



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

Award Contract Grant

Requested Board Meeting Date: June 12, 2018

* = Mandatory, information must be provided

or Procurement Director Award

***Contractor/Vendor Name/Grantor (DBA):**

SOLON Development, LLC (Headquarters: Beltsville, MD)

***Project Title/Description:**

Solar Covered Parking Structure for Pima Animal Care Center (PACC)

***Purpose:**

Amendment of Award: Master Agreement No. MA-PO-16-356. This Amendment adds \$1,006,314.00, from \$319,835.00 to \$1,326,149.00 for the increase in the Pima Animal Care Center Solar Covered Parking Structure size, production, and cost. The Amended guaranteed savings for this Amendment \$328,783.00.

Administering Department: Facilities Management (FM)

***Procurement Method:**

Pursuant with Pima County Procurement Code 11.12.060, Solon Development, LLC was selected for the Solar Covered Parking Structures by a Limited Competition Procurement on 6/7/16.

PRCUID: 216172

Attachment: Master Agreement

***Program Goals/Predicted Outcomes:**

In accordance with Pima County's Board of Supervisor's Climate Change Resolution (2017-51) and Sustainable Action Plan, this project will 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; expenditures herein will displace expenditures that would otherwise be paid to TEP while avoiding future TEP rate increases. Assuming a 3% annual increase in TEP costs, the production quantity of energy (kWh) is expected to save Pima County a guaranteed minimum of \$328,783.00, as shown in Exhibit 1.1a of the Solar Licensing Agreement (SLA), during the 20-year term of the contract.

***Public Benefit:**

Reduction in Pima County's operational costs.

***Metrics Available to Measure Performance:**

Contractor's delivery of kilowatt hours of electricity to the Pima Animal Care Center each month shall be monitored by FM.

***Retroactive:**

No.

20180612 09:07:49 PM 0001

Contract / Award 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) required:**

Funding from General Fund? Yes No If Yes \$ _____ % _____

Contract is fully or partially funded with Federal Funds? Yes No

***Is the Contract to a vendor or subrecipient?**

Were insurance or indemnity clauses modified? Yes No

If Yes, attach Risk's approval

Vendor is using a Social Security Number? Yes No

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

Amendment / Revised Award Information

Document Type: MA Department Code: PO Contract Number (i.e., 15-123): 16-356

Amendment No.: 1 AMS Version No.: 6

Effective Date: 06/12/2018 New Termination Date: _____

Prior Contract No. (Synergen/CMS): _____

Expense or Revenue Increase Decrease Amount This Amendment: \$ 1,006,314.00

Is there revenue included? Yes No If Yes \$ _____

***Funding Source(s) required:** Facilities Management Electricity Operating Budget

Funding from General Fund? Yes No If Yes \$ 1,006,314.00 % 100%

Grant/Amendment Information (for grants acceptance and awards) Award Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: _____ Amendment Number: _____

Match Amount: \$ _____ Revenue Amount: \$ _____

***All Funding Source(s) required:**

*Match funding from General Fund? Yes No If Yes \$ _____ % _____

*Match funding from other sources? Yes No If Yes \$ _____ % _____

***Funding Source:** _____

***If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?**

Contact: Procurement Officer, Nancy Page *NP*

Department: Procurement *MA* Telephone: 520-724-3563

Department Director Signature/Date: *[Signature]* 6/7/18

Deputy County Administrator Signature/Date: *[Signature]* 6/7/18

County Administrator Signature/Date: *[Signature]* 6/7/2018

(Required for Board Agenda/Addendum Items)



