



## CITY COUNCIL STAFF REPORT

DATE: NOVEMBER 19, 2014

CONSENT AGENDA

SUBJECT: OPTERRA ENERGY SERVICES, INC. CHANGE ORDER #4 – DELETION OF CONVENTION CENTER LED LIGHTING; FIXTURE SUBSTITUTION FOR AIRPORT 2 x 2 LIGHTING; COOLING TOWER UPGRADE AT MUNICIPAL COGENERATION PLANT; ADDITIONAL AIR CONDITIONING CONTROLS AT THE POLICE DEPARTMENT; AND ADD ENERGY MANAGEMENT COMMUNICATION UPGRADES AT THE SUNRISE COMPLEX.

FROM: David H. Ready, City Manager

BY: Special Projects Coordinator

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### SUMMARY

The proposed action is to approve a Change Order with Opterra Energy Services to delete some lighting work at the Convention Center, upgrade certain components at the Airport and the Municipal Cogeneration Plant, add controls at the Police Department and upgrade the Energy Management Communications at the Sunrise complex.

### RECOMMENDATION:

1. Approve Change Order # 4 to Agreement A6375 with Opterra Energy Services, Inc., deleting lighting at the Convention Center, upgrading components at the Airport and the Municipal Cogeneration, adding controls at the Police Department and upgrading Energy Management Communication at the Sunrise complex, in the amount of \$116,660.
2. Authorize the City Manager to execute all documentation related to the Change Order.

### STAFF ANALYSIS:

Opterra (formerly Chevron) continues the implementation of its City wide energy retrofit project. Several issues have surfaced concerning the project which requires City Council consideration:

ITEM NO. 24

1. **Convention Center (CC) LED Lighting:** The energy audit conducted by Chevron included a switch over to T-5 Fluorescent lighting in the main exhibit halls. Since three years had passed since the audit and LED technology had evolved, for greater savings and based on Convention Staff input, exhaustive testing was conducted to find an LED retrofit kit that would provide the proper lighting levels for the facility; such a kit was agreed upon with the CC staff and over 100 kits are currently in storage awaiting installation. One item that was not considered in the previous audit was the fact that the Convention Center had multiple aging lighting control systems, with dimmer systems, that did not communicate with each other and would not allow for dimming of the LED kits, a must for the lighting change out to occur. The CC staff is now in the middle of an effort to get quotes to replace their multiple lighting control systems with one new system. Once quotes are in hand a multiple week installation window (this summer) will be needed for the lighting controls to go in before the re-lamping can occur. Opterra will be completed with their contract work well before then and are looking for a solution. Their suggestion is to turn over the LED fixtures to the Convention Center, give the City a credit for the installation cost, and then the Convention Center could hire an electrical contractor to complete the installation late next summer or if the timing is right Opterra would be willing to do the work under a new contract. The credit that has been negotiated is (\$10,840). The energy savings that Opterra must guarantee will also be reduced by 39,288 Kwh (Note: This is the savings calculated for going to fluorescent, when the LED's are installed the Convention Center will realize much greater savings).
2. **Airport 2 x 2 Light Fixture Retrofit:** The original audit and subsequent contract called for the installation of a LED retrofit kit in 397 light fixtures found throughout the terminal. The specified retrofit kit was "first generation" and was less than pleasing to look at. Working with the Airport, Opterra was able to identify a new retrofit kit that is specifically made for the 2 x 2 fixtures that exist at the Airport. The price differential for materials only, amounts to an add of \$72,030. It is proposed that 50% be paid for by the Airport and 50% come from the energy rebate received from SCE on the Airport parking lot lighting changes.
3. **Muni Cogeneration Cooling Tower:** The rebuilding of the Muni Cogeneration plant continues at a rapid pace. The new cooling tower for the plant needs to be ordered in the near future. As staff has worked with Opterra we have asked that if there are any upgrades that we can consider that add longevity and reduce maintenance cost over the long term that they should suggest them. One such upgrade is to have the cooling tower supplied as a stainless steel unit rather than the normal galvanized/coated unit. The cost to upgrade to a stainless steel unit, without any contractor markup is \$53,403. Opterra has agreed to cost sharing for this upgrade at \$20,000 from City Contingency and \$33,403 from Opterra.
4. **Police Department Controls:** During the original energy audit, which the retrofit project contract is based upon, the auditors were not able to access the narcotics

and evidence spaces in the basement of the building and thus several pieces of a/c equipment which require retrofitting with new controls were missed. Opterra has provided a quote to upgrade the equipment at \$21,503 and staff negotiated that down to \$19,536. Staff recommends the upgrading of this equipment so that the entire Police building has new controls.

