

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: October 4, 2016

CAO File No. 0160-01573-0001  
Council District: All  
Council File No. 14-1478

To: The Mayor  
The Council

From:  Miguel A. Santana, City Administrative Officer 

Reference: Council report back under Council File No. 14-1478

Subject: **ADDENDUM TO THE EXISTING BUILDING ENERGY & WATER EFFICIENCY  
ORDINANCE FEE STUDY**

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### RECOMMENDATION

That the Council, subject to the approval of the Mayor, adopt the Office of the City Attorney's proposed ordinance to add Division 97 of Article I, Chapter IX of the Los Angeles Municipal Code to adopt the Existing Building Energy and Water Efficiency Program which includes the fees recommended in Attachment 1 and requires existing buildings to undergo energy and water efficiency audits and annual benchmarking of energy and water consumption.

### SUMMARY

On August 4, 2016, our Office completed a fully burdened time and materials cost analysis to determine the Existing Building Energy and Water Efficiency (EBEWE) Program fees. Subsequent to the release of the original report, the Department of Building and Safety requested an update to the original fee study to add certified mailing costs, as well as, eliminate the additional mailings charge (Attachment 1). The recommended revised fees are included in a proposed City Attorney ordinance adding Division 97 of Article I, Chapter IX of the Los Angeles Municipal Code to adopt the EBEWE Program.

### FISCAL IMPACT STATEMENT

There is no General Fund impact. The fees for the Existing Building Energy and Water Efficiency (EBEWE) Program are set at full cost recovery. Therefore, any cost incurred by the Department of Building and Safety to administer the EBEWE Program will be offset by fees collected. This recommendation is consistent with the City's Financial Policies as on-going expenditures will be fully supported by on-going revenues.

MAS:YC:ACA:JLK:02170044c

ATTACHMENT

LOS ANGELES DEPARTMENT OF BUILDING AND SAFETY  
FY 2016-17 EBEWE FEE ANALYSIS

The following provides a basis to estimate LADBS costs to provide services per the EBEWE Ordinance.

| Tasks   | No. Hours Per Task (A) | Classification Performing Task (B) | Code PG (C) | Top Step Hourly Salary Rate (D) | CAP 37 <sup>1</sup> (E) | Annual Expenses <sup>2</sup> (F) | Hourly Expenses (F)/1800=(G) | Total Hourly Rate (D)+(E)+(G)=(H) | Total Hourly Fee (A)*(H)=(I) |
|---|------------------------|------------------------------------|-------------|---------------------------------|-------------------------|----------------------------------|------------------------------|-----------------------------------|------------------------------|
| <b>Verify Compliance with Annual Disclosure</b>               |                        |                                    |             |                                 |                         |                                  |                              |                                   |                              |
| Send Notification   |                        |                                    |             |                                 |                         |                                  |                              |                                   |                              |
| Sort database; review, print & mail notification <sup>3</sup> | 0.08                   | OFFICE ENGRG TECH III              | 7212-3      | 36.47                           | 35.98                   | 4,352                            | 2.42                         | 74.87                             | 6.24                         |
| Answer questions from customers                               | 0.25                   | OFFICE ENGRG TECH III              | 7212-3      | 36.47                           | 35.98                   | 4,352                            | 2.42                         | 74.87                             | 18.72                        |
| Verify and log complete submissions                           | 0.08                   | OFFICE ENGRG TECH III              | 7212-3      | 36.47                           | 35.98                   | 4,352                            | 2.42                         | 74.87                             | 6.24                         |
| Engineering support activities <sup>4,5</sup>                 | 0.08                   | MECH ENGRG ASSC IV                 | 7554-4      | 59.89                           | 59.09                   | 6,481                            | 3.60                         | 122.58                            | 10.22                        |
| Supervisory support activities <sup>5,6</sup>                 | 0.04                   | BLD MECH ENGR II                   | 7561-2      | 70.42                           | 69.48                   | 6,098                            | 3.39                         | 143.29                            | 5.97                         |
| Clerical support activities <sup>5,6</sup>                    | 0.04                   | SR ADMINISTRATIVE CLERK            | 1368-0      | 30.99                           | 30.58                   | 4,352                            | 2.42                         | 63.99                             | 2.67                         |
| Fee Subtotal - Annual Disclosure Staff Cost                   |                        |                                    |             |                                 |                         |                                  |                              |                                   | \$ 50                        |
| Fee for Certified Mail Cost                                   |                        |                                    |             |                                 |                         |                                  |                              |                                   | \$ 11                        |
| <b>Fee Total - Annual Disclosure</b>                          |                        |                                    |             |                                 |                         |                                  |                              |                                   | <b>\$ 61</b>                 |

