



Agenda Item

Orange City Council

Item #: 8.4.

2/10/2026

File #: 26-0010

TO: Honorable Mayor and Members of the City Council

FROM: Jarad Hildenbrand, City Manager

1. SUBJECT

Energy and Performance Contract with Willdan Energy Solutions.

2. SUMMARY

Pursuant to California Government Code Section 4217.10, in July 2025, the City of Orange issued a Request for Qualifications/Proposals for energy conservation, performance contracting, and power purchase agreement(s). The intent was to identify qualified energy service companies to evaluate City facilities, identify possible projects, and help facilitate the construction of those projects at no upfront cost to the City of Orange. After receiving and evaluating the submitted Statements of Qualifications/Proposals, staff rated Willdan Energy Solutions as the most qualified firm. The intent of this item is to approve an Energy and Performance Contract with Willdan Energy Solutions to conduct an Energy and Infrastructure Investment Grade Audit of City of Orange facilities.

3. RECOMMENDED ACTION

Approve an Energy and Performance Contract with Willdan Energy Solutions to conduct an Infrastructure Investment Grade Audit; and authorize the Mayor and City Clerk to execute on behalf of the City.

4. FISCAL IMPACT

The total costs for the Infrastructure Investment Grade Audit is \$70,000. This amount will not be paid upfront. If at the conclusion of the Investment Grade Audit, the City decides not to move forward with any of the proposed projects, this amount will need to be paid to Willdan Energy Solutions. If the City proceeds with any of the projects that were evaluated as part of the Infrastructure Investment Grade Audit, then the \$70,000 will be rolled into the project financing.

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology.

6. DISCUSSION AND BACKGROUND

California Government Code Section (GCS) 4217 authorizes agencies to bypass typical bidding requirements so public entities may accelerate energy efficient upgrade construction projects. As the City works through its financial constraints, staff continue to seek opportunities to lower costs. GCS 4217 presents a unique opportunity where the City may advance significant facility infrastructure upgrade projects at no up-front costs to the City.

In general, public agencies utilizing GCS 4217 will work with a qualified Energy Services Company (ESCO) to implement needed infrastructure upgrades. The initial costs to construct these upgrades typically require the respective public agency to incur debt. However, in working with a qualified

ESCO, the public agency will utilize utility cost savings from the upgrades and leverage available incentives (e.g., investment tax credits) to service the debt over an extended period, resulting in cash positive net savings. Should utility savings not meet the expected reductions, then the ESCO often provide what is known as a “guaranteed savings” provision which means the ESCO will fund the difference.

To begin this process, in June 2025, the City issued Request for Qualifications/Proposal No. 24-25.29. In late-July 2025, the City received four Statements of Qualifications/Proposals from reputable firms. An evaluation committee comprised of three City staff members reviewed the proposals and ultimately determined Willdan Energy Solutions (Willdan) as best suited to provide the ESCO services to the City.

As further detailed in Willdan’s proposal, this process includes a four-step approach. These steps include:

Step 1 - Preliminary Engineering Analysis: Identify potential upgrades and tentative scopes of work; conduct site walks/interviews; utility analysis; review grants, utility incentives, and preliminary financing. This process gives the City an idea of what projects could be further evaluated in the Infrastructure Investment Grade Audit stage.

Step 2 - Infrastructure Investment Grade Audit (IGA): Builds upon the previous work by delving further into scopes of work, energy/operational savings, community outreach, as well as a complete maintenance and verification plan.

Step 3 - Construction and Staff Training - Turnkey implementation of selected scopes of work, on-site Willdan project management, system commissioning, and staff training.

Step 4 - Measurement and Verification as well as ongoing support: Finalize incentives and rebates, continued measurement and verification along with general ongoing support.

To develop a set of projects and potential scopes of work that could be explored further through an IGA, Willdan has completed Step 1 at no cost to the City. The purpose of this item is to consider a contract authorizing Willdan to proceed with Step 2, which is to develop an IGA.

An IGA is an in-depth energy/operational analysis that identifies funding solutions while finalizing designs and scopes of work. The IGA’s intent is to position projects in a manner where they are generally ready to move into the bidding and construction phase with the expected costs and savings identified.

Based on the preliminary engineering analysis completed in Step 1, the following facility upgrade projects are proposed for IGA evaluation:

- HVAC Replacement and Retrofit
- Lighting upgrades
- Solar installations
- Electrical vehicle charging stations; and
- Advanced water meter upgrades.

Should the City Council approve a contract with Willdan, the IGA is expected to be completed in the

next 3-4 months. Once completed, the City may choose which projects it would like to proceed into the bidding and construction phase (if any). Those options will be brought forward to the City Council at a future meeting.

The total costs for the IGA is \$70,000. This amount will not be paid upfront. If at the conclusion of the IGA, the City decides not to move forward with any of the proposed projects, this amount will need to be paid to Willdan.

If the City proceeds with any of the projects that were evaluated as part of the IGA, then the \$70,000 will be rolled into the project financing.

7. ATTACHMENTS

- Energy and Performance Contract with Willdan
- Statement of Qualification/Proposal