



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JULY 28, 2026

FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL

SUBJECT: DESIGN-BUILD AGREEMENT FROM RFP NO. 2483 WITH VEREGY PACIFIC, LLC OF COSTA MESA, CALIFORNIA, FOR THE DESIGN AND CONSTRUCTION OF ENERGY EFFICIENT PROJECTS, INCLUDING A SOLAR PHOTOVOLTAIC SYSTEM AT THE REGIONAL WATER QUALITY CONTROL PLANT FOR THE TERM OF ONE YEAR, WITH THE OPTION TO EXTEND FOR ONE ADDITIONAL ONE-YEAR TERM, IN THE AMOUNT OF \$5,200,000, PLUS 10% CHANGE ORDER AUTHORITY IN THE AMOUNT OF \$520,000, FOR A TOTAL AGREEMENT AMOUNT OF \$5,720,000

ISSUE:

Approve a Design-Build Agreement for RFP No. Number 2483 with Veregy Pacific, LLC, of Costa Mesa, California, for the design and construction energy efficient projects, including a Solar Photovoltaic System at the Regional Water Quality Control Plant for the term of one year, with the option to extend for one additional one-year term, in the amount of \$5,200,000, plus 10% change order authority in the amount of \$520,000, for a total agreement amount of \$5,720,000.

RECOMMENDATIONS:

That the City Council:

1. Approve a Design-Build Agreement for RFP No. 2483 with Veregy Pacific, LLC of Costa Mesa, California, for the design and construction of energy efficient projects, including a Solar PV System at the Regional Water Quality Control Plant for the term of one year, with the option to extend for one additional one-year term, in the amount of \$5,200,000;
2. Authorize a 10% change order authority in the amount of \$520,000, for a total agreement amount of \$5,720,000; and
3. Authorize the City Manager, or designee, to execute the Agreement with Veregy Pacific, LLC including making minor and non-substantive changes, including term extensions up to one-year, subject to the availability of budgeted funds.

BACKGROUND:

The City operates and maintains the Regional Water Quality Control Plant (RWQCP), which collects and treats all domestic and industrial wastewater generated within the City of Riverside, as well as from the Rubidoux, Edgemont, and Jurupa Community Services Districts. The RWQCP's annual electricity cost is approximately \$1.8 million.

The City remains committed to fostering a greener, more sustainable community through renewable energy initiatives, responsible procurement practices, and environmentally conscious operations. The RWQCP has already made significant progress by implementing green energy projects such as FuelCell utilizing biogas and the production of Renewable Natural Gas (RNG) through biosolids processing.

DISCUSSION:

To further reduce costs and improve operational efficiency, the RWQCP is pursuing additional energy-efficient projects. Under a Design-Build Agreement, the selected consultant will conduct an Investment Grade Audit (IGA) to identify viable energy-saving opportunities. Projects identified through the audit will be presented to the City Council for approval. Upon approval, the consultant will prepare construction documents for the selected improvements and assist in securing external funding sources, including grants, rebates, and construction loans. These projects will be structured to require no upfront capital investment from the City; all associated costs will be offset through resulting energy and operational savings.

One of the anticipated cost-saving projects is the installation of a solar photovoltaic (PV) system to generate electricity using sunlight, solar panels, and inverters. The RWQCP uses approximately 1.3 megawatt-hours (MWh) per month on average. A 1.0-megawatt DC solar system is projected to generate approximately 0.6 MWh per month, resulting in an estimated annual savings of \$876,000 and an approximate return on investment (ROI) of 6 years. With the available Investment Tax Credit (ITC) of \$2M if the project is completed and in operation prior to December 31, 2027, the ROI is reduced to 3.65 years.

The completed project may also include batteries to further improve reliability for vital RWQCP equipment.

Following completion of design and funding efforts, the proposed projects will be presented to the City Council for final approval prior to construction. The selected consultant will serve as the general contractor and will oversee the execution and delivery of the approved energy-efficiency upgrades.

Purchasing Overview

On July 17, 2025, the City's Purchasing Division issued Request for Proposals (RFP) No. 2483 through PlanetBids, seeking prospective proposers to provide comprehensive design-build services for a turn-key installation of the Solar PV system at the RWQCP. The Solar PV system was used as the basis for evaluating proposers because other potential cost-saving projects have not yet been identified through the IGA process.

The solicitation notification is summarized in the table below:

Action	Number of Vendors
External Vendors Notified	0
City of Riverside Vendors Notified	757
Vendors who downloaded the RFP	66
Proposals received	2

A non-mandatory pre-proposal meeting was held on July 30, 2025, with 7 vendors in attendance. A total of 13 questions were received from prospective proposers, and 1 addendum was posted. RFP No. 2483 closed on September 3, 2025, with a total of 2 responses. All responses were found to be responsive and responsible.

Under the guidance of Purchasing, 3 City staff from Public Works evaluated the proposals for 1 round, which resulted in Veregy Pacific, LLC ranking No. 1. The evaluation criteria, total points and rankings for each evaluation round are summarized in the tables below.

Evaluation Criteria

Evaluation Criteria	Total Points
Qualifications	35%
Experience (Projects of similar size and scope)	20%
Approach and Methodology	10%
Professional References	10%
Pricing	25%

Evaluation Results

Vendor	Location	Proposed Cost	Evaluation Scores	Rank
Veregy Pacific, LLC	Costa Mesa, CA	\$5,200,000.00	966.66	1
SitelogIQ, Inc.	Sacramento, CA	\$5,979,800.00	905.73	2

Following the evaluation, Veregy Pacific, LLC was selected as the most qualified company to perform the requirements of the RFP.

This action is pursuant to Purchasing Resolution 24101, Section 508 which states, "Contracts procured through Formal Procurement shall be awarded by the Awarding Entity to the Lowest Responsive and Responsible Bidder, except that...(c) Contracts procured through Formal Procurement for Services or Professional Services, where a Request for Proposals or Request for Qualifications was used to solicit Bids, shall be awarded by the Awarding Entity in accordance with the evaluation criteria set forth in the Request for Proposals or Request for Qualifications."

The Purchasing Manager concurs that the recommended action is compliant with Purchasing Resolution 24101.

FISCAL IMPACT:

The total fiscal impact of the actions of this report is \$5,720,000, which includes a 10% Change Order Authority amount of \$520,000. Sufficient funds are budgeted and available in the Sewer Fund, Water Quality Control Plant - Solar Shade Structures Project Account No. 9990900-440301.

Prepared by: Jeannette Guereca, Senior Engineer
Approved by: Nathan Mustafa, Public Works Director
Certified as to
availability of funds: Julie Nemes, Finance Director
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Design-Build Agreement
2. Award Recommendation