



ENERGY EFFICIENCY LED BUY DOWN PROGRAM WITH GREENLITE

Riverside Public Utilities

City Council
October 6, 2020

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WHAT IS A SCPPA TASK ORDER?

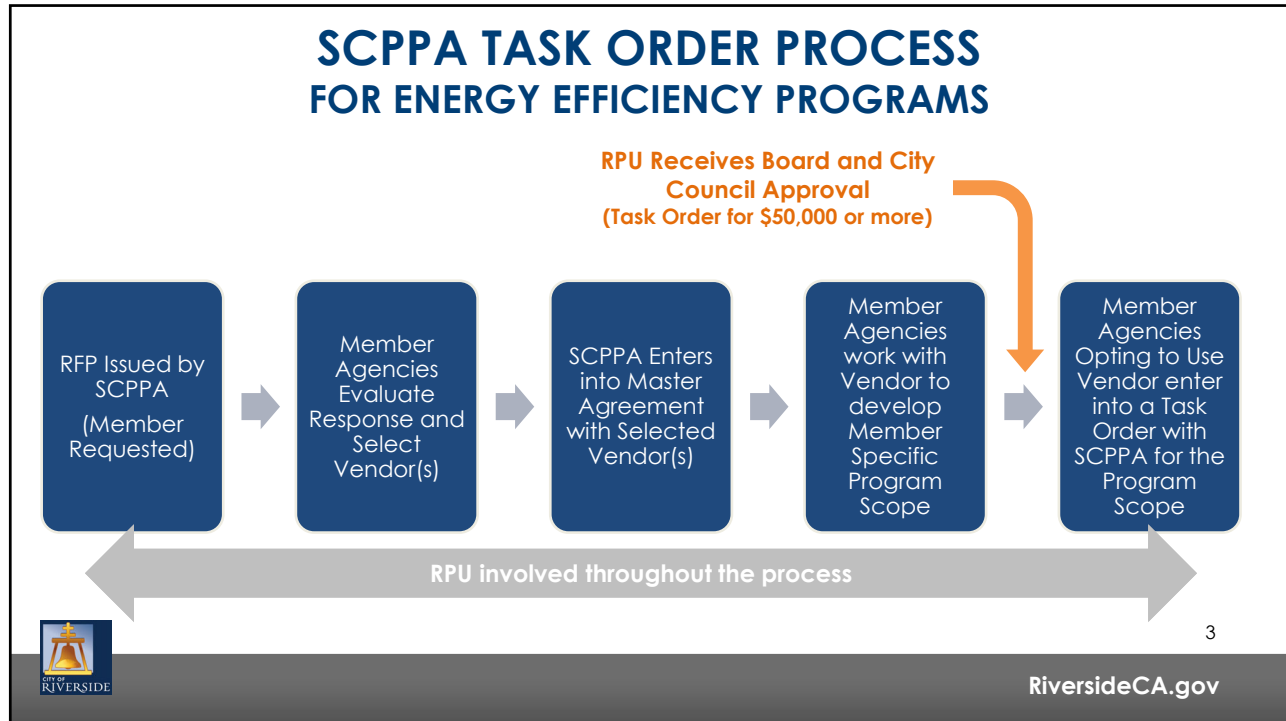
- 1.Task Orders allow SCPPA Member agencies to jointly procure energy efficiency programs and services through the SCPPA procurement process in order to receive pricing based on economies of scale
- 2.SCPPA is the contract administrator with the vendor
 - a. Direct pass through of program costs between Member agencies and Vendors
 - b. Vendors work directly with Member agencies and implement programs under their direction within the scope of the agreement and task order



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LED BUYDOWN PROGRAM GREENLITE

1. SCPPA Task Order with RPU for Greenlite to provide the Retailer LED Buydown Program for FY 18/19
 - a. Approved by City Council on June 12, 2018
 - b. Amount not to exceed \$300,000
 - c. RPU only payed for bulbs delivered and sold
 - d. Included a 4% pricing discount through SCPPA
 - e. Program ran from July 2018 through June 2019
2. RPU buys down the cost of high-quality LED bulbs for a variety of home uses that are delivered to and sold at local retailers
3. Estimated energy savings of 2,421 MWh

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TASK ORDERS FOR FY 19/20 NOT APPROVED

1. SCPPA Task Orders for FY 19/20 energy efficiency programs were not approved by the City Council
2. RPU stopped using SCPPA energy programs effective July 1, 2019 and has determined that future energy efficiency programs would be completed through the City request for proposal purchasing process.



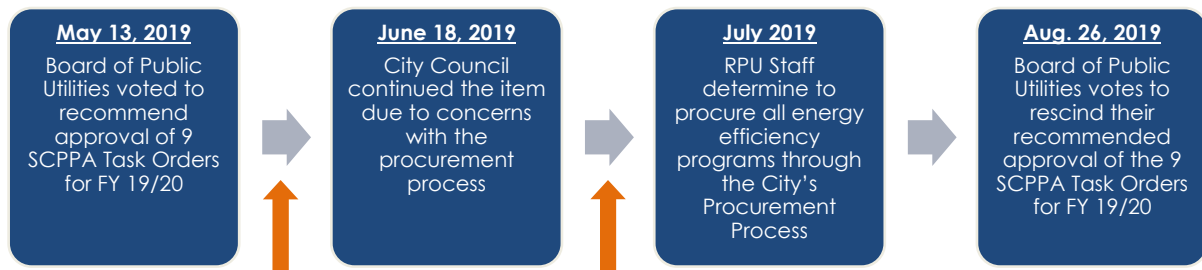
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DISCUSSION

Greenlite expected the Retail LED Buydown Program to continue in FY 19/20 based on the Board approval in May



June 2019 – Without RPU authorization, Greenlite delivered LED bulbs to Riverside retailers for sales anticipated to occur July through September 2019

July 9, 2019 – Greenlite submitted an invoice under the FY 18/19 Task Order to SCPPA for the LED bulbs expected to sell July through September 2019



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DISCUSSION

1. In July 2019, RPU staff informed Greenlite that RPU was not authorized to pay the invoice because the task order for FY 19/20 was not approved
2. RPU communicated to Greenlite about the inappropriateness of the company's assumption that the City would pay for product and services that were not authorized by the City
3. In January 2020, Greenlite retracted the invoice from SCPPA and issued the July 9, 2019 invoice directly to RPU for an amount of \$45,853
 Invoice reflects an additional 2% discount in addition to the 4% SCPPA price savings



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DISCUSSION

1. RPU has worked with Greenlite on LED efficiency programs for several years
2. Staff agrees that Greenlite acted on behalf of RPU without authorization and acknowledges that:
 - a. RPU customers received a benefit from the energy savings and lower costs from the LED bulbs; and
 - b. Riverside retailers benefitted from customers who may have been drawn to their locations to purchase these bulbs.
3. RPU staff members are aware of the difficult situation this vendor has placed upon the City and staff continue to seek solutions to ensure this type of action is not repeated.



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RECOMMENDATION

That the City Council consider the Riverside Public Utilities Board recommendation to approve payment of the Greenlite Corporation invoice, in the amount of \$45,853, for services rendered and product delivered for the cancelled fiscal year 2019/20 Energy Efficiency Retail Light Emitting Diode Buydown Program.



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