



Staff Report

File #: 21-0684

REQUEST FOR CITY COUNCIL ACTION

DATE: 07/21/2021

TO: Honorable Mayor and City Council Members

FROM: Maintenance Services Department

SUBJECT:

Public Hearing and Resolution on City Hall Energy Savings and consideration of an Energy Services Agreement with Facility Solutions Group.

EXECUTIVE SUMMARY:

Consideration of a Resolution establishing energy savings for the City Hall Energy Efficiency Project and authorizing the execution of a contract with Facility Solutions Group for \$158,564 to perform energy-saving measures at the Corona City Hall.

RECOMMENDED ACTION:

That the City Council:

- a. Adopt Resolution No. 2021-089, making findings on energy savings under California Government Code Section 4217.10 *et seq.*, determining other matters in connection with a Maintenance/General Services Agreement, and making findings under the California Environmental Quality Act.
- b. Make a determination under Corona Municipal Code Section [3.08.130\(D\)](#) that competitive bidding has been otherwise accomplished as provided for in the "Basis for Determination of Competitive Bidding" section of this agenda report.
- c. Authorize the City Manager, or his designee, to execute a Maintenance/General Services Agreement with Facility Solutions Group for \$158,564.
- d. Authorize the City Manager, or his designee, to negotiate and execute non-substantive amendments to the Maintenance/General Services Agreement with Facility Solutions Group and change orders up to ten percent or \$15,856 of the contract amount as authorized in Corona Municipal Code Section [3.08.050\(H\)](#).

- e. Authorize the Purchasing Manager to issue a Purchase Order to Facility Solutions Group for \$158,564.

BACKGROUND & HISTORY:

In May 2018, the City of Corona Maintenance Services staff worked with Southern California Regional Energy Network to conduct a whole building audit to determine the feasibility of an energy efficiency project at City Hall. Along with identifying energy-efficient upgrades, the audit identified potential funding sources and rebates for the proposed measures. Southern California Regional Energy Network proceeded with various site visits to City Hall to install data loggers and review existing equipment and potential measures. In November 2018, the audit was completed, and the City was provided with a report that detailed available energy efficiency measures, available rebates, estimated costs, and return on investment. The proposed measures, if implemented, would yield an annual savings of approximately \$42,000. The project costs were estimated to be \$188,810, with \$79,498 available in rebates and incentives. Based on this information, the Maintenance Services Department requested funding for \$215,000 in Fiscal Year 2020 to fund energy efficiency improvements at City Hall. A list of the measures is provided below:

1. Implement chilled water resets (automated based on load).
2. Implement static pressure resets.
3. Replace interior T8 Lamps with LED lamps.
4. Implement a lighting control system.
5. Make repairs to ductwork on the roof.
6. Replace 900w interior lighting in the City Hall Council Chambers with LED lighting.
7. Apply a cool roof to the third floor of City Hall.

City staff proceeded with implementing the above measures, which included meetings and job walks with the Gordian Group. The Gordian Group is a company that performs job order contracting. They assist companies, municipalities, and government agencies by competitively bidding construction services that allow agencies to take advantage of the cumulative buying power and reduced purchasing processing time. The Gordian Group assisted with developing a project scope, job walk, and obtaining a quote for the work to be performed.

The project costs came in and were above the initial cost estimates to perform the work. At that time, City staff re-evaluated the scope of the Project. In particular, the application of the cool roof coating, in which the costs to perform that portion had increased by a factor of four. The City Hall roof is over 15 years old and has numerous issues that must be repaired or prepped before applying the cool roof coating. Based on the roof age and the cost of the cool roof coating, the roof portion of the Project was deemed not to be viable. On June 9, 2021, City staff recommended to the Committee of the Whole and received direction to proceed with a modified project scope that excludes the cool roof coating. City staff will review the roof and bring forward a future project to the City Council to replace the roof at a later date.

ANALYSIS:

The State of California promotes all feasible means of energy conservation and uses of alternative

energy supply sources. To this end, California Government Code Section 4217.10 *et seq.* authorizes public agencies to utilize any procurement process to contract for energy services if its governing body determines, at a regularly scheduled public hearing, that the anticipated cost to the agency for the energy services project will be less than the anticipated marginal costs to the agency of electrical energy that would have been used by the agency in the absence of the energy services contract.

