



Legislation Text

File #: ID#24-0612, Version: 1

SUBJECT/RECOMMENDATION:

Authorize a Guaranteed Maximum Price (GMP) to Certus Builders, Inc., for the installation of roof top solar panels at the General Services Complex and Morningside Recreation Center in the cumulative amount of \$1,113,944.00 pursuant to RFQ 40-20, Construction Manager at Risk (CMAR) Continuing Contracts and authorize the appropriate officials to execute same. (consent)

SUMMARY:

On August 4, 2022, Council approved the allocation of American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Funds to a variety of city projects, which included \$2,000,000 towards solar projects on City facilities. ARPA funds must be committed/encumbered by December 31, 2024 and fully expended by December 31, 2026 per Department of Treasury requirements.

The city’s sustainability plan, Greenprint 2.0, includes reductions goals on greenhouse gas emissions. In 2022 McKim & Creed was hired by the city to provide a comprehensive solar feasibility study and cost benefit analysis of 41 city facilities. The three key assessment factors used in prioritizing city solar projects were: Levelized Cost of Energy, Internal Rate of Return, and Construction Costs, based on projected energy production rates and system size.

Two of the facilities identified that closely align with each assessment factor are the General Services Complex and Morningside Recreational Complex. The target values and projected facility values are as followed:

Assessment Factor	Target Range	General Services Complex (Fleet Building)	Morningside Rec. Complex (Pool)
Levelized Cost of Energy (LCOE)	<\$0.060/kWh	\$0.052/kWh	\$0.044/kWh
Unit Construction Cost (blended)	<\$2.00/W (DC)	\$2.13/W (DC)	\$1.83/W (DC)
Internal Rate of Return (IRR)	>5% (discount rate)	8.30%	9.90%

The financial performance of each proposed location assumes a 5% annual escalation of electric utility costs, as well as a solar panel degradation rate of 0.50% annually as recommended by McKim & Creed in the solar feasibility study.

The installation of 383 solar panels on the roof top of General Services complex are projected to provide an

initial annual electrical savings of \$29,724.00 with a 12.5-year payback period. The panels will be producing an estimated 325,825-kilowatt hours of power annually which equates to 63.8% of the total power required to operate the facility. The cost to install solar at this facility will be \$642,903.00, with a projected 8.3% Internal Rate of Return.

The installation of 326 solar panels on the roof top of Morningside Recreation Center are projected to provide an initial annual electrical savings of \$26,235.00 with a 10.8-year payback period. The panels will be producing an estimated 284,303-kilowatt hours of power annually which equates to 100% of the total power required to operate the facility. The cost to install solar at this facility will be \$471,041.00, with a projected 9.9% Internal Rate of Return.

On September 17, 2020, Council approved thirteen (13) Construction Manager at Risk (CMAR) contracts pursuant to RFQ 40-20, and Certus Builders, Inc. was one of the approved firms. Certus has a great understanding of the needs and required end results for this project. In past projects with the City, Certus delivered a quality product, met designated timelines, and did so in a professional manner.

APPROPRIATION CODE AND AMOUNT:

315-G2214, ARPA Solar Panels

STRATEGIC PRIORITY:

The installation of solar panels on the General Service Complex and Morningside Recreation Center is supported by Strategic Plan Objectives 1.1, maintaining municipal performance, and promoting accountable governance; 1.2, maintaining public infrastructure; 4.1, providing proactive climate resiliency; and 4.2, adopting renewable resource usage.

