



STAFF REPORT
4/23/2025

TO: Honorable Mayor and City Council Members

FROM: Maritza Martinez, Public Works Director

SUBJECT: Authorize Interim City Manager to approve Change Order No. 2 for the Multi-Site Energy Improvement Project awarded to Alliance Building Solutions, Inc. for an amount of \$145,000 to install an additional 194 street light fixtures (LED) with smart control nodes; authorize allocation from undesignated general funds revenue in the amount of \$145,000.

STAFF RECOMMENDATION:

Authorize Interim City Manager to approve Change Order No. 2 for the Multi-Site Energy Improvement Project awarded to Alliance Building Solutions, Inc. for an additional amount of \$145,000 to install an additional 194 street light fixtures (LED) with smart control nodes; authorize allocation from undesignated general funds revenue in the amount of \$145,000.

BACKGROUND:

On July 26, 2023, the City Council (“Council”) of the City of Coachella (“City”) adopted Resolution No. 2023-53, approving that certain Contract For Design and Construction of Energy Conservation Measures – Lump Sum (Gov. Code, § 4217, *et seq.*) (Multi-Site Energy Improvement Project) (the “DB Contract”) with Alliance Building Solutions, Inc. (“Alliance”). The DB Contract requires Alliance to design and construct several different types of energy conservation measures within the City (collectively, the “City Scope”), including, the following scope of work that the City agreed to construct on behalf of the Coachella Sanitary District (“District”) at the Wastewater Treatment Plant: (i) solar photovoltaic panels; and (ii) process optimization improvements (collectively, the “District Scope” and together with the City Scope, the “Project”). The City has proposed to finance the Project, and has obtained a rate lock of 4.344% for the financing from Banc of America Public Capital Corp (the “Lender” or “Bank”) which the Bank has agreed to extend through November 9, 2023.

On October 25, 2023, the Council adopted Resolution No. 2023-72 approving the financing for the Project and the execution and delivery of the Equipment Lease/Purchase Agreement and related documents with the Bank. In connection with approval of Resolution No. 2023-72, the Council placed a condition on said resolution directing staff to finance the entire Project, including the District Scope, or alternatively not finance any of the Project.

On November 8, 2023, the City Council approved Resolution No. 2023-72, allowing staff to execute and deliver financing documents to finance the Project without the process optimization improvements at the Wastewater Treatment Plant. The total awarded project improvements with this final adjustment in scope totaled \$7,157,601.

On July 24, 2024, the City Council approved Change Order No. 1 approving the upgraded light emitting diode (LED) fixtures to include installation of smart nodes to provide staff real time information if a fixture fails, thus allowing for faster response times by staff for repairs.

DISCUSSION/ANALYSIS:

The Project improvements include energy improvements at the following facilities:

- Bagdouma Park
 - o completed
- Rancho Las Flores Park
 - o completed
- Public Works Building
 - o completed
- Bagdouma Park Community Center
 - o completed
- City-wide (street light fixtures upgrades)
 - o 90% complete
- 6th Street Decorative Lighting
 - o 80% complete
- Civic Center (solar carports)
 - o 80% complete
- Wastewater Treatment Plant (solar array).
 - o 80% complete

The City-Wide improvements have upgraded city street lights from HPS (high pressure sodium) to LED (light emitting diode) fixtures. These improvements will provide both energy and maintenance operations savings. From the original count acquired in collaboration with IID there are 194 additional city-maintained street lights that require upgraded LED fixtures. Staff is recommending approval of Change Order No. 2, which will allow for upgrades to the remaining 194 street light fixtures to LED (with smart nodes). The additional 194 fixtures, once upgraded, will provide energy, operations and maintenance savings over the next 10-15 years of \$145,000.

A public entity is exempted from competitively bidding a public project when the governing body finds that “the nature of the subject of the contract is such that competitive proposals would be unavailing or would not produce an advantage, and the advertisement for competitive bid would thus be undesirable, impractical, or impossible.” (*Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal.App.3d 631, 637.) Here, Alliance is already mobilized and performing work on the installation of the lighting fixtures. Bidding the work would not produce an advantage because Alliance is already mobilized; Alliance can install the controls while performing its current work. This produces cost efficiencies that support a finding that there would be no advantage to the City

generated by the City's competitive bidding of the work in the change order and that competitively bidding would be impractical.

FISCAL IMPACT:

The recommended action will require a one-time allocation from undesignated general fund in the amount of \$145,000 and will provide long-term energy savings that will make this investment a net-zero cost to the City.

Attachment:

Change Order No. 2