



Legislation Text

File #: 22-0945, Version: 1

Resolution to Approve a Contract with Homeland Builders of Michigan LLC d/b/a Homeland Solar for the Purchase and Installation of Solar Systems at Nine (9) City Sites, Energy Storage and Battery Systems at Two (2) City Sites and the Installation of Electric Vehicle Charging Infrastructure at Five (5) City Sites (\$3,050,000.00) **(8 Votes Required)**

The City of Ann Arbor has set a series of aggressive goals related to climate action and sustainability, including powering all municipal facilities with 100% clean and renewable energy. In addition, the City has placed a priority on ensuring the resilience of all city services, including ensuring that all services can operate in the case of a disruption to the electrical grid. That is why the City has decided to move forward with installing solar energy on viable city facilities and ensuring that those systems are battery ready.

To advance this work, in 2019, staff conducted a solar assessment to identify the city facilities with the highest solar potential and an energy use profile that would benefit from having onsite solar installed. A list of 13 facilities were initially identified. Staff then began working with peers around the nation to determine the best contracting vehicle to move installations forward.

With the help of the City's legal department and purchasing manager, the Office of Sustainability and Innovations crafted an RFP in 2020 to support the design, financing, engineering, procurement of materials, installation, commissioning, and all associated documentation (including warranties) and project interconnection of Solar PV Systems to be located at thirteen municipal facilities. It was requested that these systems be designed to optimize power production and offset or reduce grid electricity use/electricity bills within the space and logistical constraints within our utility landscape. All sites were requested to be battery ready with battery pricing to be provided as an optional add-on element.

In terms of financing, the city requested that bidders submit two cost proposals: 1) solar installation design and build with City ownership of PV system (with the City to purchase upon completion); and 2) Financed Installation, via Power Provision Agreement (PPA), that would result in minimal to no cash outlay from the City with an option to purchase the systems including the cost savings expectation. The official RFP was produced in 2020 and released in early 2021 (due to holidays) as RFP 21-05.

Eleven (11) firms bid on the project. A team of staff was pulled together to review all proposals. Four firms stood out due to their qualifications, previous experience, and compliance/adherence with RFP requirements. The pricing proposal for these four firms were then opened. Based on information from the pricing proposal, the review committee selected three firms to move forward with interviews. After the interviews staff determined the best course of action was to award professional service agreements to two firms to complete the final designs and update their cost estimates for the sites listed below. The professional services agreements were negotiated such that, if staff were satisfied with the final designs and cost estimates from each firm, that firm would be selected to move forward with construction.

The two firms, Enerlogics Solar, LLC., and Homeland Solar, worked with the City over the preceding year to finalize designs and specifications at identified City sites. Once designs were received, public comment was sought for all the potential parks sites and from all city staff managing the sites under consideration from solar. Final designs were shared with staff and managers at each facility as well as the Parks Advisory Committee for final approval/review.

Site	Type	Size (design kWDC)	Cost
Veterans Park	Roof+Carport	379.4	\$1,020,000
Veterans Park	Battery	100kW	\$215,000
Veterans Park	EV Chargers	6 chargers	\$48,000
Buhr Park	Rooftop	182.7	\$366,000
Farmers Market	Rooftop Expanded	39.2	\$102,000
Gallup Canoe Livery	Pergola	17.9	\$63,000
Cobblestone	Rooftop	47.3	\$115,000
Fuller Park	Carport	118.8	\$425,000
Fuller Park	EV Chargers	3 chargers	\$24,000
Leslie Golf - Barn	Rooftop	10.8	\$31,000
Leslie Golf - Pump House	Ground	32.4	\$76,000
Leslie Golf - Club House	Carport	40.5	\$175,000
Leslie Golf Club House	EV Charger	2 chargers	\$16,000
Burns Senior	Carport	29.7	\$120,000
Burns Senior Center	Battery	20kW	\$56,000
Burns Senior Center	EV Chargers	1 charger	\$8,000
Huron Hills Golf - Pump House	Ground	24.3	\$60,000
Huron Hills Golf - Club House	Carport	25.65	\$122,000
Huron Hills Club House	EV Chargers	1 charger	\$8,000
TOTAL		948.65	\$3,050,000

Simultaneously, the City also received news that it would receive funding from the American Rescue Plan Act. Because of the potential for some funding to support this project, OSI staff decided to slow down the final design process with Enerlogics and Homeland to see how much, if any, ARPA funding might be allocated to the project. This was important as it influences how the project will be funded and/or financed.

In spring 2022, City Council, with input from the public, allocated \$4.5 million to this project (solar on city facilities). With this decision, staff began working with the two contractors to revise the financing arrangement to maximize the energy savings to all city facilities. In the end, a decision was made to direct purchase the Homeland suite of projects and explore the use of a Power Provision Agreement (PPA) with Enerlogics to advance their proposed projects (with a contract to come before Council soon).

Before Council today is the direct purchase of solar installations at nine (9) city facilities, the installation of electric vehicle chargers at five (5) locations, and the installation of energy storage and battery systems at two (2) locations. This includes allocation \$1,700,000 in funding from the FY22 Office of Sustainability and Innovations budget and application of \$1,350,000 of ARPA funding.

