



Folsom City Council Staff Report

MEETING DATE:	6/23/2026
AGENDA SECTION:	New Business
SUBJECT:	Resolution No. 11661 – A Resolution Authorizing the City Manager to Execute an Agreement with Schneider Electric Buildings Americas, Inc. for the Development of an Energy Savings Conservation Project and Performance Contract in the Amount of \$180,000 and Appropriation of Funds
FROM:	City Manager's Office

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends the City Council adopt Resolution No. 11661 - A Resolution Authorizing the City Manager to Execute an Agreement with Schneider Electric Buildings Americas, Inc. for the Development of an Energy Savings Conservation Project and Performance Contract in the Amount of \$180,000 and Appropriation of Funds.

BACKGROUND / ISSUE

On August 28, 2018, City Council adopted the City's 2035 General Plan which established:

- Sustainability goals and policies across land use, transportation, and facilities
- Greenhouse Gas (GHG) Emissions Reduction Strategy appendix
- Ongoing programs tied to energy efficiency and emissions reduction

Since February 2026, Schneider Electric Buildings Americas, Inc. has worked collaboratively with the City Manager and staff from Utilities, Public Works (PW), and Parks and Recreation (P&R) to evaluate citywide opportunities to reduce energy consumption and improve operational efficiency. This effort has included assessing existing infrastructure conditions, identifying energy conservation measures (ECMs), and developing a path forward for a comprehensive energy conservation program.

Based on this evaluation, the City has selected Schneider Electric Buildings Americas, Inc. as its Energy Services Company (ESCO) partner, with the goal to deliver a holistic, turnkey approach to energy and infrastructure improvements. As the selected ESCO, Schneider Electric Buildings Americas, Inc. will, in phase one of the process, provide project development services, including engineering, and design services. Phase one of the process is what will be approved if Resolution

No.11661 is adopted. Following delivery of a Project Proposal, the Council will have the opportunity to evaluate Schneider Electric Buildings Americas, Inc.'s proposals for implementation, financing support, and ongoing measurement and verification of the identified ECMs. If Schneider is selected by the Council to perform construction and implementation of the ECMs, Schneider has agreed to include in its proposal a guarantee under which Schneider will assume performance and technical risk associated with the installed improvements.

Partnering with a qualified ESCO enables the City to modernize aging infrastructure, address operational inefficiencies, and implement cost-effective energy solutions that align with the City's long-term sustainability, resiliency, and fiscal objectives.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$77,426 or greater shall be awarded by City Council.

Schneider's design and engineering work on phase one of this proposed project constitutes a professional service as defined by Folsom Municipal Code section 2.36.030. Pursuant to Folsom Municipal Code section 2.36.120, contracts for professional services may be awarded without the competitive procurement processes required for award of contracts for other, non-professional services.

This action is consistent with:

- City of Folsom Strategic Plan, Goal B - Environmental Sustainability
- City of Folsom 2035 General Plan, Appendix A - Greenhouse Gas Emissions Reduction Strategy

ANALYSIS

The City seeks to prioritize a comprehensive program focused on evaluating and implementing energy conservation measures (ECMs) that improve operational efficiency, reduce energy consumption, and address deferred infrastructure needs.

The initial phase of the Energy Service Contract will include a detailed evaluation of the City's existing energy usage and infrastructure systems. This assessment will identify optimization opportunities such as:

- LED lighting retrofits
- Heating, ventilation, and air conditioning (HVAC) system upgrades
- Installation of variable frequency drives (VFDs)
- Implementation of building automation systems
- Installation of solar PV systems

The Design Phase is anticipated to include key City facilities such as City Hall, the Community Center, park facilities, and the Aquatic Center, as well as broader infrastructure assets such as streetlighting and park systems.

Schneider Electric Buildings Americas, Inc. will conduct a comprehensive Design Phase that includes:

- Scope of work and engineering analysis
- Project schedule and phasing
- Firm pricing
- Projected energy and operational savings
- Equipment and design specifications
- Identification of utility incentives, grants, and other funding opportunities

This approach provides the City with a clear technical and financial basis for potential project implementation and ensures that any future project is grounded in measurable outcomes and cost-effectiveness.

Pursuant to California Government Code Sections 4217.10 through 4217.18, the City is authorized to enter into energy service contracts that allow for the acquisition and financing of energy efficiency improvements, provided that the anticipated energy cost savings meet or exceed project costs. After receiving the project proposal Schneider prepares as a part of phase one, which will include the scope of proposed work and the cost, staff will return to the Council to seek authority to proceed with phase two of the project. Phase two, if approved, will be construction of the ECMs recommended in the project proposal.

As a part of the action to approve phase two of this project, the Council will be asked to make findings in a specially noticed public hearing to the effect that the anticipated energy cost savings meet or exceed project costs. Schneider intends to include information to support these findings in the project proposal, which will be presented to the Council with any request to proceed with phase two of the project.

The California Government Code allows local governments to bypass traditional competitive bidding requirements for Energy Conservation Contracts if the findings referenced above are made in a specially noticed public hearing. The Legislature allowed this limited carve out from traditional competitive bidding requirements in order to further the policy described in Public Resources Code section 25008, which states in pertinent part, “It is further the policy of the state and the intent of the Legislature to promote all feasible means of energy and water conservation and all feasible uses of alternative energy and water supply sources.” The Legislature stated that the “criteria used in analysis of proposed actions shall include lifecycle cost evaluation, benefit to taxpayers, reduced fossil fuel or reduced water consumption depending on the application, and improved efficiency.” Information allowing the Council to evaluate these and other applicable criteria will be presented to the Council with the staff report for consideration of approving phase two of this project.