The City Hall Energy Efficiency Project, consisting of the above energy efficiency improvements (except for the cool roof coating), will achieve energy conservation by replacing existing lights within City Hall to be replaced with energy-efficient LED lights. The Project will also further reduce energy uses through the installation of light control sensors, which will ensure that lights in main areas are on only when needed and not when the building or office space is vacant. The total cost for these lighting improvements is anticipated to be \$158,564. Southern California Edison (SCE) provides \$65,955 in rebates, bringing the Project's net cost to \$89,195. The City will save 388,290 kilowatt-hour (kWh) per year due to the Project, which totals approximately \$44,000 in annual energy savings. The payback period for the Project is 1.8 years, and the Project is anticipated to be the equivalent of removing 70 vehicles from the road. Therefore, staff recommends entering into a Maintenance/General Services Agreement for this Project which qualifies as an energy services agreement for the purposes of California Government Code Section 4217.10.

Basis for Determination of Competitive Bidding

Staff proposes that competitive bidding has been completed for this contract under Corona Municipal Code ("CMC") Section [3.08.130\(D\)](#), which states as follows:

(D) Otherwise authorized. Upon recommendation of the City Manager, purchasing agent, and City Attorney, when otherwise authorized by this chapter or applicable law.

A competitive bid procedure has been conducted by another public agency. Sourcewell, also known as National Joint Powers Alliance, offers California public agencies the opportunity to procure energy efficiency improvement projects on an expedited construction schedule through the use of pre-qualified and competitively bid contractor pools experienced in performing energy efficiency retrofits. The City, as a member of Sourcewell, has access to this form of procurement. On August 7, 2019, Sourcewell issued an Invitation for Bid (IFB) #CA08-SCI-080719 on August 7, 2019, on behalf of all current and potential Sourcewell Members and to provide Indefinite Quantity Construction Contracting (IQCC) services to current and future members, which include government agencies, education agencies, and non-profit agencies in the State of California. The IFB was issued for multiple services, including the areas of general building services, paving, flooring, demolition and abatement, painting, roofing, landscaping, and electrical work, to award multiple contracts in the State of California. The bid was published on June 24 and July 1, 2019, in the Press-Enterprise, The Orange County Register, The Los Angeles Times, the Ventura County Star, and the San Bernardino County Sun, and on June 26 and July 3, 2019, in The Desert Sun. In addition, the bid documentation was requested and distributed to 35 prospective bidders. Sourcewell held a non-mandatory pre-bid conference on July 15, 2019, for interested bidders. Bids were due by August 7, 2019, at 4:30 p.m. Responses were received from 18 prospective bidders, and all responsive bids were submitted for review by the Sourcewell Bid Evaluation Committee. Based upon that evaluation, Facilities Solutions Group was awarded a contract for electrical services as one of the two lowest responsive and

responsible bidders. All awarded bids were determined by Sourcewell to be competitive and reasonable for their respective areas.

COMMITTEE ACTION:

The proposed Project was presented to the Committee of the Whole on June 9, 2021, and the Committee recommended to proceed with the revised scope as presented.

FINANCIAL IMPACT:

Funding for this Project is currently budgeted in Capital Improvement Project No. 7379, City Hall Whole Building Energy Efficiency. There are sufficient funds to complete the recommended actions.

ENVIRONMENTAL ANALYSIS:

This action is categorically exempt pursuant to Section §15301 of the Guidelines for the California Environmental Quality Act (CEQA), which states that the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the CEQA determination, and is therefore exempt from CEQA. This action involves retrofitting lights in an existing building and installing light control sensors. Therefore, no environmental analysis is required.

PREPARED BY: TRACY MARTIN, UTILITIES PROJECT MANAGER

REVIEWED BY: TOM MOODY, GENERAL MANAGER

Attachments:

1. Exhibit 1 - Resolution No. 2021-089
2. Exhibit 2 - Facility Solutions Group MGSA