



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

Requested Board Meeting Date: 11/22/2016

or Procurement Director Award

Contractor/Vendor Name (DBA): Oak Leaf Energy Partners Ohio, LLC

Project Title/Description:

Solar Electricity for Corona de Tucson WRF

Purpose:

Amendment of Award: Master Agreement No. MA-PO-15-129, Amendment No. 2. Decreases the Unit Price from \$0.11 to \$0.105 per kilowatt hour for solar-generated electricity, decreases the cumulative twenty (20) year contract not-to-exceed amount from \$1,279,359.00 to \$1,219,095.00 and amends the contractual language relative to pricing. Administering Department: Regional Wastewater Reclamation District.

Procurement Method:

Pursuant to Pima County Procurement Code 11.12.010 Competitive Sealed Bidding, Solicitation No.147692 was conducted. On 12/09/2014, the Board of Supervisors approved an award of contract to Oakleaf Energy Partners Ohio, LLC in the cumulative twenty (20) year not-to-exceed amount of \$1,036,509.00 for electricity to be provided by a solar photovoltaic facility designed, financed, installed, operated and maintained at the Corona de Tucson wastewater treatment plant by the vendor.

Amendment No. 1: Increased the Unit Price from \$0.0893 to \$0.11 per kilowatt hour and increased the contract cumulative twenty (20) year not-to-exceed amount to \$1,279,359.00.

Amendment No. 2: Decreases Unit Price by \$0.005 per kilowatt hour for solar-generated electricity and amends the contractual language relative to pricing. The Unit Price decreases from \$0.11 to \$0.105 per kilowatt hour for the duration of the term.

Attachment: Amendment No. 2.

Program Goals/Predicted Outcomes:

By procuring fixed cost solar energy over a 20 year term the County is expected to save approximately \$500,000 over the duration of the agreement if the project is "grandfathered" before any possible negative impacts of the upcoming Trico Rate Case ruling from the Arizona Corporation Commission. In the case the County is not "grandfathered" the project will still save the County money, but it could be reduced to approximately \$80,000 over the term of the contract. In either case, the County will realize non-monetary benefits such as; reduced carbon footprint, decreased reliance on the electrical grid, and advancement of the sustainability goals of the County.

Public Benefit:

Maximize use of public funds by reducing cost of operations at the Corona de Tucson Wastewater Treatment Facility and improve air quality by lowering carbon emissions.

Metrics Available to Measure Performance:

The value of solar energy generated versus the offset cost of energy purchased from TRICO Electric and the reduction in the carbon footprint.

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): 15-129
Amendment No.: Two (2) AMS Version No.: 7
Effective Date: 11/22/2016 New Termination Date: _____
 Expense Revenue Increase Decrease Amount This Amendment: \$ - 60,264.00
Funding Source(s): RWRD Enterprise Fund

Cost to Pima County General Fund: \$0.00

Contact: John Nanosky, Commodity Contracts Officer
Department: Procurement Telephone: 520-724-8165
Department Director Signature/Date: _____ 11/1/16
Deputy County Administrator Signature/Date: _____ 11/1/16
County Administrator Signature/Date: _____ 11/2/16
(Required for Board Agenda/Addendum Items)



MASTER AGREEMENT

PIMA COUNTY, ARIZONA

THIS IS NOT AN ORDER - TRANSMISSION CONSTITUTES
CONTRACT EXECUTION

Master Agreement No: 1500000000000000129

MA Version: 7

Page: 1 of 2

Description: Solar Electricity for Corona de Tucson WRF

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

T E R M S	Initiation Date: 06-02-2015
	Expiration Date: 06-01-2035
	Net Amount: \$1,219,095.00
	Unit Amount: \$0.105

V E N D O R	Oak Leaf Energy Partners Ohio, LLC	Contact: Michael McCabe
	2645 E. 2nd Avenue	Phone: 303-893-6945
	Suite 206	Email: mike@oakleafep.com
	Denver CO 80206	Terms: 0.00 %
		Days: 30

