



AGENDA REPORT

Meeting Date: December 21, 2010

Item Number: F-23

To: Honorable Mayor & City Council

From: Alan Schneider, Director of Project Administration

Subject: APPROVAL OF THE AWARD OF A CONTRACT TO ENERGY EXPRESS SERVICES, INC. FOR THE ENERGY EFFICIENCY (LIGHTING) UPGRADES FOR CITY FACILITIES PROJECT; AND APPROVING PLANS AND SPECIFICATIONS THEREFOR; AND, APPROPRIATING FUNDS IN THE AMOUNT OF \$45,552 THEREFOR; AND, APPROVAL OF A PURCHASE ORDER IN THE AMOUNT OF \$45,552 TO ENERGY EXPRESS SERVICES, INC. FOR THE CONTRACT WORK

Attachments: 1. Form of Contract

RECOMMENDATION

Staff recommends that the "City Council move to approve the award of a contract to the lowest responsible bidder, Energy Express Services, Inc. for energy efficiency lighting upgrades to City facilities in the amount of \$45,552; approve an appropriation of funds as described below; approval of the plans and specifications for the Project, dated September 16, 2010, which are adopted and approved with respect to design criteria"; and approval of the purchase order in the amount of \$45,552. Funding for this work is from a grant awarded to the City in the amount of \$192,706 under the American Recovery and Reinvestment Act of 2009.

From		To	
\$45,552	08-30000 Capital Assets unrestricted fund balance	\$45,552	0823 - Miscellaneous Construction Projects

INTRODUCTION

As part of the American Recovery and Reinvestment Act, the Department of Energy has implemented the Energy Efficiency and Conservation Block Grant Program (EECBG), which provides non-competitive formula grants and competitive grants to U.S. local governments, states, territories, and Indian tribes to fund programs and projects that improve energy efficiency and reduces energy use and fossil fuel emissions.

The City of Beverly Hills was allocated \$192,706 as part of this non-competitive formula grant process and awarded Grant #CBG-09-206. The proposed contract is to implement the lighting portion of the energy projects, and the contract for the HVAC projects is submitted under separate cover.

DISCUSSION

Energy Innovation Group, LLC (EIG) was retained by the City to identify and quantify energy saving opportunities at City facilities. EIG identified various opportunities for both HVAC and lighting energy efficiencies at the following locations.

<u>City Facilities</u>	<u>Scope of Work</u>
• City Hall and exterior courtyard	Lighting
• Public Works Facility & Fleet Services Center	Lighting
• Police Facility	Lighting
• Library	HVAC
• Fire Station Headquarters	HVAC & Lighting
• Coldwater Canyon Park	HVAC & Lighting
• La Cienega Community Center	HVAC & Lighting
• La Cienega Tennis Center	Lighting
• La Cienega Park K Field	Lighting

EIG prepared the Project specifications for the HVAC and lighting scopes of work respectively.

The lighting upgrades project was advertised in the local Beverly Hills newspapers and the construction trade plan room, McGraw-Hill Construction Information Group (Dodge Report). Twenty-three firms attended the mandatory job walk and obtained bid documents for this project.

On October 13, 2010, four bids for the lighting upgrades were received. The bid results are as follows:

<u>Bidder</u>	<u>Total Lighting Base Bid</u>
Express Energy Services	\$114,747
Brej Corporation	\$117,520
Reliable Energy Concepts	\$306,800
W.E. Construction	\$340,000

The low bidder, Express Energy Services, Inc. submitted a fully responsive bid, and as reported by the State Contractors Licensing Board, their license is current and in good standing. Review of the firm's references indicates that the firm has successfully executed similar work.

The contracts for the HVAC and lighting upgrades are based on the ARRA Grant funding of \$192,706. In addition, these energy projects qualify for rebates through Southern California Edison Company (SCE). The chart below details the contract amounts and the relative portion allocated to the ARRA grant and SCE rebates.

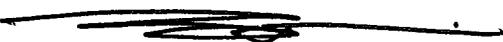
<u>Energy Upgrades</u>	<u>ARRA Grant</u>	<u>SCE Rebates</u>	<u>Contract Amount</u>
HVAC	\$152,154	\$10,071	\$162,225
Lighting	<u>\$40,552</u>	<u>\$5,000</u>	<u>\$45,552</u>
Total	\$192,706	\$15,071	\$207,777

Based on the funding through the ARRA Grant and SCE Rebate, the total base bid amount for the lighting upgrades and the HVAC upgrades (submitted for approval under separate cover) exceeds available funds. Therefore, staff recommends that the contract amount for the lighting upgrades be reduced to \$45,552.

