

CITY OF OAKLAND
AGENDA REPORT

2010 JUN 10 PM 1:29

TO: Office of the City Administrator
ATTN: Daniel Lindheim
FROM: Public Works Agency
DATE: June 22, 2010

RE: **Resolution Waiving Competitive Bidding And Authorizing The City Administrator Or Designee To:**

- 1. Award A Design-Build Agreement To Linc Lighting And Electrical For Municipal Lighting Energy Efficiency Retrofits Phase 8 For An Amount Not To Exceed Seven Hundred Sixty-Six Thousand Dollars (\$766,000.00), Including But Not Limited To Federal Government's Stimulus Package Funds; And**
- 2. Accept And Appropriate Energy-Related Rebates In Project Numbers C388710 (Community Ballfield Lighting Controls), C389110 (City Building Retrofits) And C389210 (Hall Of Justice Lighting Retrofits) For Municipal Lighting Energy Efficiency Retrofits Phase 8**

SUMMARY

A resolution has been prepared waiving competitive bidding and authorizing a Design-Build agreement for energy efficiency lighting improvements to City facilities using grant funds from the Federal Government's Stimulus Package (American Recovery and Reinvestment Act (ARRA), Energy Efficiency and Conservation Block Grant (EECBG) Formula Program). Rapid implementation of projects to spend these funds is a primary expectation of the ARRA grant.

The attached resolution:

1. Waives the competitive bidding process and authorizes the City Administrator, or designee, to award a Design-Build agreement to Linc Lighting & Electrical for energy efficiency lighting improvements at the selected City's municipal facilities in an amount not to exceed seven hundred sixty-six thousand dollars (\$766,000.00);
2. Accepts and appropriates energy-related rebates for Project Numbers C388710 (Community Ballfield Lighting Controls), C389110 (City Building Retrofits) and C389210 (Hall of Justice Lighting Retrofits).

FISCAL IMPACT

Funding for this project comes from four sources:

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1. An ARRA grant in the Department of Energy-EECBG Program (ARRA) Fund (2609), Environmental Services Energy Group Organization (30689), lighting retrofit projects C388710, C389110 and C389210 in the amounts of \$106,000, \$475,000 and \$110,000 respectively.
2. The City Facilities Energy Conservation Projects Fund (4450), Environmental Services Energy Group Organization (30689) and City Building Energy Efficiency Upgrades Project (C256518) in the amount of \$75,000
3. An estimated rebate of \$34,000 from the PG&E Municipal Improvement Team program will be appropriated into Projects C388710, C389110 & C389210 and spent on the Municipal Lighting Energy Efficiency Retrofits Phase 8 work.

The estimated energy cost savings for the proposed Municipal Lighting Energy Efficiency Retrofits Phase 8 work is \$139,000 per year and will reduce utility expenses in the City Facilities Fund (4400). This project includes elements that would otherwise require capital maintenance expenses estimated at \$65,000.

BACKGROUND

City Council Resolution 82092 C.M.S. dated June 16, 2010 authorized application and acceptance of ARRA funds for this project. Funding is also available for lighting energy efficiency improvements to City facilities in the City Building Energy Efficiency Upgrade Project.

In September, 2009, the Department of Energy awarded the ARRA grant for energy efficiency projects to the City. In April 2010, and as required under Section 2.04.051 of the Oakland Municipal Code, a Request for Proposals (RFP) was published for the Municipal Lighting Energy Efficiency Retrofits "Phase 8" work. Eight firms attended the mandatory pre-proposal meeting. The City received proposals from Linc Lighting & Electrical and Ray's Electric. Both companies are based in Oakland, CA. Interviews were held on May 19, 2010. The RFP for this Design-Build work was publicly advertised according to the City's process for Design-Build projects. The construction pricing for design-build proposals does not arrive to the City in the form of a sealed bid (sealed bids are the practice for construction-only bidding). Therefore, a waiver of the purchasing ordinance competitive bidding requirements (for submitting construction pricing) is necessary for this design-build project.

The Linc Lighting and Electrical proposal was scored the highest by the review panel. Linc meets the requirements of the City's Local/Small Local Business Enterprise (L/SLBE) Program, the Local Employment Program (LEP), and the Oakland Apprenticeship Workforce Development Partnership System (OAWDPS). A copy of the Department of Contracting and Purchasing program compliance review is provided in *Attachment A*.

