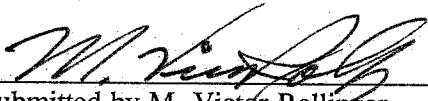


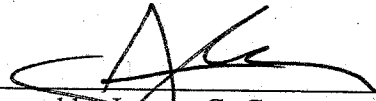


# City of Carson Report to Redevelopment Agency

September 7, 2010  
New Business Consent

**SUBJECT: CONSIDER AUTHORIZING STAFF TO ADVERTISE A REQUEST FOR PROPOSAL FOR A PERFORMANCE CONTRACT FOR PROJECT NO. 1317: CONGRESSWOMAN JUANITA MILLENDER-MCDONALD COMMUNITY CENTER ROOF AND HEATING, VENTILATING AND AIR CONDITIONING REPLACEMENT PHASES II AND III (INCLUDING SOLAR PANELS INSTALLATION) AND A PORTION OF PROJECT NO. 1318: CONGRESSWOMAN JUANITA MILLENDER-MCDONALD COMMUNITY CENTER REFURBISHMENT AND UPGRADE**

  
Submitted by M. Victor Rollinger  
Development Services General Manager

  
Approved by Jerome G. Groomes  
Executive Director

## THIS IS A JOINT AGENDA ITEM

### I. SUMMARY

At their May 4, 2010 meeting (Exhibit No. 1), the Redevelopment Agency Board and City Council jointly approved project budgetary and policy items and approved a Professional Services Agreement with the engineer to prepare a Request for Proposal (RFP) for a Performance Contract for Project No. 1317: Congresswoman Juanita Millender-McDonald Community Center Roof and Heating, Ventilating and Air Conditioning Replacement Phases II and III (Including Solar Panels Installation) and a portion of Project No. 1318: Congresswoman Juanita Millender-McDonald Community Center Refurbishment and Upgrade.

It is requested that the Agency Board / City Council authorize staff to issue the RFP for a Performance Contract for Project No. 1317 to finalize the design and construct the improvements.

This project is subject to the requirements of the city's master Project Labor Agreement (PLA). The entity selected to be awarded the Performance Contract has an obligation to comply with all of the terms of the PLA.

### II. RECOMMENDATION

AUTHORIZE staff to advertise a Request for Proposal for a Performance Contract for Project No. 1317: Congresswoman Juanita Millender-McDonald Community Center Roof and Heating, Ventilating and Air Conditioning Replacement Phases II and III (Including Solar Panels Installation) and a portion

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of Project No. 1318: Congresswoman Juanita Millender-McDonald Community Center Refurbishment and Upgrade.

**III. ALTERNATIVES**

TAKE another action the Agency Board / City Council deems appropriate.

**IV. BACKGROUND**

At its May 4, 2010 meeting, the Agency Board and City Council approved the following:

- Utilization of the PLA between the City of Carson and the Los Angeles / Orange County Building and Construction Trades Council for the construction of the approved portions of the above-listed projects.
- The project budget of \$4,070,000.00 for Project No. 1317: Congresswoman Juanita Millender-McDonald Community Center Roof and Heating, Ventilating and Air Conditioning Replacement Phases II and III (Including Solar Panels Installation).
- The reallocation of \$66,100.00 from Project No. 998: Congresswoman Juanita Millender-McDonald Community Center Improvements, Phase II to Project No. 1317: Congresswoman Juanita Millender-McDonald Community Center Roof and Heating, Ventilating and Air Conditioning Replacement Phases II and III (Including Solar Panels Installation).
- The appropriation of \$370,000.00 from the unreserved, undesignated Project Area No. 1 fund balance to cover the contingency fund for Project No. 1317: Congresswoman Juanita Millender-McDonald Community Center Roof and Heating, Ventilating and Air Conditioning Replacement Phases II and III (Including Solar Panels Installation).
- A Professional Services Agreement (and Agency Chairman's / Mayor's authorization to execute the Professional Services Agreement) with Henrikson Owen to prepare a bridging document and RFP for a Performance Contract for Project No. 1317: Congresswoman Juanita Millender-McDonald Community Center Roof and Heating, Ventilating and Air Conditioning Replacement Phases II and III (Including Solar Panels Installation) and a portion of Project No. 1318: Congresswoman Juanita Millender-McDonald Community Center Refurbishment and Upgrade, in an amount not-to-exceed \$185,855.00.
- Incorporation of the Enhanced Electrical Safety Policy into the RFP and Performance Contract terms and conditions, and approved incorporation of the local preference hiring program into the contract documents to achieve the goal that 30% of all the labor and crafts position shall be from workers

