

BOARD REPORT NO. 14-1-102B

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Josè D. Nuñez, Vice Chancellor of Facilities Planning, Maintenance and Operations,
358-6836

**APPROVAL OF SOLAR PHOTOVOLTAIC PROJECT AT CAÑADA COLLEGE AND
APPROVAL OF CONTRACT AWARD FOR THE PROJECT**

On December 11, 2013, the Board was presented an information report (Board Report 13-12-3C) on the Solar Photovoltaic Project at Cañada College. This Design-Build Project will provide for the construction of a 1.25 megawatt DC solar PV panel system at Cañada College. The installation will be located in the southeast quadrant of the campus, in a valley area approximately three acres in size, between the Farm Hill Drive campus entrance and the Athletic Fields.

Government Code Sections 4217.10 through 4217.18 authorize the District's Governing Board, without advertising for bids, to enter into one or more energy service contracts with any person or entity, pursuant to which that person or entity will provide electrical or thermal energy or conservation services from an energy conservation facility to the District, if the anticipated cost to the District for said electrical energy (in this case) provided by the energy conservation facility provided under the contract will be less than the anticipated marginal cost to the District of electrical energy that would have been consumed by the District in the absence of those energy service contracts.

District staff have worked with the engineering professional consultant Newcomb Anderson McCormick ("NAM") to conduct a feasibility study for the District assessing the District's energy usage, energy needs and opportunities to reduce energy expenses, including opportunities to develop a solar photovoltaic facility to generate renewable electrical energy for the District's use in order to reduce the District's consumption of utility-provided electrical energy.

The District has sought proposals for the design and construction of a Solar PV System meeting technical criteria developed by NAM through a Request for Proposal issued October 28, 2013 ("RFP"). Ten different Bay Area solar providers were sent the RFP and invited to submit proposals. A mandatory pre-proposal conference was held on October 31, 2013 which seven of the invited solar providers attended. The District received written proposals from four solar providers on November 21, 2013. The District held interviews with each of the four firms on December 5, 2013, to consider the merits of each firm's proposal.

District staff have reviewed and analyzed the qualifications of those submitting the proposals and the value reflected in the proposals to the RFP in consultation with NAM and with Swinerton Management & Consulting, and has identified the Solar Proposal from ALLANA BUICK & BERS, INC. as best responding to the RFP and the District's needs for a Solar PV System to be delivered under an energy conservation contract for a not to exceed price of \$4,531,046.

NAM conducted a detailed economic analysis based on utility information obtained from the District and the proposed PV output and pricing from the vendors. The Economic Analysis of NAM dated December 17, 2013, indicates that the Cañada Solar PV System reflected in the Allana Buick & Bers Solar Proposal would cost less than the anticipated marginal cost to the District of electrical energy that would be consumed by the District in the absence of the Cañada Solar PV System reflected in the Solar Proposal. The anticipated payback period for the Cañada College Solar Photovoltaic System Project is just under 12 years. Using an expected life of 25 years (which the system and components are expected to exceed), the system will provide nearly \$0.06 per kilowatt hour life cycle energy cost benefit to the District. This equates to over \$5 million in savings in addition to the recovery of the initial project investment.

Based upon the Solar Proposal found to best respond to the RFP, and the Economic Analysis, the District staff finds it is in the best interest of the District to procure the energy conservation facility reflected in the Solar Proposal at a cost not to exceed \$4,531,046 as an energy service contract pursuant to Government Code sections 4217.10 through 4217.18. Pursuant to the code, public notice has also been given in a local newspaper publication two weeks prior to this regularly scheduled board meeting regarding the intent to take this action to establish an alternative energy conservation facility purchase contract.

This project will be funded by local funds held in the PG&E Savings By Design account fund, and by California Solar Initiative utility rebate funds of approximately \$900,000, and by California Proposition 39 funds of approximately \$500,000.

RECOMMENDATION

It is recommended that the Board of Trustees authorize the Executive Vice Chancellor to execute a contract for the Cañada College Solar Photovoltaic System Design-Build Project in an amount not to exceed \$4,531,046 as an energy service contract pursuant to Government Code sections 4217.10 through 4217.18.