

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: July 20, 2011

SUBJECT: Contractor Selection
Solar Thermal Hot Water for Detention Center

PRESENTER: Marcus Jones

ATTACHMENTS: Yes

- 1. Grant Award Notification from State Energy Office**
- 2. Request for Proposals**
- 3. Evaluation Matrix for Proposals**

SUMMARY OF REQUEST:

During the September 8, 2009 meeting, the Board directed the Engineering Department to apply for an ARRA (Stimulus) grant for a project to install a solar thermal hot water system for the Detention Center. The system would be physically located in and on the 1995 Courthouse where the primary hot water system for the Detention Center is located. On February 1, 2011, the Engineering Department received the attached letter from the State Energy Office awarding a grant of \$71,419 to the project. As indicated during the initial meeting, the remainder of the funding for the project would be from a Power Purchase Agreement (PPA) with the selected contractor. This Agreement would be between the County and the contractor. The County provides the location for the system and agrees to purchase the BTUs from the solar system at a rate reduced from the gas company. In return, the Contractor designs, installs, maintains and monitors the system. The grant money will be provided to the contractor and will make the PPA more favorable to the County.

Upon notification of the grant, Engineering released a Request for Proposals (RFP) for the PPA. The first RFP was due on April 15, 2010 and received only one proposal from FLS Energy. Upon recommendation from the County Attorney due to limited response, another RFP (attached) was released with an opening date of May 27, 2011. Three proposals were received in response to the 2nd RFP: FLS Energy from Asheville, SolTherm from Asheville and SunQuest from Newton, NC. An Evaluation Matrix of the three proposals which summarizes the proposals based on the performance criteria outlined in the RFP is attached. An electronic copy of the proposals is available from the Engineering Department at mpiner@hendersoncountync.org.

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The three proposals represent quality contractors all capable of performing the requirements of the RFP satisfactorily. From the Evaluation Matrix, two contractors' experience stood out from the three: FLS Energy and SolTherm. Furthermore the cost effectiveness of Soltherm stood out from the three; especially considering the buyout option after six years. With execution of the buyout, the County would receive double the savings. Note that under an agreement with SolTherm, the County would not assume ownership of the Renewable Energy Credits (RECs) after the buyout However, SolTherm would continue to maintain and monitor the system.

Based on the evaluation of the proposals in accordance with the RFP's performance criteria, Engineering recommends selection of SolTherm. This recommendation is based on satisfactory review of the agreement and lease by the County Attorney. The grant schedule requires the project be complete by December 31, 2011 which is feasible but aggressive.

BOARD ACTION REQUESTED:

Approve the selection of SolTherm for the Power Purchase Agreement and Lease for the Solar Thermal Hot Water system at the Detention Center and upon review by the County Attorney, authorize the County Engineer to execute the requirement grant and PPA documents.

Suggested Motion:

I move that the Board approve the selection of SolTherm for the Power Purchase Agreement and Lease for the Solar Thermal Hot Water system at the Detention Center and upon review by the County Attorney, authorize the County Engineer to execute the requirement grant and PPA documents.



North Carolina Department of Commerce State Energy Office

Beverly Eaves Perdue, Governor
Jennifer Bumgarner, Assistant Secretary for Energy

J. Keith Crisco, Secretary
Ward Lenz, Director, State Energy Office

February 1, 2011

Marcus Jones
County of Henderson
375 First Ave East
Hendersonville, N.C. 28792

Dear Mr. Jones:

Congratulations on receiving approval from the State Energy Office for a Renewable Energy Project in the amount of \$71,419. I have enclosed the Grant Agreement Form, which is the contract between your entity and the State Energy Office.

Funding for this program is through the American Recovery and Reinvestment Act of 2009 (ARRA) and administered by the State Energy Office. As such, your project will have to meet all federal program requirements of ARRA as well as the established State Energy Program (SEP). Examples of these provisions include but are not limited to approval by the State Historic Preservation Office (SHPO), compliance with Buy American provisions and compliance with Davis-Bacon wage requirements where applicable.

A press release will be issued by our agency shortly. Please do not make any public announcements until this press release is issued. We look forward to working with you as you implement your project.

Moving on to next steps, we will begin the educational processes for you to understand the necessary reporting requirements to ensure oversight, transparency and accountability for all project areas. You will need to obtain a DUNS number and provide us with that information. http://www.grants.gov/applicants/request_duns_number.jsp. You will also need to register with Central Contractor Registration (CCR). <https://www.bpn.gov/ccr/default.aspx>.

Attached is Amendment #1 which applies to your ARRA grant from the State Energy Office. The original grant documents made general reference to state and federal regulations that you as a grantee would be subject to. This Amendment details the provisions that are required by the Department of Energy (DOE) grant agreement that funds the contracts and some specific federal regulations. Please sign and return this Amendment.

