

August 2, 2007

Honorable Mayor and Members of
The Hermosa Beach City Council

Regular Meeting of
August 14, 2007

**CIP NO. 07-648 – INTERIOR LIGHTING RETROFIT OF PUBLIC BUILDINGS
AWARD CONSTRUCTION CONTRACT**

Recommendation:

It is recommended that the City Council:

1. Authorize the award of construction contract for CIP No. 07-648 Interior Lighting Retrofit of Public Buildings to Sylvania Lighting Services of Santa Barbara, California, in the amount of \$40,995.78;
2. Authorize the Mayor to execute and the City Clerk to attest the contract subject to approval of the City Attorney;
3. Authorize the Director of Public Works to issue change orders as necessary within the approved budget; and
4. Authorize an appropriation of \$700 from the 301 Capital Improvement Fund.

Background:

This project was bid as part of the South Bay Cities Council of Governments (SBCCOG) "Public Agency Facilities Energy Efficiency Program," which was conducted in conjunction with the 2006-2008 Local Government Partnership Energy Efficiency Program with Southern California Edison and Southern California Gas Companies under the auspices of the California Public Utilities Commission. The Program is designed to assist public agencies in the South Bay achieve higher levels of energy efficiency. The goal of this joint procurement is to capitalize on the economies of scale to improve cost-effectiveness of projects through a multi-agency bid, thereby enabling agencies to accomplish projects that may not otherwise be considered cost-effective (or may not have pursued due to lack of staff resources or other barriers).

The SBCCOG acted as lead agency on behalf of City of Hermosa Beach soliciting bids for energy efficient lighting retrofit services to reduce electricity consumption, demand and costs. The SBCCOG acted as the expeditor and technical consultant for the procurement process and is not a party to the contract.

Bid results for Hermosa Beach are as follows:

<u>Company</u>	<u>Bid Amount</u>
1. Sylvania Lighting Services	\$ 40,995.78
2. Enertech	\$ 75,741.31
3. Amtech	\$ 78,510.60

The work will include retrofitting or replacing approximately 900 lighting fixtures in city buildings. The project will produce estimated annual savings as follows:

- Electricity consumption savings of 101,055 kilowatt-hours
- Electricity demand savings of 32.9 kilowatts
- Carbon Dioxide emissions reductions of 181 tons per year
- Electricity cost savings of \$14,885 per year

The Department of Public Works recommends award of this contract to Sylvania Lighting Services for \$40,995.78.

Fiscal Impact:

With the appropriation, a total of \$41,039 is available in account 301-8648-4201 in FY 07-08 for this project. Additional contingency funds are not required.

Rebates from Southern California Edison under the Express Efficiency Program are estimated to total \$9,700. Net project cost after rebates is estimated at \$31,305, resulting in a simple payback of 2.1 years.

Respectfully submitted,

Concur:

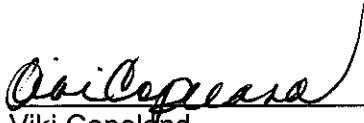


Ken Reamey, P.E.
Associate Engineer




Richard D. Morgan, P.E.
Director of Public Works/City Engineer

Noted For Fiscal Impact:



Viki Copeland
Finance Director



Stephen R. Burrell
City Manager