

Memorandum Date: June 11, 2024

Order Date: June 25, 2024

TO:	Board of County Commissioners
DEPARTMENT:	County Administration
PRESENTED BY:	David Ward
AGENDA ITEM TITLE:	ORDER/In the Matter of Awarding a Contract Amendment to Ameresco, Inc. in the Amount of \$3,230,060 to Replace All Existing, Non-LED Lighting to high efficiency LED Lighting at Multiple Lane County Facilities, and Delegating Authority to the County Administrator to Execute the Contract Amendment.

I. MOTION

Move to award a contract amendment to Ameresco Inc. in the not-to-exceed amount of \$3,230,060 to replace all existing, non-LED lighting to high efficiency LED lighting at multiple Lane County facilities, and delegate authority to the County Administrator to execute the contract amendment.

II. AGENDA ITEM SUMMARY

The proposed contract amendment is not-to-exceed, and includes comprehensive design, construction, commissioning, and measurement & verification services to comprehensively replace all non-LED light bulbs in multiple County-owned facilities with new, high efficiency LED light bulbs. Lighting retrofits will be designed to provide lighting levels not less than those recommended by the Illuminating Engineering Society of North America (IESNA). The project will remove and legally recycle and/or dispose of all existing lamps and ballasts.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Board previously approved the award of a contract to Ameresco, Inc. in March 2022 per Board Order No. 22-03-15-01 for comprehensive consultant services covering energy auditing and energy management, project development, project management, construction management, and procurement services for capital improvement projects including HVAC, mechanical, electrical, plumbing, lighting, and controls work. During late 2023, the Facilities Standing Committee reviewed projects in the Capital Improvement Plan that were specifically identified as Facilities Capital Projects. Between December 2023 and February 2024, the Committee studied and ranked twenty-five (25) projects as highest priority. Over half of the projects on the ranked Facilities Capital Improvement Projects list were projects that Ameresco had identified during their Phase 1 - Technical Energy Audit

and as reported during their Phase 2 - Project Development Plan to the FSC in late 2023. The work to be performed under this contract amendment is a portion of the Phase 2 Services listed in their existing Contract Documents.

B. Policy Issues

Policies and procedures relevant to this proposal relate to procurement requirements and are contained in Lane Manual, Chapter 20. This contract amendment supports the County's Strategic Priority of Robust Infrastructure. The installation of high efficiency LED lighting strategically reduces energy consumption across the entire portfolio of facilities and lowers the County's carbon footprint which supports the intent of the County's adopted Climate Action Plan.

C. Board Goals

The financing and implementation of cost saving and energy efficient projects is outlined within the Climate Action Plan Phase 2: Community Greenhouse Gas Mitigation Action Plan (specifically, Action Item EE-A1 under Energy Efficiency and Conservation). This project also supports the County's Strategic Priority of Robust Infrastructure.

D. Financial and/or Resource Considerations

Funding for the not-to-exceed contract amendment value of \$3,230,060 will be provided through Fund 435, Capital Fund 5170350. The total available estimated local utility incentives/rebates are \$199,512 if all LED retrofits in all facilities listed below can be performed by December 31, 2024. After the comprehensive project is completed, the total guaranteed energy savings for the first year following the project is \$213,786 at the current baseline utility rates.

E. Health Implications

None.

F. Analysis

The following is a list of unique facilities identified in the total potential scope of work: Lane County Adult Corrections; Juvenile Justice Center; Public Works Buildings A, B, C, D, E, F, G, H, I, J, Customer Service Center & Garage, McKenzie, Willamette, Car/Truck Wash/Material Storage, Fleet Services, Materials Lab; Public Services Building Parking Lots; Delta Oaks; Elections; Riverstone Clinic; Brookside; Charnelton Place; Courthouse; Convention Center, Expo Halls, Administrative Offices, Arena, Ice Rink, Wheeler Pavilion, Livestock Pavilion, Horse Barn; MLK Education Center; Behavioral Health; Harris Hall; MAT Clinic; and Public Services Building.

The following prioritized projects were specifically identified on the Facilities Capital Projects List as prepared and voted on by the Facilities Standing Committee in

February 2024: Lane County Adult Corrections, Courthouse, Juvenile Justice Center, Public Services Building, Behavioral Health, and Charnelton Place. These buildings represent the greatest opportunity for energy savings coupled with utility incentives/rebates and maximize the return on investment. The total estimated initial cost of this subset of buildings is \$1,472,000 (representing nearly half of the overall project cost based on the Capital Projects List).