Shipping Method:
Delivery Type:
FOB:
Modification Reason Amendment 2 decreases the Unit Price from \$0.11 to \$0.105 per kWh and the twenty year contract cumulative not-to-exceed amount from \$1,297,359.00 to \$1,219,095.00

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: 1500000000000000129

MA Version: 7

Page: 2 of 2

Line	Description					
1	Solar Electricity- Corona De Tucson WRF - Free Form Line					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %		\$0.00			
2	Solar Electricity- Corona de Tucson WRF					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	KW	\$0.105			

NO. <u>MA-PO-15-129</u>
AMENDMENT NO. <u>2</u>
This number must appear on all invoices, correspondence and documents pertaining to this contract.

**Second Amendment to
Solar Services Agreement and Solar License Agreements for
Corona de Tucson(MA-PO-15*129)**

This Amendment to Solar Services Agreements and Site License Agreements for the Corona de Tucson Wastewater Reclamation Facilities (the "Amendment") by and between the Oak Leaf Energy Partners Ohio, LLC, a Delaware limited liability company ("Oak Leaf"), and Pima County, a body politic and corporate of the State of Arizona ("Pima County") is effective on the date executed by both parties. Oak Leaf and Pima County may sometimes hereinafter be individually referred to as a "Party," or collectively as the "Parties."

BACKGROUND

1. The Parties entered into a Solar Services Agreement and Solar License Agreement, MA-PO-15*129, for the Corona de Tucson Wastewater Reclamation Facility ("CTWRF") dated December 9, 2014, relating to the purchase and sale of solar energy generated at the CTWRF and the location of the solar generating facility on the Pima County property.
2. The Parties entered into an Amended Solar Services Agreement and Solar License Agreement, MA-PO-15*129, for the Corona de Tucson Wastewater Reclamation Facility ("CTWRF") dated June 2, 2015, relating to the purchase and sale of solar energy generated at the CTWRF and the location of the solar generating facility on the Pima County property.

AMENDMENTS

Now therefore, the Parties agree as follows:

SECTION 2. AMENDMENTS TO THE CORONA DE TUCSON SOLAR SERVICES AGREEMENT.

The Solar Services Agreement for the CTWRF is hereby amended as follows:

1. Section 2.2 of the Amendment to the Solar Services Agreement and Solar Site Lease Agreement for the Corona de Tucson Wastewater Reclamation Facility ("CTWRF") project, dated June 2, 2015 is hereby deleted in its entirety.
2. Notwithstanding the uncertainty around the net metering tariff revision applied for by the TRICO utility, the Parties agree that the Solar Services Agreement for Corona de Tucson will be binding upon Pima County during the term of the Solar

Services and Site Lease agreements. Notwithstanding the above, Oak Leaf will provide timely confirmation to County once it learns that a TRICO or ACC decision has been reached.

3. Exhibit 1.2 of the Amendment to the Solar Services Agreement and Solar Site Lease Agreement for the Corona de Tucson Wastewater Reclamation Facility ("CTWRF") project, dated June 2, 2015 is hereby deleted in its entirety, and replaced by the attached Revised and Amended Exhibit 1.2 which stipulates a new Solar Services Agreement price for the CTWRF project of \$0.105 per kwh flat for 20 years.

This Amendment is contingent on Oak Leaf submitting an approvable application to TRICO for the CTWRF project no later than December 1, 2016. If Oak leaf fails to file an approvable application by December 1, 2016, this Agreement, the County can terminate this Agreement without further liability to either party.

PIMA COUNTY:

OAK LEAF ENERGY PARTNERS OHIO, LLC.:

Chair, Pima County Board of Supervisors

By: 

Name: John Hereford

ATTEST:


Title: Partner

Clerk, Pima County Board of Supervisors

Date: 10/21/16


Date: _____

APPROVED AS TO CONTENT:



Director, RWRD

APPROVED AS TO FORM:



Deputy County Attorney
CHARLES WESSELHOFT

Date: 10-31-16

Exhibit 1.2 - Expected & Guaranteed Performance Output for the Corona de Tucson project.