Given this work was conducted nearly a year before the Best Value Purchasing initiative was on the ballot and that we selected and have been working with Homeland under an existing contract to finalize designs and pricing, and subject to review and approval of the final designs and pricing, the purchase and installation of the proposed systems and facilities would be through a separate construction contract. OSI staff strongly recommend the approval of the contract with Homeland Solar.

Homeland Solar submitted all required Non-Discrimination, Prevailing Wage, Living Wage, and Conflict of Interest Disclosure forms and complies with the requirements of the City's Non-Discrimination and Living Wage ordinances.

Budget/Fiscal Impact: Funding is available for this contract in the approved FY 2022 General Fund Operations and Maintenance budget of the Office of Sustainability and Innovations and through the American Rescue Plan Act funds allocated for solar at city facilities, however this project will not be completed by June 30, 2022. Therefore, it is being requested that these unspent funds from FY 2022 be appropriated from the General Fund fund balance in FY 2023 for this purchase.

Prepared by: Missy Stults, Sustainability and Innovations Director

Reviewed by: Marti Praschan, Chief Financial Officer

Reviewed by: Tim Wilhelm, Deputy City Attorney

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The City has adopted an aggressive and bold goal to achieve a just transition to community-wide carbon neutrality by the year 2030;

Whereas, City municipal government operations account for approximately 1.5% of total community-wide greenhouse gas emissions but municipal leadership on climate action can help catalyze community-wide action;

Whereas, City Council committed in Resolution R-17-442 to powering city facilities with 100% clean and renewable energy;

Whereas, The Energy Commission, Environmental Commission, and City Council have reviewed and adopted Criteria and Principles to guide energy-related investments, which include "starting local" and "enhancing resilience";

Whereas, In early 2021 the Ann Arbor Office of Sustainability and Innovations launched a request for proposals (RFP 21-05) to hire a consultant(s) to design, build, and finance solar at multiple city facilities;

Whereas, In early 2021 Enerlogics Solar, LLC, and Homeland Solar were identified as the top bidders based on their responses and were selected to move forward with designing and installing solar at select City facilities;

Whereas, Homeland Solar has been working on designs for these facilities, with nearly final designs showing the potential to install near 1 Megawatt of solar on 9 city facilities or locations;

Whereas, The Burns Senior Center and Veterans Memorial park are important components for community resilience;

Whereas, The energy storage and battery systems for these two sites were designed to help ensure reliability of service and provide resilience so that the facilities can have some ability to operate even during power disruptions;

Whereas, Homeland Solar designed five sites so as to take advantage of the City's goals around electric vehicle charging and powering those chargers with renewable energy;

Whereas, The designs presented by Homeland Solar will also save the City operating costs, enhance resilience, reduce climate pollution, and continue to demonstrate the viability of renewable energy and vehicle electrification to the community and throughout the region;

Whereas, The Office of Sustainability and Innovations General Fund Operations and Maintenance budget included funding for projects in its FY 2022 budget and funding allocated through the American Rescue Plan Act, however the project will not be completed by June 30, 2022 and it is requested that the funding be appropriated in FY 2023;

Whereas, Homeland Solar has worked to design solar generation systems that are battery ready and that can support electric vehicle charging;

Whereas, Homeland Solar complies with the requirements of the City's Non-Discrimination and Living Wage ordinances; and

Whereas, It is now necessary to enter into a contract with Homeland Solar for the purchase and installation of solar systems, energy storage and battery systems, and electric vehicle charging infrastructure at the identified City sites;

RESOLVED, That City Council approve a contract with Homeland Builders of Michigan LLC d/b/a Homeland Solar in the amount of \$3,050,000.00 for the Purchase and Installation of: i) Solar Systems at Veterans Park, Buhr Park, the Ann Arbor Farmers Market, Gallup Canoe Livery, Cobblestone, Fuller Park, Leslie Golf Course, Burns Senior Center, and Huron Hills Golf Course; ii) Energy Storage and Battery Systems at the Burns Senior Center and Veterans Memorial Park; and iii) for the Installation of Electric Vehicle Charging Infrastructure at Five City Sites: Burns Senior Center, Fuller Park, Veterans Memorial Park, Huron Hills Club House, and Leslie Club House;

RESOLVED, That City Council appropriate \$3,050,000.00 from the General Fund fund balance to the FY 2023 Sustainability and Innovations expenditure budget for the purpose of the Purchase and Installation of: i) Solar Systems at Veterans Park, Buhr Park, the Ann Arbor Farmers Market, Gallup Canoe Livery, Cobblestone, Fuller Park, Leslie Golf Course, Burns Senior Center, and Huron Hills Golf Course; ii) Energy Storage and Battery Systems at the Burns Senior Center and Veterans Memorial Park; and iii) for the Installation of Electric Vehicle Charging Infrastructure at Five City Sites: Burns Senior Center, Fuller Park, Veterans Memorial Park, Huron Hills Club House, and Leslie Club House and that these funds be made available without regard to fiscal year;

RESOLVED, That City Council approve a ten percent (10%) contingency in the amount of \$305,000.00 within the Office of Sustainability and Innovations budget for this project and that the City Administrator be authorized to approve change orders not to exceed that amount;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said contract after as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.