

BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: 10/01/2013

ITEM SUMMARY, JUSTIFICATION and/or SPECIAL CONSIDERATIONS

Amendment of Award: Solon Corporation, headquarters at Tucson, AZ, Pimacore Contract MA 12000000000000000499 to provide and pay for electricity generated by new solar electric facilities at the new Fleet Services building site and the existing PECOC site, increase the award to enable execution of a new contract in the amount of \$4,642,883.00. General Fund: Facilities Management Department.

BACKGROUND

The initial award and establishment of a master agreement contract in the amount of \$1.00 was made by the County Administrator, executed by the Procurement Director on September 2, 2008. The award included and contemplated establishment of multiple and incremental solar facilities to provide electricity to Pima County operations. The initial contract was amended by the Board of Supervisors on December 16, 2008 to increase the award amount by \$3,550,000.00 to establish Pima County's first solar electric facility located at the Roger Road WRF(Blanket Contract B505813; in the award amount of \$3,551,000 to Solon Corporation).

This amendment of award and issue of a new contract (MA 12*499) is required to allow Facilities Management to issue orders and sub-contracts (Solar Service & License Agreements) for Solon to finance, design, construct, own, maintain and operate two new solar electric facilities on Pima County property at the new Fleet Services building site to be constructed next year and the existing PECOC site. The facilities will include parking shade structures on which the photovoltaic modules will be mounted. The projects were combined to absorb fixed costs over greater scale and reduce the price per kilowatt-hour (kWh). These expenses will be funded by the General Fund electricity expense account. The facilities are contemplated to generate about 34,038,548 kWh for the 20-year terms of the subcontracts and avoid utility electricity cost increases of about \$1,455,166.00. The contracts include a minimum electricity production guarantee which if not met and the county purchases more expensive electricity from our utility compels the contractor to provide Pima County with a credit for the increased expense. The County's obligations are generally limited to the purchase of all generated electricity, to provide Solon with access to the County property on which their solar facilities will be located, and to not interfere with the operation of the solar facilities. Establishment of these facilities will also support achievement of the Renewable Energy requirements defined by Pima County Sustainability Resolution ordinance 2007-84.

Effective Date: October 1, 2013

New Termination Date: September 30, 2033

Original Contract Amount: \$ 1.00

Prior Amendment Amounts: \$ 3,550,000.00

This Amendment Amount: \$ 4,642,883.00

Revised Contract Amount: \$ 8,182,884.00

Contract Officer; John Nanosky, Contracts Officer, 724-8165, Procurement Department

Payment System: AMS

CLERK OF BOARD USE ONLY: BOS MTG. _____ ITEM NO. _____