

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Matthew J. Fertal	From:	Keith G. Jones	
Dept:	City Manager	Dept:	Public Works	
Subject:	PUBLIC HEARING TO CONSIDER AN AGREEMENT WITH CHEVRON ENERGY SOLUTIONS		Date:	October 13, 2009

OBJECTIVE

To hold a Public Hearing to consider an agreement with Chevron Energy Solutions Company (Chevron) to install a photovoltaic (PV) solar panel structure at the corporate yard.

BACKGROUND

On March 26, 2009, the Department of Energy (DOE) released the guidelines and the funding allocations for the Energy Efficiency and Conservation Block Grant portion of the American Recovery and Reinvestment Act. California was allocated \$351.5 million for local governments to use for projects and programs to reduce total energy use. About \$302 million goes directly to large cities and counties. The DOE allocation for the City of Garden Grove is \$1,517,000.

On August 21, 2009, the DOE awarded the City \$1,517,000 to install a photovoltaic (PV) solar panel structure at the corporate yard that will generate approximately 75 kW of energy per year, and also provide a shade structure that will cover various city-owned equipment and employees' vehicles.

Because of the complex scope of work, staff is proposing a design/build process to streamline efficiency. The design/build process will result in lower costs and increased construction and delivery speed as compared to the traditional design-bid-build process. California Government Code Section 4217.10 to 4217.18 allows local governments and public agencies to implement sole source energy efficiency services that generate greater energy savings than the cost of the program.

DISCUSSION

Staff is proposing to award an energy service contract with Chevron to design and install the abovementioned PV system. In 2004, Chevron completed a city-wide comprehensive energy retrofit that included lighting and heating and air conditioning capital improvements to city buildings resulting in a more comfortable work environment for employees and utility savings with minimum disruption to the work environment during construction.

PUBLIC HEARING TO CONSIDER AN AGREEMENT WITH CHEVRON ENERGY SOLUTIONS

October 13, 2009

Page 2 of 3

Based on Chevron's successful work history with the City and other agencies, its purchasing power, and comprehensive services such as funding expertise, procurement; and with guarantees on design, construction, equipment, and systems performance, staff negotiated a contract with Chevron.

The scope of work includes the construction of a 6,000-square-foot solar energy generation carport and related electrical infrastructure improvements, such as the consolidation of three (3) antiquated electrical meters into one meter for increased efficiency, restriping of the parking lot, new lighting, and two display monitors for public viewing with software for real-time tracking of production, savings, and environmental benefits.

The solar energy project will provide immediate and long-term benefits including:

- Offsetting/supplying the corporate yard current electrical needs (\$60,000 annual electricity bill);
- Providing the foundation to generate enough power to offset additional city facilities such as City Hall and Police Buildings;
- Receiving the CA Solar Initiative (CSI) incentive of over \$167,000 for five years;
- Saving \$1.6M over 30 years;
- Reducing our carbon footprint by about 219 tons of CO2 annually;
- Ensuring compliance with AB32 to reduce greenhouse gas (GHG) emissions in California.

The proposed contract has been negotiated in compliance with these provisions and has been reviewed and approved by the City Attorney. In accordance with California Government Code Section 4217.12, a Public Hearing is required to approve an Energy Service Contract.

FINANCIAL IMPACT

The solar project is estimated to cost \$1,473,101, and will be entirely funded by the Energy Efficiency Conservation Block Grant from the U.S. Department of Energy. There is no impact to the General Fund.

COMMUNITY VISION IMPLEMENTATION

This project is consistent with the community vision for maintaining and enhancing the City's infrastructure assets to maximize its value, longevity, and usefulness for the community.

PUBLIC HEARING TO CONSIDER AN AGREEMENT WITH CHEVRON ENERGY SOLUTIONS

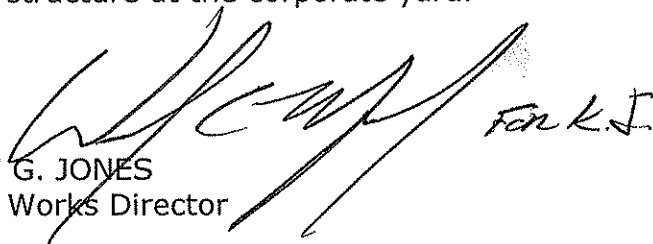
October 13, 2009

Page 3 of 3

RECOMMENDATION

It is recommended that the City Council:

- Adopt the attached resolution awarding an energy service contract with Chevron Energy Solutions.
- Authorize the City Manager to execute the attached agreement with Chevron Energy Solutions, Inc. to design and install a photovoltaic (PV) solar panel structure at the corporate yard.


KEITH G. JONES
Public Works Director


By: Chau Vu
Sr. Administrative Analyst

Approved for Agenda Listing


Matthew Fertal
City Manager

Attachment 1: Resolution
Attachment 2: Agreement
Attachment 3: Scope of Work