The Annual Electrical Energy Savings based on the comprehensive list above:

<u>Utility</u>	<u>Estimated Savings</u>	<u>Guaranteed Savings</u>
Electricity (kWh)	2,614,132 (in kWh)	2,352,719 (in kWh)
Electricity (kW)	8,675 (in kW)	7,807 (in kW)

G. Alternatives/Options

1. Award the contract amendment to Ameresco, Inc. and delegate authority to the County Administrator to execute the contract amendment.
2. Do not approve the contract amendment, and direct staff to explore other potential alternatives.
3. Decline approval of the contract amendment.

IV. RECOMMENDATION

Award the contract amendment to Ameresco, Inc. and delegate authority to the County Administrator to execute the contract amendment.

V. TIMING/IMPLEMENTATION

Following execution of the contract, the work is expected to begin in late June 2024 and be Substantially Complete by March 31, 2025.

VI. FOLLOW-UP

None.

VII. ATTACHMENTS

- A. Board Order
- B. Ameresco Contract Project Cost Summary - Guaranteed Maximum Price

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 24-06-25-16

IN THE MATTER OF AWARDED A
CONTRACT AMENDMENT TO
AMERESCO, INC. IN THE AMOUNT OF
\$3,230,060 TO REPLACE ALL EXISTING,
NON-LED LIGHTING TO HIGH
EFFICIENCY LED LIGHTING AT
MULTIPLE LANE COUNTY FACILITIES,
AND DELEGATING AUTHORITY TO THE
COUNTY ADMINISTRATOR TO EXECUTE
THE CONTRACT AMENDMENT

WHEREAS, Lane County executed a contract with Ameresco, Inc. following approval via Board Order 22-03-15-01 to develop energy-related projects for the County; and

WHEREAS, upgrading LED lighting in multiple County-owned facilities supports the County's Strategic Priority of Robust Infrastructure; and

WHEREAS, this project will significantly reduce energy consumption, reduce operational expenditures, and reduce the County's carbon footprint – thereby supporting the intent of the County's adopted Climate Action Plan; and

WHEREAS, funding has been identified and is available for this project;

NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS** as follows:

1. A contract amendment in the amount of \$3,230,060 be awarded to Ameresco, Inc. to replace all existing, non-LED lighting to high-efficiency LED lighting at multiple Lane County facilities.
2. The County Administrator be delegated authority to execute the contract amendment.

ADOPTED this 25th day of June, 2024.

Laurie Trieger, Chair
Lane County Board of Commissioners

Attachment B

**PROJECT COSTS & ENERGY SAVINGS FOR SELECTED OPTIONS
(LED LIGHTING UPGRADE PROJECT ONLY)**

PROJECT COSTS	Mech, Water, General	Lighting	Total Project Costs
Guaranteed Maximum Price for Construction Work			
Cost of Work		\$ 2,277,786	\$ 2,277,786
Bonding @ 2.0% of Cost of Work		\$ 45,556	\$ 45,556
Construction Contingency @ 5.0% of Cost of Work		\$ 113,889	\$ 113,889
Guaranteed Maximum Price for Construction Work (GMP):			\$ 2,437,231
Fixed Project Fees			
M,W,G Design @ 9.0% of Cost of Work			\$ -
Lighting Design @ 8.0% of Cost of Work		\$ 182,223	\$ 182,223
Construction Mgt @ 7.0% of Cost of Work		\$ 159,445	\$ 159,445
ESCO Overhead and Profit @ 18.0% of Cost of Work		\$ 410,001	\$ 410,001
System Start-Up and Commissioning Fee @ 1.0% of Cost of Work		\$ 22,778	\$ 22,778
Training of Owner's O&M Personnel Fee @ 0.2% of Cost of Work		\$ 4,556	\$ 4,556
1st Year of Ameresco M&V			\$ 13,827
Fixed Fees Subtotal:			\$ 792,829
Project Cost Summary			
Contract Price (Amount to be Financed by Client)			\$ 3,230,060
ITC Solar Federal Direct Payment (30%)		\$ -	\$ -
Client Initial Cash Payment			
Estimated Utility Incentive and/or Grant		\$ 199,512	\$ 199,512
Project Cost After Incentives			\$ 3,030,548
Year 1 Estimated Cash Flow:			\$ 22,192