

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, MAKING STATUTORY FINDINGS PURSUANT TO GOVERNMENT CODE SECTION 4217.12, APPROVING AN ENERGY SERVICES CONTRACT WITH SYSERCO ENERGY SOLUTIONS, INC. FOR THE DESIGN AND CONSTRUCTION OF CITY-WIDE FACILITY ENERGY EFFICIENCY RETROFITS AND SOLAR PHOTOVOLTAIC INSTALLATIONS, AND AUTHORIZING EXECUTION THEREOF

WHEREAS, California Legislative Government Code Sections 4217.10 through 4217.18 authorize public entities, including municipalities, to enter into energy services contracts for the engineering, procurement, construction, installation, and monitoring of energy conservation measures on a design-build basis without traditional competitive bidding, provided that the public agency's governing body holds a noticed public hearing and determines that the project's cost is offset by financial savings; and

WHEREAS, Syserco Energy Solutions, Inc. (SES), a qualified design-build energy services contractor, has performed an intensive Investment Grade Audit across the City's portfolio of facilities, establishing a historical energy consumption baseline and identifying critical opportunities to reduce energy consumption and stabilize operating costs; and

WHEREAS, SES has prepared a comprehensive Energy Services Proposal dated May 22, 2026 (Exhibit E to the Energy Services Contract) detailing specific facility enhancements, comprising Energy Conservation Measure (ECM) 5.01 (Building Lighting Upgrade & Controls across seven City structures) and ECM 11.01 (Install Solar Photovoltaic System at the Teen Center); and

WHEREAS, implementation of these measures will generate approximately 244,795 kWh in annual electrical consumption offsets, yielding an estimated \$61,126.00 in first-year utility billing savings and \$23,268.00 in annual operations and maintenance cost savings, culminating in a projected 30-year compound lifecycle cost avoidance of \$2,187,900.00; and

WHEREAS, the proposed Energy Services Contract establishes a firm-fixed turnkey contract price of \$1,796,450.00, which will be offset by projected long-term utility cost avoidance and immediate direct-pay eligibility for the Federal Investment Tax Credit, Domestic Content Bonus, and Energy Community Bonus under the Inflation Reduction Act; and

WHEREAS, on July 14, 2026, the City Council of the City of Commerce held a properly noticed public hearing during a regularly scheduled meeting in full compliance with California Government Code Section 4217.12, providing all members of the public an opportunity to comment on the proposed Energy Services Contract, the financial analysis, and the associated documents. The Notice of Public Hearing was published on July 1, 2026.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby finds and declares that the above recitals are true and correct and are incorporated into the body of this Resolution by this reference.

SECTION 2. Based upon the staff report, the technical presentations, the financial data within the Energy Services Proposal, and testimony received during the public hearing, the City Council hereby explicitly makes the following statutory determinations:

1. The cost to the City to implement the energy conservation measures described in the Energy Services Proposal and Contract will be less than the anticipated marginal cost to the City of thermal, electrical, or other energy that would have been consumed by the City in the absence of those energy conservation measures.
2. The entry into the Energy Services Contract with Syserco Energy Solutions, Inc. is in the best economic and operational interests of the City of Commerce and its citizens.

SECTION 3. The City Council finds that this project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1, Existing Facilities) for the mechanical, control, and interior lighting modifications to existing municipal structures, and Section 15303 (Class 3, New Construction or Conversion of Small Structures) for the installation of localized rooftop solar photovoltaic panels and accessory displays. Staff is directed to file a Notice of Exemption (NOE) with the County Clerk within five (5) business days.

SECTION 4. The City Council hereby approves the Energy Services Contract with Syserco Energy Solutions, Inc. in a form approved by the City Attorney in an amount of \$1,796,450.00, attached herein as Exhibit A and authorizes the City Manager to negotiate and finalize the final terms of the agreement and all associated documents on behalf of the City.

SECTION 5. The City Manager or his designated representative, and/or the Mayor are hereby authorized to execute the Energy Services Contract attached herein as Exhibit A, in a form approved by the City Attorney, and to execute all necessary amendment(s) to the agreement, all subsequent certificates of completion, utility interconnection documents, and applications for federal tax credit direct-payments necessary to complete the project.

SECTION 6. The City Council hereby authorizes up to 15% (\$269,468.00) of the construction contract amount for construction contingency to cover unforeseen conditions.

SECTION 7. The City Council hereby authorizes up to 10% (\$206,592.00) of the total construction contract and contingencies for Construction Management and

Inspection services.

SECTION 8. Allocates funding in the amount of \$2,272,510.00 to cover the total cost of the Project

SECTION 8. Authorizes to proceed with Construction Management and Inspection Services pursuant to the existing on-call agreement for consultant services.

SECTION 10. This Resolution shall take full force and effect immediately upon adoption by the City Council.

PASSED, APPROVED, AND ADOPTED THIS 14TH DAY OF JULY 2026.

Kevin Lainez, Mayor

ATTEST:

Pat Jacquez-Nares, Interim City Clerk