



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: Rescission of Contract Award to Energy Smart Group and Award of Construction Contract to VVD (Video Voice Data Communications) for the City Hall Electric Vehicle Charging Station Installation Project

MEETING DATE: July 28, 2026

RECOMMENDATION

The City Council will consider adopting a Resolution:

1. Rescinding the construction contract award to ESG (Energy Smart Group) for the City Hall Electric Vehicle Charging Station Installation Project made on May 26, 2026; and
2. Awarding the contract to ChargePoint's approved vendor VVD (Video Voice Data Communications) for the total construction cost of \$261,026; and
3. Authorizing the Mayor to execute the contract with VVD in a form approved by the City Attorney and furthermore authorizing the City Manager or his designee to execute any documents related to the Project including rebate or amendments to the agreement with VVD; and
4. Authorizing up to 15% of the construction cost in contingencies for unforeseen conditions, and up to 10% of the total construction and contingencies costs for Construction Management and Inspection; and
5. Authorizing Transtech Engineers, Inc. to proceed with Construction Management and Inspection Service, pursuant to their existing on-call consultant services.

BACKGROUND

On May 26, 2026, the City Council adopted a Resolution awarding a design-build contract to ESG for the City Hall Electric Vehicle Charging Station Installation Project in the amount of \$261,026. The award was based on ESG's role in assisting the City with the engineering design and project development process, which enabled the City to successfully secure a rebate through the Communities in Charge (CIC) program, and on ESG's designation by ChargePoint, Inc. as a certified partner for the project.

Following award of contract, staff conducted further review of the roles held by the parties involved in the project. It has been determined that ESG's role is restrictive as the City's rebate and engineering consultant, assisting with the CIC rebate application and design process, rather than that of the installing contractor. The entity certified and authorized by

ChargePoint to supply, install, commission, and support the ChargePoint EV charging equipment for the project is VVD, which works closely with both ESG and ChargePoint on projects of this type. The City received correspondence from ESG advising the City that ESG rescinded the construction contract award and recommending that the City award the construction contract to VVD. A copy of the correspondence is included as an attachment to this staff report.

To ensure the construction contract is properly awarded to the entity that will perform the installation work, staff recommends that the City Council rescind the contract award to ESG and instead award the design-build contract to VVD. ESG's prior work assisting the City in securing the CIC rebate and supporting the engineering design process is unaffected by this correction, and ESG will continue to be available to support the project in its consulting capacity as needed (see attached letter from ESG). All other terms, conditions, project scope, funding sources, and cost estimates approved by the Council on May 26, 2026, remain unchanged.

ANALYSIS

The project consists of the supply, installation, commissioning, and activation of ChargePoint EV charging stations at City Hall rear parking lot, including all associated electrical work, site preparation, equipment mounting, network configuration, and testing required for a fully operational EV charging system. The work performed shall comply with all applicable federal, state, and local laws and regulations, including California prevailing wage requirements.

The City was awarded rebate funding through the Communities in Charge (CIC) Program for the installation of ChargePoint EV charging equipment as identified in the approved rebate application. The rebate agreement establishes the equipment and project parameters to which the City is contractually bound. Substituting a different equipment manufacturer or utilizing an installer that is not authorized under the ChargePoint program could jeopardize the City's rebate funding and the associated financial benefits.

ChargePoint, Inc. maintains an active cooperative purchasing Master Agreement with Sourcewell (Agreement No. 021825), which was competitively procured and satisfies public procurement requirements. The agreement covers Electric Vehicle Supply Equipment (EVSE) and related services, including equipment supply, installation, commissioning, software, and maintenance, and is valid through September 18, 2029, with extension options available.

ChargePoint's standard practice is to designate a single certified installation partner for each project site to ensure quality control, warranty compliance, system integration, and successful network activation. VVD is ChargePoint's certified and authorized installation partner for Los Angeles and Orange Counties and is the entity designated to perform the construction, installation, commissioning, and activation of the EV charging stations for this project. Utilizing a contractor other than the designated ChargePoint-certified installer could jeopardize warranty coverage, manufacturer support, network activation, and compliance with the CIC rebate requirements.

Based on the foregoing, staff has determined that rescinding the previous contract award to Energy Smart Group (ESG) and awarding the design-build contract to VVD is in the City's best interest. This action correctly aligns the construction contract with the entity designated to perform the installation work, preserves the City's eligibility for the CIC rebate, maintains the 5-year manufacturer warranty and technical support, and ensures successful completion and activation of the City's EV charging infrastructure.

FISCAL IMPACT

This action does not change the fiscal impact previously approved by the City Council on May 26, 2026. The total estimated cost for the City Hall Electric Vehicle Charging Station Installation Project, including construction management, inspection, and contingencies, is \$330,198 of which \$119,000 will be covered from the CIC Rebate. Funds in the amount of \$211,198 from current CIP Project savings will be used to cover the required City funds. No additional appropriation is required at this time.

Following is a summary of the project cost:

Construction Cost	\$261,026
Construction Contingencies (15%)	\$39,154
Subtotal	\$300,180
Construction Management, and Inspection (10%)	\$30,018
Total Project Cost	\$330,198
Communities in Charge Rebate	\$119,000
Required Local Funds from CIP Project Savings	\$211,198

ENVIRONMENTAL

The project is categorically exempt from the California Environmental Quality Act (CEQA) under Section 15301, Class 1 of the CEQA Guidelines. This exemption applies to the repair, maintenance, or minor alteration of existing public facilities involving negligible or no expansion of existing or former use.

ALTERNATIVES

1. Approve the recommendation.
2. Reject the recommendation.
3. Provide staff with further direction.

RELATIONSHIP TO STRATEGIC GOALS

This agenda item relates to the 2016 Strategic Plan, Community Quality of Life

Guiding Principle 4:

Support and evaluate community services, programs and events that promote healthy and quality lifestyles for our residents. Enhance public safety and social services through innovative programs that meet the needs of the residential and business communities.

Recommended by: Andy Ramirez, Interim Director of Public Works
Fiscal Impact reviewed: Alvaro Castellon, Director of Finance
Approved as to form by: Noel Tapia, City Attorney
Respectfully submitted by: Ernie Hernandez, City Manager

ATTACHMENTS:

1. Resolution
 - 1.1 Exhibit A – Communities in Charge Rebate Agreement
 - 1.2 Exhibit B – ChargePoint Designated Partner Letter
 - 1.3 Exhibit C – ChargePoint Sourcewell Contract (reference)
2. Construction Contract - VVD (Video Voice Data Communications)
3. Energy Smart Group Letter to Rescind Award dated July 21, 2026