

Agenda Report

TO: City Council
THROUGH: Deregulation Committee

DATE: February 26, 2001

FROM: City Manager

SUBJECT: CONTRACT FOR THE PURCHASE OF COMPACT FLUORESCENT LIGHT BULBS AND AMENDMENT TO NEXUS, INC. CONTRACT

RECOMMENDATION

It is recommended that City Council:

- 1) Authorize the Purchasing Administrator to issue a purchase order for Compact Fluorescent Light (CFL) bulbs from Department of Energy (DOE) approved vendors, for a total not to exceed \$335,000. This Purchase Order is exempt from Competitive Bidding pursuant to City Charter Section 1002(H), contracts with other governmental entities or their contractors. It is further recommended that this Purchase Order Contract be granted an exemption from the Competitive Selection Process of the Affirmative Action in Contracting Ordinance pursuant to section 4.09.060 (C), contracts for which the City's best interests are served.
- 2) Authorize the General Manager of the Water and Power Department (Department) to amend the contract with Nexus, Inc. to cover annual maintenance charges for Internet support associated with the Energy Smart Software home energy audit program. Charges for software support and Internet support services shall not exceed \$108,000 over a 36-month period and the total contract as amended shall not exceed \$208,000.

BACKGROUND

Compact Fluorescent Light Distribution Program:

Over the past two years, the Department has engaged in two separate CFL bulb distribution programs where CFL bulbs have been distributed to both low income-

lifeline customers and residential customers. Through the low income-lifeline CFL distribution, the Department was able to distribute CFL bulbs to nearly 70% of the low income-lifeline customers. In a separate and combined coupon based CFL bulb distribution, residential customers and low income-lifeline customers were able to redeem coupons they received with their electric bills for CFL bulbs at local distribution centers in Pasadena. The coupon based CFL bulb distribution resulted in a distribution penetration of approximately 20% of all residential customers.

Under the proposed CFL bulb distribution, the Department will furnish a three-pack of CFL bulbs to low-income and residential customers. CFL bulbs are energy efficient and long lasting, and fit most incandescent fixtures. The CFL three-pack will consist of a 15-watt, 23-watt, and 30-watt CFL bulb. The CFL's will provide the same light intensity as an incandescent 60-watt, 100-watt and 150-watt bulb, respectively. If the three-pack of CFL bulbs is used an average of four hours per day throughout the year, the customer will save approximately 270 kilowatt-hours, resulting in an estimated annual savings of \$45.

The CFL bulbs to be distributed under this program incorporate advanced design features and efficiencies. Vendors have been selected under a DOE Request for Proposal process and have signed a Basic Ordering Agreement, agreeing to specific prices, terms and conditions.

The proposed coupon based distribution of CFL bulbs and associated energy efficiency educational materials through various Pasadena community centers is planned to commence in the March/April 2001 timeframe. It is estimated that 10,000 to 15,000 CFL three-packs will be distributed over a 90-day period under this program.

Energy Smart Software-Home Energy Audit Program:

The City Council authorized the General Manager to execute a contract with Nexus, Inc. (P.O. 10332) for purchase of a home audit program. Under the original program, customers would receive a Compact Disc (CD) containing software and instructions for conducting a self directed home energy audit. Nexus, Inc. has subsequently offered the Department an enhanced version of the home energy audit program under their contract and for the original purchase price of \$100,000. There will be no additional cost to the Department for the enhanced version other than a monthly software/internet maintenance fee discussed below.

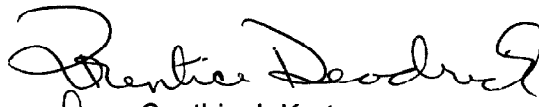
The upgraded version of the Nexus home energy audit program offers the customer the opportunity to conduct a self-directed home energy audit using a CD to access the program through the City's/Department's web page. There is however an annual internet/software support fee of \$3,000 per month required

for the combined CD and Internet home audit program. The Internet version will encourage a greater number of customers to take advantage of this service. Customers using the City's/Department's web page will also have access to energy conservation information and other important energy and water saving tips that can be updated on a real time basis. The Department plans to offer the CD/Internet home energy program over a 36-month period.

FISCAL IMPACT

The cost of the Compact Fluorescent Light program and the Home Energy Audit program will be fully funded through the established Public Benefit Charge fund.

Respectfully submitted,


for Cynthia J. Kurtz
City Manager

Prepared by:



Donald M. Pappe
Business Unit Director
Customer Care Services

Approved by:



Jay Panzica
Interim General Manager
Water and Power Department