MASTER AGREEMENT

PIMA COUNTY, ARIZONA

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

Master Agreement No: 1600000000000000356

MA Version: 6

Page: 1 of 2

Description: Solar Covered Parking Structure for Pima Animal Care Center

I S S U E R	<p>Pima County Procurement Department 130 W. Congress St. 3rd Fl Tucson AZ 85701</p> <p>Issued By: NANCY PAGE Phone: 5207243563 Email: nancy.page@pima.gov</p>
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T E R M S	<p>Initiation Date: 06-12-2018 Expiration Date: 06-06-2036</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>NTE Amount:</td> <td style="text-align: right;">\$1,326,149.00</td> </tr> <tr> <td>Used Amount:</td> <td style="text-align: right;">\$0.00</td> </tr> </table>	NTE Amount:	\$1,326,149.00	Used Amount:	\$0.00
NTE Amount:	\$1,326,149.00				
Used Amount:	\$0.00				

V E N D O R	<p>SOLON Development LLC 3840 S Palo Verde Rd #205 Tucson AZ 85714</p>	<p>Contact: Luke Alm Phone: 602-390-6002 Email: luke.alm@solonamerica.com Terms: 0.00 % Days: 30</p>
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Shipping Method:	Vendor Method
Delivery Type:	
FOB:	FOB Dest, Freight Prepaid
Modification Reason	
<p>This Amendment adds \$1,006,314.00 from \$319,835.00 to \$1,326,149.00 for the increase in the Pima Animal Care Center Solar Covered Parking Structure size, production, and cost. The Amended guaranteed savings for this Amendment \$328,783.00. Attachment: Contract Amendment No. 01</p>	

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: 16000000000000000356

MA Version: 6

Page: 2 of 2

Line Description

1	Solar Electricity for Pima Animal Care Center					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	KW	\$0.128			
3	FREE FORM LINE					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %		\$0.00			

**PIMA COUNTY DEPARTMENT OF FACILITIES
MANAGEMENT**

**PROJECT: SOLAR COVERED PARKING STRUCTURE
For Pima Animal Care Center**

CONTRACTOR: SOLON DEVELOPMENT LLC

CONTRACT NO.: MA-PO-16-356

CONTRACT AMENDMENT NO.: ONE (#01)

CONTRACT
NO. <u>MA-PO-16-356</u>
AMENDMENT NO. <u>01</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: \$ 319,835.00
TERMINATION DATE PRIOR AMENDMENT:	PRIOR AMENDMENTS: \$ 0.00
TERMINATION THIS AMENDMENT: 06/06/2036	AMOUNT THIS AMENDMENT: \$ 1,006,314.00
	REVISED CONTRACT AMOUNT: \$ 1,326,149.00

CONTRACT AMENDMENT

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

WHEREAS, during the design of the project the 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 the contract amount to allow payment for the continued provision of products and services during the term of the SSA and SLA;

NOW, THEREFORE, the parties agree as follows:

DELETE & REPLACE: SSA Exhibit 1.1: Expected & Guaranteed Performance Output for Pima Animal Care Center as shown with Exhibit 1.1a (Attached 3 pages).

DELETE & REPLACE: SSA Exhibit 4: TERMINATION FEE SCHEDULE as shown with Exhibit 4.1a TERMINATION FEE SCHEDULE (Attached 1 page).

DELETE & REPLACE: Exhibit "III" (to SLA) with Exhibit "III.1a" (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.

The effective date of this Amendment is June 12, 2018.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

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

APPROVED:

Pima County

Chairman, Board of Supervisors

Date

CONTRACTOR:

Solon Development, LLC

Signature

Name and Title (Please Print)

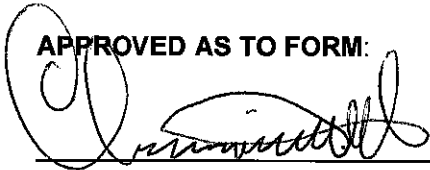
Date

ATTEST

Clerk of Board

Date

APPROVED AS TO FORM:



Chris Straub, Deputy County Attorney

6-7-2018

Date

APPROVED AS TO CONTENT

Director, Facilities Management Department

Date

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

APPROVED:

Pima County

Chairman, Board of Supervisors

Date

ATTEST

Clerk of Board

Date

APPROVED AS TO FORM:

Deputy County Attorney

Date

APPROVED AS TO CONTENT



Director, Facilities Management Department

6/7/18
Date

CONTRACTOR:

Solon Development, LLC



Signature

Brian Seibel, President
Name and Title (Please Print)

6/7/2018
Date

Exhibit 1.1a

Expected & Guaranteed Performance Output for the Pima Animal Care Center Addition, Meter 2

- a. The actual Expected Performance Output (kWh) (Column A) shall not exceed in any given year 651,678 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 February 2014 and Ending February 2015 for the Pima Animal Care Center was approximately \$.124/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	543,065	461,605	\$0.1280	\$69,512	\$59,085	\$0.1240	\$57,239	-\$1,846
2	540,349	453,893	\$0.1280	\$69,165	\$58,098	\$0.1277	\$57,971	-\$127
3	537,648	451,624	\$0.1280	\$68,819	\$57,808	\$0.1316	\$59,412	\$1,604
4	534,959	449,366	\$0.1280	\$68,475	\$57,519	\$0.1355	\$60,888	\$3,369
5	532,285	447,119	\$0.1280	\$68,132	\$57,231	\$0.1396	\$62,401	\$5,170
6	529,623	444,883	\$0.1280	\$67,792	\$56,945	\$0.1437	\$63,952	\$7,007
7	526,975	442,659	\$0.1280	\$67,453	\$56,660	\$0.1481	\$65,541	\$8,881
8	524,340	440,446	\$0.1280	\$67,116	\$56,377	\$0.1525	\$67,170	\$10,793
9	521,718	438,244	\$0.1280	\$66,780	\$56,095	\$0.1571	\$68,839	\$12,744
10	519,110	436,052	\$0.1280	\$66,446	\$55,815	\$0.1618	\$70,550	\$14,735
11	516,514	433,872	\$0.1280	\$66,114	\$55,536	\$0.1666	\$72,303	\$16,767
12	513,932	431,703	\$0.1280	\$65,783	\$55,258	\$0.1716	\$74,100	\$18,842
13	511,362	429,544	\$0.1280	\$65,454	\$54,982	\$0.1768	\$75,941	\$20,959
14	508,805	427,396	\$0.1280	\$65,127	\$54,707	\$0.1821	\$77,828	\$23,121
15	506,261	425,259	\$0.1280	\$64,801	\$54,433	\$0.1876	\$79,762	\$25,329
16	503,730	423,133	\$0.1280	\$64,477	\$54,161	\$0.1932	\$81,744	\$27,583
17	501,211	421,018	\$0.1280	\$64,155	\$53,890	\$0.1990	\$83,776	\$29,885
18	498,705	418,912	\$0.1280	\$63,834	\$53,621	\$0.2050	\$85,857	\$32,237
19	496,212	416,818	\$0.1280	\$63,515	\$53,353	\$0.2111	\$87,991	\$34,638
20	493,731	414,734	\$0.1280	\$63,198	\$53,086	\$0.2174	\$90,178	\$37,092
Total	10,360,536	8,708,281	\$0.1280	\$1,326,149	\$1,114,660	\$0.1666	\$1,443,443	\$328,783

*Reflecting as "constructed" condition.

Exhibit 1.1a

Calculation of Lost Savings Payment to County

The first year shall be defined as 12-months from the Commercial Operation date and will also define the commencement date of each subsequent year during the term of this agreement. Calculation for each complete prior year and payment if due shall be documented and submitted to County by the Licensee within sixty (60) calendar days after the commencement of each year.

Annual Actual Production less Guaranteed Minimum Output (GMO), if Positive, indicates the GMO was satisfied. If "negative", the supplier shall issue a credit or payment equal to column F of Exhibit 1 Est. TEP Cost less the SSA supplier price/kWh for the SSA contract year times the quantity of GMO/kWh not produced.

Electricity Purchase and Sales

General Provisions:

LICENSEE will generate, deliver and sell Electricity, when available from the System, to the COUNTY at the Electrical Interconnection Point during the term of this SSA.