- a. The actual Expected Performance Output (kWh) (Column A) shall not exceed in any given year 610,130 kWh.
- b. The Guaranteed Minimum Output (kWh) (Column B) shall be calculated at a minimum of 85% of Expected Performance Output (Column A); a
- c. First year Expected Performance Output will be calculated for the 12 month period that commences on the Commercial Operation Date defined by
- d. The actual cost of electricity purchased from the utility during the calendar year 2013 for the Green Valley WRF was approximately \$.14/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 for Column F (Average weighted TEP price of Guaranteed Minimum Output) shall be calculated as the Total of Column G divided by the Total

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 Perf. Output Electricity (\$) from Supplier Columns (A X C)	Total Annual Cost For Guaranteed Electricity (\$) From Supplier Columns (B X C)	Est. TRICO Cost \$/kWh	Est. Total Annual Cost For Guaranteed Electricity (\$) From TRICO Columns (B X F)	Pima County Savings per year Columns (G-E)
1	608,580	547,722	\$ 0.1050	\$ 63,901	\$ 57,511	\$ 0.118	\$ 64,631	\$ 7,120
2	605,537	544,983	\$ 0.1050	\$ 63,581	\$ 57,223	\$ 0.122	\$ 66,237	\$ 9,014
3	602,509	542,258	\$ 0.1050	\$ 63,263	\$ 56,937	\$ 0.125	\$ 67,883	\$ 10,946
4	599,497	539,547	\$ 0.1050	\$ 62,947	\$ 56,652	\$ 0.129	\$ 69,570	\$ 12,918
5	596,499	536,849	\$ 0.1050	\$ 62,632	\$ 56,369	\$ 0.133	\$ 71,299	\$ 14,930
6	593,517	534,165	\$ 0.1050	\$ 62,319	\$ 56,087	\$ 0.137	\$ 73,071	\$ 16,983
7	590,549	531,494	\$ 0.1050	\$ 62,008	\$ 55,807	\$ 0.141	\$ 74,887	\$ 19,080
8	587,597	528,837	\$ 0.1050	\$ 61,698	\$ 55,528	\$ 0.145	\$ 76,748	\$ 21,220
9	584,659	526,193	\$ 0.1050	\$ 61,389	\$ 55,250	\$ 0.149	\$ 78,655	\$ 23,404
10	581,735	523,562	\$ 0.1050	\$ 61,082	\$ 54,974	\$ 0.154	\$ 80,609	\$ 25,635
11	578,827	520,944	\$ 0.1050	\$ 60,777	\$ 54,699	\$ 0.159	\$ 82,612	\$ 27,913
12	575,932	518,339	\$ 0.1050	\$ 60,473	\$ 54,426	\$ 0.163	\$ 84,665	\$ 30,240
13	573,053	515,748	\$ 0.1050	\$ 60,171	\$ 54,153	\$ 0.168	\$ 86,769	\$ 32,616
14	570,188	513,169	\$ 0.1050	\$ 59,870	\$ 53,883	\$ 0.173	\$ 88,925	\$ 35,043
15	567,337	510,603	\$ 0.1050	\$ 59,570	\$ 53,613	\$ 0.178	\$ 91,135	\$ 37,522
16	564,500	508,050	\$ 0.1050	\$ 59,272	\$ 53,345	\$ 0.184	\$ 93,400	\$ 40,055
17	561,677	505,510	\$ 0.1050	\$ 58,976	\$ 53,079	\$ 0.189	\$ 95,721	\$ 42,642
18	558,869	502,982	\$ 0.1050	\$ 58,681	\$ 52,813	\$ 0.195	\$ 98,100	\$ 45,287
19	556,075	500,467	\$ 0.1050	\$ 58,388	\$ 52,549	\$ 0.201	\$ 100,537	\$ 47,988
20	553,294	497,965	\$ 0.1050	\$ 58,096	\$ 52,286	\$ 0.207	\$ 103,036	\$ 50,749
Total	11,610,431	10,449,388	\$ 0.1050	\$ 1,219,095	\$ 1,097,186	\$ 0.158	\$ 1,648,491	\$ 551,306