Drive
- Police Facility & Bridge Area – 464 N. Rexford Drive
- Fire Station Headquarters – 445 N. Rexford Drive
- City Hall – 455 N. Rexford Drive
- Santa Monica 5 Parking Garages – between Beverly Dr. & Linden Ave.
- Civic Center Parking Garage – 450 N. Rexford Drive

Amendment No. 1 to the agreement followed in January 2010, and continued the program development with the preparation of the Request For Proposal (RFP). The Consultant provided design guidelines and financial model for each solar energy facility site. Schematic design guidelines for each facility documented existing electrical system components and utility service to facilitate accurate proposals within the RFP process.

The proposed amendment to the agreement with Francis Krahe is to implement the solar energy masterplan through evaluation and analysis of the submitted proposals and culminating in an agreement for the solar energy system installation.

DISCUSSION

The feasibility study performed by the Consultant evaluated and ranked City facilities in terms of the potential energy generated and the corresponding financial benefits. To create the evaluation, the following components were defined and analyzed: (a) Feasible Site Area, (b) Photovoltaic Energy System Performance Specifications, (c) Schematic Engineering Design & Cost Estimate, and (c) Financial Analysis of Photovoltaic Energy System

Feasible Site Area – Gross site areas are determined based on the combined analysis of shade studies, survey of existing equipment, and fire safety codes.

Photovoltaic Energy System Requirements – Several Photovoltaic Energy System technologies are compared with respect to their operating characteristics, and the most efficient system is identified.

Schematic Engineering Design & Cost Estimate – Schematic plans are designed for each proposed location to determine quantities of materials and energy generating capacity. System component specifications and quantities determine the corresponding estimated cost.

Financial Analysis of Photovoltaic Energy System – A life-cycle financial analysis for each proposed location summarizes the initial construction cost, the estimated income or savings from avoided electricity, annual maintenance costs, debt service costs, net operating income, and capitalization rate.

The results of the Financial Analysis suggest the following rank for each site location.

Tier 1 – Capitalization rate of 10% before incentives: Large, efficiency, flat roof-top locations with TOU-GS3 Utility Rate Schedules. The Library, Public Works / Water Treatment Plant, and Police Facility have the greatest existing electrical load, highest generation capacity, and greatest potential for return of investment.

Tier 2 – Capitalization rate of greater than 6% before incentives: Large, efficient, flat roof-top locations with GS-2 Utility Rate Schedules. These locations include City Hall, Fire Station Headquarters, Fleet Services Center, Third Street Parking Garage, and Civic Center Parking Garage.

Tier 3 – Small parking garages with limited existing load and GS-2 or GS-1 Utility Rate Schedules include the Santa Monica 5 Parking Garages.

Request For Proposal

Based on the foregoing analysis, the RFP was developed specifying two options. Option A provides Design Guidelines for the implementation of Photovoltaic (PV) Systems at the locations designated as Tier 1, and includes the following locations:

- Library
- Public Works Facility & Water Treatment Plant
- Police Facility & Bridge

Option B proposes the implementation of PV Systems at six (6) City sites. These sites include all sites described in Option A, and three (3) additional sites as follows:

- Fleet Services Center
- Third Street Parking Garage
- Civic Center Parking Garage

The remaining sites analyzed under Tier 2, including City Hall and Fire Station Headquarters are candidates for future solar projects once those facilities are re-roofed to support a solar panel system. A capital project to re-roof both facilities is scheduled for fiscal year 2010/11.

On April 5, 2010, the RFP was issued to 14 firms. The City's website also included a direct link to access the RFP and related technical documentation. A pre-bid conference was held on May 5, 2010 that included over 40 attendees. A follow up site visit of each facility site was conducted to inspect the roof top and equipment locations. Proposals were submitted on May 28, 2010.

The scope of services proposed in Amendment No. 2 includes the balance of Task 3, Implementation of the RFP and Task 4, Bid Review.

Consultant will review the vendors' itemized cost proposals for construction and implementation of the solar energy system. Cost proposals will include acquisition, installation, and commissioning of all components of the photovoltaic energy system, including photovoltaic panels, DC cables and collector panels, inverters, AC distribution panels (for system connection directly to City facilities), and/or connection to the network

system grid (for system connection to the public utility). Consultant will establish evaluation criteria, in consultation with the City, to rank proposals based on City priorities.

Consultant's proposal review and evaluation will include:

- Solar energy system proposal report
- Summarize cost and benefit of all proposals
- Confirm financial and energy production claims of all proposals
- Financial analysis of proposals, based on 25 year production
- Two meetings with City staff

The fee proposal for the above consultant services is \$32,000.

