



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Administrator

SUBJECT: Agreement with Southern California Edison to appoint, EcoGreen Solutions to install Light Emitting Diode (LED) retrofit lighting fixtures at various City of Commerce facilities, under a combined Southern California Edison (SCE) On-Bill Financing (OBF) Program and Government Code for Energy Conservation Contracts

MEETING DATE: FEBRUARY 20, 2018

RECOMMENDATION:

The Department of Parks & Recreation recommends entering into an Agreement with Southern California Edison, who will be using the services of EcoGreen Solutions, to install Light Emitting Diode (LED) Retrofit Lighting Fixtures at various City of Commerce facilities, during two phases, Express (expires March 20, 2018) and Custom (expires 12 months from project approval date) as approved by SCE to begin at Rosewood Park/BVAC and Veterans Memorial Park under a combined Southern California Edison (SCE) On-Bill Financing (OBF) Program and Government Code for Energy Conservation Contracts, and authorizing the City Administrator to execute as approved.

ANALYSIS/BACKGROUND:

Over the past 9 years, EcoGreen Solutions has been used by SCE, as an approved contractor for installing energy efficient LED fixtures that replaced energy intensive high-intensity discharge (HID), fluorescent, halogen and incandescent fixtures, under the SCE OBF program. The final phase of this project will continue to utilize the OBF funding mechanism. However certain fixtures are not covered in this program, yet provide LED lighting continuity to other areas of our facilities that need energy efficiency improvements. Grandfathered SCE incentives will be applied to these fixtures not covered under OBF. Unfortunately, the City of Commerce would lose this more lucrative funding if this project is delayed. The request would also need to be resubmitted to SCE for approval under their new incentive guidelines. Government Code sections 4217.10 through 4217.18 authorize public agencies to develop energy conservation agreements without competitive bidding, with governing board approval.

- A) The principal aspects of the OBF LED lighting/fixture retrofit performed by EGES program are:

1. EGES provides all lighting energy surveys, calculations, engineering, submissions, labor, materials and supervision for the retrofit. The retrofit includes the removal and disposal of interior and exterior lights/fixtures and replacement with new LED lights/fixtures.
2. The replacement LED lights/fixtures are state of the art units approved by SCE.
3. Preliminary phase to cover all four parks, Rosewood Park/BVAC, Veterans Memorial Park, Bandini Park, and Bristow Park and various multi-site locations (see attachments)
4. OBF would not address office and workspace cubicle light which could not be accommodated within the limits of the loans.
5. On completion of the retrofit, all works will be inspected and approved by SCE. Once approved, SCE provides loan documents with the actual costs and savings repayment amount calculated. The actual amount can be less than those agreed to prior; but cannot be increased. The loan repayment term can be shorter, but not longer.
6. Once all work is approved, SCE makes payment to EGES. The City of Commerce has no financial transaction with EGES.
7. The labor for LED retrofits is unconditionally guaranteed by EGES for one year. The LED lights and fixture are warranted by their manufacturer for five (5) years.

B) The advantages of LED lighting retrofit include:

1. Substantial compliance with Federal and State energy statutes to reduce toxic metal gas lighting.
2. LED uses 25% of the power required for florescent lighting and will last 20 years in continuous use.
3. LED does not require ballasts, which range in cost from \$20 to \$250 dollars per fixture.
4. LED provides more efficient and better lighting and adds no heat gain to air conditioned spaces.

C) EGES is warranted as a Preferred Vendor for the following reasons:

1. The services offered by EGES and the OBF offer an opportunity to substantially comply with State and Federal toxic reduction statutes that are otherwise unaffordable. Retrofit of the balance of RFOTC lighting would be accomplished as additional incentive opportunity or funds become available.
2. The City of Commerce will have no financial relationship or transaction of funds with EGES. All payment for the retrofit is made between the SCE and EGES.

3. LED retrofit is a fixture for fixture replacement program with no new construction.
4. EGES has obtained SCE approval, reservation of OBF funds and is ready to proceed with the LED retrofit upon approval once SCE application is received and approved.
5. EGES has a proven history of success in similar LED retrofit programs with other Los Angeles County municipalities, governmental agencies and school districts. A diligent review of their references was uniformly positive.
6. EGES is fully licensed, insured and meets all requirements to do business with the City of Commerce.

FISCAL IMPACT:

The City of Commerce will have zero “0” out of pocket costs for the survey, engineering and implementation of this program through SCE. The SCE program will provide all upfront costs associated to the completion of this project which includes labor, materials and all warranties associated with the project. After a 2 year review of each facility usage, SCE will calculate the annual energy savings amount in both Kilo Watt Hours (kwh) and dollars generated by the implementation of the technologies through their program. The monthly savings amount will be noted per the SCE agreement form LTC1 (Loan Term Calculations). SCE will validate and review the project with EGES as the Contractor/Authorized Agent.

The City of Commerce will be obligated to defer the initial savings (approximately up to 10 years) generated by the LED Lighting Installation back to SCE in order to reimburse each project location cost. Each project area may range from a 36 month payoff to a 120 month payoff plan through savings based on the LTC1.

RELATIONSHIP TO STRATEGIC GOALS:

The issue before the Council is applicable to the following Council’s strategic goal: *“Improve and maintain infrastructure and beautify our community”*.

Respectfully submitted: Edgar P. Cisneros
Recommended by: Robert Lipton
Fiscal Impact reviewed by: Vilko Domic
Approved as to form by: Noel Tapia