The Amendment has 5 attachments. The first attachment is the updated contract between the U.S. Department of Energy and the State Energy Office, all the terms of which apply to your grant. Attachment 2 contains North Carolina Office of Economic Recovery Directives which must be followed. We need to have a conflict of interest policy from your entity in our files. If you do not have such a policy, Attachment 3 is a sample conflict of interest policy. Attachment 4 is a certification that your entity owes no overdue taxes which must be signed. Attachments 5 and 6 are certifications relating to lobbying and debarment which you need to sign. Attachment 7 contains the prevailing wage rates governing subcontractors in your county, pursuant to the Davis Bacon Act.

I am also including the Electronic Payment Form which must be returned with a voided check in order to receive payments electronically. Please fax the Electronic Payment documentation to Tracy Howell in our office at 919-733-2953 AND to the Office of the State Controller at 919-981-5561.

ACTION ITEMS:

- Please read this document carefully, as it was written specifically for this grant.

- Please return the following in hard copy via U.S. Mail: Bob Leker, N.C. State Energy Office, 1830A Tillery Place, Raleigh, N.C. 27604:
 - the signed Amendment
 - a copy of your Conflict of Interest Policy
 - the signed certification that no overdue taxes are owed
 - the signed debarment and lobbying certifications
- Send us your DUNS number as soon as possible
- Register on Central Contract Registration (CCR) as soon as possible or let us know that you are already registered

Do not hesitate to call your Program Manager, Bob Leker (919-733-1907) or your Business Officer, Tracy Howell (919-715-3641) if you have any questions about the Amendment or anything else related to your grant. Mary Maclean Asbill (919-715-3541) can also help with contract document questions. Please note that you should work through Bob Leker if you need to revise your project scope or budget.

Please let us hear from you by February 11th if you do not intend to move forward with the grant. If you intend to move forward, please return the signed documents to us by February 25th. Thank you for your work on this project.

Ward Lenz
Director, State Energy Office



HENDERSON COUNTY ENGINEERING

Memorandum To: *Interested Solar Thermal Companies*

From: *Marcus A. Jones, P.E.*
Director of Engineering

Subject: ***Request for Proposals (2nd Proposal Process)***
Solar Thermal Water System for the 1995 Courthouse and Detention Center

Date: *May 6, 2011*

As a continuation of the proposal process initiated on March 4, 2011, Henderson County will receive competitive proposals from qualified contractors to design, install and maintain a solar thermal water system in the 1995 Courthouse and the Detention Center to supply both of the facilities with hot water. This project will be performed under a Power Purchase Agreement (PPA) between the successful contractor and Henderson County. In addition, Henderson County has been awarded a grant from North Carolina Energy Office for \$71,419 which will be incorporated into the PPA to reduce the County's price per btu.

Mandatory Pre-proposal Meeting: **May 17, 2011 at 10:00 am**
King Street Meeting Room
100 North King Street
Hendersonville, NC 28792

Proposals are due: **May 27, 2011 at 10:00 am**
Marcus Jones, Director of Engineering
Engineering Department
1 Historic Courthouse Square, Ste 6
Hendersonville, NC 28792

Location of Work: Henderson County 1995 Courthouse and Detention Center
200 North Grove Street
Hendersonville, North Carolina

Detailed Scope of Work:

- Henderson County seeks an indefinite quantity contract (PPA) for high quality, reliable solar energy systems that will result in a significant long-term reduction in utility costs.
- The successful contractor will design, install and maintain the solar energy thermal system(s) that will be installed at the 1995 Courthouse and Detention Center.
- The successful contractor will own the system and assume responsibility for the maintenance of the system during the PPA.
- Henderson County will pay no upfront capital costs for the system and will enter a contract with the company for a monthly payment based on the utility reduction received from the installation of the system. The County will maintain a positive cash flow for the project during the duration.
- An American Recovery and Reinvestment Act of 2009 grant with the North Carolina Energy Office will provide funding in the amount of \$71,419 for the project to be incorporated into the PPA to reduce the County price per btu.
- The State Energy Office has confirmed that all requirements from the DOE Award Agreement (DE-EE000157) Terms and Conditions are applicable to this project. Please note the following:
 - SEO provided the attached handout for your information, A Desk Guide to the Buy American Provisions of the ARRA Act of 2009, March 2011.
 - A “Buy American” certification letter is required with the proposal that specifies the equipment to be used (make, model, etc) in the proposer’s system.
 - The proposal must identify the contractors DUNS# and CCR registration.
 - The details of responsible waste disposal must be included in the proposal.
 - **The ARRA requirements are considerable and will notably impact the cost of the project.**
 - Per recent direction from the State Energy Office, the grant will be paid **AFTER** successful completion of the solar system installation. In turn, the County’s payment to the contractor will occur after payment of the grant.
- The solar collectors will be roof mounted.
- The Detention Center is a 254 bed facility with an average occupancy of between 172 to 198 inmates, and the 1995 Courthouse is a 100,000 square foot office building. Current metering of the system measured the rate of hot water to be between 2,700 and 3,000 gallons per day.

