



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

Requested Board Meeting Date: February 21, 2017

or Procurement Director Award

Contractor/Vendor Name (DBA): SOLON Development, LLC

Project Title/Description:

Solar Covered Parking Structure for Medical Examiner

Purpose:

Amendment of Award of Contract: Master Agreement No. MA-PO-16-354, 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 \$363,822.00 from \$795,553.00 to \$1,159,375.00; 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.

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. 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 Nanini 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.

PRCUID:216345

Attachment: Amendment No. 1.

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 increase.

Public Benefit:

Reduction in Pima County's operational costs.

Metrics Available to Measure Performance:

Contractors delivery of kilowatt hours of electricity to the Medical Examiner each month shall be monitored by Facilities Management Department.

Retroactive:

No.

Procure Dept 02/09/17 PM08:40

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*354

Amendment No.: 1 AMS Version No.: V2

Effective Date: 2/21/2017 New Termination Date: _____

Expense Revenue Increase Decrease Amount This Amendment: \$ 363,822.00

Funding Source(s): General Fund

Cost to Pima County General Fund: \$363,822.00

Contact: John Nanosky

Department: Procurement Telephone: 520-724-8165

Department Director Signature/Date: [Signature] 2/6/17

Deputy County Administrator Signature/Date: [Signature] 2/8/2017

County Administrator Signature/Date: [Signature] 2/8/17
(Required for Board Agenda/Addendum Items)

**PIMA COUNTY DEPARTMENT OF FACILITIES
MANAGEMENT**

**PROJECT: SOLAR COVERED PARKING STRUCTURE
MEDICAL EXAMINER**

CONTRACTOR: SOLON Development, LLC

CONTRACT NO.: MA-PO-16-354

CONTRACT AMENDMENT NO.: ONE (01)

CONTRACT
NO. <u>MA-PO-16-354</u>
AMENDMENT NO. <u>1</u>
This number must appear on all invoices, correspondence and documents pertaining to this contract.

ORIG. CONTRACT TERM: 06/07/2016 - 06/06/2036	ORIG. CONTRACT AMOUNT: \$ 795,553.00
TERMINATION DATE PRIOR AMENDMENT: 06/06/36	PRIOR AMENDMENTS: \$ 0.00
TERMINATION THIS AMENDMENT: 06/06/36	AMOUNT THIS AMENDMENT: \$ 363,822.00
	REVISED CONTRACT AMOUNT: \$ 1,159,375.00

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 Medical Examiner with Exhibit 1.1 A: Expected & Guaranteed Performance Output for Medical Examiner (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 February 21, 2017.

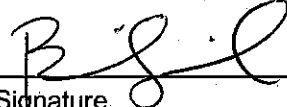
IN WITNESS WHEREOF, the parties have affixed their signatures to this Amendment on the dates written below.

APPROVED:

Chair, Board of Supervisors

Date

CONTRACTOR: Solon Development, LLC



Signature

Brian Seibel, President

Name and Title (Please Print)

1/30/17


Date

ATTEST

Clerk of Board

Date

APPROVED AS TO FORM:



Tobin Rosen, Deputy County Attorney

1/27/17

Date

APPROVED AS TO CONTENT



Lisa Josker, Director, Facilities Management

1/27/17

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 619,400 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 Medical Examiner was approximately \$.122/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	474,770	403,555	\$0.1280	\$60,771	\$51,655	\$0.1240	\$50,041	-\$1,614
2	472,396	396,813	\$0.1280	\$60,467	\$50,792	\$0.1277	\$50,681	-\$111
3	470,034	394,829	\$0.1280	\$60,164	\$50,538	\$0.1316	\$51,940	\$1,402
4	467,684	392,855	\$0.1280	\$59,864	\$50,285	\$0.1355	\$53,231	\$2,946
5	465,346	390,890	\$0.1280	\$59,564	\$50,034	\$0.1396	\$54,554	\$4,520
6	463,019	388,936	\$0.1280	\$59,266	\$49,784	\$0.1437	\$55,910	\$6,126
7	460,704	386,991	\$0.1280	\$58,970	\$49,535	\$0.1481	\$57,299	\$7,764
8	458,400	385,056	\$0.1280	\$58,675	\$49,287	\$0.1525	\$58,723	\$9,436
9	456,108	383,131	\$0.1280	\$58,382	\$49,041	\$0.1571	\$60,182	\$11,141
10	453,828	381,215	\$0.1280	\$58,090	\$48,796	\$0.1618	\$61,678	\$12,882
11	451,559	379,309	\$0.1280	\$57,799	\$48,552	\$0.1666	\$63,210	\$14,659
12	449,301	377,413	\$0.1280	\$57,510	\$48,309	\$0.1716	\$64,781	\$16,472
13	447,054	375,526	\$0.1280	\$57,223	\$48,067	\$0.1768	\$66,391	\$18,324
14	444,819	373,648	\$0.1280	\$56,937	\$47,827	\$0.1821	\$68,041	\$20,214
15	442,595	371,780	\$0.1280	\$56,652	\$47,588	\$0.1876	\$69,731	\$22,144
16	440,382	369,921	\$0.1280	\$56,369	\$47,350	\$0.1932	\$71,464	\$24,114
17	438,180	368,071	\$0.1280	\$56,087	\$47,113	\$0.1990	\$73,240	\$26,127
18	435,989	366,231	\$0.1280	\$55,807	\$46,878	\$0.2050	\$75,060	\$28,183
19	433,809	364,400	\$0.1280	\$55,528	\$46,643	\$0.2111	\$76,925	\$30,282
20	431,640	362,578	\$0.1280	\$55,250	\$46,410	\$0.2174	\$78,837	\$32,427
Total	9,057,616	7,613,146	\$0.1280	\$1,159,375	\$974,483	\$0.1666	\$1,261,919	\$287,436

*Reflecting as "constructed" condition.

EXHIBIT 4-1

TERMINATION FEE SCHEDULE

In the event of a termination of this SSA pursuant to 3.1.2, 11.4.1, 11.4.4 as limited by Section 11.5.2, 11.4.6 as limited by Section 11.5.1, 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" damages 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	\$1,368,423
2	\$1,300,672
3	\$1,205,399
4	\$1,136,236
5	\$1,076,601
6	\$749,492
7	\$706,089
8	\$670,097
9	\$634,105
10	\$597,054
11	\$560,001
12	\$522,598
13	\$487,664
14	\$452,377
15	\$416,738
16	\$381,098
17	\$345,105
18	\$309,112
19	\$272,414
20	\$235,716

Exhibit "III-1" (to SLA)

Requirements of System, including Equipment

System comprised of the following components:

- Approximately__864__ solar modules
- Approximately____7_____ kW Inverter
- Associated equipment to assemble the above components into a working system

*Reflecting as "constructed" condition.