

STAFF REPORT
City of Lancaster

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12/8/09
MVB

Date: December 8, 2009

To: Mayor Parris and City Council Members

From: Robert W. Greene, Director, Parks, Recreation and Arts Department

Subject: **Energy Services Upgrades with Johnson Controls, Inc.**

Recommendation:

Approve the contract with Johnson Controls, Inc. (JCI) to implement energy saving measures at numerous City facilities and approve the resolutions applying for low interest loans with the California State Energy Commission (CEC) to fund various portions of the project. Authorize the City Manager, or his designee, to negotiate and execute all necessary documents for the completion of the aforementioned project.

Fiscal Impact:

It is estimated that over the fifteen (15) year term of the contract the City will save an estimated \$1.3 million energy costs. In addition, the City will receive \$4.6 million in new infrastructure improvements as identified in the agreement.

These upgrades will be funded by available grant sources, as well as rebates and low interest loans through CEC. Johnson Controls, Inc. will facilitate the implementation and completion of these projects. JCI has indicated that the City will not expend capital funds to complete the project as outlined in the terms of the contract. The City will then compensate JCI and repay CEC loans through the City's projected energy costs savings.

Background:

In May of 2009, the City began a Request for Qualifications (RFQ) process to determine potential energy saving opportunities throughout various City facilities. Under RFQ No. 533-09 - Energy Services Company, eight companies submitted portfolio's for consideration. Five companies were invited to give presentations detailing their energy saving concepts and capabilities. Through this process, JCI was ultimately chosen as the vendor for this project.

Most notably, this contract will enable the City to replace all twenty-two (22) HVAC units on the roof at Lancaster City Hall. At 21± years old, these units are beyond their energy efficiency/life expectancy. New, and more efficient, technology is available which will replace the existing units and reduce heating and cooling energy consumption.

Additionally, the following projects have been identified and selected as energy/cost saving measures throughout the City:

- Lighting Upgrades (energy efficient lamps and/or ballast conversions) – City Hall, Pierre W. Bain Park, Jane Reynolds Park, Lancaster Performing Arts Center, City Maintenance Yard, Mariposa Park, Tierra Bonita Park, Western Hotel, Eastside and Webber Pools, and Clear Channel Stadium
- Water Conservation (low flow plumbing devices and fixtures) – City Hall, Lancaster Performing Arts Center, City Maintenance Yard, Clear Channel Stadium, Lancaster City Park, Lancaster National Soccer Center, Homeless Shelter and Eastside Pool
- Weather Station Installations (irrigation water conservation) – Lancaster City Park, Lancaster National Soccer Center and Pierre W. Bain Park
- Solar Water Heating - domestic water – Lancaster City Hall, Clear Channel Stadium, Eastside & Webber Pools; non-domestic – Eastside Pool

Execution of the contract with JCI will be contingent upon approval of the CEC loans and other grants as outlined in the attached resolutions.

Should the City determine and express a desire to include any new projects not listed herein, the City has the option to negotiate with Johnson Controls, Inc. to expand the scope of this contract.

Attachment(s)

Project Development Contract – Available for Review in the City Clerk Department

Resolution No. 09-120

Resolution No. 09-121