



County of Monterey

Item No.22

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 25-562

August 12, 2025

Introduced: 8/1/2025

Current Status: General Government -
Consent

Version: 1

Matter Type: General Agenda Item

- a. Authorize the Chief Executive Officer of Natividad Medical Center, or designee, to execute all documents necessary to approve Change Order #1 in the amount of \$1,153,761 to increase pier depths of solar canopies and to implement necessary Americans with Disabilities Act upgrades with Opterra Energy Services as part of the ongoing solar project at Natividad Medical Center; and,
- b. Authorize the Chief Executive Officer of Natividad Medical Center, or designee, to increase the contingency budget for this project by \$357,000 as part of this change order; and,
- c. Authorize the Chief Executive Officer of Natividad Medical Center, or designee, to fund the implementation of these change orders using \$429,026 from Natividad Medical Center's Enterprise Fund NMC001-451-9600-8142.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Chief Executive Officer of Natividad Medical Center, or designee, to execute all documents necessary to approve Change Order #1 in the amount of \$1,153,761 to increase pier depths of solar canopies and to implement necessary ADA upgrades with Opterra Energy Services as part of the ongoing solar project at Natividad Medical Center; and,
- b. Authorize the Chief Executive Officer of Natividad Medical Center, or designee, to increase the contingency budget for this project by \$357,000 as part of this change order; and,
- c. Authorize the Chief Executive Officer of Natividad Medical Center, or designee, to fund the implementation of these change orders using \$429,026 from Natividad Medical Center's Enterprise Fund NMC001-451-9600-8142.

SUMMARY:

On December 3, 2024, the Board of Supervisors (Board) approved entering into Agreements between the County and ENGIE Services U.S. Inc. (ENGIE), now known as Opterra Energy Services (Opterra) to implement solar energy projects at Natividad Medical Center (NMC) at 1441 Constitution Blvd., Salinas (NMC Agreement), the Information Technology Department (ITD) building at 1590 Moffett Street, Salinas, and the County Administration Building, located at the downtown Government Center, 168 W. Alisal Street, Salinas (County Agreement).

Staff is requesting authorization to execute Change Order #1 to implement the NMC solar project in the amount of \$1,153,761. This change order consists of three items: Item #1 is in the amount of \$1,107,118 and funds necessary ADA upgrades to comply with code requirements. Item #2 in the amount of \$46,643 is necessary to increase pier depths of solar canopies to mitigate adverse soil conditions found on site. To absorb these costs with sufficient contingency budget, the NMC solar

project must account for a budget shortfall of \$429,026. Staff request authorization for NMC to use existing Natividad Medical Center's Enterprise Fund NMC001-451-9600-8142 to fund this contingency shortfall. Item #3 of this change order stipulates that NMC will add an additional \$357,000 to the existing contingency budget of \$906,735. Any additional contingency costs or scope required change orders will be paid at the cost of Opterra, as stipulated in the language of Change Order #1.

DISCUSSION:

This change order concerns two physical elements that are necessary for the completion of the NMC solar project, ADA upgrades and pier depths for solar canopies, as well as a contractual adjustment of the project's contingency budget with a guarantee to the County to not surpass that amount. To comply with code, ADA upgrades must be made under the solar canopies because they are considered an amenity to which all people must be afforded equal access. In some cases at the NMC campus, upgrades must be made to renovate sidewalks and curbs to connect these ADA accessible spaces to the existing path of travel. While it is technically possible for staff to request an exemption for these ADA upgrades, NMC staff prefer to implement these upgrades now to provide better use experiences for mobility restricted patients and staff. A cost breakdown for this item can be seen in the attachment "Change Order Request 2 - NMC ADA Upgrades"

The need for increased pier depths has been found due to the results of soil and corrosion testing done as part of the project's pre-construction phase. To safely install the solar carports, column piers must have an increased maximum depth of sixteen feet rather than the original thirteen feet. The additional labor and steel required to increase this depth represents most of the cost of this change order. A cost breakdown for this item can be seen in the attachment "Change Order Request 1 - NMC Increased Solar Column and Pier Depths". It is possible that underground conditions that cannot be foreseen at this time will result in additional costs of up to \$357,000. For this reason, this Change Order #1 stipulates that NMC will carry an additional \$357,000 in contingency budget for the project. A cost breakdown for this item can be seen in the attachment "NMC ROM Soil Contingency Budget".

