Legislation Details (With Text)

File #:	22-0944	**Version:**	2	**Name:**	6/21/22 Resolution to Approve the Direct Purchase and Installation of Battery Storage Systems from Enerlogics, LLC at Three (3) City Sites.
Type:	Resolution			**Status:**	Passed
File created:	6/21/2022			**In control:**	City Council
On agenda:	6/21/2022			**Final action:**	6/21/2022
Enactment date:	6/21/2022			**Enactment #:**	R-22-202

Title: Resolution to Approve a Contract with Enerlogics Networks, Inc for the Purchase and Installation of Energy Storage and Battery Systems at the Water and Wastewater Treatment Plants ($520,172.00) (8 Votes Required)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Construction Contract_Energy Storage at City Facilities_Enerlogics_Updated.pdf

Date	Ver.	Action By	Action	Result
6/21/2022	1	City Council	Approved	Pass

Resolution to Approve a Contract with Enerlogics Networks, Inc for the Purchase and Installation of Energy Storage and Battery Systems at the Water and Wastewater Treatment Plants ($520,172.00) **(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. 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. Along with all systems being battery ready, the City has additional funding to support the installation of energy storage and battery systems at two sites where Enerlogics Networks, Inc. is designing solar systems for installation, including:

- Ann Arbor Water Treatment Plant
- Ann Arbor Wastewater Treatment Plant

These two sites were chosen to assist with peak shaving or reducing demand charges that apply at each site due to the volume of energy used and their specific electric rates and to help maximize the onsite usage of the renewable energy generated via the solar systems.

This item is being brought to Council separate from the Power Provision Agreement (PPA) contract because the City is proposing to directly purchase these energy storage and battery systems rather than include them in the PPA. This means, that if approved, the City will own and maintain these assets once they are installed.

As background, 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 of our utility landscape. All sites were requested to be battery ready with battery pricing to be provided as an optional add-on element.

Eleven (11) firms bid on the project. A team of staff reviewed all proposals. In the end, 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 cost estimates for the thirteen identified sites. 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 Networks, Inc., 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. City staff also evaluated the direct purchase of energy storage and battery systems with excess budget and identified the two sites noted above as being strong candidates for those storage systems to accompany the solar installations.

Given that Enerlogics Networks, Inc. submitted its proposal for these energy storage and battery systems and was selected to finalize its designs and pricing in 2021, which the City has reviewed and finds acceptable, it is now time to consider a separate contract for the purchase and installation of the energy storage and battery systems.

OSI staff strongly recommend the approval of the contract with Enerlogics Networks Inc. for this project.

Enerlogics Networks, Inc. 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 County Mental Health Millage 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 County Mental Health 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 Networks, Inc, and Homeland Solar were identified as the top proposers based on their responses and were selected to move forward with designing and installing solar at select City facilities;

Whereas, Enerlogics and Homeland have been working on designs for these facilities, with nearly final designs showing the potential to install over 4 Megawatts of solar power generation systems on 20 City facilities or locations;

Whereas, The Water Treatment Plant and Wastewater Treatment Plant are important components for community resilience;

Whereas, The designs presented by Enerlogics will 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 County Mental Health Millage Fund 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, Enerlogics Networks, Inc. has worked to design solar power generation systems that are battery ready;

Whereas, Enerlogics Networks, Inc. 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 Enerlogics Network, Inc. for the purchase and installation of energy storage and battery systems at the identified City sites;

RESOLVED, That City Council approve a contract with Enerlogics Networks, Inc. in the amount of $520,172.00 for the purchase and installation of energy storage and battery systems at the City’s Water Treatment Plant and Wastewater Treatment Plant;

RESOLVED, That City Council appropriate $520,172 from the County Mental Health Millage Fund fund balance to the FY 2023 Sustainability and Innovations expenditure budget within the County Mental Health Millage for the purpose of purchasing and installing energy storage and battery systems at the Water and Wastewater Treatment Plants 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 $52,000.00 within the Office of Sustainability and Innovations budget for this project and that the City Administrator be authorized to approve changes 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.

**Portions of this Resolution were rescinded with the approval of Resolution R-23-008 approved on January 9, 2023.*

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