

Construction Management Association of America
SoCal Chapter - Los Angeles, CA
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The CCC/IOU Partnership and Proposition 39



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California Community Colleges Systemwide Detail

- 72 districts encompassing 112 colleges, 72 approved off-campus centers and 23 separately reported district offices
- Includes 24,279 acres of land, 5,281 buildings, and 75.6 million square feet of space
- 2.4 million students annually
 - 75% of the state's public undergraduate students
 - 25% of community college students nationwide



CCC Systemwide Facilities Needs

- 10-year Facilities Needs = **\$35 billion**
- Enrollment Growth Needs = **13.3 million** new ASF
- Modernization Needs = **30.5 million** existing ASF
 - **67%** of buildings: over 25 years old
 - **46%** of buildings: over 40 years old



Bonds for CCC Facilities

- State Bonds since 2000
 - 2002, 2004, and 2006 Bond Acts
 - Total available \$3.34 Billion
 - 55% of Higher Education bonds
- Local GO Bonds since 2000
 - 65 of 72 Districts
 - Total approved \$26.2 Billion
 - Leverages state-funded projects
 - Funds 100% non-state supportable projects



2014 Education Bond Bill

- AB 2235
 - Education facilities: Kindergarten-University Public Education Facilities Bond Act of 2014
 - K-12
 - \$2.25 New Construction
 - \$3.25 Mod
 - \$500 million Charters
 - Higher Ed
 - \$2 billion CCC
 - \$500 million UC
 - \$500 million CSU
- Status: Passed Senate High Education committee with amendment. To Governance and Finance Committee June 25th, 2014.



Proposition 39

- Adopted by the voters in November 2012 to close corporate tax loopholes and will provide roughly \$550 million annually to K-12 and CCC's for Energy Projects for five years
- CCC's will allocate \$31.6 million for FY 2014-2015 distributed on an FTES basis to all CCC Districts for energy efficiency and renewable generation projects
- Funding approved annually by legislature with state budget



Proposition 39: Implementation

- CCC Chancellors Office works with Districts and CCC/IOU Partnership to identify and fund projects
- Implementation parallels CCC/IOU Partnership process to combine Prop 39 funds and leverage utility incentives. IOUs provide technical assistance to identify and develop projects
- Chancellor's Office works with POUs to coordinate processes, services, and any incentives
- A Program Consultant contracted through CCCCO to provide program administration and technical assistance



The Process

CCC Program Guidelines

- Reflects requirements of Prop 39 enabling legislation SB 73
- Issued by Chancellors Office and defines process and requirements
 - Project qualification criteria
 - Funding application process and approvals
 - M&V and Reporting Requirements
- Monthly approvals and fund disbursement through state apportionment process
- Guidelines are for CCC's only. CEC has issued separate Guidelines for K-12