- The solar thermal hot water system should be installed onto the two systems located in the 1995 Courthouse which supply hot water to the Courthouse and Detention Center. Three plan sheets for the current system from the Detention Center construction plans are attached. Also, the following is a description from our maintenance staff of the current hot water system:
 - Both of the water heaters for the Detention Center in the 1995 Courthouse are 250 gallon and are 800,000 BTU's
 - The water heater in the Detention Center is a 250 gallon, 1,000,000 BTU's and is fed with hot water from the two water heaters in the 1995 Courthouse. This water heater supplies all the laundry room and half the kitchen fixtures.
 - The other half of the kitchen is fed by a 3" direct line from one of the two water heaters in the 1995 Courthouse.
 - The water heater for the 1995 CH is 225 gallons and is 800,000 BTU's
- The roof installation of the solar panels must be designed and certified by a structural engineer licensed in the State of North Carolina.
- The successful contractor will obtain required permits, licensure and insurance. Insurance requirements can be found at the following link. Bonding is not required for this project. ww2.hendersoncountync.org/rfp/index.html
- The successful contractor must design, install, and maintain roof mounted solar thermal water system during the contract period with completion of installation before December 1, 2011.
- The deadline for questions from proposers is May 23rd at 5:00 pm. All questions must be submitted via email. Responses from the County to emailed questions will be replied to the entire proposer list. Important to note, only emailed questions and answers will be accepted as part of the RFP process.

The following information must be included in the proposal:

1. A statement of your companies qualifications and experience with solar installations, including three references from prior customers for whom you have installed at least ten solar collectors within the last thirty-six months; experience should include certification of installation team members by the North American Board of Certified Energy Practitioners (NABCEP).
2. A detailed description of the proposed installations, including at a minimum solar thermal installations using AET solar collectors or collectors that perform equal or better than AET collectors according to SRCC certification standards; and must include warranty and life expectancy information for the proposed equipment.

3. A detailed description of all equipment installed and equipment ownership provisions. This must include the estimated monthly utility savings that will be received due to the installation and the monthly bill that will be received by Henderson County from the company. The long-term costs and benefits of your proposed installation.
4. The proposed timeline for design and installation must be provided with the completion date prior to December 1, 2011.
5. Proposals must include a signed, draft power purchase agreement. The PPA should include the following:
 - a. Must identify responsibility for moving panels in the event the roof requires maintenance.
 - b. Purchase arrangement for the proposer's system at the end of the agreement.

Evaluation Criteria:

- Experience and qualification of the contractor.
- Quality of the proposed system(s).
- Cost Effectiveness of the proposed Power Purchase Agreement.
- Timeline for completion (all work must be completed before December 1, 2011).

Henderson County reserves the right to reject any and / or all bids. Qualified contractors interested submitting a proposal on the project should contact at Mr. Marcus Jones (828) 694-6526 or by email at majones@hendersoncountync.org

See attached for additional requirements:

1. State Energy Program – Recovery Funds
2. DOE Award Agreement (DE-EE000157) Terms and Conditions
3. Henderson County Courthouse price per therm information
4. 3 plan sheets from Detention Center construction
5. A desk guide to the Buy American Provisions of the ARRA Act of 2009, March 2011

Review Matrix for Solar Thermal Project

Evaluation Criteria for RFQ	SolTherm	FLS Energy	SunQuest
Experience and Qualifications of Contractor			
References (PPA)	yes, positive	yes, positive	no
References (ARRA Grants)	yes, positive	yes, positive	no
References (Institutional, Detention Center)	yes, positive	yes, positive	yes, positive
Certifications	yes, NABCEP	yes, NABCEP	no
Quality of the Proposed System			
Determined from References	positive	positive	positive
Cost Effectiveness			
Annual Savings to County	\$3,014 (45% of consumption)	\$2,543 (\$0.50 / therm)	\$1,616.16 (\$0.54 / therm)
PPA Buyout	\$1,000 in 2016	\$1,000 in 2020	\$25,000 in 2031
PPA term (years)	15	10	20
Timeline for Completion (before 12/31/11)	yes	yes	yes