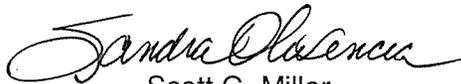
Future consultant services are anticipated to assist the City in the review and recommendation of terms for an agreement between the City and the approved respondent. Consultant would also review and approve construction documents, permit submittals, and incentive applications, as representative of the City, as well as review and approval of the installation and commissioning of PV Systems, subject to approval by the City.

Following receipt of the proposals, the evaluation and analysis period is expected to take about 30 days. Subject to the quality and completeness of the proposals, staff intends to complete the bid review and make a recommendation for approval of an agreement for the solar energy project in August 2010.

FISCAL IMPACT

The requested appropriation in this agenda report in the amount of \$50,000 will provide funding for consultant services by Francis Krahe, and other miscellaneous expenses. Staff will seek cover recovery of these fees through California Energy Commission energy grants.

The Capital Improvement Program (CIP) budget for FY 2010-11 includes funding for the solar energy system installations. However, it is the expectation that through the public-private partnership that minimal City funds will be necessary to achieve the desired solar energy systems.



Scott G. Miller
Finance Approval



David D. Gustavson
Approved By



AMENDMENT NO. 2 TO THE AGREEMENT BETWEEN THE CITY
OF BEVERLY HILLS AND FRANCIS KRAHE & ASSOCIATES
INC. FOR SOLAR ENERGY SYSTEM MASTERPLAN SERVICES
RELATED TO CITY FACILITIES

NAME OF CONSULTANT: Francis Krahe & Associates Inc.

RESPONSIBLE PRINCIPAL
OF CONSULTANT: Le Nguyen, Vice President

CONSULTANT'S ADDRESS: 304 South Broadway, Suite 500
Los Angeles, CA 90013
Attention: Le Nguyen, Vice President

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: David Gustavson
Director of Public Works & Transportation

COMMENCEMENT DATE: Upon Written Notice To Proceed

TERMINATION DATE: June 30, 2011

CONSIDERATION: Original Agreement:
Not to exceed \$30,000.00 as described in
Exhibit B; Reimbursable expenses not to
exceed \$3,000, as more particularly described
in Exhibit B; Contingency for additional work
not to exceed \$3,000.00, as more particularly
described in Exhibit B;

Amendment No. 1:
Not to exceed \$14,000.00, including all
reimbursable expenses and as described in
Exhibit B;

Amendment No. 2: Not to exceed \$32,000.00,
including all reimbursable expenses and
described in Exhibit B

Total not to exceed \$82,000.00

AMENDMENT NO. 2 TO THE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND FRANCIS KRAHE & ASSOCIATES INC. FOR SOLAR ENERGY SYSTEM MASTERPLAN SERVICES RELATED TO CITY FACILITIES

This Amendment No. 2 is to the agreement between the CITY of Beverly Hills (hereinafter called "CITY"), and Francis Krahe & Associates Inc. (hereinafter called "CONSULTANT") dated October 22, 2009 and identified as Contract No. 406-09 as amended by Amendment No. 1 dated January 19, 2010 and identified as Contract No. 29-10.

RECITALS

A. CITY entered into a written agreement with CONSULTANT dated October 22, 2009 for master planning solar energy systems for various CITY facilities.

B. CITY desires CONSULTANT to perform additional services in connection with development of a Solar Energy Request For Proposal for selected project locations at 345 Foothill Road, 464 North Rexford Drive and 444 North Rexford Drives (the "Sites").

C. CITY desires to amend the Termination Date of the Agreement, increase the scope of services and increase the Consideration for the additional services.

NOW, THEREFORE, the parties agree as follows:

Section 1. The Termination Date shall be amended as set forth above.

Section 2. The Consideration shall be amended as set forth above.

Section 3. Exhibit A, "Scope of Work", shall be amended as attached hereto and incorporated herein.

Section 4. Exhibit B, "Schedule of Payment and Rates", shall be amended as attached hereto and incorporated herein.

Section 5. Except as specifically amended by this Amendment No. 2, the Agreement dated October 22, 2009 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the ____ day of _____ 2010, at Beverly Hills, California.

CITY OF BEVERLY HILLS
A Municipal Corporation

JIMMY DELSHAD
Mayor of the City of
Beverly Hills, California

ATTEST:

BYRON POPE
City Clerk

CONSULTANT: FRANCIS KRAHE &
ASSOCIATES INC.