With the additional \$357,000 in the contingency budget, the total project budget is \$19,823,444. Recognizing that this course of action could exhaust the contingency budget, Opterra has agreed to take on any additional costs beyond what is authorized in this report at their own risk, as seen in the language of Change Order #1 under the section title "County Contingency Budget".

NMC staff engaged ARC Alternatives to perform an additional financial analysis of this project to better understand the project payback using cash instead of financing and to account for these change orders. As seen in the attachment "ARC NMC Change Order Financial Analysis", with Change Order #1, the project is estimated to yield \$21,236,881 in gross savings over the 30-year project life and maintain a NPV of \$4,497,327 with a simple payback period of 17 years.

OTHER AGENCY INVOLVEMENT:

County Administration Office - Sustainability Program Staff coordinated with NMC Staff to develop and implement this project. On December 3, 2024, the Board of Supervisors approved entering into an Agreement between the County and ENGIE Services U.S. Inc, now known as Opterra (NMC Agreement), to implement the solar project at Natividad Medical Center (NMC) at 1441 Constitution Blvd., Salinas. The NMC Agreement was approved as to form by the Office of the County Counsel.

FINANCING:

When the project came before the Board on December 3, 2024, NMC sought permission to execute the NMC Agreement to finance the implementation of this project for a cost of \$18,487,683 with NMC electing to fund the cost of a 5% contingency out of operating sources representing an additional cost of \$906,735. After receiving the results of the financing Request For Proposals, NMC opted to fund the project out of operating reserves to increase the project's financial performance for a total cost of \$19,394,418 including contingency. Opterra recommends carrying \$357,000 in additional contingency for underground adverse conditions as part of this change order. Including the ADA upgrades with a cost of \$1,107,118, the increased pier depths with a cost of \$46,643, and the recommended contingency of \$357,000, the total budgetary impact associated with this item is \$1,510,761. The project has a combined ADA and contingency budget of \$1,081,735, leaving a project budgetary gap of \$429,026. Staff is requesting authorization for the NMC Chief Operating Officer to utilize operating funds to pay for this budgetary gap and increase the contingency budget. With the additional \$357,000 in the contingency budget, the total project budget is \$19,823,444. Recognizing that this course of action could exhaust the contingency budget, Opterra has agreed to take on any additional costs beyond what is authorized in this report at their own risk, as seen in the language of Change Order #1 under the section title "County Contingency Budget".

As seen in the attachment "ARC NMC Change Order Financial Analysis", with Change Order #1, the project is estimated to yield \$21,236,881 in gross savings over the 30-year project life and maintain a NPV of \$4,497,327 with a simple payback period of 17 years.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

This item supports the County's municipal climate action goals.

Mark a check to the related Board of Supervisors Strategic Plan goals

☒ Economic Development
☐ Administration
☒ Health & Human Services
☒ Infrastructure
☒ Public Safety

Prepared by: Cora Panturad, Sustainability Program Manager (Working Out of Class) x5338

Approved by: Deborah Paolinelli, Assistant County Administrative Officer x5309

Attachments:

ARC NMC Change Order Financial Analysis
Change Order 1 NMC ADA Scope, Pier Depths, Contingency
Change Order Request 1 - NMC Increased Solar Column and Pier Depths
Change Order Request 2 - NMC ADA Upgrades
NMC ROM Soil Contingency Budget
December 3, 2024 - NMC Agreement