residing within the project area and that an additional 5% shall be from the citywide labor pool classified as "at risk."

Government Code Section 4217 (Exhibit No. 2) allows local agencies to select a thermal or electrical energy or conservation services provider on the basis of the experience of the provider, the type of technology employed by the provider, and any other relevant considerations, if the anticipated cost of the energy to the local agency provided by the energy conservation facility under the contract will be less than the cost to the public agency of thermal, electrical or other energy that would have been consumed by the public agency in the absence of those purchases.

The estimates for the annual energy cost savings resulting from the project is approximately \$42,000.00/year. This substantial utility cost savings will not be available without the installation of the proposed improvements, and therefore the proposed contract complies with the provisions of Government Code Section 4217.

The engineer has prepared, and staff has reviewed, an RFP, and plans and specifications for the project that incorporates all of the parameters of the actions approved by the Agency Board and City Council on May 4, 2010. As allowed by Government Code Section 4217, the RFP includes that award of the contract resulting from this RFP, if made, will be to the highest ranked proposer in accordance with the following criteria:

Criteria	Maximum Point Score
A. Proposed price	50
B. Project management approach, project understanding and technical capabilities	10
C. Contractor's qualifications	10
D. Project manager, engineering and key personnel resumes and experience	10
E. Related project references	10
F. Subcontractor(s) qualifications	5
G. Resource availability and commitment	5
<b>TOTAL POSSIBLE SCORE</b>	<b>100</b>

The project, other than the solar panel elements, is ready for permit issuance pending identification of a contractor. The anticipated timeline, barring unforeseen delays, for this RFP process is as follows:

Calendar of Events	Date
Advertise RFP	September 8 to October 6, 2010
Pre-Proposal conference	September 23, 2010
Due date for proposals	October 7, 2010
Proposal evaluations and interviews	October 18, 2010
Notice of proposal rankings	October 25, 2010
Council action	November 3, 2010
Contract execution*	November 19, 2010
Procurement of items needing a longer time to be received	November 2010 – April 2011
Start construction	May 2011
Construction complete	October 2011

\*Note: Anticipated contract execution date complies with the Department of Energy's American Recovery and Reinvestment Act (ARRA) of 2009 Energy Efficiency Conservation Block Grant (EECBG) deadline of February 2011.

## V. FISCAL IMPACT

The total estimated construction cost for Project No. 1317: Congresswoman Juanita Millender-McDonald Community Center Roof and Heating, Ventilating and Air Conditioning Replacement Phases II and III (Including Solar Panels Installation) is \$4,070,000.00, with \$899,900.00 coming from the ARRA/EECBG grant. The remaining \$3,170,100.00 comes from the Redevelopment Agency Project Area No. 1 fund and is broken down as follows:

- a) \$2,734,000.00 - currently included in the FY 2009/10 Redevelopment Agency Project Area No. 1 budget for this project.
- b) \$66,100.00 - reallocated from Project No. 998: Congresswoman Juanita Millender-McDonald Community Center Improvement Phase II. Project No. 998, which includes the remainder of the original improvements anticipated for the west wing of the community center, is currently budgeted at \$1,188,580.00; and the reallocation of \$66,100.00 to Project No. 1317

September 7, 2010

leaves \$1,122,480.00 available for the remainder of the original improvements anticipated as part of Project No. 998.

- c) \$370,000.00 - appropriated from the unreserved, undesignated Redevelopment Agency Project Area No. 1 fund balance to Account No. 30-70-710-971-8004/0131701.