Proposition 39: Clean Energy Jobs Act of 2012

California Community Colleges Proposition 39 Implementation Guidelines

ADDENDUM TO THE MAY 29, 2013 CCC ENERGY PROJECT GUIDANCE

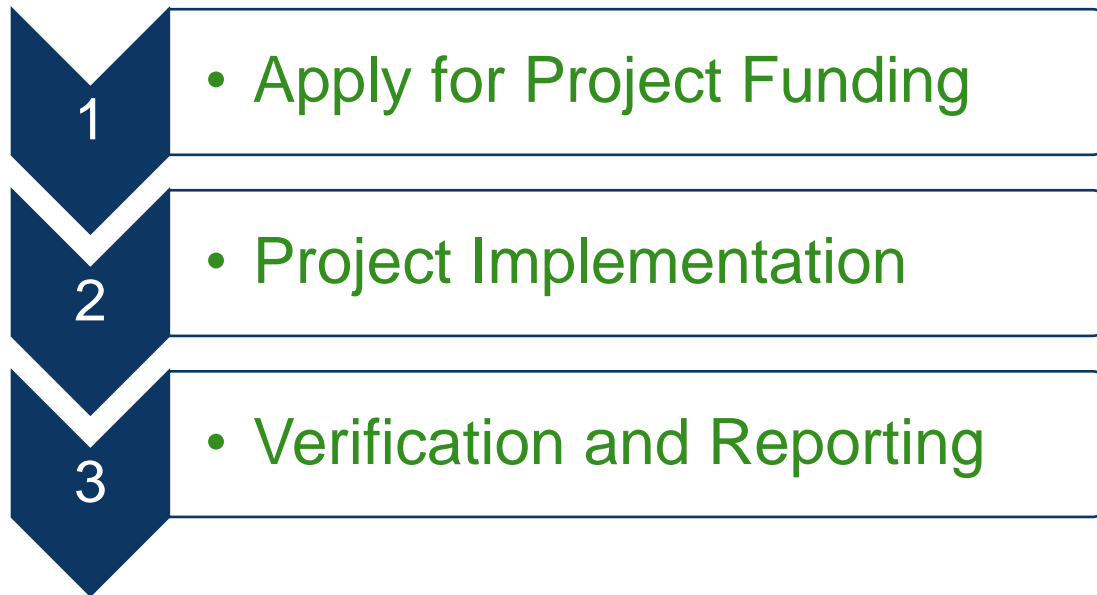
Prepared by the
California Community Colleges Chancellor's Office

DRAFT
AUGUST 2013



Proposition 39 Guidelines

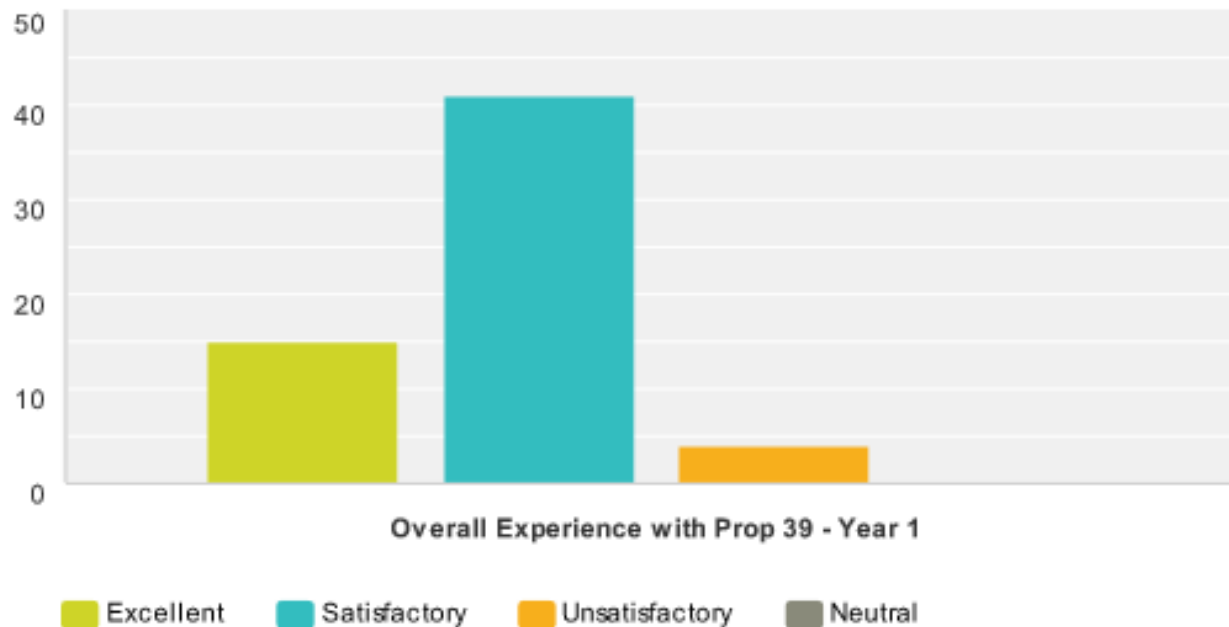
3 Primary Phases



Prop 39 Year 1 Survey Results

Q1 Please rate your District's overall experience with Year 1 of the Prop 39 Program.

