

BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: 12-09-14

ITEM SUMMARY, JUSTIFICATION and/or SPECIAL CONSIDERATIONS:

Low Bid: Award of Contracts, Requisition No. 150000000000000003, Oakleaf Energy Partners Ohio, LLC (Headquarters: *Denver, Colorado*) three contracts in the cumulative 20 year amount of \$5,250,940.00 for electricity to be provided from solar photovoltaic facilities designed, financed, installed, operated and maintained by the vendor for Green Valley, Avra Valley and Corona de Tucson wastewater reclamation facilities(WRF). Funding Source: Operating Budget; Administering Department Wastewater Reclamation District (WRD)

RWRD WRF FACILITY	20 YEAR CONTRACT AMOUNT	TERM (YEAR)	20 YEAR EXPECTED CUMULATIVE SAVINGS	MASTER AGREEMENT
GREEN VALLEY	\$2,233,851.00	20	\$3,460,779.00	MA-PO 15000000000000000127
AVRA VALLEY	\$1,980,580.00	20	\$3,967,584.00	MA-PO 15000000000000000128
CORONA DE TUCSON	\$1,036,509.00	20	\$1,134,642.00	MA-PO 15000000000000000129
TOTAL	\$5,250,940.00		\$8,563,005.00	

BACKGROUND

Pursuant to Pima County Procurement Code 11.12.010 Competitive Sealed Bidding and as requested by the Wastewater Reclamation Department, Invitation for Bids 147692 was published in the legal newspaper of Pima County, posted to the Procurement Department Internet site and completed to establish service contracts to design, finance, install, operate and maintain solar facilities located on Pima County land via no cost lease to provide electricity for WRF operations. Notice of the solicitation was given directly to all vendors registered with Pima County for relevant commodities, researched and identified by the Procurement Contracts Officer, or provided by the Requesting Department(s) of which none were classified as SBE. Bids from six (6) firms were received.

Pursuant to the published solicitation terms the award of contracts are recommended to the responsive and responsible bidder that submitted the guaranteed production of kilowatt-hours (kWh) that generated the greatest cumulative savings versus projected utility costs over the twenty (20) year term for each WRF facility. (Projected increases of 3% per year; historical increases in Arizona utility rates have averaged 4.1%)

The cumulative contract award amount of \$5,250,940.00, and savings of \$8,563,005.00, for the 20-year contract terms are based on the expected or engineered production of electricity (85,196,807 kWh) times the yearly contract price per kWh resulting in an average price of \$0.0616 per kWh; about 50% of Pima County operations average \$0.13 cost of kWh purchased from our current utilities.

The contracts include guaranteed minimum electricity production guarantees, 90% of the expected or engineered production quantity, for each contract year requiring that the contractor credit Pima County at the difference in the utility and contract price per kWh for the quantity of kWh guaranteed and not delivered. The facilities have a 25-30 year expected generating life. At the end of the 20-year contract term Pima County may offer to purchase the facilities at not greater than appraised market value or require the contractor to remove at their sole expense.

If this action is approved, Procurement will issue separate AMS Master Agreements for each of the WRF sites, referencing and consistent with this award and the executed contract documents.

Contract Officer: John Nanosky, 520-724-8165, Procurement Department

Payment System: AMS

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