

Meeting Date: 4/14/2015

Report Type: Consent

Report ID: 2015-00290

Title: SMUD Incentive for Energy Efficiency Retrofit Project Phase 3 (Street Light Retrofit)

Location: Citywide

Recommendation: Pass a Resolution 1) approving the Agreement with SMUD and accepting a SMUD incentive of \$250,000 for the Energy Efficiency Retrofit Project - Phase 3; and 2) appropriating the SMUD incentive in the amount of \$250,000 to the Energy Efficiency Retrofit Project – Phase 3.

Contact: Sompol Chatusripitak, Senior Engineer (916) 808-5961; Nicholas Theocharides, Engineering Manager (916) 808-5065, Department of Public Works

Presenter: None

Department: Public Works Department

Division: Engineering Services Admin

Dept ID: 15001111

Attachments:

1-Description/Analysis

2-Resolution

3-Exhibit A (SMUD Energy Efficiency Incentive Letter)

City Attorney Review

Approved as to Form

Gerald Hicks

4/7/2015 11:40:30 AM

Approvals/Acknowledgements

Department Director or Designee: Jerry Way - 3/19/2015 1:57:24 PM

Description/Analysis:

Issue: The City Council awarded contract C2014-0559 to Siemens Industries, Inc., on June 17, 2014 to perform evaluation, design, review, coordination, construction, and training of City staff on energy efficiency measures for the City of Sacramento Energy Efficiency Retrofit Project. Following Phase 1 of the project, City Council approved Change Order No.1 to the contract on July 24, 2014 to launch Phase 2 of the project in which Siemens conducted an Investment Grade Assessment (IGA) of energy efficiency measures, financing opportunities, and potential benefits to the City.

On September 30, 2014, the City Council approved Change Order No. 2 to the contract which allocated up to \$4,920,000 for Siemens to convert all 9,226 mast arm street lights (Cobra) in the City to Light Emitting Diode (LED) street lights. The entire allocation was earmarked for Siemens' work. No City staff and resources were provided to manage Siemens' work during this phase.

City staff applied for a SMUD energy efficiency incentive on November 17, 2014 based on the proposed scope of Siemens' work in Phase 3. On January 15, 2015, SMUD approved the City's application for an amount of \$250,000. This SMUD incentive will fund City staff and resources necessary for managing Siemens's work in Phase 3 including engineering oversight, material testing, construction inspection, labor compliance, and contract management.

Policy Considerations: The action requested supports the City's Energy Efficiency and Sustainability goals.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): It has been determined that the Energy Efficiency Retrofit project, pursuant to the requirements of the California Environmental Quality Act (CEQA) is a Categorical Exemption. There is no substantial evidence that the project will have a significant effect on the environment.

Sustainability Considerations: This project is consistent with the Sustainability Master Plan goals to conserve energy, reduce overall carbon footprint, and enhance the pedestrian and vehicular facilities in the public right-of-way.

Other: None.

Commission/Committee Action: None.

Rationale for Recommendation: Change Order No. 2 of the Energy Efficiency Retrofit Project did not provide any funds for City staff and resources to manage work to be

done by Siemens. Accepting SMUD's \$250,000 incentive and appropriating the funds to the Energy Efficiency Retrofit Project – Phase 3 will enable City staff to effectively manage the citywide mast arm street light conversion to LED.

Financial Considerations: The estimated cost for the City staff and resources necessary for managing Siemens's work in Phase 3 including engineering oversight, material testing, construction inspection, labor compliance, and contract management is \$250,000. This work will be funded with the SMUD incentive in the amount of \$250,000.

Approval of the appropriation of \$250,000 (Fund 3702) from SMUD to the Energy Efficiency Retrofit Project – Phase 3 will support the completion of the project.

There are no General Funds planned or allocated for this project.

Local Business Enterprise (LBE): None, since no goods or services are being procured with this action.

RESOLUTION NO.