The balance of the lighting scope of work totaling \$69,195 would be packaged as part of another energy efficiency program by SCE. The "On-Bill Financing" program is a 0% loan for qualified energy projects where the repayment of the loan (10 year maximum term) is tied to the actual energy savings. This program is managed by EIG under the Management Affiliates Program (MAP) of SCE and Express Energy Services would perform the lighting upgrades.

FISCAL IMPACT

The requested appropriation in this agenda report in the amount of \$45,552 will provide the funding for implementation of the lighting upgrades; and that this appropriation will be reimbursed with proceeds from the ARRA Grant and SCE Rebates.



Scott G. Miller
Finance Approval



David D. Gustavson
Approved By

Attachment 1

APPENDIX A

FORM OF CONTRACT

This contract ("Contract") is entered into by and between the City of Beverly Hills ("City"), a California municipal corporation, and EXPRESS ENERGY SERVICES, INC. a Corporation, whose address is 2637 Dawson Avenue, Signal Hill, CA 90720.

In consideration of the agreements herein contained, the parties agree as follows:

1. **WORK TO BE PERFORMED.** Contractor shall furnish at Contractor's own expense all labor, materials, supplies, equipment, tools, transportation and other items of expense necessary to complete in a workmanlike manner all Work in accordance with the terms and conditions of the Contract, except for the labor, materials, supplies, equipment, tools, transportation and other items of expense as may be required to be furnished by the City. The Work is defined in detail in the Contract Documents, which govern the interpretation and performance of this Contract, but may be generally described as follows:

ENERGY EFFICIENCY (LIGHTING) UPGRADES FOR CITY FACILITIES

2. **CONTRACT DOCUMENTS.** This contract consists of this Form of Contract and the following Contract Documents, including all exhibits, appendices, addenda, drawings, specifications and documents therein and attachments thereto, all of which are by this reference incorporated herein and made a part of this Contract:

- SECTION 1: NOTICE INVITING BIDS**
- SECTION 2: INSTRUCTIONS TO BIDDERS**
- SECTION 3: SPECIAL CITY REQUIREMENTS**
- SECTION 4: GENERAL SPECIFICATIONS**
- SECTION 7: ADDITIONAL FORMS**

as contained in City's Bid Document for Bid No. 11-08, dated September 16, 2010 and

- SECTION 5: BIDDER'S BID**
- SECTION 6: SIGNATURE PAGE AND LEGAL STATUS**

of Contractor's Bid in response thereto, all of which are incorporated herein by reference, and all of which shall comprise the Contract Documents for this Contract. If any item of the Scope of Work, Payment Schedule, or any other item of the Bid Package is modified by either of the parties or arrived at by negotiation between the parties, that item as finally agreed upon by the parties shall also become a Contract Document, it shall supersede the corresponding item of the Bid Package, if any, and it shall be subject to all terms and conditions of the Contract.

3. **PERFORMANCE PERIOD.** Contractor shall commence Work after execution of the Contract, and shall complete all Work in 90 calendar days from the date of Notice To Proceed as set forth in the Contract Documents.

4. PAYMENT. City shall pay Contractor as full consideration for the satisfactory performance by Contractor of all Work required under this Contract the sum of FORTY FIVE THOUSAND FIVE HUNDRED FIFTY TWO Dollars (\$45,552.00), payable as provided in the Contract Documents.

5. The City Manager or his designee shall administer the terms of the Agreement on behalf of the City.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed as of the date stated below.

DATED: _____

DATED: _____

CITY OF BEVERLY HILLS
"City"

EXPRESS ENERGY SERVICES, INC.
"Contractor"

JIMMY DELSHAD
Mayor

By: _____

ATTEST:

By: _____

BYRON POPE
City Clerk

APPROVED TO FORM:

APPROVED AS TO CONTENT:

LAURENCE S. WIENER
City Attorney

JEFFREY KOLIN
City Manager

DAVID D. GUSTAVSON
Director of Public Works

ALAN SCHNEIDER
Director of Project Administration

KARL KIRKMAN
Risk Manager