



**STAFF REPORT**  
**SAUSALITO CITY COUNCIL**

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**MEETING DATE:** October 13, 2016

**AGENDA TITLE:** Public hearing and consideration of a resolution of the City Council of the City of Sausalito making findings required for the City to enter into an Energy Conservation Services Contract pursuant to Government Code section 4217.12 for the construction of energy conservation measures to the Martin Luther King Campus Property, and authorizing City Manager to enter into said contract.

**RECOMMENDED MOTION:**

1. Adopt a resolution making the required findings under Government Code section 4217.12, authorizing the City to enter into an Energy Conservation Services Contract with ABM Building Services, LLC for the construction of certain improvements to the MLK Property, and authorizing City Manager and/or his designee to enter said contract on the City's behalf.

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**SUMMARY**

The purpose of this public hearing is for the City Council to consider authorizing the approval of an Energy Conservation Services Contract and making the required findings to enter into an Energy Services Contract pursuant to Government Code section 4217.12.

**BACKGROUND**

The City owns the Martin Luther King Campus property (MLK) located at 100 Ebbtide Avenue in Sausalito (the "Property"). The property consists of 11 buildings and is leased to various tenants including a private school, small cottage industries, and artist studios, with the remainder of the property being dedicated for recreational purposes including basketball and tennis courts, a playground, dog park, and a gymnasium/multi-purpose building.

A Comprehensive Facility Condition Assessment ("Facility Assessment") was completed for the Property that identified necessary repairs and maintenance issues. For example, several of the buildings require a new roofing system, transformers, and switchboards.

On June 6, 2016, the City entered into a Professional Services Agreement with ABM Building Services, LLC ("Contractor") whereby Contractor completed the engineering, planning, and drawing services necessary to implement the initial phase of improvements identified in the Facility Assessment.

In its development of the plans to construct these improvements, Contractor also identified several energy conservation measures that would conserve energy and make the Property more energy efficient (the "conservation measures"). The conservation measures are more particularly described in the attached draft Energy Services Contract between the City and Contractor. (Attachment 1)

Contractor then completed an analysis of existing energy costs and the savings to the City if it were to construct the conservation measures for Property. Pursuant to Contractor's analysis, the City would receive a total cost savings of over \$25,000 per year, with a total savings exceeding \$500,000 for the life of the project. Attached is a summary of Contractor's energy conservation analysis and the cost savings to the City. (Attachment 2)

As shown in Contractor's analysis, the anticipated costs to the City under the proposed contract are less than the anticipated costs of energy that would otherwise be consumed if the conservation measures were not constructed.

Please note that certain improvements identified in the Facilities Assessment are not related to conservation measures. These improvements will be completed under separate contract, and are not subject of the Energy Services Contract being considered by the Council currently.

## **ANALYSIS**

Government Code section 4217.10 *et seq.*, authorizes the City to enter into an energy services contract on terms that the City Council determines are in the best interests of the City if the anticipated costs to the City for the energy conservation services will be less than the anticipated costs to the City of the cost of energy that would have been consumed in absence of the contract. In essence, Government Code section 4217.10 allows a city to approve an energy services agreement without completing a more traditional public contracting process, if the required findings can be made. The purpose of this expedited process is to encourage municipalities to construct energy conservation improvements.

The initial contract price is \$1,600,000. However, as noted above, the savings for the City will exceed \$25,000 per year, with the total savings for the life of the project of exceeding \$500,000.

Because the City will realize a cost savings of \$500,000 for the life of the project by constructing the conservation measures, staff recommends that the proposed contract is in the best interest of the City and that the findings under Government Code section 4217.12 can be made.

Contractor has indicated that it has immediate availability to begin work once the proposed contract is approved. Construction will be completed no later than May 1, 2017, barring unforeseen delays as approved through the contract. Total construction

time is expected to take approximately 90 days. Therefore, the May 1, 2017 completion date represents the outside date-range for completion.

### **FISCAL IMPACT**

The initial contract price is \$1,600,000. However, the proposed contract will result in a net savings to the City of approximately \$25,000 per year for a minimum total of \$500,000 for the life of the project.

### **ENVIRONMENTAL REVIEW**

This project is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guideline sections 15301, repair, maintenance, and minor alteration of existing structures, and 15061(b)(3) as it can be seen with certainty that the project will not have a significant effect on the environment.

### **STAFF RECOMMENDATIONS**

1. Adopt a resolution making the required findings under Government Code section 4217.12, authorizing the City to enter into an Energy Services Contract with ABM Building Services, LLC for certain improvements to the MLK Property; and authorizing the City Manager and/or his designee to enter into an Energy Services Contract with ABM Building Services, LLC for the construction of energy conservation measure improvements to the MLK Property.

### **ATTACHMENTS**

1. Draft Energy Services Contract.
2. Analysis of cost savings to the City due to conservation measures.

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