



**BOARD OF SUPERVISORS AGENDA ITEM REPORT**  
**CONTRACTS / AWARDS / GRANTS**

Requested Board Meeting Date: November 22, 2016

or Procurement Director Award

**Contractor/Vendor Name (DBA):** SOLON DEVELOPMENT LLC

**Project Title/Description:**

Solar Covered Parking Structure for Pima Air & Space Museum

**Purpose:**

Amendment of Award of Contract: Master Agreement No. MA-PO-16-358, Amendment No. 1. This amendment is being processed to document the increased energy production of the "As Constructed" facility and not-to-exceed amount by \$37,913.00 from \$1,327,024.00 to \$1,364,937.00; and to replace Solar Service Agreement Exhibit 1.1: Expected and Guaranteed Performance Output, Solar Service Agreement Exhibit 4: Termination Fee Schedule, and Solar License Agreement Exhibit III: System and Equipment List. This amendment is essentially to "true-up" the original estimate to the final constructed production levels.

Administering Department Facilities Management.

Attachment: Amendment No. 1.

**Procurement Method:**

Pursuant to Pima County Procurement Code 11.12.060, Limited Competition Procurement, SOLON Development, LLC was selected as the contractor for Solar Covered Parking Structures by the Facilities Management Department (FMD). On June 7, 2016, the Board of Supervisors approved the award of five contracts for a twenty (20) year term to SOLON Development LLC, to design, finance, construct, operate and maintain solar facilities located on Pima County property to provide electricity to the Sporting Chance Center, the Medical Examiner, the Nanni Library, the Pima Animal Care Center and the Pima Air Space Museum in award amounts of \$1,237,529.00, \$795,553.00, \$839,751.00, \$319,835.00 and \$1,327,024.00, respectively.

**Program Goals/Predicted Outcomes:**

To reduce Pima County's electricity and operational costs and provide shaded parking for employees and members of the public. The expenditures do not increase general fund expenses, they displace expenditures that would otherwise be paid to TEP and avoid future TEP rate increases.

**Public Benefit:**

Reduction in Pima County's operational costs.

**Metrics Available to Measure Performance:**

Contractors delivery of kilowatt hours of electricity to the Pima Air & Space Museum each year shall be monitored by Facilities Management Department.

**Retroactive:**

No.

**Original Information**

Document Type: \_\_\_\_\_ Department Code: \_\_\_\_\_ Contract Number (i.e., 15-123): \_\_\_\_\_

Effective Date: \_\_\_\_\_ Termination Date: \_\_\_\_\_ Prior Contract Number (Synergen/CMS): \_\_\_\_\_

Expense Amount: \$ \_\_\_\_\_  Revenue Amount: \$ \_\_\_\_\_

Funding Source(s): \_\_\_\_\_

Cost to Pima County General Fund: \_\_\_\_\_

Contract is fully or partially funded with Federal Funds?  Yes  No  Not Applicable to Grant Awards

Were insurance or indemnity clauses modified?  Yes  No  Not Applicable to Grant Awards

Vendor is using a Social Security Number?  Yes  No  Not Applicable to Grant Awards

If Yes, attach the required form per Administrative Procedure 22-73.

**Amendment Information**

Document Type: MA Department Code: PO Contract Number (i.e., 15-123): 16-358

Amendment No.: 1 AMS Version No.: 2

Effective Date: November 22, 2016 New Termination Date: \_\_\_\_\_

Expense  Revenue  Increase  Decrease Amount This Amendment: \$37,913.00

Funding Source(s): Facilities Management Electricity Operating Budget

Cost to Pima County General Fund: \$37,913.00 (No increase; displaces budgeted TEP energy expenses)

Contact: John Nanosky *JN 11/4/16* *Andrew 11/4/16*

Department: Procurement *May 11/4/16* Telephone: 520-724-8165

Department Director Signature/Date: *[Signature]* 11/4/16

Deputy County Administrator Signature/Date: *[Signature]* 11-7-16

County Administrator Signature/Date: *[Signature]* 11/7/16  
*(Required for Board Agenda/Addendum Items)*