The total estimated construction cost for the portions of Project No. 1318: Congresswoman Juanita Millender-McDonald Community Center Refurbishment and Upgrade being proposed for approval at this time totals \$800,000.00. The funding breakdown for this project is as follows: \$705,000.00 from the Redevelopment Agency Project Area No. 1 fund; \$45,500.00 from the Capital Asset Replacement Fund (CARF); and \$49,500.00 from the General Fund (GF). The Redevelopment Agency portion of \$705,000.00 is currently included in the FY 2009/10 budget. The CARF and GF portions will be included in the FY 2010/11 budgets for those funds.

## VI. EXHIBITS

1. Minutes, May 4, 2010, Item No. 4. (pgs 6-7)
2. Excerpt from Government Code Section 4217 et seq. (pgs. 8-12)

G:\ENGINEERING DIVISION\PROJECTS\1317 - COMMUNITY CENTER ROOF & HVAC PH 2 & PH 3\AGENDA\09-07-10 CRA Consider Auth of RFP for Perf Contract FINAL.docx

Prepared by: Dino D'Emilia, PBS&J / Gilbert Marquez, P.E.

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Reviewed by:

City Clerk	<u>City Treasurer</u>
<u>Administrative Services</u> <i>Jacquelyn Acosta</i>	<u>Development Services</u>
<u>Economic Development Services</u>	<u>Public Services</u>

## Action taken by Redevelopment Agency

Date \_\_\_\_\_ Action \_\_\_\_\_

**ITEM NO. (4) CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT WITH HENRIKSON OWEN TO PREPARE A BRIDGING DOCUMENT AND REQUEST FOR PROPOSALS FOR A PERFORMANCE CONTRACT FOR PROJECT NO. 1317: CONGRESSWOMAN JUANITA MILLENDER-MCDONALD COMMUNITY CENTER ROOF REPLACEMENT PHASES II AND III (INCLUDING SOLAR PANELS INSTALLATION) AND A PORTION OF PROJECT NO. 1318: CONGRESSWOMAN JUANITA MILLENDER-MCDONALD COMMUNITY CENTER REFURBISHMENT AND UPGRADE (DEVELOPMENT SERVICES)**

**THIS IS A JOINT AGENDA ITEM WITH COUNCIL ITEM NO. 5**

Council Item No. 5 / Agency Item No. 4 were heard in joint session after Council Item No. 14 / Agency Item No. 9 at 9:27 P.M.

City Manager/Executive Director Groomes summarized the staff report and recommendation. He amended the staff recommendation to read as follows:

- *New Recommendation No. 6:*

*Approve incorporation of the IBEW Enhanced Electrical Safety Policy into the RFP and Performance Contract Terms and Conditions, and approve incorporation of local preference hiring program into the contract documents to achieve the goal that 30% of all the labor and crafts positions shall be from workers residing within the project area and an additional 5% shall be from the citywide labor pool classified as "at risk."*

- *New Recommendation No. 7:*

*Authorize the Mayor to execute the Professional Services Agreement following approval as to form by the City Attorney.*

RECOMMENDATION for the Redevelopment Agency:

TAKE the following actions:

1. APPROVE the utilization of the Project Labor Agreement between the Carson Redevelopment Agency and the Los Angeles / Orange County Building and Construction Trades Council for the construction of the approved portions of the above-listed projects.
2. APPROVE the project budget of \$4,070,000.00 for Project No. 1317: Congresswoman Juanita Millender-McDonald Community Center Roof Replacement Phases II and III (Including Solar Panels Installation).

3. APPROVE the reallocation of \$66,100.00 from Project No. 998: Congresswoman Juanita Millender-McDonald Community Center Improvements, Phase II to Project No. 1317: Congresswoman Juanita Millender-McDonald Community Center Roof Replacement Phases II and III (Including Solar Panels Installation).
4. APPROPRIATE \$370,000.00 from the unreserved, undesignated Project Area No. 1 fund balance to cover the contingency fund for Project No. 1317: Congresswoman Juanita Millender-McDonald Community Center Roof Replacement Phases II and III (Including Solar Panels Installation).
5. APPROVE a Professional Services Agreement with Henrikson Owen to prepare a bridging document and Request for Proposals for a Performance Contract for Project No. 1317: Congresswoman Juanita Millender-McDonald Community Center Roof Replacement Phases II and III (Including Solar Panels Installation) and a portion of Project No. 1318: Congresswoman Juanita Millender-McDonald Community Center Refurbishment and Upgrade, in an amount not-to-exceed \$185,855.00.
6. AUTHORIZE the Agency Chairman to execute the Professional Services Agreement following approval as to form by the Agency Counsel.