Answered: 60 Skipped: 0



Year 1: 2013-14 Prop 39 Success

- \$39.67M of \$39.8M in Funding Allocated
 - \$128,635 will be reappropriated to 2014-15
- \$5.3 of \$6M for workforce development
- All 72 Districts participating
- \$6.8 Million in Utility Incentives
- 313 Projects: 29% will complete by June 30, 2014.

*Resulting in ANNUAL energy cost savings of
\$4.6 million to Districts!*

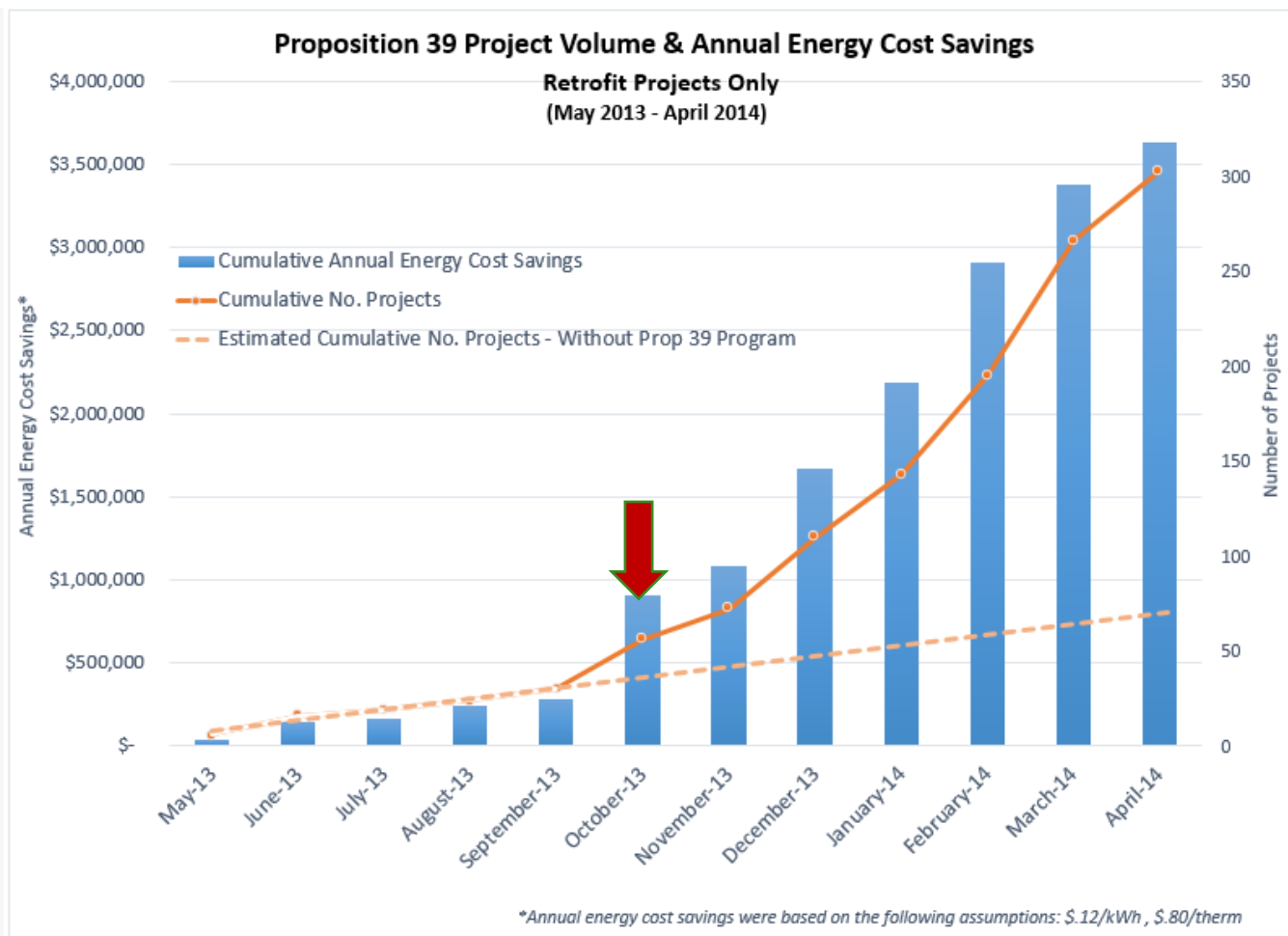


Year 1 Project Types

Project Type	Count	% of Total Projects
Lighting	171	54.63%
HVAC	59	18.85%
Controls	48	15.34%
Other	15	4.79%
RCx	14	4.47%
Technical Assistance	3	0.96%
Self- Generation	2	0.64%
MBCx	1	0.32%
Total Projects	313	



Impact of Proposition 39



Year 2 Budget and Pipeline

- FY 14-15 Proposed Budget – \$31.6M
 - *20% less funding*
- Year 2 Projects: Over 200 already submitted
 - 25+ Solar Projects
 - 68/72 Districts have projects identified
 - \$42M est. Construction Costs
- Focus on more comprehensive projects with higher energy savings



Key Issues

- Contracting Requirements:
 - Projects funded by awards shall require contracts that identify the project specifications, costs, and projected energy savings.
 - *“a community college shall not use a sole source process to award funds pursuant to this chapter”*
 - Districts may use Government Code 4217
- District Annual Expenditure Report:
 - Not sooner than one year but no later than 15 months after completion of its first eligible project, District shall submit an Annual Expenditure Report
