



AMENDED
City Council Agenda Report
Agenda Item No. 7.f.

DATE: January 9, 2024

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rene Salas, City Manager

SUBMITTED BY: John Poehler, Director of Public Works

SUBJECT: CONSIDERATION OF RESOLUTION No. 24-119,
APPROVING AMENDMENT NO. 1 TO CONTRACT WITH AC
PROS FOR AN INCREASE IN COMPENSATION TERMS

SUMMARY: On July 25, 2023, the City Council awarded a contract to AC Pros, Inc. for the installation of mechanical energy efficiency upgrades: Heating, Ventilation, and Air Conditioning (HVAC) at the City's Community Center, Mini Center and Senior Center for a total compensation not to exceed \$1,088,315.00. AC Pros, Inc. identified additional repairs necessary to ensure the proper functioning of the new HVAC systems, resulting in an additional cost of \$38,000.00 for a total of \$1,126,315.00.

RECOMMENDED ACTION: Staff recommends City Council:

1. Adopt Resolution No. 24-119, approving Amendment No.1 to contract with AC Pros, Inc. to increase the compensation terms from ~~\$830,000~~ \$1,088,315.00 to a total not-to-exceed amount of ~~\$1,126,314~~ \$1,126,315.00; and
2. Authorize City Manager or designer to execute contract.

FISCAL/FINANCIAL IMPACT: Since May 2021 when the City kicked off its Autonomous Building Controls Retrofit Project, cost estimates has significantly increased due to inflation. The total project cost, the City's adopted FY 2023–24 Budget, and the cost of the equipment and installation by AC Pros has been updated as follows:

| Change in Estimates | | | | | |
|-------------------------------|---------------------|----------------|---------------------|----------------|--------------------|
| | May, 2021 | % | November, 2023 | % | Change |
| U.S. Department of Energy | \$ 747,494 | 64.88% | \$ 747,494 | 41.87% | \$ - |
| City of South El Monte | 404,650 | 35.12% | 1,037,625 | 58.13% | 632,975 |
| Total | \$ 1,152,144 | 100.00% | \$ 1,785,119 | 100.00% | \$ 632,975 |
| | | | | | |
| Change in FY2023-24 Budget | | | | | |
| | June, 2023 | | November, 2023 | | Change |
| Revenues | \$ 851,808 | | \$ 1,674,200 | | \$ 822,392 |
| Expenditures | (804,219) | | (1,674,200) | | (869,981) |
| Total | \$ 47,589 | | \$ - | | \$ (47,589) |
| | | | | | |
| Contractors Cost | | | | | |
| | May, 2021 | | November, 2023 | | Change |
| Personnel | \$ 67,608 | | \$ 67,608 | | \$ - |
| Travel | 3,918 | | 3,918 | | - |
| Equipment: Lighting & HVAC | 167,655 | | 697,307 | | 529,652 |
| Supplies | 160,434 | | - | | (160,434) |
| Installation: Lighting & HVAC | 169,480 | | 654,007 | | 484,527 |
| The Energy Coalition | 90,000 | | 90,000 | | - |
| Passive Logic | 272,279 | | 272,279 | | - |
| LA County SoCalREN | 220,770 | | - | | (220,770) |
| Total | \$ 1,152,144 | | \$ 1,785,119 | | \$ 632,975 |

The revised budget for the City of South El Monte Autonomous Building Controls Retrofit project was approved by the City Council on November 14, 2023.

DISCUSSION: On July 25, 2023, the City Council granted approval and awarded contracts to Green Energy Innovations, Inc. for the implementation of lighting energy efficiency upgrades and to AC Pros, Inc. for the enhancement of mechanical energy efficiency (AC Units). Staff recommends retaining the two vendors originally chosen to execute the energy efficiency upgrades at city facilities.

During their job site walkthrough to initiate their work plan, AC Pros identified additional repairs necessary to ensure the proper functionality of the new HVAC system. This includes rotating two HVAC units at the Community Center by 90 degrees to fit into their designated space, requiring the installation of additional ductwork. AC Pros Inc will also address repairs on duct seals, apply protective coating, and install duct smoke detectors at the City Community Center, Mini Center and Senior Center. Additionally, they will replace evaporator swamp coolers at both the Senior Center and Community Center.

The South El Monte Autonomous Building Controls Retrofit project will enhance the performance and energy efficiency of city facilities while reducing energy consumption and peak electricity demand. The primary goal remains to achieve deep energy savings and address long-deferred facility improvements. This innovative technology not only ensures enduring energy savings but also validates hardware compatibility with typical public sector building types, showcasing DOE data standardization's viability and the transformation of public sector buildings into grid-efficient interactive structures.

Staff recommends City Council adopt Resolution No. 24-119, amending the contract

with AC Pros, Inc. to increase the compensation terms from \$1,088,315.00 to a total not-to-exceed amount of \$1,126,315.00.

Staff report prepared by Andrés González, Senior Public Works Analyst.

ATTACHMENT(S):

- A. Resolution No. 24-119
- B. (SEM) First Amendment between City and AC Pros for Public Works Services(948937.1)