**PIMA COUNTY**

# MASTER AGREEMENT

PIMA COUNTY, ARIZONA

**THIS IS NOT AN ORDER - TRANSMISSION CONSTITUTES  
CONTRACT EXECUTION**

Master Agreement No: 16000000000000000358

MA Version: 2

Page: 1 of 2

Description: Solar Covered Parking Structure for Pima Air & Space Museum

<b>I S S U E R</b>	Pima County Procurement Department
	130 W. Congress St. 3rd Fl
	Tucson AZ 85701
	<b>Issued By:</b> JOHN NANOSKY
	<b>Phone:</b> 5207248165
	<b>Email:</b> john.nanosky@pima.gov

<b>T E R M S</b>	<b>Initiation Date:</b> 06-07-2016
	<b>Expiration Date:</b> 06-06-2036
	<b>NTE Amount:</b> \$1,364,937.00
	<b>Used Amount:</b> \$0.00

<b>V E N D O R</b>	<b>SOLE Development LLC</b>	<b>Contact:</b> Luke Alm
	3840 S Palo Verde Rd #205	<b>Phone:</b> 602-390-6002
	Tucson AZ 85714	<b>Email:</b> luke.alm@solonamerica.com
		<b>Terms:</b> 0.00 %
		<b>Days:</b> 30

<b>Shipping Method:</b>
<b>Delivery Type:</b>
<b>FOB:</b>
<b>Modification Reason</b> Increased the not-to-exceed amount by \$37,913.00 from \$1,327,024.00 to \$1,364,937.00. Attachment: Amendment No. 1.

This Master Agreement incorporates the attached documents, and by reference all instructions, Standard Terms and Conditions, Special Terms and Conditions, and requirements that are included in or referenced by the solicitation documents used to establish this agreement. All transactions and conduct are required to conform to these documents.



**PIMA COUNTY**

# MASTER AGREEMENT DETAILS

Master Agreement No: 16000000000000000358

MA Version: 2

Page: 2 of 2

Line	Description					
1	Solar Electricity for Pima Air & Space Museum					
	Discount	<b>UOM</b>	<b>Unit Price</b>	<b>Stock Code</b>	<b>VPN</b>	<b>MPN</b>
	0.0000 %	KW	\$0.128			
2	Solar Electricity for Pima Air & Space Museum Free Form Line					
	Discount	<b>UOM</b>	<b>Unit Price</b>	<b>Stock Code</b>	<b>VPN</b>	<b>MPN</b>
	0.0000 %	KW	\$0.00			

<b>PIMA COUNTY DEPARTMENT OF FACILITIES MANAGEMENT</b>  <b>PROJECT: SOLAR COVERED PARKING STRUCTURE PIMA AIR &amp; SPACE MUSEUM</b>  <b>CONTRACTOR: SOLON DEVELOPMENT LLC</b>  <b>CONTRACT NO.: MA-PO-16-358 VERSION 2</b>  <b>CONTRACT AMENDMENT NO.: ONE (01)</b>	<table border="1"> <tr> <td align="center" colspan="2"><b>CONTRACT</b></td> </tr> <tr> <td colspan="2">NO. <u>MA-PO-16-358</u></td> </tr> <tr> <td colspan="2">AMENDMENT NO. <u>1</u></td> </tr> <tr> <td colspan="2">This number must appear on all invoices, correspondence and documents pertaining to this contract.</td> </tr> </table>	<b>CONTRACT</b>		NO. <u>MA-PO-16-358</u>		AMENDMENT NO. <u>1</u>		This number must appear on all invoices, correspondence and documents pertaining to this contract.	
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NO. <u>MA-PO-16-358</u>									
AMENDMENT NO. <u>1</u>									
This number must appear on all invoices, correspondence and documents pertaining to this contract.									

<b>ORIG. CONTRACT TERM:</b> 06/07/2016 - 06/06/2036	<b>ORIG. CONTRACT AMOUNT:</b> \$ 1,327,024.00
<b>TERMINATION DATE PRIOR AMENDMENT:</b> 06/06/36	<b>PRIOR AMENDMENTS:</b> \$ 0.00
<b>TERMINATION THIS AMENDMENT:</b> 06/06/36	<b>AMOUNT THIS AMENDMENT:</b> \$ 37,913.00
	<b>REVISED CONTRACT AMOUNT:</b> \$ 1,364,937.00

**CONTRACT AMENDMENT**

WHEREAS, Pima County (COUNTY) and SOLON DEVELOPMENT LLC (CURRENT CONTRACTOR) entered into the Solar Service Agreement (SSA) and Solar License Agreement (SLA) for services as referenced above; and