Adopted by the Sacramento City Council

Approve Agreement with SMUD to Accept \$250,000 Incentive for the Energy Efficiency Retrofit Project - Phase 3

BACKGROUND

- A. The City Council awarded Contract C2014-0559 to Siemens Industries, Inc., on June 17, 2014, to perform evaluation, design, review, coordination, construction, and training of City staff on energy efficiency measures for the City of Sacramento Energy Efficiency Retrofit Project in which street light conversion to energy efficient Light Emitting Diode is a major element.

- B. At the completion of Phase 1 of the project, which included the preliminary identification and audit of City facilities and assets, the City Council approved Change Order No.1 to the contract on July 24, 2014, to launch Phase 2 of the project in which Siemens conducted an Investment Grade Assessment (IGA) of energy efficiency measures, financing opportunities, and potential benefits to the City.

- C. On September 30, 2014, the City Council approved Change Order No.2 to the contract which allocated up to \$4,920,000 for Siemens to convert all 9,226 mast arm street lights (Cobra) in the City to LED. The entire allocation was earmarked for Siemens' work. No City staff or resources were provided to manage Siemens' work during this Phase.

- D. City staff applied for a SMUD energy efficiency incentive on November 17, 2014 based on the scope of proposed Siemens' work in Phase 3. On January 15, 2015, SMUD approved the City's application for an amount of \$250,000. This SMUD incentive will fund City staff and resources necessary for managing Siemens's work in Phase 3 including engineering oversight, material testing, construction inspection, labor compliance, and contract management.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Agreement with SMUD to accept SMUD's incentive of \$250,000 for the Energy Efficiency Retrofit Project - Phase 3 is approved.

Section 2. The City Manager is authorized to execute the Agreement with SMUD to accept SMUD's \$250,000 incentive for the Energy Efficiency Retrofit Project – Phase 3.

Section 3. The FY14/15 Capital Improvement Program is amended by appropriating \$250,000 (Fund 3702) in SMUD Incentive Funds to the Energy Efficiency Retrofit Project – Phase 3.

Powering forward. Together.



1/15/2015
CS15-003

April Lu
City of Sacramento
915- I Street, Suite 2000
Sacramento, CA 95814

Subject: Reservation of Funds for 9226 Mast-Head Streetlights; SN 8025709

Dear April,

Your November 17, 2014 application for an energy efficiency incentive has been approved. A \$250,000 incentive has been reserved for the City of Sacramento mast-head street lighting project. The installation is expected to be complete in April, 2015. To allow time from processing and collecting documentation, this incentive will remain available until June 1, 2015. Should the scope of the project or installation schedule change, please notify Kelvin Marshall (916)-732-5413 or Steve Oliver (916)-732-6359.

In the course of completing the project, please be sure to comply with all relevant federal and local laws and regulations, including those related to the disposal of hazardous wastes and the acquisition of local building permits. Once the installation of your project has been completed, please complete the attached *Request for Payment* and return it by e-mail to Stephen.oliver@smud.org. We will then conduct a verification of the installation and authorize payment of the incentive if the installation is satisfactory.

All fixtures shall be qualified by the Design Lights Consortium (designlights.org). Edison based (medium based) pole-top lamp retrofits shall be Energy Star approved. Mogul based pole-top lamp retrofits shall be approved by the Lighting Design Lab (lightingdesignlab.com).

For your decorative lamp project scheduled later this year, please note that the PEMCO "Twister" lamp *does not* appear on the Lighting Design Lab Qualified products list. If you would like SMUD to evaluate potential products for this project, please let us know.



January 15, 2015

Please don't hesitate to contact Kelvin Marshall or Steve Oliver if you have any questions.

Sincerely,

Rob Lechner for Ed Hamzawi

Ed Hamzawi
Manager, Customer Solutions

Cc: Rob Lechner
Kelvin Marshall
Sompol Chatusripitak

Att: Copy of application
Request for payment

Service Notification #: 8025709	Proc. Coord: <i>[Signature]</i>	Date: 1/16/15
Principal Engineer: <i>[Signature]</i>	Date: 1/15/15	Manager: <i>[Signature]</i>
Support Staff: <i>Valery Brown</i>	Date: 1/16/15	<i>Ed Hamzawi</i>

[Signature]
APPROVED AS TO FORM:

CITY ATTORNEY