TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 10/06/2020
ITEM NO: 5

DATE: September 30, 2020

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Accept the Completion of Work Performed by Syserco Energy Solutions, Inc. for PPW Job No. 411-821-2008 Energy Efficiency Upgrades

RECOMMENDATION:

Accept the completion of work performed by Syserco Energy Solutions, Inc. for PPW Job No. 411-821-2008 Energy Efficiency Upgrades.

BACKGROUND:

At the October 2, 2018 Town Council Meeting, Council authorized the Town Manager to execute an Energy Services Agreement with Syserco Energy Solutions, Inc. for the design, installation, and commissioning of heating, ventilation and air conditioning (HVAC), building envelope, and lighting improvements at various Town facilities for a total project cost not to exceed $1,664,358.

The delivery method chosen for the project was taken from a specific section of the California Government Code (4217.10 et seq) that allows for entering into design-build energy services contracts where the Town would work directly with a licensed contractor to develop and complete energy efficiency projects.

DISCUSSION:

Syserco Energy Solutions, Inc. has satisfactorily completed all of the work for the project for a final contract amount of $1,664,358. PG&E has completed its project verification report and approved the On-Bill Financing zero percent loan in the amount of $1,560,335.60. The check was delivered to the Town on August 9, 2020. The execution and recordation of the Certificate of Acceptance is now required to finalize the Town's acceptance of the project.

PREPARED BY: Jim Harbin
Superintendent

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Director of Parks and Public Works

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CONCLUSION:

Staff recommends accepting the completion of work performed by Syserco Energy Solutions, Inc. called for in the agreement with the Town of Los Gatos dated September 19, 2018. The Town will pay back the loan through payments on the PG&E bill for each location where work was done. The energy savings over the loan period are calculated to be less than the cost of the total financed improvements. However, all the improvements will ultimately be financed through anticipated energy savings.

FISCAL IMPACT:

Staff completed the project within the approved budget as shown below. The savings will go to the GFAR fund balance.

Energy Efficiency Upgrades - Town-wide Project 821-2008		
	Budget	**Costs**
GFAR	$1,696,687	
Total Project Budget	**$1,696,687**	
Syserco Energy Solutions		$1,664,358
Advertising		$139
Total Project Costs		**$1,664,497**
Project Savings		**$32,190**

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.