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Both companies participated in the interview process. Based upon both the interview scores and proposal scores, it was determined that Linc Lighting & Electrical offered a better solution at a reduced cost to the City.

Linc Lighting & Electrical's proposal met the requirements of the City's Local/Small Local Business Enterprise (L/SLBE) Program for professional services by providing 35% of its professional services from certified Small Local Businesses. The Linc Lighting & Electrical Builders proposal also meets the City's Local/Small Local Business Enterprise (L/SLBE) Program for construction services by providing 55% of its construction services from certified Small Local Businesses. The proposal also committed to meeting the requirements of the Local Employment Program (LEP), and the Oakland Apprenticeship Workforce Development Partnership System (OAWDPS). A copy of the Department of Contracting and Purchasing program compliance review is provided in *Attachment A*.

The scope of work negotiated with Linc Lighting & Electrical allows for up to \$766,000 of lighting energy efficiency improvement work.

The City is eligible for energy efficiency rebates for this project from PG&E.

Section 2.04.180 of the Oakland Municipal Code (OMC) allows the City to use the alternative fast-track project delivery method commonly referred to as "design-build" with or without formal bidding when the circumstances surrounding the project substantiate that it is in the "best interests of the city" to waive formal bidding pursuant to OMC Section 2.04.050 I 5.

Staff requests that the Council make a finding that it is in the best interests of the City to use the design-build alternative fast-track project delivery method in this instance and to waive competitive bidding for this contract. The ARRA requires starting projects quickly to create jobs. Acquiring design-build proposals in a single solicitation process is faster than issuing a Request for Proposals for professional services, creating construction documents, and then competitively bidding the construction. Design-build solicitations also allow teams of engineers and contractors to propose solutions that integrate their engineering and construction expertise to achieve a balance between construction cost and operating cost.

KEY ISSUES AND IMPACTS

The City has a number of facilities where first-generation electronic ballasts were installed over ten years ago. Now, third-generation electronic ballasts, new lighting fixtures and other energy control products are available to save even more energy. This project will install energy efficient lighting systems in City facilities where the greatest benefits will be achieved for the Civic Center buildings, main Library, Museum, West Oakland Multi-Purpose Center, Municipal

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Service Center and Garden Center. The estimated cost for the lighting and controls portion of the project is \$550,000.

The project also includes energy efficiency improvements to 15 of the City's outdoor ball fields (*Attachment B* lists of targeted sites). The upgrades will allow Staff to monitor and control the lighting loads remotely via the City's intranet. The estimated cost for this portion of the project is \$106,000.

The Police Administration Building (PAB) has deteriorating circuit breakers that are no longer manufactured. When a circuit breaker fails, replacement parts are scarce and costly. The estimated cost for upgrading the circuit breaker panels to products that can be monitored and controlled remotely is \$110,000.

This project includes engineering analysis to identify the best lighting equipment, offer better lighting solutions and installation choices to maximize energy cost savings. Engineering analysis will be conducted for all the projects listed above.

Annual electricity cost savings for this project is estimated to be \$139,000.

PROJECT DESCRIPTION

The proposed scope of work for Line Lighting & Electrical at a cost not to exceed to \$766,000 includes designing, installing or retrofitting lighting systems and determining the cost-effectiveness of other opportunities.

SUSTAINABLE OPPORTUNITIES

Economic: This project will use stimulus funds from the ARRA to provide jobs in the community while increasing energy efficiency of the building and decreasing energy costs for the City operations.

Environmental: This energy efficiency project will avoid an estimated 141 Metric Tons per year of greenhouse gas and other toxic emissions per year.

Equity: This project will include significant participation from certified Small Local Business Enterprises and certified Local Business Enterprises.

DISABILITY AND SENIOR CITIZEN ACCESS

This project does not have direct access impacts on disabled or senior citizens.

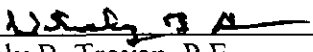
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ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the resolution that:

- 1) Waives the competitive bidding process and authorizes the City Administrator to award a Design-Build agreement with Linc Lighting & Electrical in an amount not to exceed \$766,000 for lighting energy efficiency improvements to selected municipal facilities; and
- 2) Allows the City to accept and appropriate energy rebates into Projects C388710, C389110 and C389210.

