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**Public Works
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Staff Report

Item # 5

To: Lemoore City Council
From: Lauren Apone, Administrative Analyst
Date: June 12, 2012
Subject: EECBG - LED Streetlight Project – Award Contract to Chevron Energy Solutions Company

Discussion:

In January 2012, the City of Lemoore applied for \$635,144 in Energy Efficiency and Conservation Block Grant (EECBG) Phase II funding administered through the California Energy Commission (CEC) to complete the conversion of the remaining City-owned streetlights in Lemoore with LED streetlights. The CEC informed us at the time of application that funding would be awarded as the previous EECBG Phase I projects were closed out and money went unspent. The CEC has notified us that approximately \$300,000 has accumulated and is able to be spent on our project. Any remaining money returned to the CEC from EECBG Phase I projects will be allocated to the City of Lemoore until our entire grant amount is awarded. The timing of this is unknown, but the project must be completed by September 13, 2012.

The CEC suggested we begin work on our project in phases to ensure that the project can be completed by the September 13, 2012 deadline. The City solicited quotes from both PG&E and Chevron Energy Solutions Company for the replacement of the remaining 1,261 City-owned streetlights with LED fixtures. Prices are as follows:

PG&E	\$649,014
Chevron	\$635,144

The Chevron contract is attached. It awards the entire project to Chevron, but stipulates that there will be multiple Notices to Proceed as EECBG funding trickles in, and that if the City fails to receive the entire grant amount, the City will not be responsible to continue with the remainder of the contract.

Budget Impact:

Since the project is funded entirely out of EECBG grant funds, there will be no out-of-pocket cost to the City of Lemoore. The project will save approximately \$30,000 in electricity costs annually.

Recommendation:

Staffs recommends that Council award the LED Streetlight replacement contract to Chevron Energy Solutions Company and authorize the City Manager to execute the contract.