

CITY COUNCIL COMMITTEE

INFRASTRUCTURE & FRANCHISE

Dan Helix, Chair

Laura Hoffmeister, Committee Member

5:30 p.m., Thursday, October 9, 2014

**Building A, Garden Conference Room
1950 Parkside Drive, Concord**

- A G E N D A -

ROLL CALL

PUBLIC COMMENT PERIOD

1. **UPDATE** – Receive Staff Report for Project No. 2141 (Energy Efficient Lighting Improvements) and Recommend Acceptance of the Project Improvements. Report by Robert Ovadia, City Engineer.
2. **ADJOURNMENT**

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Distribution: City Council
Valerie Barone, City Manager
Scott Johnson, Assistant City Manager
Mark Coon, City Attorney
Victoria Walker, Community & Economic Development Director
Robert Ovadia, City Engineer
Administrative Services



**REPORT TO COUNCIL COMMITTEE ON
INFRASTRUCTURE & FRANCHISE**

TO THE HONORABLE COMMITTEE MEMBERS:

DATE: October 9, 2014

SUBJECT: RECEIVE STAFF REPORT FOR PROJECT NO. 2141 (ENERGY EFFICIENT LIGHTING IMPROVEMENTS) AND RECOMMEND ACCEPTANCE OF THE PROJECT IMPROVEMENTS

Report in Brief

Project No. 2141 (Energy Efficient Lighting Improvements) was presented to the City Council for acceptance at its September 9, 2014 meeting, in conjunction with the acceptance of the various Energy Service Company (ESCO) projects contracted through Chevron Energy Services Company (Chevron). The Council deferred acceptance of the project pending an update on the current status of the streetlight conversion project to be presented to the Infrastructure & Franchise Committee. This report provides that update and discusses the remaining warranty terms.

Project No. 2141 (Energy Efficient Lighting Improvements) included, amongst other lighting replacements, the conversion of 8,419 street lights from High Pressure Sodium (HPS) lighting to induction lighting. The project was expanded to address light pole replacement at Ygnacio Valley Park, and replacement of copper wiring and box replacement in various locations to address copper theft issues. During the course of the street light replacement project there were a significant number of outage issues. Staff worked with Chevron and its subcontractors to address the outage issues. The outages were reduced to a reasonable level and along with an extended labor warranty [through October 31, 2014] from Chevron, allowed staff to deem the conversion project substantially complete on November 1, 2012.

In addition to the labor warranty provided for the street light conversion equipment, the installation includes a manufacturer's warranty on installed products. The manufacturer's warranty for American Green Power products is 10 years from the date of production and the Sylvania products warranty is 5 years from the date of production.

Chevron and its subcontractor have provided warranty labor repairs pursuant to the extended warranty and have agreed to complete a night audit to identify any remaining outage issues and repair them within 30 days of completion of the audit. Staff will verify the audit findings, supply any additional outage reports for repair through the labor warranty period and confirm completion of any required repairs. Chevron Energy Services Company has recently been purchased by OpTerra Energy Services, Inc. At the close of the labor warranty, OpTerra Energy Services will provide the City with a stock of replacement lamps and ballasts to address potential product warranty replacements.

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The completion of this project has resulted in energy savings of approximately \$20,000 per month on the City's energy bills associated with the streetlights and has assisted the City in achieving some of its quantifiable goals related to the City's Climate Action Plan.

Staff recommends that the Infrastructure & Franchise Committee (Committee) recommend acceptance of Project No. 2141 (Energy Efficient Lighting Improvements).

Background

Project No. 2141 (Energy Efficient Lighting Improvements) was one of several projects included in an energy services contract with Chevron Energy Services Company, approved in January 2011. This project included the replacement of 8,419 streetlights with induction lighting technology. The replacements included new lamps, generator ballasts, photo cells and lenses. Replacement of the existing power connections, poles and mast arms were not included in the project and remain the City's responsibility.

Street Light Outages

During construction, there were significant outage issues associated with the installation (failed and intermittent lighting). Due to the number of outages, it was evident that there were some issues with some of the products being installed. The Contractor proposed alternate products to address the outage issues, including more robust ballasts and/or higher wattage ballasts and lights where the more robust ballasts did not work. These replacements seemed to address most issues on the initial installations.

Following these installations, staff was tracking outages and complaints to assure that the issues would be addressed prior to issuing a certificate of substantial completion. In September 2012, recorded complaints regarding street light outages reached near 200. Public Works staff spent considerable effort investigating the issues surrounding the outages, and along with Engineering staff, worked with Chevron and their subcontractor, EnLight, to address the numerous outages. As the reasons for the outages varied widely from power supply issues to failed components (lamps, ballasts, mast arms, of photo cells), it was agreed that as complaints were called in, City crews would conduct an initial assessment to verify power and/or City infrastructure (poles, mast arms, etc.) were not causing the outage. If the outage was related to these items, City forces would take the lead on the repairs. If however, the failures were related to the replacement, they would be forwarded to EnLight for repair. Through this process, staff worked cooperatively to reduce the complaints to just over 30 lights (less than ½ percent) by November 2012. Understanding the City's concerns regarding the outages, Chevron and EnLight also agreed to extend the labor warranty to two years rather than the stipulated one-year labor warranty. With these assurances, staff was able to issue the certificate of substantial completion for the lights.

To assist in identifying outages pro-actively, the Public Works staff worked with the Volunteers in Police (VIPs) to conduct a night audit of the streetlights in March of 2014. The audit was conducted over a 3-4 week period and identified approximately 60 street light outages to be addressed. These identified outages were addressed through the agreed protocol. Additionally, Public Works staff conducts quarterly night time assessments of all arterial and collector streets. Chevron/EnLight have honored the extended warranty to address the reported outages. As of September 30, 2014, the City's outage reports indicate 17 light outages (approximately 0.2 percent). City staff is currently investigating 11 of the reported outages and the remaining six have been passed on to EnLight for repair.

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Remaining Warranty

The terms of the agreement provide for a one-year warranty on the work provided under the agreement, starting on the date of “Beneficial Use” as outlined on the Certificate of Substantial Completion. During this period of time, Chevron would also act as the City’s agent in addressing manufacturer warranty issues. The manufacturer’s warranty for American Green Power products is 10 years from the date of production and the Sylvania products warranty is 5 years from the date of production. Due to the significant number of issues related to the lighting project, Chevron/EnLight have agreed to extend the labor warranty and agent services for an additional year. With the issuance of the warranty extension and the limited outages at that time, the Certificate of Substantial Completion was issued dated November 1, 2012.

The extended warranty is due to expire on October 31, 2014. To ensure that current outages will be addressed prior to expiration of the warranty, Chevron has agreed to conduct a night audit during the month of October, identifying lamps to be repaired under the current warranty. The audit list will be verified by Public Works with repairs by Chevron/Enlight to be completed within 30 days. As previously mentioned, Chevron Energy Services Company was recently purchased by OpTerra Energy Services, Inc. and OpTerra will honor and uphold the commitments made by Chevron in terms of the warranties and the above-referenced audit.

To assist the City in addressing manufacturer warranty issues following expiration of the extended warranty period, OpTerra/EnLight will supply the City with a 1% stock of replacement lamps and a 2% stock of replacement ballasts. Having these parts on hand will allow City staff to address outage issues more immediately than waiting for replacement parts to be shipped by the manufacturer.

Recommendation for Action

Staff recommends that the Infrastructure and Franchise Committee recommend acceptance of Project No. 2141 (Energy Efficient Lighting Improvements).

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