



Legislation Details (With Text)

File #: 2018-728 **Version:** 1 **Name:**

Type: Consent **Status:** Agenda Ready

File created: 9/24/2018 **In control:** City Council

On agenda: 10/2/2018 **Final action:**

Title: CONSIDER CONTRACT AMENDMENT NO. 1 WITH DIGITAL ENERGY, INC. TO EXTEND THE TERM, ADD TO THE SCOPE OF SERVICES, AND INCREASE THE CONTRACT SUM (CITY COUNCIL)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit No. 1 - Amendment No. 1, 2. Exhibit No. 2 - Original Contract

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, October 02, 2018

Consent

SUBJECT:

CONSIDER CONTRACT AMENDMENT NO. 1 WITH DIGITAL ENERGY, INC. TO EXTEND THE TERM, ADD TO THE SCOPE OF SERVICES, AND INCREASE THE CONTRACT SUM (CITY COUNCIL)

I. SUMMARY

In October 2017, the City of Carson executed a contract with Digital Energy, Inc. (Digital Energy) to provide third-party peer review services of energy projects, programs, and analyses specifically related to the work performed by Charge Bliss, Inc. (Charge Bliss).

The contract amount was originally \$10,000; however, the actual cost to perform the specified scope of work totaled \$30,130. The contract needs to be amended to include additional funds to pay the consultant for services rendered. (Exhibit No. 1)

The term of the contract is also being extended through December 31, 2019 to allow the consultant to provide additional services as requested by the City to analyze and advise on energy conservation measures that the City may wish to pursue. The cost for this additional work will be billed at the same rate as the original contract - \$165 per hour with a not-to-exceed budget of \$20,000.00.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the First Amendment to the Contract Services Agreement between the City of Carson and Digital Energy, Inc., to extend the term, add to the scope of services and increase the contract sum.
2. Authorize the Mayor to execute the First Amendment to the Contract Services Agreement between the City of Carson and Digital Energy, Inc.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate and consistent with the law.

IV. BACKGROUND

In 2015, the California Energy Commission (CEC) assigned Digital Energy to work with the City of Carson to provide third-party peer review services of the work performed by OpTerra Energy Services. The work performed by Digital Energy was 100% funded through the California Energy Commission.

In 2017, the City contracted directly with Digital Energy to perform third-party peer review services of the work performed by Charge Bliss (Exhibit No. 2). The amount of effort and time needed to review and respond to the work submitted by Charge Bliss exceeded staff's expectations and the allocated budget. The original contract was anticipated to end in March 2018; however, the CEC application due date for Phase 2 was delayed several times. The third-party peer review services provided by Digital Energy concluded in September 2018 and totaled \$30,130.00. Since the original contract budget was \$10,000.00, the existing contract needs to be amended to include additional funding to cover the \$20,130.00 gap.

Staff recommends continuing to utilize the services of Digital Energy through the end of December 31, 2019 in order to analyze and advise the City on various energy efficiency measures and maintenance projects that require the expertise of the consultant. As an example, the chillers and heating/cooling systems at City Hall and the Community Center are recommended to be replaced in the near future, and Digital Energy would be able to help ensure that the system is designed and optimized correctly. Additional work would be billed at a rate of \$165 per hour with a not-to-exceed budget of \$20,000.00

Digital Energy has been providing engineering consulting support on energy projects in California for 28 years. They provide consulting support in the following areas: (1) energy efficiency studies, (2) central plant and cogeneration plant design and optimization, (3) hourly modeling of complex central plants, (4) building mechanical, electrical, and plumbing and photovoltaic systems design, (5) independent evaluation of Energy Services Company (ESCO) proposals on energy investments, (6) peer reviews and problem solving in existing buildings and plants, (7) LEED building and central plant commissioning, and (9) strategic energy and infrastructure planning.

Staff is satisfied with the work performed by Digital Energy, specifically Jai Agaram, the president of the company. Mr. Agaram is an expert in his field and is knowledgeable about the performance and operation of Carson's facilities. Staff supports amending the contract to revise the contract sum to the total of \$50,130.00, covering the original contract and already-performed work plus the additional services noted above, and extending the term through December 31, 2019.

V. FISCAL IMPACT

No impact on the General Fund. Funds for consulting services are included in the Fiscal Year 2018/19 budget. The available budget in account number 246-80-820-904-6004 is approximately \$65,000.00, which would cover the amount needed to cover the contract amendment.

VI. EXHIBITS

1. Contract Services Agreement - Amendment No. 1. (pgs. 4-9)
2. Contract Services Agreement - Executed October 30, 2017. (pgs. 10-24)

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