WHEREAS, during construction of the project the CURRENT CONTRACTOR and COUNTY approved modification of the initial design and have agreed to modify the Expected Performance Output, Guaranteed Performance Output, Termination Fee Schedule, and Requirements of the System, including equipment, and contract amount to allow payment for the continued provision of services during the term of the SSA and SLA; and

NOW, THEREFORE, the parties agree as follows:

**DELETE & REPLACE:** SSA Exhibit 1.1: Expected & Guaranteed Performance Output for Pima Air and Space Museum with Exhibit 1.1 A: Expected & Guaranteed Performance Output for Pima Air and Space Museum (Attached, 1-page).

**DELETE & REPLACE:** SSA Exhibit 4: TERMINATION FEE SCHEDULE with Exhibit 4-1 TERMINATION FEE SCHEDULE (Attached 1-page).

**DELETE & REPLACE:** Exhibit "III" (to SLA) with Exhibit "III-1" (to SLA) (Attached 1-page).

The parties may execute this Amendment in separate counterparts, none of which need contain the signatures of all Parties, each of which is an original, and all of which taken together constitute one and the same instrument. Any executed counterpart delivered by facsimile, Adobe Acrobat (PDF) or other electronic means constitutes an original for all purposes.

Except for the terms expressly modified by this Amendment and by previously executed Amendments, the Parties are not amending or modifying any other terms or conditions of the SSA or SLA. All other terms and conditions of the SSA and SLA remain in full force and effect and are binding upon the Parties.

The effective date of this Amendment is November 22, 2016.

IN WITNESS WHEREOF, the parties have affixed their signatures to this Amendment on the dates written below.

**APPROVED:**

\_\_\_\_\_  
Chair, Board of Supervisors

\_\_\_\_\_  
Date

**CONTRACTOR:**

  
\_\_\_\_\_  
Signature

Brian Seibel, General Manager  
Name and Title (Please Print)

11/3/16  
Date

**ATTEST**

\_\_\_\_\_  
Clerk of Board

\_\_\_\_\_  
Date

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Tobin Rosen, Deputy County Attorney

11/3/16  
Date

**APPROVED AS TO CONTENT**

  
\_\_\_\_\_  
Lisa Josker, Director, Facilities Management

11/3/16  
Date

### Exhibit 1.1 A

#### Expected & Guaranteed Performance Output for Pima Air and Space Museum

- a. The actual Expected Performance Output (kWh) (Column A) shall not exceed in any given year 766,640 kWh
  - b. The Guaranteed Minimum Output (kWh) (Column B) shall be calculated at a minimum of 85% of Expected Performance Output (Column A); a greater percentage is acceptable.
- Commercial Operation Date defined by Section 6.3 of the SLA and Exhibit VIII.
- d. The actual cost of electricity purchase from the utility during the last 12 months beginning for Pima Air and Space Museum was approximately \$.147/kWh.
  - e. The Total for Column C (Average weighted SSA price of Guaranteed Minimum Output) shall be calculated as the Total of Column E divided by the Total of Column B.

