

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of June 9, 2009

ITEM # 15

ITEM TITLE:

Consider Approval of Cost Benefits Analysis Prior to Entering into a Contract with Chevron Energy Solutions Company for District Administration Center HVAC Replacement Project

SPECIFIC BOARD ACTION REQUESTED:

Approval is requested of the Cost Benefits Analysis for the District Administration Center HVAC Replacement Project, in compliance with California Government Code Section 4217.

ITEM SUMMARY:

The District recommends entering into a contract with Chevron Energy Solutions Company for design-build services for the District Administration Center HVAC (heating, ventilating and air conditioning) Replacement Project. The contract is permitted under California Government Code Section 4217, which allows public agencies to develop and enter into a negotiated performance contract for energy conservation projects. In compliance with the provisions of this code, a cost benefits analysis was prepared. At the Board meeting of May 26, 2009, a public announcement was made giving two weeks' notice that at the meeting of June 9, 2009, both the cost benefits analysis and contract award would be on the agenda for Board approval.

The cost benefits analysis assumes a fifteen-year period, which is the approximate useful life of this type of system. The analysis indicates that the simple payback for the project cost is about ten years, taking into account the energy and maintenance savings that the District will receive by having a brand new system. An independent review was also performed, which verifies the results of the initial cost benefits analysis.

BACKGROUND/ANALYSIS:

The cost benefits analysis and the review are attached. Upon approval, the Board will be requested to consider entering into a design-build contract with Chevron Energy Solutions Company for the District Administration Center HVAC Replacement Project, which is also on the agenda for this meeting.

ALTERNATIVES/OPTIONS:

Not applicable.

EVALUATION AND RECOMMENDED ACTION:

Approval is recommended of the Cost Benefits Analysis for the District Administration Center HVAC Replacement Project, in compliance with California Government Code Section 4217.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

Not applicable. Approval of the cost benefits analysis has no fiscal impact, but indicates the financial benefit to the District of entering into the contract for the District Administration Center HVAC Project.

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES _____ No X

COMMENTS:

No additional comments.

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING?

Vice Chancellor Ikharo

DID A BOARD STANDING COMMITTEE RECOMMEND THE ITEM? Yes _____ No _____

IF "YES", PLEASE INCLUDE THAT INFORMATION IN YOUR SUMMARY.

This item will be reviewed at a meeting of the Board Facilities and Land Use Planning Committee.

PLEASE ACQUIRE SIGNATURES IN THIS ORDER:

DOCUMENT PREPARED BY:

Prepared by: Sadiq B. Ikharo Date: 6-03-09
Dr. Sadiq B. Ikharo
Vice Chancellor for General Services

DOCUMENT PRESENTED BY:

Sadiq B. Ikharo Date: 6-03-09
Dr. Sadiq B. Ikharo
Vice Chancellor for General Services

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: Thomas Smith Date: 6.5.09
Thomas Smith
Vice Chancellor for Finance and Administration

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: Thuy T. Nguyen Date: 6/5/09
Thuy T. Nguyen, General Counsel

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda Not Approved, but Place on Agenda

Signature: Elihu Harris Date: 6/04/09
Elihu Harris, Chancellor

