



AGENCY:	City Council
MEETING DATE:	October 24, 2019
DEPARTMENT:	Public Works
PRESENTED BY:	Tom Varga
EMAIL ADDRESS:	tvarga@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

Receive Report and Consider Adoption of City Council Resolution Accepting the Bid of WESCO Services LLC dba SLS Energy Solutions as the Lowest Responsive Bid, Awarding the CV Starr LED Lighting Project, City Project No. PWP-00114, to WESCO Services LLC dba SLS Energy Solutions and Authorizing City Manager to Execute Contract and PG&E Loan Documents (Amount Not To Exceed \$106,562.72), Amending the FY 2019-2020 Budget (Amendment No. 2020-04)

ISSUE:

Bids for the CV Starr LED Lighting Project (“Project”) were opened September 11, 2019. Three bids were received. Two of the three bids were considered by staff to be responsive; including WESCO Services and Fort Bragg Electric. WESCO Services provided the lowest bid for \$106,562.72.

ANALYSIS:

The CV Starr Community Center and Sigrid and Harry Spath Aquatic Facility opened to the public in 2009 and houses two pools, fitness and dance rooms, conference rooms and Mendocino Coast Recreation and Park District (MCRPD) business offices. The CV Starr Center is owned by the City of Fort Bragg and operated by the MCRPD in accordance with the Operating Agreement between the two entities.

This project scope includes the removal and replacement of various lighting components at the CV Starr Community Center for the completion of Energy Saving Recommendations. This work will be funded through On-Bill Financing (OBF) provided by PG&E. This program provides the opportunity for public agencies to pay back a no-interest loan based on projected energy savings, via installments on their monthly PG&E bill. The payments of this loan will be a flat monthly rate, irrespective of seasonal energy use/savings variations. After the loan is repaid, any energy savings that result from the new energy efficiency equipment will translate into lower utility costs. To attempt to meet bill neutrality, actual savings from the project can be used to calculate the loan by PG&E. Prior to calculation of the loan amount, energy efficiency rebates and incentives will be applied. PG&E requires pre-approval for this funding, CV Starr Center staff has completed the required documents and PG&E has approved them. A preliminary proposal from 2018 provides the following breakdown of energy savings and the OBF payback period.

Total Project Cost	\$106,562.72
Rebates/Incentives	<u>(6,915.00)</u>
Net Cost	\$99,648.00

PG&E OBF Energy Savings \$14,446 per year

PG&E OBF Payback Period 83 months at 0% interest

Fifteen companies and six bid Plan Room companies were contacted after the advertisement for bid was sent out. Three bids were received and two bids were found to be responsive. The engineer's opinion of probable cost is \$125,000. Bid results are listed below.

Fort Bragg Electric	\$119,615
WESCO Services	\$106,562
Gel America	\$119,913 - not responsive

WESCO Services is the lowest responsive bidder for this Project. This company was a division of Westinghouse Electric in 1922 and is now a Fortune 500 company. They have successfully completed a number of On-Bill Financing contracts for other public agencies.

RECOMMENDED ACTION:

Accept the bid of WESCO Services and adopt the Resolution awarding the contract for construction to WESCO Services for the CV Starr LED Lighting Project.

ALTERNATIVE ACTION(S):

Rebid the project.

FISCAL IMPACT:

The monthly cost of the loan will be added to the CV Starr electric bill.

GREENHOUSE GAS EMISSIONS IMPACT:

There will be reduction in GHG emissions. The amount is yet to be determined but in general replacing incandescent lights with LED lights can reduce energy use by up to 75%.

CONSISTENCY:

This project is consistent with the ongoing push to reduce power grid load and reduction of maintenance and operating costs wherever feasible.

IMPLEMENTATION/TIMEFRAMES:

Bid Opened – September 11, 2019
Estimated Construction Start – November 2019
Complete Construction End – December 2019

ATTACHMENTS:

1. Resolution
2. Bid Opening
3. Contract
4. Notice of Award

NOTIFICATION:

1. WESCO Services
2. Dan Keyes