FRANCIS J. KRAHE
President & Secretary

APPROVED AS TO FORM:

LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT

JEFFREY KOLIN
City Manager

DAVID D. GUSTAVSON
Director of Public Works & Transportation

for: _____
KARL KIRKMAN
Risk Manager

EXHIBIT A
SCOPE OF WORK

CONSULTANT, under the direction of the CITY'S Project Manager, shall perform the following services:

ORIGINAL AGREEMENT:

Scope of Work

The project includes the following potential Solar Energy Facility Sites:

- Public Works 3rd St Garage – 9333 W. 3rd St.
- Public Works Facility & Water Treatment Plant – 345 Foothill Road
- Public Works Fleet Services Center – 9333 W. 3rd St.
- Library – 444 N. Rexford Drive
- Police Facility & Bridge Area – 464 N. Rexford Drive
- Fire Station Headquarters – 445 N. Rexford Drive
- CITY Hall – 455 N. Rexford Drive
- Santa Monica 5 Parking Garages – between Beverly Dr. & Linden Ave
- Additional Building Locations to be considered an Additional Service

Part 1: Feasibility Study and Report (Completed)

CONSULTANT shall provide to the CITY a comprehensive analysis and report to define the performance and design criteria which optimize the implementation of the Solar Energy Systems. This analysis shall include evaluation of operating efficiency, durability, maintenance costs, construction schedule, appearance, neighborhood and environmental impact, construction compatibility, coordination with existing building systems, total life system cost (equipment, installation, maintenance) and potential energy savings, rebates or incentives. CONSULTANT shall collaborate and coordinate with the CITY's Project Manager, and other CITY personnel to define the project goals, financial criteria, and other critical factors to be utilized in the analysis. CONSULTANT shall prepare all required calculations, studies, evaluations, and analysis as required to determine the relative performance characteristics for each site and vendor. Based upon the analysis the CONSULTANT shall prepare recommendations to the CITY to define feasible projects for implementation.

AMENDMENT NO. 1:

CONSULTANT shall perform the following additional services:

Part 2: Preparation of Request For Proposal (RFP)

CONSULTANT shall provide Design Guidelines and Financial Model for each Solar Energy Facility Site. Schematic Design Guidelines for each Facility shall document

existing electrical system components and utility service to facilitate accurate proposals within the RFP process.

Approximate Timeline for Completion:

- Financial Model Report (15 calendar days):

CONSULTANT shall provide Financial Model Report that outlines the criteria for evaluation of Cost and Benefit for Public vs. Public/Private Projects

Deliverables include financial review of:

1. 25 Year Cash Flow Analysis for Public and Public Private Systems. Analysis to Cost and Benefit for publicly vs. privately owned Solar Energy System to include: Reduced Energy Payments, Operating Income, Total Cash Flow After Debt, Cumulative Return On Capital, Cash Operating Income, After Tax Cash Flow, and Cap Rate Analysis For Years 1, 6, And 11
2. Solar Energy System Financial Analysis and Report shall provide comparison of financial impact of incentives and rebates for Public and Private Entities and impact of financial viability per location
3. Solar Energy System Financial Analysis and Report shall identify advisory benchmarks that show (1) potential reduction in purchase of electricITY and (2) potential financial benefit from PPA and Publicly Owned Solar Energy Systems.

- Design Guideline (15 calendar days):

CONSULTANT shall provide Design Guidelines for each potential site area, location of inverters and connect to utility grid as well as minimum system efficiency and capacity. CONSULTANT shall prepare documents that outline Solar Energy System design guidelines to meet the CITY's operating energy and cost objectives.

Deliverables for this phase of the work shall include:

1. Solar Energy System Design Report summarizing preliminary site and building lighting concepts, pertinent site and installation sketches, relevant photographs of similar installations, schematic selection of system components (catalogue data), preliminary roof plans (scale 1/16"=1'-0") prepared as a Solar Energy layer in Auto cad 2006 referencing the current drawings, sketch details of system mounting, an outline specification, and a preliminary budget estimate.
2. CONSULTANT shall provide documents for a 50% review meeting with the CITY. After review and approval by the CITY, the design guidelines

will be presented for 100% review and approval to the CITY by the CONSULTANT.

3. Two (2) Meetings at the CITY's offices in Beverly Hills are included in the Design Guidelines Phase.
- RFP Preparation (45 calendar days):
 1. CONSULTANT shall summarize and outline Design Guidelines for compliance by photovoltaic integrators and manufactures.
 2. CONSULTANT shall prepare a RFP based on Schematic Design Guidelines and Performance Criteria for the approved potential property location(s) designated by the CITY which meet the feasibility and performance criteria for facilities identified above.

