

City of Sacramento

Legislation Text

File #: 2020-01526, **Version:** 1

Title:

Contract: Central Library Lighting Upgrades Project (C13001900) (Two-Thirds Vote Required)

File ID: 2020-01526

Location: 828 I Street, District 4

Recommendation:

Pass a Motion: 1) suspending competitive bidding in the best interests of the City for lighting energy efficiency improvements at the Central Library; 2) authorizing the City Manager or the City Manager's designee to participate in the Sacramento Municipal Utility District (SMUD) Complete Energy Solutions (CES) program administered by Brighton Energy for the Central Library; 3) approving the plans and specifications for the Central Library Lighting Upgrade Project (C13001900); 4) awarding a construction contract to Green Energy Products, Inc. in an amount not to exceed \$292,259 for the Central Library Lighting Upgrade Project; and 5) authorizing the City Manager or the City Manager's designee to execute the contract specified above.

Contact: Joseph Gluvers, Senior Engineer (916) 808-8427; Mark C. Brown, Supervising Engineer (916) 808-7118; James Christensen, Facilities Manager (916) 808-5863, Department of Public Works

Presenter: None

Attachments:

1-Description/Analysis

2-Contract- Green Energy Products, Inc.

Description/Analysis

Issue Detail: The recommended authorization will allow the City to participate in SMUD's turnkey Complete Energy Solutions (CES) program for lighting retrofits. By participating in SMUD's program, the City can use a CES program contractor to construct lighting retrofits at a competitive project cost. Additional financial incentives are available through the SMUD CES program to reduce costs, including additional program rebates and guaranteed project costs. Suspending competitive bidding allows the City to contract with SMUD's program installers, gaining guaranteed program pricing to complete lighting improvements at a lower cost.

The Central Library Lighting Upgrades Project consists of replacing the existing lighting sources

with LED lamps and fixtures for all interior and exterior lighting at the Central Library located at 828 I Street. The proposed upgrades are calculated to save \$67,027 annually for a 4.36-year simple payback period. The reduction in energy usage will also reduce the carbon dioxide released into the atmosphere by 163 metric tons per year.

Policy Considerations: The recommendation in this report is in accordance with City Code Section 3.60.170(D), which states that the restrictions and provisions of City Code requiring the award of contracts by competitive bidding shall not apply when, upon two-thirds vote of the City Council, it is determined that it is in the best interests of the City to suspend competitive bidding for any contract.

Economic Impacts: The recommended contract is expected to create 1.17 jobs (0.67 direct jobs and 0.50 jobs through indirect and induced activities) and create \$180,451 in total economic output (\$113,739 of direct output and another \$66,711 of output in indirect and induced activities).

The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

Environmental Considerations:

California Environmental Quality Act (CEQA): The action is exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, Section 15301. The action involves the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, or mechanical equipment, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The exemption covers interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances; and similar facilities; restoration or rehabilitation of deteriorated or damaged structures, facilities, or mechanical equipment to meet current standards of public health and safety, unless it is determined that the damage was substantial and resulted from an environmental hazard such as earthquake, landslide, or flood. The project qualifies for a Categorical Exemption under Article 19 of CEQA Guidelines Section 15301, existing facilities. No environmental review is necessary. The recommended project is covered by the above-mentioned exemption because the project involves minor alterations to the lighting components of an existing City building and the overall building footprint will remain exactly as it exists now.

Sustainability: This recommendation implements City Council-adopted goals for energy

efficiency. General Plan Policy 6.1.4, Utilities, calls for the City to improve energy efficiency of City facilities to consume 25 percent less energy by 2030 compared to the baseline year of 2005. Retrofits to existing facilities are the primary strategy to meet energy reduction targets for existing City buildings. The recommendations in this report will also continue progress toward the City's goal of carbon neutrality by 2045, reducing greenhouse gas emissions from internal operations.

Commission/Committee Action: None

Rationale for Recommendation: On April 10, 2018, City Council passed Motion No. 2018-0095 suspending competitive bidding, authorizing the City's participation in the Sacramento Municipal Utilities District (SMUD) Complete Energy Solution (CES) program administered by Ecology Action, and directing staff to return with an agreement with one of the program contractors. All sites identified in the April 10, 2018 staff report (approved as Motion No. 2018-0095) have been completed.

On February 3, 2020, the Department of Public Works conducted a Lighting Audit of the Central Library to generate the SMUD CES Proposal for Central Library. The SMUD CES program was put on indefinite hiatus in March 2020 in response to the COVID-19 pandemic, but it was subsequently restarted in October 2020. On November 3, 2020, City staff received the completed CES Proposal for Central Library, which authorized the City's participation in the CES program for the Central Library lighting upgrades.

Staff has reviewed this proposal and supports awarding the Central Library Lighting Upgrades Project construction contract to Green Energy Products, Inc. for an amount not to exceed \$292,259. Green Energy Products, Inc. is a program contractor using the fixed program pricing as described in the SMUD CES Proposal for Central Library.

Financial Considerations: Sufficient funding (Measure U Fund, Fund 2401) exists in the Energy Reinvestment Program (C13001900) to award a construction contract to Green Energy Products, Inc. in an amount not to exceed \$292,259 and complete of the Central Library Lighting Upgrades Project.

Local Business Enterprise (LBE): Green Energy Products, Inc. is an LBE.