

Agenda Report

February 2, 2026

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO UTILIZE AN ALTERNATIVE PROJECT DELIVERY METHOD FOR THE INSTALLATION OF SOLAR ENERGY SYSTEMS AT FIVE MUNICIPAL FACILITIES

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this proposed action is not a "project" subject to the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21065 and within the meaning of State CEQA Guidelines Sections 15378 (b); and
2. Authorize the City Manager to utilize the alternative project delivery method, Progressive Design-Build, for installation of solar energy systems at five municipal facility sites including Lamanda Park Branch Library, San Rafael Branch Library, Allendale Branch Library, Linda Vista Branch Library, City Maintenance Yards – Visitor Parking Lot and Utility Vehicle Parking Lot in accordance with Pasadena Municipal Code (PMC) Section 4.08.136 (Alternative project delivery).

EXECUTIVE SUMMARY:

Pasadena Water and Power (PWP) seeks City Council authorization to utilize the Progressive Design-Build project delivery method to install solar energy systems on five municipally owned sites. These locations include Lamanda Park Branch Library, San Rafael Branch Library, Allendale Branch Library, Linda Vista Branch Library, and the City Yards parking lot. These sites were selected through a collaborative effort with City departments, guided by strategic criteria including alignment with upcoming roof replacement schedules to optimize timing and cost efficiency, high solar insolation potential to ensure energy generation, and opportunities to provide shaded parking areas that enhance amenities while supporting the clean energy goals.

By leveraging the Progressive Design-Build approach, PWP aims to foster early and continuous collaboration between the City, designer, and builder, which allows for greater flexibility, innovation, and transparency throughout the project lifecycle. Unlike traditional delivery methods, Progressive Design-Build enables the design to evolve in partnership with the construction team, improving cost certainty, accelerating schedules, and reducing risk through shared decision-making and early identification of challenges. This integrated process is well-suited for complex projects like the municipal solar installations, in which adaptability and stakeholder engagement are critical to achieving optimal outcomes.

BACKGROUND:

On January 30, 2023, the Pasadena City Council passed Resolution 9977, setting a goal for PWP to source 100% of Pasadena's electricity from carbon-free sources by the end of 2030 while optimizing for affordability, rate equity, stability, and reliability of electricity while achieving this goal. In pursuit of this goal, on December 15, 2025, the City Council approved PWP's Optimized Strategic Plan (OSP) which provides a roadmap to achieving this carbon-free target. The OSP establishes a robust action plan that includes procurement of new utility-scale clean energy contracts; development of local solar/storage on City-owned property; customer programs, outreach, and marketing campaigns; and pilot projects showcasing new and emerging technologies.

A key element of the OSP is the expansion of locally sited renewable and energy storage resources within Pasadena. This strategy is intended to lower long-term costs, maximize the use of public assets, and equitably distribute the benefits of carbon-free energy across all customer classes. Locally developed solar resources also reduce reliance on external energy markets and enhance grid resilience by generating electricity close to where it is consumed. As part of this strategy, the OSP recommends that PWP issue competitive solicitations beginning in early 2026 to develop solar projects on City-owned properties.

To support this OSP strategy, PWP staff have coordinated with City departments to conduct preliminary assessments of multiple municipal facilities, including libraries, fire stations, community centers, parking lots, and parking structures. Based on technical feasibility, available space, and site conditions, five locations were identified as suitable candidates for an initial set of municipal solar installations.

Solar Sites:

- Site 1: Lamanda Park Branch Library: 140 S. Altadena Drive, Pasadena, 91107
- Site 2: San Rafael Branch Library: 1240 Nithsdale Road, Pasadena, 91105
- Site 3: Allendale Branch Library: 1130 S. Marengo Avenue, Pasadena, 91106
- Site 4: Linda Vista Branch Library: 1281 Bryant Street, Pasadena, 91103
- Site 5: City Maintenance Yards – PWP Visitor Parking Lot and Utility Vehicle Parking Lot: 245 W. Mountain Street, Pasadena, 91103

Due to the project's technical complexity, to minimize the project delivery time, and to maximize the project's budget and ensure that ratepayers receive the most value for their money, Progressive Design-Build, as authorized under PMC Section 4.08.136, is the recommended delivery method. Staff recommends completing a competitive selection process by issuing a Request for Proposal (RFP) to select a single qualified contractor for all five municipal solar sites, which will promote efficiency, ensure consistency across projects, and achieve cost-effectiveness.

