



# City of Rialto

## Legislation Details (With Text)

**File #:** CC-19-786    **Version:** 1    **Name:**  
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**On agenda:** 9/10/2019    **Final action:** 9/10/2019  
**Title:** Request City Council to Approve the Issuance of a Purchase Order to Mega Bank in the amount of \$150,000 for the annual Operations and Maintenance of the Solar Panel Project.  
(ACTION)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Alliance OM Agreement - Partially Executed (ABS) (002).pdf

Date	Ver.	Action By	Action	Result
9/10/2019	1	City Council		

For City Council Meeting [September 10, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Rod Foster, City Administrator

FROM: Sean Grayson, Acting Public Works Director

Request City Council to Approve the Issuance of a Purchase Order to Mega Bank in the amount of \$150,000 for the annual Operations and Maintenance of the Solar Panel Project.

**(ACTION)**

### **BACKGROUND**

On May 9, 2017, the City adopted Resolution No. 7122 and approved a contract with Alliance Building Systems, Inc. (Alliance) for the installation of certain solar equipment on City facilities, among other equipment (the "Installation Agreement"), and authorized the City to execute agreements with Holman Capital Corporation and other parties related to the financings.

On November 14, 2017, the City adopted the financing related to the Solar Lease-Purchase and Maintenance Contracts which included two components, solar project financing for the capital project costs and operations and maintenance. The solar project financing of \$6,109,579.88 for the capital project costs are budgeted in the Capital Projects Fund, Account No. 300-500-7302-3001-170006-07 and paid through an escrow account held with Mega Bank. The funding of \$745,073.00 for the Alliance five-year operations and maintenance contract is included in the Building Maintenance Fund reserves held in fund 770.

### **ANALYSIS/DISCUSSION**

Payments for the operations and maintenance contract with Alliance occur once a year for five (5) years. The first invoice was paid in January 2019 however the payment was made out of the Mega Bank escrow account not out of the City's Building Maintenance Fund. In order to properly fund the escrow account staff requests the issuance of a Purchase Order to Mega Bank in the amount of

\$150,000 from the Building Maintenance Fund to reimburse the previously paid operations and maintenance contract payment.

Available budget appropriation exists to fund this purchase order and the proper budget adjustments will be included in the City's next quarterly budget report.

### **ENVIRONMENTAL IMPACT**

The requested action is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

### **GENERAL PLAN CONSISTENCY**

Approval of this action complies with the City of Rialto General Plan Goals and Policies:

#### **Goal 2-30: Incorporate green building and other sustainable building practices into development projects.**

Policy 2.30.1: Explore and adopt the use of green building standards and Leadership in Energy and Environmental Design (LEED) or similar in both private and public projects.

Policy 2-30.2: Promote sustainable building practices that go beyond the requirements of Title 24 of the California Administrative Code, and encourage energy-efficient design elements, as appropriate.

Policy 2-30.3: Support sustainable building practices that integrate building materials and methods that promote environmental quality, economic vitality, and social benefit through the design, construction, and operation of the built environment.

### **LEGAL REVIEW**

The City Attorney has reviewed the staff report and supports the recommendation.

### **FINANCIAL IMPACT**

#### **Operating Budget Impact:**

Funding for the requested \$150,000 purchase order is available in the Building Maintenance Fund Account No. 770-500-7302-2011-170006-01.

#### **Capital Improvement Budget Impact:**

The above agreement is for ongoing maintenance and not capital.

#### **Business Licensing:**

A Business License application and payment of a Business License tax is not required for this action.

### **RECOMMENDATION**

Staff recommends the City Council approve a purchase order to Mega Bank for \$150,000 to reimburse the escrow account for previously paid maintenance and operations contractual costs.