AMENDMENT NO. 2:

CONSULTANT shall perform the following additional services:

Part 3: Implement Request For Proposal (RFP)

1. Notice of Intent to issue RFP (Completed)
2. RFP issued to Respondents (Completed)
3. Onsite bidders conference – CONSULTANT shall conduct the pre-bid conferences with prospective respondents, including site visits to provide clarification concerning the terms and conditions of the RFP.
4. Questions from Respondents regarding RFP – CONSULTANT shall respond to requests for information and provide technical data as appropriate.
5. Proposals due back from Respondents

RFP for CITY Facilities

(Locations referenced in Beverly Hills Solar Energy Feasibility Study and Report)

- Public Works Facility & Water Treatment Plant – 345 Foothill Road
- Library – 444 N. Rexford Drive
- Police Facility & Bridge Area – 464 N. Rexford Drive
- Public Works 3rd St Garage – 9333 W. 3rd St.
- Fleet Services Center – 9333 W. 3rd St.
- Civic Center Parking Garage – 450 N. Rexford Drive

Part 4: Bid Review

CONSULTANT shall review the vendors' itemized cost proposals for construction and implementation of the Solar Energy System. Cost proposals shall include acquisition, installation, and commissioning of all components of the Photovoltaic Energy System, including photovoltaic panels, DC cables and collector panels, inverters, AC distribution panels (for system connection directly to the CITY Buildings), and/or connection to the Network system grid (for system connection to the public utility). CONSULTANT shall establish evaluation criteria, in consultation with CITY of Beverly Hills, to rank proposals based on CITY priorities.

CONSULTANT Submits Proposal Review and Evaluation to CITY

Deliverables:

- Solar Energy System Proposal Report
- Summarize cost and benefit of all proposals
- Confirm financial and energy production claims of all proposals
- Financial Analysis of Proposals, based on 25 year production
- 2 Meetings with CITY Staff

RFP Respondent selections made, and CONSULTANT informs all Respondents

Part 5: Project Implementation

At CITY's option CONSULTANT shall review and recommend terms of agreement between the CITY and Approved Respondent. CONSULTANT shall review and approve construction documents, permit submittals, and incentive applications provided by Approved Respondent, as representative of the CITY. CONSULTANT shall review and approve installation and commissioning of Photovoltaic Systems.

EXHIBIT B

SCHEDULE OF PAYMENT AND RATES

Original Agreement:

CITY agrees to compensate CONSULTANT for the work described in Part 1 of Exhibit A, a sum of Thirty Thousand Dollars (\$30,000.00).

Reimbursable Expenses reasonably incurred in the performance of this Agreement shall not exceed Three Thousand Dollars (\$3,000.00).

In the event the CITY requests Additional Services for services outside the scope set forth in Exhibit A, the fee shall be negotiated in advance and set forth in writing, but shall not exceed Three Thousand Dollars (\$3,000.00).

Total fee under this Agreement shall not exceed Thirty Six Thousand Dollars (\$36,000.00).

CONSULTANT shall submit an itemized statement to CITY on a CITY approved form for its services performed, which shall include documentation setting forth in detail a description of the services rendered, and the hours of service, if appropriate. CITY shall pay CONSULTANT the amount of such billing within thirty (30) days of receipt of same.

Payment shall be made upon the satisfactory completion and submission of the deliverables described in Exhibit A.

Reimbursable Expenses

The following costs reasonably incurred in the performance of this Agreement shall be reimbursed by CITY at cost for all out of town travel, including travel to meetings, printing, including in-house plots and copies, reproduction, telephone, delivery, sample fixtures, and models or mockups requested by CITY.

Additional Services Fee Schedule:

The following hourly rate schedule, effective September 15, 2009 shall apply to additional services in the event the fee is not negotiated in advance.

Title	Rates
Principal	\$300.00
Sr. Associate	\$175.00
Associate	\$150.00
Sr. Designer	\$125.00
Project Manager	\$105.00
Project Designer	\$105.00
Designer	\$ 90.00
Draftsperson	\$ 75.00
Technical Staff	\$ 75.00

Amendment No. 1:

CITY agrees to compensate CONSULTANT for the work described in Amendment No. 1 Exhibit A for Part 2 Financial Model Report and Design Guideline, a not to exceed amount of Fourteen Thousand Dollars (\$14,000.00), including reimbursable expenses.

Amendment No. 2:

CITY agrees to compensate CONSULTANT for the work described in Amendment No. 2 Exhibit A for Part 3, Implement Request For Proposal and Part 4, Bid Review, a not to exceed amount of Thirty Two Thousand Dollars (\$32,000.00), including reimbursable expenses based on the hourly rates set forth in this Exhibit.

Total fee under this Agreement shall not exceed Eighty Two Thousand Dollars (\$82,000.00).