 - Job Tracking Form: Direct FTE & Trainees created from Prop 39 implementation
- State Compliance:
 - District Prop 39 expenditures will be subject to an annual state compliance test as outlined in the Contract District Audit Manual



Prop 39 and the CCC/IOU Partnership

- CCC Guidelines Leverage Partnership Processes, Services, and Incentives
- Districts should work with IOUs to identify projects, prepare energy calculations, and submit both incentive and Prop 39 funding
- Project M&V and Reporting will be facilitated by utility process

Your Success is our Success!

We both want Energy Savings



Program Incentives for 2013-14

MEASURE	INCENTIVE RATE
Electricity	<u>\$0.24 / kWh</u>
Packaged HVAC, HVAC Controls, Motors, Drives	
Lighting, Lighting Controls, Daylighting	
Central Plants, Chiller Retrofits, and other major Energy Efficiency Infrastructure Projects	
Monitor Based Commissioning (MBCx)	
IT Projects	
Natural Gas	<u>\$1.00 / therm</u>
<u>ALL</u> Gas Measures	



Prop 39 Challenges Opportunities & Team Strategies

Fred Diamond

Director of Facilities & Construction

Citrus College



Opportunities for Success

CM Opportunities...

- The first rule of success...
- Know your business
- Know your client
- Know the program
- Know where to go

Overcoming Challenges

- Project lead times may impact delivery
- Material supplies (supply vs. demand)
- Public Contract Code requirements
- In-house labor limitations
- Consultant and vendor limitations
- *Think ahead for success*

Strategizing...

