



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** March 13, 2012

From: Dennis Cron/Assistant Town Manager **Item No:** 10
Municipal Operations and Contract Services

Subject: ACCEPTANCE OF WORK, NOTICE OF COMPLETION AND RELEASE
OF RETENTION FOR THE GRID-TIED SOLAR PHOTOVOLTAIC
POWER SYSTEM, INVERTER BUILDING AND PARKING LOT SHADE
STRUCTURE PROJECT AT TOWN HALL

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

That the Town Council:

1. Approve the deductive change order in the amount of \$18,250.00 and waive liquidated damages.
2. Accept the work of SunWize Technologies, Inc. for the Town Hall Photovoltaic System Project; and authorize release of retention in the amount of \$67,342.70.
3. Direct the Town Clerk to file a Notice of Completion for the contract and notify surety to exonerate contract bonds.
4. Direct the Finance Director to release retained funds 30 days after the filing of the Notice of Completion, and/or notify prime contractors escrow account holders to release the withheld retention funds, provided no claims are filed against the contractor or Town.

SUMMARY:

On February 8, 2011 the Town Council awarded a contract to SunWize Technologies, Inc. (SunWize) for the Grid-Tied Solar Photovoltaic Power System, Inverter Building and Parking Lot Shade Structure at Town Hall. Town staff issued the Notice to Proceed on March 14, 2011. Terms of the contract required the work be completed within seventy-five (75) working days, which would have been July 7, 2011.

Upon award of the contract, SunWize requested authorization to submit an alternate structural design with higher efficiency power generating units than specified in the design improvement plans and specifications. SunWize offered to deliver an alternate system that would provide an equal structural design, but greater power generation capability. These proposed alternate design features would provide greater life expectancy and cost recovery, to the long term benefit of the Town. Staff agreed to consider the alternate design method and material selection as proposed by SunWize.

Delivery of the alternate design plans, and the resultant plan check, structural and material specification reviews, resulted in project delivery delays exceeding the completion date required within the contract. Actual construction of the solar power generating system did not commence until August 3, 2011. The system was completed and received final operational approval by Southern California Edison to begin producing power on December 1, 2011. Not all of the delays were solely the result of actions by SunWize. Some of the delays were the result of scheduling for power transfer interconnection work that required coordination with Town Hall facility schedules and Southern California Edison crew availability, items not within the direct control of SunWize.

Upon completion of the project, Town staff met with SunWize representatives on multiple occasions to negotiate an acceptable monetary deduction in the contract price for the resultant delays in completion of the work. SunWize has agreed to adjust the contract price by an amount equal to the loss in power generation that would have occurred, had the power generating system been completed by the contract deadline. In addition, staff negotiated recovery of its direct cost resulting from the delays and additional inspection time. The Town did not receive benefit of the working system within the time required in the contract, but with the proposed deduction adjustments, The Town will be "made whole" and the Town received an upgraded system with improved efficiency and expected life for less cost in the end.



SunWize

Change Order

Change Order Number: Town of Apple Valley - 002
Change Order Date: 2/29/2012
Project Name: Town of Apple Valley
Agreement Date: 3/11/2011

This Change Order modifies and amends the provisions of the Agreement for the above referenced project by and between SunWize Technologies, Inc. and Owner.

Original System Specified	Mfg	Model	Qty	W _{STC}	Total W _{STC}
Module Type 1	Sharp	NU-U235F2	364	235	85,540
Inverter Type 1	PV Power	PVP260KW	1		
					85,540

Equipment to be Installed	Mfg	Model	Qty	W _{STC}	Total W _{STC}
Module Type 1	Sharp	NU-U235F2	364	235	85,540
Inverter Type 1	PV Power	PVP260KW	1		
					85,540

The amount payable to SunWize is modified as follows:

Original Contract Price:	\$691,677.00
Change in System W _{STC} :	\$0.00
Change in System Price:	(\$18,250.00)
New Contract Price:	\$673,427.00

Change in System Price for loss of energy production.

Owners acceptance of this change order constitutes a waiver of liquidated damages.

Except as set forth above, all terms and provisions of the Agreement and all prior Change Orders remain in full force and effect. Execution of this Change Order by both parties constitutes a binding agreement with regard to the direct costs relating to this Change Order.

Accepted:

By: _____	Owner Signature: _____
SunWize Technologies, Inc.	Owner Name: _____
Date: _____	Date: _____

CA License # 890619