



DATE: December 14, 2021

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Installation of Solar Panels at Three City Facilities, Project 16-42 – Accept Construction and Approve Professional Services Agreement**

RECOMMENDATION

1. Accept Installation of Solar Panels at Three City Facilities, Project 16-42, and authorize the final contract payment.
2. Authorize the City Manager or designee to execute a professional services agreement with Optony Inc. for professional and technical services for solar system installation and performance monitoring in a not-to-exceed amount of \$100,000, for a total compensation amount of \$146,252.

BACKGROUND AND ANALYSIS

Solar Photovoltaic Panel Installation

“Acceptance” of a construction contract is a legal event recognized by State law when the City verifies the contractor has satisfactorily completed a public project. Once accepted, the work on the public project is complete, and other actions occur, such as final payment to the contractor and the release of bonds obtained by the contractor that ensure completion of the project. Following acceptance, the City becomes responsible for the maintenance of the public project.

In November 2012, the City joined the Alameda County Regional Renewable Energy Procurement (RREP) program, an initiative that used a collaborative procurement process to purchase renewable energy for public agencies throughout Alameda, Contra Costa, San Mateo, and Santa Clara Counties. The goal was to implement solar power generation at City facilities to reduce operational expenses over time, greenhouse gas emissions, and the City’s dependence on purchasing electricity from a conventional utility source.

Based on the feasibility study conducted by Optony Inc. (the City's third-party solar consultant), the Municipal Operations Center (MOC), Shoreline Maintenance Facility, and Shoreline Golf Pro Shop were selected for solar system installation. Alameda County was the lead agency for the RREP program and conducted the two-stage proposal process between September 2013 and April 2014. SolarCity Corporation (later bought and merged with Tesla Inc. during the project) was the top-ranked proposer. In July 2015, Council approved an Energy Service Contract with SolarCity with the base price of \$1,670,284 and a construction contingency of \$251,000 for a total not-to-exceed amount of \$1,921,284. The project included the installation of a 434 kilowatt roof-mounted system at the MOC, a 40 kilowatt carport system at the Shoreline Maintenance Facility, and a 109 kilowatt carport system at the Shoreline Golf Pro Shop.

Installation began in August 2015 and was substantially completed in February 2016. A variety of technical issues arose during system start-up, delaying staff's recommendation to Council to accept the construction. All issues have now been resolved, and all work has been completed in accordance with the approved plans and specifications.

The final construction cost of \$1,713,184 is within the construction contract of \$1,921,284 and includes four change orders totaling \$42,900, resulting in a contract savings of \$208,100.

Solar System Professional Services Agreement

As part of the RREP program, Alameda County engaged Optony Inc. (Optony) as the technical consultant to support the program regionally. All RREP participating agencies could also obtain technical services with Optony under a discounted fee schedule. In July 2014, the City executed a \$46,252 contract (including amendments) with Optony for solar system technical support, including development of a solar system feasibility study, technical solar contract review, technical assistance during design construction, and project commissioning. The original contract with Optony was fully expended and expired in December 2018.

The design and construction process was more complex and took longer than anticipated, and additional services were needed and provided by Optony. Staff received a proposal for additional services but neglected to execute a new contract. The recommended actions would fund the services provided to date (approximately \$72,000) and those

additional services required to fully support ongoing coordination and optimization. Services under the recommended contract include:

- Coordination with the City and the installer to track milestones, resolve system performance issues, and advise on system optimization practices;
- Analysis of site-specific operational, facility, structural, and environmental challenges that may require further detailed assessment or that may limit the production of solar systems;
- Identification and coordination of necessary maintenance and repair work;
- Evaluation of solar monitoring platform and process for effective performance analysis and notification;
- Analysis of utility programs and offerings to optimize financial benefit to the City;
- Coordination with utility to drive necessary upgrades for full solar performance;
- Support in procurement of third-party system management, with evaluation of proposals; and
- Support with vendor warranty claims, as needed.

The recommended fee is \$100,000 for the services identified. If the recommended action is approved by Council, Optony would begin services in February 2022.

FISCAL IMPACT

Installation of Solar Panels at Three City Facilities, Project 16-42, is funded with \$660,000 from the CIP Reserve Fund, \$1,045,000 from the Shoreline Regional Park Community Fund, \$532,000 from the Water Fund, and \$133,000 from the Wastewater Fund for a total funding of \$2,370,000. The total project expenditure is estimated to be \$2,323,000, including design/build construction contract, project management, construction inspection, and the professional technical services on system monitoring if approved by Council. The fee for the recommended agreement is for a not-to-exceed amount of \$100,000 for services provided and additional professional services, for a total compensation amount of \$146,252. The project has sufficient funds for the recommended action.

ALTERNATIVES

1. Determine that the improvements have not been completed in conformance with City standards and decline to accept the improvements until they are completed to the satisfaction of the City Council.
2. Provide other direction.

PUBLIC NOTICING – Agenda posting.

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