



Agenda Item #: \_\_\_\_\_

# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Tell and Members of the City Council

**THROUGH:** Geoff Dolan, City Manager

**FROM:** Sherilyn Lombos, Deputy City Manager

**DATE:** October 17, 2006

**SUBJECT:** Consideration of a Resolution Establishing the City's Intention to Participate in the South Bay Cities Council of Governments Energy Efficiency Procurement Program

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### **RECOMMENDATION:**

Staff recommends that the City Council adopt resolution #6069, demonstrating the City's commitment to participating in the South Bay Cities Council of Governments (SBCCOG) Energy Efficiency Procurement Program.

### **FISCAL IMPLICATION:**

There is no fiscal impact to staff's recommendation.

### **BACKGROUND:**

Over the past several years, rising energy costs and challenges with energy supplies have resulted in an unprecedented increase in energy prices. These increased costs have placed a greater strain on city budgets, as well as tapped the discretionary income of both residents and the business community.

In response to the ongoing energy crisis, the SBCCOG has been working closely with Southern California Edison and the Southern California Gas Company to develop and implement several important programs and initiatives. The attached resolution establishes the City's intention to participate in the SBCCOG Energy Efficiency Procurement Program.

### **DISCUSSION:**

The SBCCOG has been actively addressing energy issues and focusing on what individuals, businesses and public agencies can do to reduce their energy use and cost. In addition to operating the South Bay Energy Savings Center, which serves as a central clearinghouse for valuable energy efficiency programs, the SBCCOG completed a comprehensive assessment of energy efficiency opportunities throughout the residential and commercial sectors of the region. It then went on to conduct assessments of over 60 facilities in 14 of its member agencies uncovering a number of energy efficiency improvements that could produce annual savings of over 4 million kilowatt-hours (kWh) of electricity, over 15,000 therms of natural gas and over \$3.3 million in combined electricity and natural gas cost savings over 5 years.

The SBCCOG is now assisting its members to capture these potential savings. Currently, it is pursuing programs to aggregate public agency projects (both city and school districts) to gain economies of scale that would reduce overall costs and improve the cost-effectiveness of these project. Several purchasing initiatives are planned.

The first initiative, which was a straightforward aggregation of the purchase of simple devices that save energy in vending machines, has saved individual agencies more than 40% on the cost of these devices compared to purchasing on their own. The program will build on this initiative to pursue more comprehensive projects that involve voluntary participation in energy efficient lighting retrofits, heating, ventilation and air-conditioning improvements, pump efficiency improvements, and other in South Bay city facilities.

Energy costs have become a primary factor in determining the direction of the broader economy. In addition, energy costs have now become a greater burden to the residents and businesses that support the local tax base. Significant opportunities exist for cities to actively engage in supporting and promoting programs and initiatives to create significant energy and cost savings, thereby retaining dollars in the local economy.

Attachment: A. Resolution No. 6069

RESOLUTION NO. 6069

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, ESTABLISHING ITS INTENTION TO PARTICIPATE IN THE SOUTH BAY CITIES COUNCIL OF GOVERNMENTS (SBCCOG) ENERGY EFFICIENCY PROCUREMENT PROGRAM

WHEREAS, the South Bay Cities Council of Governments (SBCCOG), of which the City is a member, has developed the "Public Agency Facilities Energy Efficiency Program ("EE+ Program)," which is being conducted in conjunction with the 2006-2008 Local Government Partnership Energy Efficiency Program with Southern California Edison and Southern California Gas Companies under the auspices of the California Public Utilities Commission; and

WHEREAS, the program is designed to assist public agencies in the South Bay to achieve higher levels of energy efficiency in public facilities by working through a natural "aggregator" of public agencies. The goal is to reduce overall barriers and costs of energy efficiency projects through joint procurement in order to make projects feasible that may not otherwise be considered cost-effective; and

WHEREAS, the initial procurement initiative has installed energy savings controllers on vending machines throughout SBCCOG member cities. Once the initiative is completed, with all cities taking advantage of the opportunity, over 250 devices will have been installed resulting in over 360,000 kWh in annual energy savings, over \$32,000 of annual energy cost savings, and procurement cost savings of 33% (project cost savings as a direct result of joint procurement); and

WHEREAS, the SBCCOG is conducting various procurement initiatives, which involve the qualification of potential bidders (as provided for in Public Contracts Code §20101), the specification of energy efficiency projects, and the receipt of bids for these projects; and

WHEREAS, City staff is participating in the development of procurement documents, project specifications and will review all contractor qualifications and bids; and

WHEREAS, if the City finds the resulting project bids acceptable and can finance the projects, the City will execute contracts for services based on this procurement process; and

WHEREAS, nothing contained within this Resolution, or otherwise, will require the City to rate, or consider, contractors who have submitted documents that are materially false, substantially incomplete, or are untimely. Any contractor who submits such documents will be deemed to have waived its right to be considered for bidding on public works contracts until such time as the City again invites prospective contractors to become prequalified.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the City Council of the City of Manhattan Beach hereby establishes its intention to participate in the South Bay Cities Council of Governments energy efficiency procurement program.

SECTION 2. This resolution shall take effect immediately.

SECTION 3. The City Clerk shall make this Resolution reasonably available for public inspection within thirty (30) days of the date this Resolution is adopted.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED this 17<sup>th</sup> day of October, 2006.

Ayes:  
Noes:  
Absent:  
Abstain:

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Mayor, City of Manhattan Beach, California

ATTEST:

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City Clerk