Respectfully submitted,



Vitaly B. Troyan, P.E.
Interim Director, Public Works Agency

Reviewed by:
Brooke A. Levin, Assistant Director

Reviewed by:
Susan Kattchee, Environmental Services Manager

Prepared by:
Scott Wentworth, P.E., Energy Engineer
Environmental Services Division

Attachment A: Department of Contracting and Purchasing
Attachment B: Targeted City Ball Field Energy Efficiency Project Sites

APPROVED AND FORWARDED TO THE
PUBLIC WORKS COMMITTEE:



Office of the City Administrator

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Public Works Committee
June 22, 2010

Memo

Department of Contracting and Purchasing
Social Equity Division



To: Pete Fong, Electrical Engineer II
 From: Vivian Inman, Contract Compliance Officer
 Through: Shelley Darensburg, Sr. Contract Compliance Officer *S. Darensburg*
 Cc: Deborah Barnes, Director, DC&P
 Gwen McCormick, Contract Administration Supervisor
 Date: June 2, 2010
 Re: C388710, C389110, C389210 - Request for Proposal for Municipal Lighting
 Emergency Efficiency Retrofits Phase 8- American Recovery and Reinvestment Act
 (ARRA) – Stimulus Funds Project – Non Disadvantaged Business Enterprise (DBE)

The Department of Contracting and Purchasing (DCP), Division of Social Equity, reviewed two (2) proposals in response to the above referenced project. This is an American Recovery and Reinvestment Act (ARRA) – Stimulus Funds project. Below is the outcome of the compliance evaluation for the minimum 35% Local and Small Local Business Enterprise (L/SLBE) participation requirement, and a preliminary review for compliance with the Equal Benefits Ordinance (EBO). This is a design-build project. Proposers must meet the 35% L/SLBE minimum participation requirement on both the design and construction phases of the RFP.

Below are the results of our findings:

Design Phase

Responsive		Proposed Participation					Earned Credits and Discounts		Banked Credits Eligibility	EBO	Compliant?
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Credited participatio	Earned Bid Discounts	Adjusted Bid Amount			
Linc Lighting & Electrical	NA	35%	0%	35%	NA	35%	3 points	NA	0 point	N	
Ray's Electric	NA	76%	0%	76%	NA	76%	5 points	NA	2 points	Y	

Construction Phase

Responsive		Proposed Participation					Earned Credits and Discounts		Banked Credits Eligibility	EBO	Compliant?
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Credited participatio	Earned Bid Discounts	Adjusted Bid Amount			
Linc Lighting & Electrical	NA	55%	0%	55%	NA	55%	NA	NA	0%	N	
Ray's Electric	NA	76%	0%	76%	NA	76%	NA	NA	0%	Y	

Comments: As noted above, both Linc Lighting & Electrical and Ray's Electric met/and or exceeded the minimum 35% L/SLBE requirement for the design and construction phases and is EBO compliant.

Design Phase

Responsive		Proposed Participation					Earned Credits and Discounts		Banked Credits Eligibility	EBO	Compliant?
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Credited participatio	Earned Bid Discounts	Adjusted Bid Amount			
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	

Construction Phase

Responsive		Proposed Participation					Earned Credits and Discounts		Banked Credits Eligibility	EBO	Compliant?
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Credited participatio	Earned Bid Discounts	Adjusted Bid Amount			
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	

Comments: There were no non-responsive firms.

Should you have any questions you may contact Vivian Inman (510) 238-6261.

DRAFT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

Approved as to Form and Legality

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OAKLAND CITY COUNCIL

City Attorney

RESOLUTION NO. _____ C.M.S.

