



Agenda Report

DATE: MARCH 12, 2012

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: **AWARD OF PURCHASE ORDER TO STARLED, INC. FOR PURCHASE OF LIGHT EMITTING DIODE (LED) TUBE LIGHTS FOR CITY FACILITIES IN AN AMOUNT NOT TO EXCEED \$238,189**

RECOMMENDATION:

It is recommended that the City Council:

1. Find the project to be exempt from California Environmental Quality Act (CEQA) review in accordance with Article 5, Section 15061, subsection (b), part 3 of the Resources Agency of California as it will not have a potentially significant effect on the environment and therefore falls under the "general rule" exemption;
2. Accept the bid dated March 2, 2011, submitted by StarLED, Inc.; and
3. Authorize the City Manager to issue a purchase order contract to StarLED, Inc. in an amount not to exceed \$238,189 for the purchase of LED tube lights for City facilities.

BACKGROUND:

In September 2009, the City of Pasadena was notified that it had been authorized up to \$1,507,800 in Energy Efficiency and Conservation Block Grant (EECBG) funds from the American Recovery and Reinvestment Act of 2009 (Federal Stimulus Funds). The Department of Energy (DOE) established guidelines for the utilization of the EECBG funds, which are to reduce energy use and greenhouse gases and develop and retain jobs.

Over a three-year span, the Department of Public Works is using these funds to replace existing high-wattage light bulbs with light emitting diode (LED) bulbs in City-owned facilities and with induction street lights. The facility lighting retrofit consists of more than 20 public facilities such as libraries and community centers. This facility and

streetlight retrofit project will reduce Pasadena's energy consumption by 1.3 million kilowatt hours and save approximately \$200,000 in energy costs in Year One. The utilization of light emitting diodes (LED's) as a light source for the facility retrofit project reduces energy consumption and maintenance demand, provides longer-lasting operation, and will result in an annual energy use savings to the City of approximately 40 to 50% when comparing LED tube lights to fluorescent bulbs.

On September 13, 2010, City Council approved the award of a purchase order contract to DataLED Technologies for the purchase of more than 4,000 LED tube lights to begin the first phase of the facility retrofit. Phase one includes light installations at Villa Parke Community Center, Community Health Center, Hale Building and the Public Works Building at the City Yards. The cost per 4-foot tube light was \$40.50. The cost per 2-foot tube light was \$32.50.

On June 13, 2011, City Council awarded Go Green Solutions Inc. a purchase order contract for the purchase of more than 8,000 LED tube lights for phase two of the facility lighting retrofit project at a unit cost of \$38.97 for 4-foot tube lights and \$32.46 for 2-foot tube lights. LED tube lights were installed at the following locations: Central Library, Police Department, Santa Catalina Library, and Victory Park.

Go Green Solutions is experiencing manufacturing delays that jeopardize the City's ability to complete the project by the date required by the EECBG. As a result, the purchase order with Go Green Solutions, Inc. will be closed upon receipt of final product delivery, and a new PO will be issued to StarLED. This action will ensure delivery of enough LED tube lights to meet the City's time constraints and guarantee compliance with EECBG requirements.

In response to the Notice Inviting Bids that was advertised in February 2011, StarLED, Inc. submitted the second lowest bid for the LED tube lights. StarLED, Inc. was contacted by City staff to determine whether the firm could provide supplemental LED tube lights to help the City meet its installation schedule and federal timeline. StarLED, Inc. can provide the remaining LED lights by the end of May and will honor its original per unit pricing.

To continue this energy conservation project and meet the federally mandated completion date of September 19, 2012, the Department of Public Works recommends issuing a purchase order contract to StarLED, Inc. This recommendation will cover the purchase of approximately 4,614 LED tube lights at a unit cost of \$43.75 for 4-foot tube lights and \$33.75 for 2-foot tube lights. These supplies will be used to retrofit the following remaining grant-approved facilities/locations:

<u>Facility</u>	<u>Address</u>
Water and Power Building	311 W. Mountain Ave., 91103
Jackie Robinson Center	1020 N. Fair Oaks Ave., 91103
Pasadena Senior Center	85 E. Holly Street, 91103
BSFMD Office and Shops	345 W. Mountain Ave., 91103
Allendale Library	1130 S. Marengo Ave., 91106
Hastings Library	3325 E. Orange Grove Blvd., 91107
Lamanda Park Library	140 S. Altadena Dr., 91107
Linda Vista Library	1281 Bryant St., 91103
San Rafael Library	1240 Nithsdale Rd., 91105
Hill Library	55 S. Hill Ave., 91106
La Pintoresca Library	1355 N. Raymond Ave., 91103
City Yard Lighting (exterior and interior)	349 W. Mountain Ave., 91103
Civil Defense Site	2783 Eaton Canyon Dr., 91107

It is recommended that StarLED, Inc. be awarded this purchase order. StarLED's administrative office and manufacturing site are located in Carson. This product complies with the Buy American provision of the grant award. The proposed purchase order contract is in compliance with the Competitive Bidding and Purchasing Ordinance Pasadena Municipal Code 4.08.

COUNCIL POLICY CONSIDERATION:

This project addresses three of the City Council's goals: "Increase conservation and sustainability," "Improve, maintain and enhance public facilities and infrastructure," and "Maintain fiscal responsibility and stability." Further, it is in compliance with the City's Environmental Goals and Green City Action Plan of achieving energy efficiency by continuing to reduce the City's electric load.

ENVIRONMENTAL ANALYSIS:

The City's Environmental Administrator has determined the project is exempt from CEQA review pursuant to guidelines, Article 5, Section 15061 (b)(3) as CEQA applies only to projects which have the potential for causing a significant effect on the environment. The project proposed herein will not have a potentially significant effect on the environment, and therefore falls under this "general rule" exemption to CEQA.

FISCAL IMPACT:

The cost of this action will be \$238,188.32. Funding for the purchase of the LED tube lights will be addressed by the utilization of existing budgeted appropriations in Capital Improvement Program project *Replace High Wattage Bulbs with Light Emitting Diodes* (Budget Account 71145). Specific funding will come from the Energy Efficiency and Conservation Block Grant.

The following table presents a summary a purchase order contract summary.

	<u>Amount</u>
Base Bid	\$216,534.84
10% Contingency Amount	<u>\$21,653.48</u>
Total Fiscal Impact	<u>\$238,188.32</u>

The anticipated impact to other operation programs as a result of this action will be a significant reduction in energy usage at these facilities by approximately 40 to 50%. This conservation effort will translate into an energy savings of approximately \$126,000 annually.

Respectfully submitted,



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Director of Public Works

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