



City of Hollywood

Hollywood City Hall
2600 Hollywood Blvd
Hollywood, FL 33020
<http://www.hollywoodfl.org>

Legislation Text

File #: R-2023-142, **Version:** 1

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Appropriate City Officials To Execute Construction Work Order No. 1 For The Citywide LED Streetlight Upgrade Project And Audit Work Order No. 2 For Various Energy Conservation Measures In Accordance With The Energy Services Agreement With Noresco, LLC.

Infrastructure & Facilities

Staff Recommends: Approval of the attached Resolution.

Explanation:

On July 6, 2022, the City of Hollywood entered into an Energy Services Agreement with Noresco, LLC to develop a comprehensive energy management plan to improve various City buildings, structures, lighting and facilities. The intent is for these improvements to be financed through guaranteed cost savings achieved through the energy improvement initiatives. As part of the master Energy Services Agreement, the City is required to execute individual work orders for energy service audits as well as construction.

As part of the July 6, 2022 approval of the master Energy Services Agreement, Audit Work Order No. 1 was approved for Noresco, LLC to study and perform an investment grade audit on the City-owned streetlight network. As a result of this audit, Construction Work Order No. 1 will enable the LED streetlight upgrade of approximately 3,000 City-owned streetlights, excluding those located in the Beach CRA and Downtown CRA. A construction work order will be forthcoming for that project and presented for approval to the CRA Board. The projected guaranteed cost savings to be achieved over a 20-year term as provided for in Construction Work Order No. 1 equates to \$4,178,355.

In Audit Work Order No. 2, Noresco, LLC will complete an investment grade audit towards potential financially viable cost savings that will be achieved through energy conservation measures, which include:

- Interior and exterior lighting improvements

- HVAC/Mechanical improvements
- Building automation systems
- Infiltration improvements
- Smart city initiatives
- Strategic sourcing opportunities
- Renewable energy opportunities
- Site security and site access systems
- Park exterior lighting and athletic field lighting

A future construction work order related to the findings of Audit Work Order No. 2 would be forthcoming at the conclusion of the investment grade audit.

Fiscal Impact:

The total project costs for Construction Work Order No. 1 is \$4,570,000. The City had previously allocated \$2,000,000 for future streetlight improvements as part of the American Rescue Plan Coronavirus State and Local Fiscal Recovery Funds received in FY 2022. The balance will be financed through the Tax-Exempt Loan Program with a competitive interest rate of approximately 4% over a 10-year period. The guaranteed cost savings achieved from the project implementation will pay the annual debt for this loan.

As it relates to Audit Work Order No. 2, should the City decide not to issue the Construction Work Order, expenses related to the audit, approximately \$332,300, will be due upon completion of the audit. If the City decides to issue the Construction Work Order, the cost of the audit will be incorporated as part of the construction project cost.

Recommended for inclusion on the agenda by:

Nicole Heran, Deputy Director, Department of Design and Construction Management
Steve Stewart, Director, Office of Procurement and Contract Compliance
Adam Reichbach, Assistant City Manager for Finance and Administration