ACTION: It was moved to approve all staff recommendations, as amended, on motion of Dear and seconded by Ruiz-Raber.

#### Public Comments

Tommy Favaae, 605 E. 221<sup>st</sup> Street, Carson, California 90745, concurred with staff's recommendations.

A discussion ensued regarding AB 1290 and the use of redevelopment funds. Whereupon, City/Agency Attorney Wynder stated that he would include an opinion letter opining that the agreement can be entered into in compliance with redevelopment law.

The motion was unanimously carried by the following vote:

Ayes:	Mayor/Chairman Dear, Mayor Pro Tem/Chairman Pro Tem Santarina, Council/Agency Member Gipson, Council/Agency Member Davis Holmes, and Council/Agency Member Ruiz-Raber
Noes:	None
Abstain:	None
Absent:	None



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**GOVERNMENT CODE**  
**SECTION 4217.10-4217.18**

4217.10. To help implement the policy set forth in Section 25008 of the Public Resources Code, and to extend that policy to facilities of local governments, public agencies may develop energy conservation, cogeneration, and alternate energy supply sources at the facilities of public agencies in accordance with this chapter.

4217.11. The following terms, whenever used in this chapter, have the meanings given in this section, except where the context clearly indicates otherwise:

(a) "Alternate energy equipment" means equipment for the production or conversion of energy from alternate sources as its primary fuel source, such as solar, biomass, wind, geothermal, hydroelectricity under 30 megawatts, remote natural gas of less than one billion cubic feet estimated reserves per mile from an existing gas gathering line, natural gas containing 850 or fewer British Thermal Units per standard cubic foot, or any other source of energy, the efficient use of which will reduce the use of fossil or nuclear fuels.

(b) "Cogeneration equipment" means equipment for cogeneration, as defined in Section 218.5 of the Public Utilities Code.

(c) "Conservation measures" means equipment, maintenance, load management techniques and equipment, or other measures to reduce energy use or make for a more efficient use of energy.

(d) "Conservation services" means the electrical, thermal, or other energy savings resulting from conservation measures, which shall be treated as a supply of such energy.

(e) "Energy conservation facility" means alternate energy equipment, cogeneration equipment, or conservation measures located in public buildings or on land owned by public agencies.

(f) "Energy service contract" means a contract entered into by a public agency with any person, pursuant to which the person will



provide electrical or thermal energy or conservation services to a public agency from an energy conservation facility.

(g) "Facility financing contract" means a contract entered into by a public agency with any person whereby the person provides financing for an energy conservation facility in exchange for repayment of the financing and all costs and expenses related thereto by the public agency. A facility financing contract may provide for the person with whom the public agency contracts to provide any combination of feasibility studies for, and design and construction of, all or part of the energy conservation facility in addition to the financing and other related services, and may provide for an installment sale purchase, another form of purchase, or amortized lease of the energy conservation facility by the public agency.

(h) "Facility ground lease" means a lease of all, or any portion of, land or a public building owned by, or under lease to, a public agency to a person in conjunction with an energy service contract or a facility financing contract. A facility ground lease may include, in addition to the land on which energy conservation facilities will be located, easements, rights-of-way, licenses, and rights of access, for the construction, use, or ownership by the person of the facility and all related utility lines not owned or controlled by the interconnecting utility, and offsite improvements related thereto. A facility ground lease may also include the addition or improvement of utility lines and equipment owned by the interconnecting utility which are necessary to permit interconnection between that utility and an energy conservation facility.