Column	A	B	C	D	E	F	G	H
YEAR	Expected Performance Output (kWh)	Guaranteed Minimum Output (kWh)	Supplier Price (\$/kWh)	Total Annual Cost for Expected Performance Output Electricity (\$) from Supplier Columns (A X C)	Total Annual Cost For Guaranteed Electricity (\$) From Supplier Columns (B X C)	Est. TEP Cost \$/kWh+3%/year	Total Annual Cost For Guaranteed Electricity (\$) From TEP Columns (B X F)	Pima County Savings per year Columns (G-E)
1	665,000	565,250	\$0.1280	\$85,120	\$72,352	\$0.1350	\$76,309	\$3,957
2	661,575	555,807	\$0.1280	\$84,694	\$71,143	\$0.1391	\$77,265	\$6,142
3	658,367	553,028	\$0.1280	\$84,271	\$70,788	\$0.1432	\$79,205	\$8,418
4	655,076	550,263	\$0.1280	\$83,850	\$70,434	\$0.1475	\$81,174	\$10,740
5	651,799	547,512	\$0.1280	\$83,430	\$70,081	\$0.1519	\$83,191	\$13,109
6	648,540	544,774	\$0.1280	\$83,013	\$69,731	\$0.1555	\$85,258	\$15,527
7	645,295	542,080	\$0.1280	\$82,598	\$69,382	\$0.1612	\$87,377	\$17,994
8	642,071	539,340	\$0.1280	\$82,185	\$69,035	\$0.1660	\$89,548	\$20,513
9	638,861	536,643	\$0.1280	\$81,774	\$68,690	\$0.1710	\$91,773	\$23,063
10	635,667	533,960	\$0.1280	\$81,365	\$68,347	\$0.1761	\$94,054	\$25,707
11	632,488	531,290	\$0.1280	\$80,958	\$68,005	\$0.1814	\$96,391	\$28,386
12	629,326	528,634	\$0.1280	\$80,554	\$67,665	\$0.1869	\$98,787	\$31,121
13	626,179	525,990	\$0.1280	\$80,151	\$67,327	\$0.1925	\$101,241	\$33,915
14	623,048	523,361	\$0.1280	\$79,750	\$66,990	\$0.1983	\$103,757	\$36,767
15	619,933	520,744	\$0.1280	\$79,351	\$66,655	\$0.2042	\$106,336	\$39,680
16	616,833	518,140	\$0.1280	\$78,955	\$66,322	\$0.2103	\$108,978	\$42,656
17	613,749	515,549	\$0.1280	\$78,560	\$65,990	\$0.2165	\$111,686	\$45,696
18	610,680	512,972	\$0.1280	\$78,167	\$65,660	\$0.2231	\$114,462	\$48,801
19	607,627	510,407	\$0.1280	\$77,776	\$65,332	\$0.2298	\$117,306	\$51,974
20	604,589	507,855	\$0.1280	\$77,387	\$65,005	\$0.2367	\$120,221	\$55,216
<b>Total</b>	<b>12,686,806</b>	<b>10,663,567</b>	<b>\$0.1280</b>	<b>\$1,523,911</b>	<b>\$1,364,937</b>	<b>\$0.1814</b>	<b>\$1,924,340</b>	<b>\$859,403</b>

\*Reflecting as "constructed" condition.

## EXHIBIT 4-1

### TERMINATION FEE SCHEDULE

In the event of a termination of this SSA pursuant to 3.1.2, 1 1.4.1, 1 1 .4.4 as limited by Section 1 1.5.2, 1 1.4.6 as limited by Section I 1.5.1, or otherwise as compensation under Section 13.2, 14 or 18.6 COUNTY shall pay to LICENSEE an Early termination payment corresponding to the year in which early termination occurs.

The Early Termination Payment shall be calculated as described below and specifically set forth in the second column of the table below.

Early Termination Payment = Net Present Value of the annual contract price (per site) multiplied by the Guaranteed minimum Output, less the operating costs avoided due to the early termination, for each of the remaining years of the contract. The Early Termination Payment is also intended to include the amount of "recapture" dam ages imposed by the Internal Revenue Service upon LICENSEE (or its assigns or successors) in connection with the Investment Tax Credit (or related cash grants) as a result of an early termination by COUNTY.

If an early termination occurs on a date other than an anniversary of the Commercial Operation Date, the unpaid amount for that year will be calculated by multiplying the Early Termination Payment by a simple ratio of the number of months remaining until the anniversary of the Commercial Operation Date divided by 12 months.

YEAR OF TERMINATION	EARLY TERMINATION PAYMENT
1	\$ 2,684,500
2	\$ 2,550,796
3	\$ 2,361,442
4	\$ 2,224,920
5	\$ 2,107,700
6	\$ 1,453,271
7	\$ 1,368,597
8	\$ 1,298,717
9	\$ 1,228,131
10	\$ 1,156,841
11	\$ 1,084,707
12	\$ 1,012,149
13	\$ 944,241
14	\$ 875,486
15	\$ 806,169
16	\$ 736,570
17	\$ 666,689
18	\$ 596,385
19	\$ 525,519
20	\$ 453,947



**Exhibit "III-1" (to SLA)**

Requirements of System, including Equipment

System comprised of the following components:

- Approximately 1,194 solar modules
- Approximately 10 kW Inverter
- Associated equipment to assemble the above components into a working system

\*Reflecting as "constructed" condition.