RESOLUTION WAIVING COMPETITIVE BIDDING AND AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO:

- 1. AWARD A DESIGN-BUILD AGREEMENT TO LINC LIGHTING AND ELECTRICAL FOR MUNICIPAL LIGHTING ENERGY EFFICIENCY RETROFITS PHASE 8 FOR AN AMOUNT NOT TO EXCEED SEVEN HUNDRED SIXTY-SIX THOUSAND DOLLARS (\$766,000.00) INCLUDING BUT NOT LIMITED TO FEDERAL GOVERNMENT'S STIMULUS PACKAGE FUNDS; AND**

- 2. ACCEPT AND APPROPRIATE ENERGY-RELATED REBATES IN PROJECT NUMBERS C388710 (COMMUNITY BALLFIELD LIGHTING CONTROLS), C389110 (CITY BUILDING RETROFITS) AND C389210 (HALL OF JUSTICE LIGHTING RETROFITS) FOR MUNICIPAL LIGHTING ENERGY EFFICIENCY RETROFITS PHASE 8**

WHEREAS, the City Council authorized application for ARRA grant funds for this project in Resolution 82092 C.M.S; and

WHEREAS, the Department of Energy awarded the City a grant for energy efficiency improvements to its municipal assets, including municipal buildings, under the American Recovery and Reinvestment ACT of 2009 (ARRA), Energy Efficiency and Conservation Block Grant (EECBG) Formula Program; and

WHEREAS, the shared goals of the City and the ARRA include creating jobs quickly, improving energy efficiency and reducing greenhouse gas emissions; and

WHEREAS, the City has appropriated funds totaling \$766,000 to implement this project with \$691,000 in Department of Energy-EECBG Program (ARRA) Fund (2609), Environmental Services Energy Group Organization (30689), distributed among the Community Ballfield Lighting Controls Project (C388710), City Buildings Lighting Retrofits Project (C389110), and Hall of Justice Lighting Retrofits Project (C389210), and \$75,000 in the City Facilities Energy Conservation Projects Fund (4450), Environmental Services Energy Group Organization (30689), City Building Energy Efficiency Upgrades Project (C256518); and

WHEREAS, the energy efficiency lighting improvements at selected municipal facilities are estimated to save \$139,000 per year in energy costs; and

WHEREAS, the City lacks the equipment and qualified personnel to perform the necessary work; and

WHEREAS, the City Administrator has determined that the services under this agreement are of a technical and temporary nature, and that the performance of this agreement shall not result in the loss of employment or salary by any person having permanent status in the competitive service; and

WHEREAS, Section 2.04.180 of the Oakland Municipal Code (OMC) allows the City to use the alternative fast-track project delivery method commonly referred to as "Design-Build" with or without formal bidding when the circumstances surrounding the project substantiate that it is in the "best interests of the city" to waive formal bidding pursuant to OMC Section 2.04.050; and

WHEREAS, it is in the City's best interests to waive the price-based bidding process for this project because the ARRA requires starting projects quickly to create jobs, and acquiring design-build proposals in a single solicitation process is faster, and because design-build solicitations can foster a balance between construction and operating cost; and

WHEREAS, the City, in compliance with OMC Section 2.04.051 conducted a formal Request For Proposals solicitation for providing energy efficiency design and construction services that did not require sealed bids, to which Linc Lighting & Electrical responded in a manner that complies with the City's engineering, construction and program requirements; now, therefore, be it

RESOLVED: That the City Administrator, or designee, is authorized to execute a Design-Build agreement in an amount not to exceed seven hundred thousand sixty-six dollars (\$766,000) with Linc Lighting & Electrical for energy efficiency lighting improvement to selected municipal facilities; and be it

FURTHER RESOLVED: That pursuant to OMC Section 2.04.180 and Section 2.04.050 I, 5 and the reasons stated in the report accompanying this Resolution and above, the City Council finds that it is in the best interests of the City to use the alternative fast-track project delivery method commonly referred to as "Design-Build" and to waive price-based bidding and award for this contract and so waives said requirements; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to apply for, accept, and appropriate energy related rebates or incentive payments from programs offered by the State, PG&E or other rebate programs and place funds into the Department of Energy-EECBG Program (ARRA) Fund (2609), Organization 30689, Projects C388710, C389110, C389210; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to transfer allocations between projects in Fund 2609 as necessary to achieve the optimal use and full expenditure of ARRA grant funds; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to extend, amend (except to increase compensation), and take whatever action is necessary with respect to this agreement consistent with this resolution and its basic purpose; and be it

FURTHER RESOLVED: That all contracts shall be reviewed and approved for form and legality by the Office of the City Attorney and a final copy shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California