LICENSEE agrees to generate, deliver and sell a quantity of Electricity as noted in this Exhibit 1.1a (above) and as guaranteed in SSA Section 5 to the COUNTY from the System and COUNTY agrees to purchase Electricity as measured at the Electrical Interconnection Point.

Formulas for Pricing:

LICENSEE shall prepare invoices in accordance with the formulas set forth in Exhibit 2 in the format set forth in Exhibit 3. LICENSEE shall render to COUNTY an invoice each month for the preceding billing period during the Term of this SSA setting forth the actual amount of kWh delivered ("Actual Production") and the amounts due LICENSEE for Electricity generated and delivered by the System. COUNTY will remit full payment with each invoice to LICENSEE, subject to any offsets for Guaranteed Minimum Output shortfalls, due under SSA, Section 5.

In the event COUNTY disputes all or any part of any bill submitted by LICENSEE under this SSA, COUNTY shall pay the undisputed portion of the invoice when due and shall notify LICENSEE in writing within three (3) months from the date of receipt of any disputed invoice or adjusted invoice. The parties shall use best efforts to resolve the dispute amicably and promptly, and upon determination of the correct billing amount, COUNTY shall promptly pay or be paid the remaining portion or refund due (if any), with interest at the Interest Rate from the date payment was due until paid (in the case of an underpayment) or from the date paid until refunded (in the case of an overpayment). **Late payment fees shall not be applied to amounts that are subject to a good faith dispute, until the dispute is resolved and interest is calculated in accordance with this Section.** In the event that disputed amounts cannot be resolved through the process of conference, disputes shall be addressed through the process provided in Section 1.1.8 of the SSA.

Exhibit 1.1a

LICENSEE shall submit invoices to the COUNTY at the address as set forth below.
LICENSEE shall also submit a duplicate invoice (copy only) to the COUNTY at the address as noted on the subsequent page.

Billing Contacts

Pima County Billing	Copy Invoice To:
Section/Unit: Pima County Finance	Section/Unit: Pima County Facilities Management
Accounts Payable	Attention: Energy Manager
Address: Administration Building 130 W. Congress, 7th flr. Tucson AZ 85701	Address: 150 W. Congress, 3rd Flr. Tucson AZ 85701
Phone: 520-724-6814	Phone: 520-724-3093
	Fax: 520-724-3900
	Email: Patrick.OlearyJr@pima.gov

Payment Address Notice:

COUNTY shall submit all payments under this SSA to LICENSEE's project representative at the address listed in SSA Section 9. parties agree that if COUNTY receives notification to change the LICENSEE's designated address for purposes of payment, COUNTY will notify the project representative at the address listed in SSA Section 9 and any Lender designated by LICENSEE pursuant to Section 12.1.1 of the SLA at least sixty (60) days prior to the first submittal of payment to the new address. Parties also agree that COUNTY will submit payments under this SSA by electronic funds transfer when electronic transfer becomes a readily available payment method for the COUNTY.

EXHIBIT 4.1a

TERMINATION FEE SCHEDULE

In the event of a termination of this SSA pursuant to Sections 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" 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
Year 1	\$1,173,000
Year 2	\$1,145,000
Year 3	\$1,127,000
Year 4	\$1,098,000
Year 5	\$1,068,000
Year 6	\$1,036,000
Year 7	\$754,000
Year 8	\$721,000
Year 9	\$686,000
Year 10	\$650,000
Year 11	\$613,000
Year 12	\$575,000
Year 13	\$536,000
Year 14	\$495,000
Year 15	\$454,000
Year 16	\$410,000
Year 17	\$366,000
Year 18	\$319,000
Year 19	\$272,000
Year 20	\$223,000

Exhibit "III.1a" (to SLA)

Requirements of System, including Equipment

System comprised of the following components:

- Approximately 894 solar modules
- Approximately 223 kW Inverter
- Associated equipment to assemble the above components into a working system

*Reflecting as "constructed" condition.