



**STAFF REPORT**  
**7/24/2024**

**TO:** Honorable Mayor and City Council Members

**FROM:** Maritza Martinez, Public Works Director

**SUBJECT:** Authorize City Manager to approve Change Order No. 1 for the Multi-Site Energy Improvement Project awarded to Alliance Building Solutions, Inc. for an additional amount of \$242,144.00 to install smart controls to city owned street light fixtures improving maintenance repair response times; authorize allocation from undesignated general funds revenue in the amount of \$242,144.00.

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**STAFF RECOMMENDATION:**

Authorize City Manager to approve Change Order No. 1 for the Multi-Site Energy Improvement Project awarded to Alliance Building Solutions, Inc. for an additional amount of \$242,144.00 to install smart controls to city owned street light fixtures improving maintenance repair response times; authorize allocation from undesignated general funds revenue in the amount of \$242,144.00 and find that bidding the work would not produce an advantage and be impractical.

**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.

**DISCUSSION/ANALYSIS:**

The Project is currently seventy percent complete. The energy improvements at Bagdouma Park, Rancho Las Flores Park, Public Works Building and Bagdouma Park Community Center have been completed. Improvements at the following sites are still ongoing: City-wide, Civic Center and the Wastewater Treatment Plant.

The City-Wide improvements include installation of decorative lighting along 6<sup>th</sup> Street and upgrading city street lights from HPS (high pressure sodium) to LED (light emitting diode) fixtures. These improvements will provide both energy and maintenance operations savings. Staff is recommending installing smart controls to the new fixtures, which was not original to the scope of work. The added smart controls would provide real time information to staff when street light fixtures are not operating due to power/sensor/bulb failures; this access to information of the city street light assets will allow staff to repair non-operable street lights more responsively. It is timely to include this additional work now as the smart controls can be installed at the same time as the new fixtures, thus not requiring additional costs to be incurred at a later time for installation. It is estimated the city will see additional operations and maintenance savings over the next 10-15 years of \$136,562 by including these smart controls to its street light fixtures.

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 and a separate contractor would have to uncover work performed by Alliance; 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 an allocation from undesignated general fund in the amount of \$242,144 as the financing has not finalized.

Attachment:  
Change Order No. 1