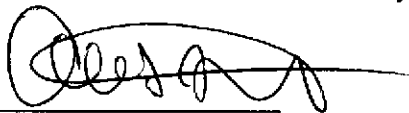
5. Energy Management Communications: One of the key components yet to be fully operational and necessary for the successful operation and performance guarantee from Opterra is that of the communication system that allows for remote monitoring and troubleshooting of installed systems. When the original audits were conducted Chevron assumed that they would be able to access the City's existing network for the remote monitoring but due to network security concerns that access should not be granted. A new network made up of DSL lines and routers is required and the cost for the Sunrise complex system is \$15,934.

FISCAL IMPACT:

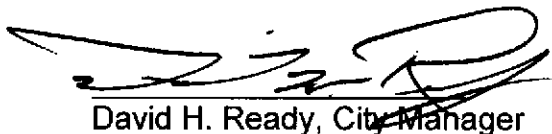
Funding for this proposed change order will be provided as follows:

1. Convention Center Lighting	(\$10,840)	261-2493-51523
2. Airport Lighting Upgrade	\$36,015	416-6501-56158
	\$36,015	261-2493-51523
3. Cooling Tower Upgrade	\$20,000	261-2493-51523
4. Police Department Controls	\$19,536	261-2493-51523
5. Energy Management Comm. (Sunrise)	\$15,934	261-2493-51523
Total This Change Order	\$116,660	

Please note there is currently \$403,635 in the contingency accounts for this project.



Allen F. Smoot, Special Projects Coordinator



David H. Ready, City Manager

Attachment: Change Order #4

## CHANGE ORDER NO. 4

**PROJECT TITLE:** City Wide Energy Conservation Measures Project  
**CONTRACT:** Energy Services Contract (CU 1361)  
**CONTRACT NO.:** A6375  
**CONTRACT DATE:** July 29, 2013  
**CONTRACTOR:** Opterra Energy Services

**The following changes are hereby made to the Contract:**

<b>#</b>	<b>Item</b>	<b>Cost (Credit)</b>
1.	PCO# 20: Airport Interior 2 x 2 fixture retrofit upcharge	\$72,030.00
2.	PCO# 21: Municipal Cogen stainless steel tower upgrade	\$20,000.00
3.	PCO# 22: Police Dept. Basement a/c control adds	\$19,536.00
4.	PCO# 23: IP Network upgrades Sunrise complex	\$15,934.00
5.	PCO# 24: Delete install of LED fixtures Convention Center	<u>(\$10,840.00)</u>
	Total Change Adjustment	\$116,660.00 add

### **Justification:**

Item #1: Proposed retrofit kit did meet Airport's aesthetic requirements, the add is for a new upgraded retrofit kit actually designed for the fixture that exists in the airport.

Item #2: Upgrade of the cooling tower to all stainless steel for added longevity and ease of maintenance; cost sharing with City to pay 37% of cost increase.

Item #3: During the audit equipment located in evidence and narcotics secure areas were not identified, this add picks up the additional controls.

Item #4: IP Network was to be supplied via City network, since access cannot be granted a new network for communications must be created; thus this add.

Item #5: LED fixtures have been turned over to the Convention Center, this item deletes the install work as it will be completed outside of the Opterra contract.

**CHANGE TO CONTRACT AMOUNT**

Original Contract Amount:	\$17,507,842	
Current Contract Amount, as adjusted by previous Change Orders:	\$18,055,217	
The Contract Amount due to this Change Order will be changed by:	\$ 116,660	add
Contract Amount due to this Change Order will be:	\$18,171,877	

**CHANGE TO CONTRACT TIME**

The Contract Time is not affected by this Change Order.

**CHANGE TO ENERGY SAVINGS GUARANTEE**

Attachment G, Savings Measurement & Verification Plan, Energy Conservation Measure (ECM) "L1, L1-C: Lighting Upgrades - Interior & Exterior, Annual Electric Savings (Kwh)" is hereby reduced from 805,302 Kwh to 766,014 Kwh.

**Approvals Required:**

To be effective, this Change Order must be approved by both Opterra ES and City, unless otherwise permitted under the terms of the Contract.

Recommended by \_\_\_\_\_ date \_\_\_\_\_  
City's Representative

Ordered by \_\_\_\_\_ date \_\_\_\_\_  
City Manager

ATTEST: \_\_\_\_\_ date \_\_\_\_\_  
City Clerk

Accepted by \_\_\_\_\_ date \_\_\_\_\_  
Opterra Energy Services

Opterra ES acknowledges and agrees, on behalf of Opterra ES, all subcontractors and all suppliers, that, except as provided above, the stipulated compensation provided for in this Change Order includes payment for all work contained in this Change Order, plus all payments for interruption of schedules, incremental extended overhead costs, acceleration costs, delay and all impact, ripple effect or cumulative impact on all other work arising out of, or related to, the work that is the subject of this Change Order. In addition, Opterra ES agrees that this Change Order comprises the total compensation due Opterra ES, and all subcontractors and all suppliers, for the work or change defined in this Change Order, including all impacts arising out of or related to this Change Order, including all impacts arising out of or related to this Change Order, except for the additional time-related issues noted above, if required.