- Communication is critical
- Facilities / vendors—establish relationships
- Plan your strategy prior to procurement
- Know your project thoroughly
- Limit substitution times per PCC §3400
- Collaborate...Notice of Intent to Award
- ONE person should be in charge
- *Success awaits!!*

Utilize your Assets

- California Community Colleges—Energy Project Guidance pamphlet
- CCC-IOU Partnership Management Team
 - Chancellor's Office
 - Utility Account Executives
 - Industry Professionals
- Fellow Colleagues
- **Don't hesitate to ask questions!**





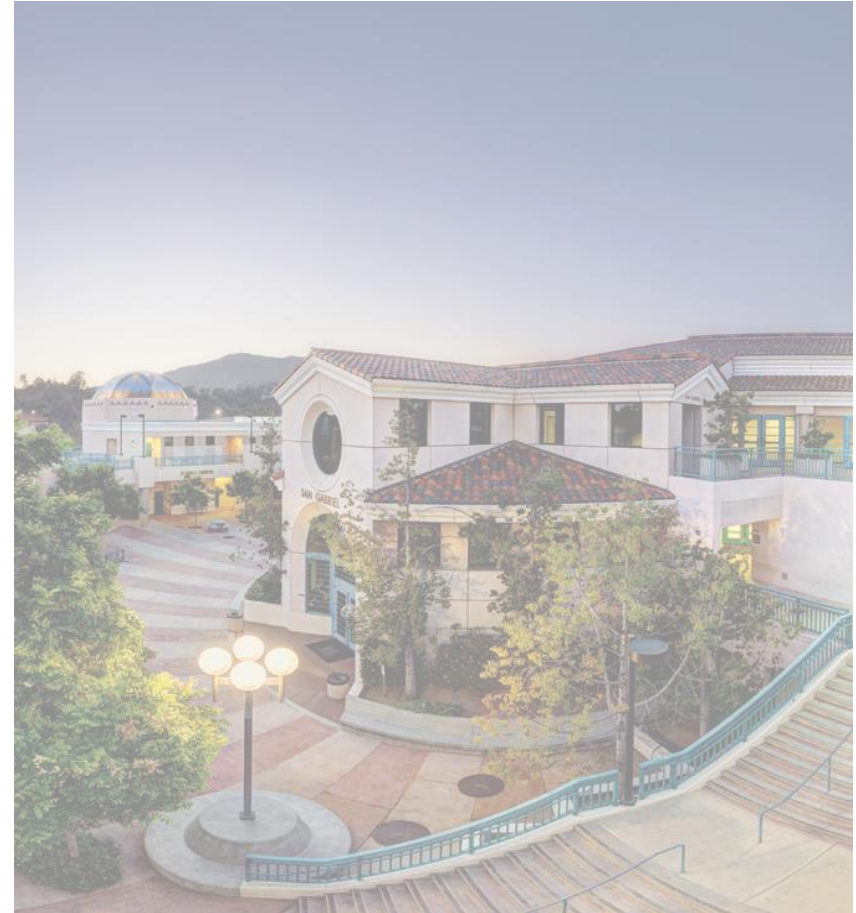
ENERGY CONSERVATION & MODERNIZATION FOR GLENDALE COMMUNITY COLLEGE

June 25, 2014

Nelson Oliveira, Jr., CHFM, CHSP, LLB, MBA

Glendale Community College

- Founded in 1927
- Campus established in 1936
- 15 permanent buildings sit upon 100+ acres
- 900,000+ Square Feet of conditioned space
 - Lab College Services Building, currently in construction; three-floor, 90,000 sq ft
- 25,000 Day and Evening student population

