

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

APPROVE BID FOR GRID-TIED SOLAR PHOTOVOLTAIC POWER SYSTEM AND SHADE STRUCTURE AND AUTHORIZE MAYOR TO EXECUTE CONSTRUCTION CONTRACT.

Summary Statement:

On April 28, 2009, the Town Council adopted Resolution 2009-13 authorizing submittal of an application for the Energy Efficiency and Conservation Block Grant (EECBG) funds made available through the American Recovery and Reinvestment Act (ARRA) of 2009. On September 14, 2009, the Town received notice that the grant application was successful. Grantees were given 18 months from award to obligate these funds under contract.

A Request for Proposal to design the photovoltaic system and prepare construction documents was released in December 2009. Engineering Partners, Inc. (EPI) was awarded the contract in April 2010. EPI completed the specifications and estimated a cost of \$1,728,643 for installing a grid-tied photovoltaic power system on a parking lot shade structure. On September 14, Council approved release of the construction documents for bid.

As originally planned, the Town would have received a significant California Solar Initiative rebate of \$.32/kW for the project in addition to the federal grant which made the project attractive in terms of funding. As the project design alternatives were being finalized, the state rebate decreased to \$.15/kW, which extended the projected break-even point of the project to 2026, without regard to possible interest earnings on the funds.

On November 30, 2010, at a Special Called Council Meeting, Council directed staff to reject all bids received for the photovoltaic project and explore alternatives so as not to lose the EECBG funds. Staff then requested EPI to prepare a revision of the solar project which would decrease the project costs. EPI prepared plans and drawings for a scaled-down project which included all of the original infrastructure to allow for future expansion, but would build only two parking structures with photovoltaic modules in this phase. This version brings the size of the project

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Recommended Action:

1. Waive bid protest by BCE, per opinion of Town Attorney,
2. Award construction bid to SunWize Technologies, Inc.,
3. Authorize the Town Manager to execute contract with SunWize Technologies, Inc., for the construction of a grid-tied photovoltaic power system, pending approval of modified project by the Department of Energy and confirmation of federal funding, and
4. Appropriate \$75,000, 33% (\$25,000) each from Waste Management fund, Wastewater fund, and Facility Maintenance fund to pay construction costs.

Proposed by: Diana McKeen _____

Item Number _____

T. M. Approval: _____

Budgeted Item Yes No N/A

down by about two-thirds, reducing the amount of energy produced, the amount of the state rebate and the cost of the project. The engineer's estimated cost for the revised project was \$779,168, compared to \$1,728,643 for the original project.

Bids for the modified project were published in the *Apple Valley News* on January 7 and January 14, 2011, published in various online trade journals, posted on the Town's website, and previous bidders were directly notified of the new project. Bids were publicly opened on Tuesday, January 25, 2011. The Town received 12 bids ranging from \$691,677 to \$867,127. The three lowest bidders are as follows:

SunWize Technologies, Inc.	\$691,677
Building Consulting Engineers, Inc.	\$698,900
ASR Constructors, Inc.	\$723,000

The second lowest bidder raised a question on the low bid. The query was referred to Best, Best & Krieger which determined it was a minor irregularity which the Town can waive at its discretion.

Staff contacted references for the lowest bidder and obtained all favorable reports concerning the company's ability to bring in a project in time, within budget and without major problems. All of the contacts indicated they would hire SunWize again for similar projects. The VA Hospital in Loma Linda provided a two-page evaluation of the company with an overall rating of "Outstanding." The City of Corona advised the company was very patient and informative in building what was the city's first photovoltaic project. The project manager for Safeway stores noted they had a very tight time frame, yet their project in Oxnard was brought in on time and was a good construction experience. Another project manager for the Veterans Administration indicated the project was brought in slightly over budget and took longer than originally expected, due to customer changes. He indicated he was very pleased with SunWize which was responsive and coped well with all the design changes. Asked whether he would use this contractor again for a similar project, he indicated he had already engaged them for another project.

Due to the change in the project scope, several documents submitted as part of the original grant application in 2009 have been amended and sent to the Department of Energy (DOE) for its approval. DOE staff indicates it can take from four to six weeks for amendments to be reviewed and an Assistance Agreement prepared for the Town Manager's signature. It is the opinion of DOE staff that this process can be completed in time for the grant funds to be obligated by the March deadline.