**Verify Compliance with Audit and Retro-Commissioning (5-years)**

|   |      |                         |        |       |       |       |      |        |               |
|---|------|-------------------------|--------|-------|-------|-------|------|--------|---------------|
| Send Notification   |      |                         |        |       |       |       |      |        |               |
| Sort database; review, print & mail notification <sup>3</sup> | 0.08 | OFFICE ENGRG TECH III   | 7212-3 | 36.47 | 35.98 | 4,352 | 2.42 | 74.87  | 6.24          |
| Answer questions from customers                               | 0.25 | OFFICE ENGRG TECH III   | 7212-3 | 36.47 | 35.98 | 4,352 | 2.42 | 74.87  | 18.72         |
| Supervisory support activities <sup>5,6</sup>                 | 0.03 | BLD MECH ENGR II        | 7561-2 | 70.42 | 69.48 | 6,098 | 3.39 | 143.29 | 4.78          |
| Engineering support activities <sup>4,5</sup>                 | 0.07 | MECH ENGRG ASSC IV      | 7554-4 | 59.89 | 59.09 | 6,481 | 3.60 | 122.58 | 8.17          |
| Clerical support activities <sup>5,6</sup>                    | 0.03 | SR ADMINISTRATIVE CLERK | 1368-0 | 30.99 | 30.58 | 4,352 | 2.42 | 63.99  | 2.13          |
| Technical Verification  |      |                         |        |       |       |       |      |        |               |
| Verify required information is provided                       | 0.50 | OFFICE ENGRG TECH III   | 7212-3 | 36.47 | 35.98 | 4,352 | 2.42 | 74.87  | 37.44         |
| Answer questions from customers                               | 0.50 | OFFICE ENGRG TECH III   | 7212-3 | 36.47 | 35.98 | 4,352 | 2.42 | 74.87  | 37.44         |
| Engineering support activities <sup>5,7</sup>                 | 0.30 | MECH ENGRG ASSC IV      | 7554-4 | 59.89 | 59.09 | 6,481 | 3.60 | 122.58 | 36.77         |
| Supervisory support activities <sup>5,6</sup>                 | 0.10 | BLD MECH ENGR II        | 7561-2 | 70.42 | 69.48 | 6,098 | 3.39 | 143.29 | 14.33         |
| Clerical support activities <sup>5,6</sup>                    | 0.10 | SR ADMINISTRATIVE CLERK | 1368-0 | 30.99 | 30.58 | 4,352 | 2.42 | 63.99  | 6.40          |
| Fee Subtotal - Audit and Retro-Commissioning Staff Cost       |      |                         |        |       |       |       |      |        | \$ 172        |
| Fee for Certified Mail Cost                                   |      |                         |        |       |       |       |      |        | \$ 11         |
| <b>Fee Total - Audit and Retro-Commissioning</b>              |      |                         |        |       |       |       |      |        | <b>\$ 183</b> |

**Noncompliance for Annual Disclosure or Audit and Retro-Commissioning**

|   |      |                         |        |       |       |       |      |        |               |
|---|------|-------------------------|--------|-------|-------|-------|------|--------|---------------|
| Assess fee, send to owner, follow through               | 2.00 | OFFICE ENGRG TECH III   | 7212-3 | 36.47 | 35.98 | 4,352 | 2.42 | 74.87  | 149.74        |
| Supervisory support activities <sup>6</sup>             | 0.20 | BLD MECH ENGR II        | 7561-2 | 70.42 | 69.48 | 6,098 | 3.39 | 143.29 | 28.66         |
| Clerical support activities <sup>6</sup>                | 0.20 | SR ADMINISTRATIVE CLERK | 1368-0 | 30.99 | 30.58 | 4,352 | 2.42 | 63.99  | 12.80         |
| Fee Subtotal - Audit and Retro-Commissioning Staff Cost |      |                         |        |       |       |       |      |        | \$ 191        |
| Fee for Certified Mail Cost                             |      |                         |        |       |       |       |      |        | \$ 11         |
| <b>Fee Total - Noncompliance</b>                        |      |                         |        |       |       |       |      |        | <b>\$ 202</b> |

| <sup>1</sup> CAP 37 includes Fringe, CS, CTO & Dept Ad=98.67% | Fringe | Central Services | Dept Admin | CTO    | Total  |
|---|--------|------------------|------------|--------|--------|
|   | 40.73% | 14.07%           | 22.03%     | 21.84% | 98.67% |

<sup>2</sup> Expenses include Mileage, Printing and Binding, Contractual Services, Office & Admin, Operating Supplies, and Equipment; these expenses vary per classification.

<sup>3</sup> Includes one notice sent to all customers. See Attachment 3 for assumptions on additional notices or noncompliance situations.

<sup>4</sup> Time needed for these support activities calculated based on 20% of OET time needed for this task.

<sup>5</sup> See position descriptions for additional information on tasks performed by these positions.

<sup>6</sup> Time needed for these support activities calculated based on 10% of OET time needed for this task.

<sup>7</sup> Time needed for these support activities calculated based on 30% of OET time needed for this task, due to additional complexity anticipated during technical verification tasks.