LOS ANGELES COUNTY
ISD
INTERNAL SERVICES

Dave Lambertson
Director

COUNTY OF LOS ANGELES
Internal Services Department

1100 North Eastern Avenue
Los Angeles, California 90063

To enrich lives through effective and caring service.

Telephone: (323) 267-2101
FAX: (323) 264-7135

May 4, 2006

Agenda Date: May 16, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVE AGREEMENTS FOR ENERGY EFFICIENCY PROGRAMS
DEPARTMENT OF WATER AND POWER SERVICE AREA
(ALL DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the approval of these actions is categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).

2. Approve and authorize the Director of the Internal Services Department (ISD) or his designee to execute Agreements substantially similar in form to Attachment A with Whitehead Electrical Systems, Inc. to provide state of the art lighting and carbon monoxide controls for a sum of $1,096,161; and with Energy Controls and Concepts to provide energy efficient lighting retrofits for $793,575.

3. Approve and authorize the Director of ISD or his designee to execute an Agreement substantially similar in form to Attachment B with McParlane and Associates to perform retro-commissioning services in various County facilities for a total amount not to exceed $1,130,096.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

ISD has been very successful in recent years in obtaining funds from the state to complete energy savings projects in Southern California Edison's (SCE) service area. These projects were funded through the California Public Utilities Commission (CPUC)

and could be used only in the SCE service area and not in the City of Los Angeles' Department of Water and Power (DWP) service area. Therefore, on November 7, 2005, ISD obtained a $3.1 million loan from the Productivity and Quality Commission's Productivity Investment Fund (PIF) to implement energy efficiency projects in the DWP service territory. The Projects are described below and will be implemented in the facilities listed in Attachment C.

- Lighting Retrofits: Replace inefficient lighting with newer technology, high efficiency lamps and ballasts.
- Lighting Controls: Replace existing lighting control panels with remote controlled, programmable panels that will allow building lighting operations to be automatically scheduled.
- Carbon Monoxide Sensors : Install Carbon Monoxide (CO) sensors in parking lots to automatically control the operation of exhaust fans.
- Retro-commissioning: "Tune-up" the heating, ventilating, and air conditioning systems in large buildings to ensure they are operating efficiently.

The total annual energy savings for these projects is estimated at $669,963 and provides a 4.5 year payback.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These energy savings projects support Goal Number 4 of the County's Strategic Plan, Fiscal Responsibility, by investing in the public infrastructure and generating reduced, ongoing utility expenses.

FISCAL IMPACT/FINANCING

There is no net County cost impact. The total project cost of $3,069,832 includes a contingency amount of $50,000. The total project cost plus PIF loan financing (at an interest rate of 3.7%) is estimated at $3,510,769. PIF loan disbursements will be made once project expenses are incurred. Payments of the PIF loan will commence in Fiscal Year 2007-08 after the projects have been implemented and have generated utility bill savings. The overall PIF loan financing period is six years.

There is sufficient appropriation of $550,000 in the Utilities Budget to pay the contractors for the work to be completed this fiscal year. The Fiscal Year 2006-07 Utilities Budget

includes $2,520,000 to complete the remainder of the work. The appropriation amounts are fully offset by Operating Transfers In revenue.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

ISD's standard Energy Savings Agreement (Attachments A and B) will be used to contract for these projects. These Agreements have been approved as to form by County Counsel.

Subject to your Board's approval, the Agreement work will begin in June 2006. The projects are scheduled to be completed by December 2006.

The Agreements contain the Board's required contract provisions including those pertaining to consideration of qualified County employees targeted for layoff as well as qualified GAIN/GROW participants for employment openings, compliance with the Jury Duty Ordinance, Safely Surrender Baby Law and the Child Support Program.

These are not Proposition A Agreements due to the technical and one time nature of the services provided and therefore not subject to the Living Wage Program (County Code Chapter 2.201). It has been determined that the services under these Agreements do not impact Board Policy No. 5.030, "Low Cost Labor Resource Program," because of the specialized training needed to perform the work.

ENVIRONMENTAL DOCUMENTATION

The approval of these Agreements is exempt from CEQA pursuant to Section 15301 of the state CEQA guidelines because the services to be performed under the Agreements consist of minor alterations to public facilities and/or equipment involving no expansion of existing use.

CONTRACTING PROCESS

On January 10, 2006, ISD issued the first Request for Proposals (RFP) for implementation of the lighting retrofits, lighting controls, and CO sensors. The RFP was structured such that each proposer could bid on one or more of the components and could result in more than one contractor being selected. Notice of the solicitation was posted on the County website (see Attachment D) and was also sent to additional vendors (Attachment E). ISD received two (2) proposals for the lighting retrofits and one (1) proposal for the lighting controls and CO sensors. Of the lighting retrofit proposals; one (1) proposal was rejected because it did not meet the minimum requirements of the solicitation. The proposal submitted by Energy Controls and Concepts was determined to meet the qualifications for the lighting retrofits. The proposal submitted by Whitehead

Electrical Systems, Inc. was determined to meet the qualifications for the lighting controls and CO sensors.

For the lighting retrofits, lighting controls, and CO sensor projects, the contractors provided equipment unit costs, project total costs, and project energy savings based upon preliminary facility audits completed by ISD. Upon execution of the Agreements, pending your Board's approval, the contractors will complete an investment grade audit and submit a final cost and energy savings estimates. Any modifications to the Agreement amounts and energy savings as a result of these investment grade audits will be completed through the formal change order process and will be funded through the contingency amount. If a project is not economically viable within a particular facility, ISD will substitute it with a different facility within the DWP service area.

On January 25, 2006, ISD issued a second RFP for the retro-commissioning projects. Notice of the solicitation was posted on the County website (see Attachment F) and also sent to additional vendors (Attachment G). ISD received four (4) proposals. All proposals met the minimum qualifications. The proposals were evaluated based upon past experience, technical approach, price and project schedule. The proposal submitted by McParlane and Associates was determined to be the highest ranked proposal and provide the best value to the County.

The retro-commissioning services in the Agreement consist of two major components. The first involves investigation of County facilities, identification of specific retro-commissioning energy measures within a facility, and technical modeling and verification reports. The second consists of implementation of specific measures identified during the investigation/identification process. Based upon the results of the investigation/identification process, it may not be cost effective to implement some or all of the energy measures recommended by the contractor. Therefore, the Agreement allows for the reduction and/or change to the scope of services to eliminate the implementation of energy measures identified by the contractor during the retro-commissioning process.

Prior to commencing work to implement specific energy measures developed during the retro-commissioning process, the contractor will submit and the Director of ISD will approve the specific measure and measure costs. In no event will the Agreement sum exceed $1,130,096. If it is determined that it will be more cost effective and provide

better value to the County, ISD will reduce and/or change the scope of services and Agreement as described above and competitively bid out the implementation of the energy measures to other vendors. If necessary, ISD will seek your Board's approval to execute subsequent Agreements.

The selection of the vendors was made without regard to race, color, gender, creed or national origin. CBE information for the firms recommended for the Agreements is shown in Attachment H.

IMPACT ON CURRENT SERVICES OR PROJECTS

Upon completion of the projects, inefficient and outdated equipment will have been replaced and/or upgraded and the County utility costs will be reduced.

Respectfully submitted,

Tom Tindall

Dave Lambertson for
Director

DL:NH:ynj
Attachments
c: Chief Administrative Officer
Executive Officer
Board of Supervisors
County Counsel