This approach allows for early contractor involvement, promotes collaboration between design and construction teams, and reduces risk by aligning scope, budget, and schedule before a Guaranteed Maximum Price is established. This is expected to streamline delivery, minimize operational disruptions, and ensure successful installation of solar systems at municipal facilities to accelerate the development of local carbon-free resources to assist in meeting the goals established in the OSP.

While these five sites represent approximately 0.68 MW total solar capacity of the City's overall planning target identified in the OSP of 20 MW by 2030, these projects will assist PWP to gather market data on costs, project timelines, and standardize equipment moving forward. This will fine tune the process as PWP works to rapidly scale up the installation of solar at municipal facilities. PWP intends to return to Municipal Services Committee (MSC) and City Council with requests for additional City sites that continue to source electricity from carbon free sources to meet the local, municipally owned solar goal identified in the OSP of 20 MW by 2030. Subsequent requests will prioritize sites based on site feasibility assessments, coordination with stakeholder groups, and a future appropriated Capital Improvement Project budget.

PROGRESSIVE DESIGN-BUILD PROJECT DELIVERY:

PMC Section 4.08.020 defines Progressive Design-Build as an alternative project delivery method in which the City contracts with a single entity responsible for both the design and construction phases of a public works project beginning with the initial project scoping and preliminary engineering documents development phase. Progressive Design-Build facilitates early and ongoing collaboration between designers, builders, and City staff, creating a more cohesive and integrated project approach.

This delivery method is particularly well-suited to complex infrastructure projects such as the installation of solar systems at municipal facilities, which involves integration of technical electrical equipment, structural, and infrastructure upgrades. Progressive Design-Build enables PWP to align the project scoping, engineering, and design closely with construction practices early in the process. This integrated approach accelerates decision-making, shortens project timelines, and ensures efficient, cost-effective implementation.

One of the key benefits of the Progressive Design-Build approach is its phased structure. In the initial phase, a contractor is selected to work collaboratively with PWP staff to assess existing site conditions, identify documentation gaps, and define a

detailed project scope. Following this phase, the contractor submits a Guaranteed Maximum Price proposal covering the remaining design, procurement, and construction work. This process helps reduce risk by ensuring the contractor fully understands the project requirements and site conditions before committing to final costs and scope.

POLICIES AND PROCEDURES FOR ALTERNATIVE PROJECT DELIVERY:

The City of Pasadena is committed to a transparent, competitive process for selecting qualified Progressive Design-Build entities to execute major public works projects. As defined in PMC Section 4.08.020, the Progressive Design-Build method enables the City to contract with a single entity for both the design and construction phases beginning with the initial project scoping and preliminary engineering, streamlining project delivery and fostering a more collaborative, efficient approach.

This process is governed by the City's Policies and Procedures for Alternative Project Delivery, adopted by the City Manager on June 5, 2025, which establishes the framework for consistency, accountability, and compliance across all City departments. These policies and procedures are designed to ensure that the selected Progressive Design-Build team deliver projects on time and within budget, while meeting the City's standards for quality, safety, and sustainability.

The procurement process begins with the Project Manager (PM) drafting and releasing the RFP in coordination with the Procurement Oversight Committee. The PM also serves as the point of contact for proposer inquiries during the advertising period but does not participate in the evaluation or selection process. Proposal evaluations are conducted by the Selection Committee, while the Procurement Oversight Committee ensures adherence to City policies, procurement guidelines, and applicable regulations.

Appointed by the City Manager, the Procurement Oversight Committee includes representatives from the Finance Department, City Manager's Office, and subject matter experts from relevant departments, such as PWP and Public Works. This committee is responsible for approving evaluation criteria and weighted scoring prior to RFP issuance, reviewing all procurement documentation for compliance, and auditing the process to identify and resolve any procedural deviations.

The Selection Committee, composed of at least five members from various City departments, evaluates the proposals submitted by Progressive Design-Build teams. Evaluations are based on pre-established criteria tailored to the scope and complexity of the five municipal solar projects.

Top-ranked firms based on proposal evaluations will be invited to interview with the Selection Committee. Interview scoring may assess the firm's understanding of project objectives and constraints, collaborative approach, communication skills, and ability to deliver the phased construction plan in a timely manner.

Once proposal and interview scores are combined, the highest-ranked Progressive Design-Build entity will be invited to enter contract negotiations. Terms such as project

scope, cost, performance milestones, and allowable work hours will be finalized at this stage. If an agreement cannot be reached, negotiations may proceed with the next highest-ranked proposer. If the City is unable to negotiate a satisfactory contract with any finalist, it may consider other options, including using the traditional Design-Bid-Build method.