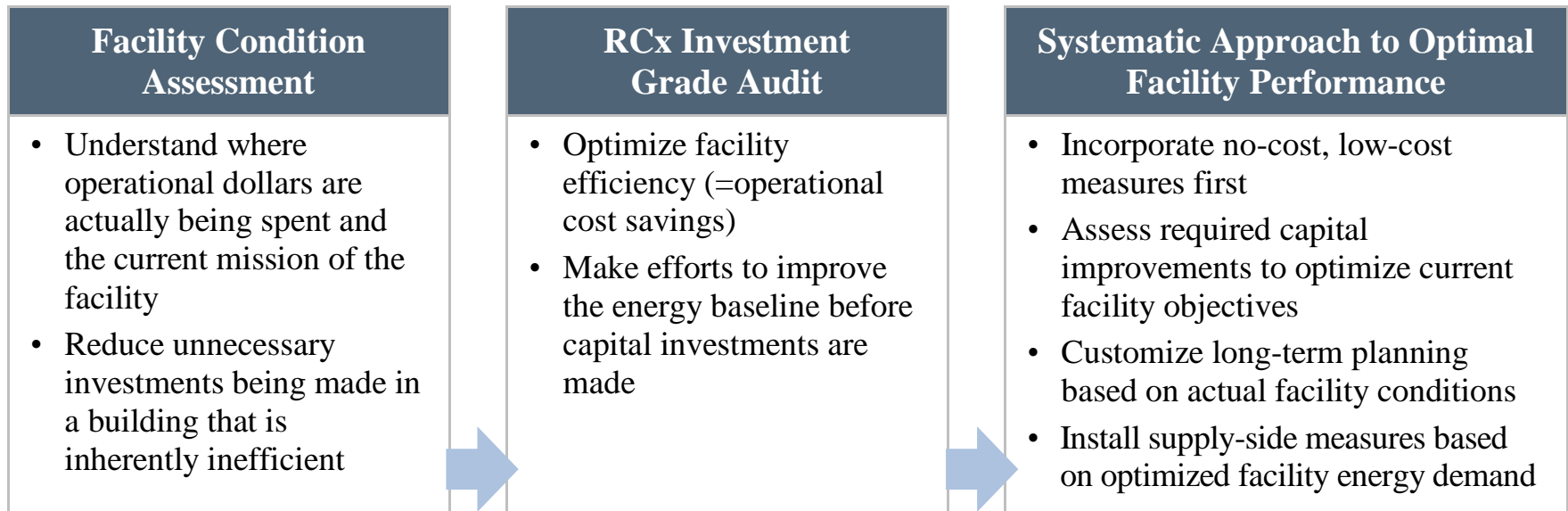


Facility Modernization Needs - Background

Needs of the Campus

- Obtain a better window into where our money is being spent on facilities
- Current Maintenance Practices
 - Primarily needs based
 - Reactionary
 - Fix when broken
 - Minor work order management
- Reduce operational expenditures and control increasing energy costs

Road Map to a Successful Program



Engaged a partner that understands systems to assist our team to better understand our facilities, optimize and leverage funding resources to get more done.

Phased Approach to Facility Optimization

- To address the problems of an aging infrastructure, we worked with our energy partners and developed a three-phase plan.
- Implementing each phase will save energy, modernize facilities, improve the learning environment, and demonstrate a commitment to sustainability.
- Identified roughly 45 Facility Improvement Measures (FIMs) to be implemented over a 5 year period using Prop 39 as anchor funding.



Aging Dx condenser unit at Arroyo Seco that will be eliminated (total of 7 -9 Dx systems will be eliminated across campus through central plant expansions)

Phase 1 - Program Overview

Leverage funding sources to stretch District funds

Scope	Program Cost
1) Entire 1st Phase Engineering and DSA Submittals 2) Campus Wide Electric Submeters 3) Library Lighting 4) Advanced Tech Lighting 5) Aviation Arts Lighting 6) Health Science Lighting 7) Health Science RCx 8) San Gabriel Lighting 9) San Gabriel RCx 10) Arroyo Seco Lighting 11) Arroyo Seco Fume Hood Retrofit 12) CP-2 Optimization 13) Library Mech & Controls Upgrade 14) Advanced Tech Mech & Controls Upgrade 15) Library MZ AHU Upgrade to VAV	\$2,552,126

Phase 1 - Program Overview

Leverage funding sources to stretch District funds

Funding					
On-Bill Financing	Prop 39	GWP Rebate	So Cal Gas Rebate	Scheduled Maintenance	Measure G
\$ 277,124	\$ 1,004,550	\$ 100,000	\$ 59,802	\$ 564,298	\$ 546,352

Thank You



Closing Remarks

Thank you!

Questions?



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