Through this process, Schneider Electric Buildings Americas, Inc. will perform an integrated energy assessment to identify both supply-side and demand-side energy conservation measures (ECMs) across City assets, including facilities, parks, and streetlighting. The results of the assessment will provide the engineering, financial, and operational basis for the City to determine whether to proceed with implementation. Upon City Council approval of a future Amendment (phase two of the project), the City may authorize a Construction Notice to Proceed, at which time Schneider Electric Buildings Americas, Inc. would deliver engineering,

procurement, construction, installation, maintenance, and training services associated with the approved energy conservation projects.

Staff recommends proceeding with phase one of the Energy Service Contract, which includes an evaluation of the City's existing energy usage and infrastructure systems, an assessment to identify optimization opportunities, and design of proposed ECMs, as well as preparation of a project proposal, to fully evaluate opportunities, costs, and savings prior to any future commitment to construction.

FINANCIAL IMPACT

If approved, this Resolution authorizes the City Manager to execute an agreement with Schneider Electric Buildings Americas, Inc. for the phase one services described above, in an amount not to exceed \$180,000.

The agreement will require City Council authorization to utilize \$124,803 from the FY 2026/27 General Fund (Fund 010) contingency budget, and an appropriation of \$49,367 in the Water Operating Fund (Fund 520) and \$5,830 in the Wastewater Operating Fund (Fund 530). Sufficient funding is available within each fund to support the cost associated with the agreement.

ENVIRONMENTAL REVIEW

The proposed action authorizes the development and evaluation of potential energy conservation measures and does not constitute a commitment to a specific project. Any future construction or implementation activities will be subject to environmental review in accordance with the California Environmental Quality Act (CEQA). As a result, the proposed action is not a project for purposes of CEQA because CEQA only applies to activities that may cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Because the proposed agreement does not have the potential to cause a physical change in the environment directly or indirectly, it is not a project subject to CEQA. (Public Resources Code §§ 21065; 21080(b)(1), (9); CEQA Guidelines §§ 15060(c), (2), (3); 15378(b)(2), (5).) If for any reason the proposed action is considered a project, it is exempt from CEQA review pursuant to CEQA Guidelines § 15061(b)(3) because it can be seen with certainty that there is no possibility the activity in question may have a significant effect on the environment..

ATTACHMENTS

1. Resolution No. 11661 - A Resolution Authorizing the City Manager to Execute an Agreement with Schneider Electric Buildings Americas, Inc. for the Development of an Energy Savings Conservation Project and Performance Contract in the Amount of \$180,000 and Appropriation of Funds.

Submitted,

Bryan Whitemyer
City Manager

Attachment 1

RESOLUTION NO. 11661

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH SCHNEIDER ELECTRIC BUILDINGS AMERICAS, INC. FOR THE DEVELOPMENT OF AN ENERGY SAVINGS CONSERVATION PROJECT AND PERFORMANCE CONTRACT IN THE AMOUNT OF \$180,000 AND APPROPRIATION OF FUNDS

WHEREAS, the City of Folsom is committed to maintaining and improving its public facilities, infrastructure, and operational efficiency; and

WHEREAS, the City seeks to reduce energy consumption, lower utility costs, address deferred maintenance needs, and achieve greenhouse gas emissions reductions consistent with the City's General Plan and sustainability goals; and

WHEREAS, Energy Savings Performance Contracting (ESPC), pursuant to California Government Code Section 4217, enables the City to implement energy and operational improvements that are paid for through guaranteed savings; and

WHEREAS, City staff has evaluated opportunities for Citywide energy conservation improvements and determined that a comprehensive program would provide significant long-term operational and financial benefits; and

WHEREAS, Schneider Electric Buildings Americas, Inc. is a qualified Energy Service Company (ESCO) with experience in delivering turnkey energy efficiency, infrastructure modernization, and performance-based contracting solutions for public agencies; and

WHEREAS, the proposed agreement will authorize Schneider Electric Buildings Americas, Inc. to conduct detailed facility assessments, including a Design to identify energy conservation measures, and develop a comprehensive Energy Service Contract for City Council consideration; and

WHEREAS, the work to be performed by Schneider Electric Buildings Americas, Inc. in phase one of this project, including facility assessments, preparation of a design and project proposal to identify energy conservation measures and overall development of an Energy Savings Conservation Project, qualifies as a professional service under Folsom Municipal Code § 2.36.030; and

WHEREAS, this procurement is in conformity with Folsom Municipal Code § 2.36.120, Contracting for Designated Professional Services; and

WHEREAS, the agreement supports the City's objectives to reduce energy use, improve system reliability, and implement cost-effective capital improvements through a performance-based delivery model; and

WHEREAS, sufficient funds are available in the General Fund (Fund 010), Water

Operating Fund (Fund 520) and Wastewater Operating Fund (Fund 530) for the appropriation; and

WHEREAS, the contract will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom hereby authorizes the City Manager to execute an agreement with Schneider Electric Buildings Americas, Inc. for the development of an Energy Savings Conservation Project and Performance Contract in the amount of \$180,000.

BE IT FURTHER RESOLVED that the City Council of the City of Folsom hereby authorizes the use of \$124,803 in the FY 2026-27 General Fund (Fund 010) contingency budget towards funding the agreement.

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate in the FY 2026-27 budget, \$49,367 in the Water Operating Fund (Fund 520) and \$5,830 in the Wastewater Operating Fund (Fund 530).

PASSED AND ADOPTED on this 23rd day of June 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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to facilitate double-sided printing
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CITY OF
FOLSOM
DISTINCTIVE BY NATURE