Upon successful negotiations, the Selection Committee will submit its recommendation to the Procurement Oversight Committee for concurrence. With approval, the final contract will be presented to the City Council for award.

JUSTIFICATION FOR ALTERNATIVE PROJECT DELIVERY:

Pasadena Municipal Code (PMC) Section 4.08.136 authorizes the use of alternative project delivery methods, including Progressive Design-Build, for public works projects valued at over \$1 million, provided specific qualifying criteria outlined in Section 4.08.136(B) are satisfied. Based on the combined estimated costs of approximately \$3 million for rooftop and carport solar system installations across the selected five sites, existing appropriations in the Emerging Technology Development and Testing (03288) CIP project will be utilized and any amount spent over the appropriated budget will be used from the delayed timing of Glenarm Battery Energy Storage System (03206) CIP project.

The five municipally owned sites identified for the installation of solar meet the following criteria under 4.08.136(B), Subsection 1:

- **High Level Technical Complexity:** Solar projects are bespoke installations that vary in their scope depending on the site conditions and needs of the customer. Installations require integration of advanced electrical equipment including solar panels, inverters, electrical equipment, and wiring that must be installed on rooftops and parking lots without damaging existing structures;
- **Specialized Expertise:** Designing, permitting, financing, and installing a solar facility requires specialized expertise in electrical, civil, and structural engineering, a deep understanding of federal tax policy, ability to navigate complex international supply chains, experience working with local permitting authorities, practice working with multiple community stakeholders and project neighbors, and significant skill related to the safe and successful installation of the project;
- **Need for Early Contractor Involvement:** Early contractor engagement may enable the City to benefit from Federal tax credits that have been phased out under the One Big Beautiful Bill Act (OBBB). Additionally, early involvement will allow the contractor to fully identify any site constraints while optimizing the design to ensure that PWP receives the maximum value for money; and

- **Contemplates a Third-Party Operating, Managing, Maintaining, or Servicing the Facility:** PWP is seeking a contractor who can successfully design, build, and operate the solar projects.

The five municipally owned sites identified for the installation of solar meet the following criteria under 4.08.136(B), Subsection 2:

- **Improve the Project's Quality or Functionality:** Progressive Design-Build promotes early collaboration between City stakeholders and the contractor. This allows the project team to ensure the projects utilize high quality materials to promote long-term project success, maximize carbon free energy generation, and promote a visually aesthetic design that minimizes impacts to the community;
- **Minimize the Project's Cost:** Early coordination with an experienced solar contractor may allow for the procurement of materials that qualify the project for federal tax credits. Despite the phase out of tax credits under OBBB, solar contractors can "safe harbor" solar equipment which allows them to maintain eligibility once the credits expire. Early coordination with a contractor may enable PWP to benefit from these credits, which would significantly reduce project costs;
- **Minimize the Project Delivery Time:** Progressive Design-Build enables design and procurement stages to overlap, which is essential for projects that require long lead items such as electrical equipment. Resolution 9977 calls for urgent action to reduce PWP's carbon footprint and mitigate the impacts of climate change. A Progressive Design-Build project will help facilitate the rapid delivery of these critical projects.

Staff recommends using the Progressive Design-Build delivery method, as authorized under PMC Section 4.08.136, to address the project's technical complexity, accelerate delivery, and maximize budget efficiency. This approach enables early contractor involvement, fosters collaboration between engineering, design, and construction teams, and reduces risk by aligning scope budget, and schedule before establishing a Guaranteed Maximum Price. It is expected to streamline implementation, minimize operation disruptions, and ensure successful installation of solar systems at municipal facilities, supporting the City's goal of developing local carbon-free resources under the OSP. PWP will return to MSC and City Council for approval of a Guaranteed Maximum Price for construction work and will include details regarding how funding for these actions will be addressed by the utilization of existing budgeted appropriations in the Emerging New Technology Development and Testing (03288) CIP project.

COUNCIL POLICY CONSIDERATION:

This action is consistent with the City Council's goals to maintain fiscal responsibility and stability, while supporting sustainable energy and infrastructure policies that prioritize the design, construction, and improvement of City facilities to reduce environmental impact. Additionally, the proposed contract supports the 2030 carbon-

FISCAL IMPACT:

There is no fiscal impact as a result of this action. There is no impact to the General Fund. Upon the successful selection of a qualified contractor, staff will return to City Council for award of the Progressive Design-Build contract.

Respectfully submitted,



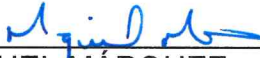
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