(i) "Person" means, but is not limited to, any individual, company, corporation, partnership, limited liability company, public agency, association, proprietorship, trust, joint venture, or other entity or group of entities.

(j) "Public agency" means the state, a county, city and county, city, district, community college district, school district, joint powers authority or other entity designated or created by a political subdivision relating to energy development projects, and any other political subdivision or public corporation in the state.

(k) "Public building" includes any structure, building, facility, or work which a public agency is authorized to construct or use, and

automobile parking lots, landscaping, and other facilities, including furnishings and equipment, incidental to the use of any structure, building, facility, or work, and also includes the site thereof, and any easements, rights-of-way appurtenant thereto, or necessary for its full use.

4217.12. (a) Notwithstanding any other provision of law, a public agency may enter into an energy service contract and any necessarily related facility ground lease on terms that its governing body determines are in the best interests of the public agency if the determination is made at a regularly scheduled public hearing, public notice of which is given at least two weeks in advance, and if the governing body finds:

(1) That the anticipated cost to the public agency for thermal or electrical energy or conservation services provided by the energy conservation facility under the contract will be less than the anticipated marginal cost to the public agency of thermal, electrical, or other energy that would have been consumed by the public agency in the absence of those purchases.

(2) That the difference, if any, between the fair rental value for the real property subject to the facility ground lease and the agreed rent, is anticipated to be offset by below-market energy purchases or other benefits provided under the energy service contract.

(b) State agency heads may make these findings without holding a public hearing.

4217.13. Notwithstanding any other provision of law, a public agency may enter into a facility financing contract and a facility ground lease on terms that its governing body determines are in the best interest of the public agency if the determination is made at a regularly scheduled public hearing, public notice of which is given at least two weeks in advance, and if the governing body finds that funds for the repayment of the financing or the cost of design, construction, and operation of the energy conservation facility, or

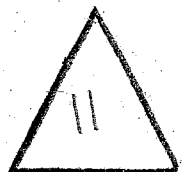
both, as required by the contract, are projected to be available from revenues resulting from sales of electricity or thermal energy from the facility or from funding that otherwise would have been used for purchase of electrical, thermal, or other energy required by the public agency in the absence of the energy conservation facility, or both. State agency heads may make these findings without holding a public hearing.

4217.14. Notwithstanding any other provision of law, the public agency may enter into contracts for the sale of electricity, electrical generating capacity, or thermal energy produced by the energy conservation facility at such rates and on such terms as are approved by its governing body. Any such contract may provide for a commitment of firm electrical capacity.

4217.15. The public agency may, but is not required to, base the findings required under Sections 4217.12 and 4217.13 on projections for electrical and thermal energy rates from the following sources:

- (a) The public utility which provides thermal or electrical energy to the public agency.
- (b) The Public Utilities Commission.
- (c) The State Energy Resources Conservation and Development Commission.
- (d) The projections used by the Department of General Services for evaluating the feasibility of energy conservation facilities at state facilities located within the same public utility service area as the public agency.

4217.16. Prior to awarding or entering into an agreement or lease, the public agency may request proposals from qualified persons. After evaluating the proposals, the public agency may award the



contract on the basis of the experience of the contractor, the type of technology employed by the contractor, the cost to the local agency, and any other relevant considerations. The public agency may utilize the pool of qualified energy service companies established pursuant to Section 388 of the Public Utilities Code and the procedures contained in that section in awarding the contract.

4217.17. This chapter does not limit the authority of any public agency to construct energy conservation projects or to enter into other leases or contracts relating to the financing construction, operation, or use of alternate energy type facilities in any manner authorized under existing law. This chapter shall not be construed to abrogate Section 14671.6.

4217.18. The provisions of this chapter shall be construed to provide the greatest possible flexibility to public agencies in structuring agreements entered into hereunder so that economic benefits may be maximized and financing and other costs associated with the design and construction of alternate energy projects may be minimized. To this end, public agencies and the entities with whom they contract under this chapter should have great latitude in characterizing components of energy conservation facilities as personal or real property and in granting security interests in leasehold interests and components of the alternate energy facilities to project lenders.

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