



Legislation Text

File #: 23-0956, Version: 1

Resolution to Rescind Resolution R-23-008 for a Construction Contract with Enerlogics Networks, Inc. for the Purchase and Installation of Solar at City Facilities and to Approve a Construction Contract with Melink Solar, LLC for the Purchase and Installation of Solar at City Facilities, and to Appropriate Necessary Funds **(8 Votes Required)**

On January 9, 2023, City Council approved a Construction Contract with Enerlogics Networks, Inc. to install solar at seven city locations (see table below) via resolution R-23-008. The Enerlogics Team included Melink Solar, LLC as the firm responsible for designing the solar installations highlighted in the table below and approved by Council for construction:

Site	Type	Size (kwDC)	Cost
Airport - Northeast Hangars	Ground Mount	32	\$97,873
Airport - Admin Building	Ground Mount	78	\$239,246
Airport - Northwest Hangars	Ground Mount	71	\$217,773
Steere Farm	Ground Mount	303	\$924,359
Water Recovery (WWTP)	Ballasted Roof Mount	681	\$1,968,444
Water Treatment Plant	Roof Mount + Ballasted Ground	342	\$1,028,450
Wheeler Center	Ground Mount	1,296	\$3,023,854
TOTAL		2,803	\$7,499,999

Because Melink Solar, LLC is the firm that will lead the actual construction of the solar installations as outlined in the table above, they are the firm able to secure the required bonds for construction. Because of this, it is more appropriate to have the City enter into a construction contract directly with Melink Solar, LLC. Enerlogics Networks, Inc. will continue to serve on the project team as the advisor. As such, staff are requesting that the formal construction contract be authorized for Melink Solar, LLC. instead of Enerlogics Networks, Inc.

In addition, staff are reducing the size of Steere Farm (from roughly 605kw of solar to 303kw) in this contract due to some challenges getting the full 600kw system approved for interconnection with DTE.

In addition, R-23-008 contained language to ensure all the proper financial mechanisms were in place to properly fund this project. To preserve those mechanisms, staff are re-inserting language from R-23-008 into the resolved clauses. This includes reconfirming the following, which were all previously approved by Council:

1. Resolution Enactment #R-22-202 for a purchase of battery storage systems at the Water and Wastewater Treatment Plants shall be funded from the General Fund for \$520,172 with a rebate from the IRA of \$156,052

2. Resolution Enactment #R-22-203 for 13 electric vehicle charging stations and software from Chargepoint for \$98,306 shall be funded from ARPA funding
3. Resolution Enactment #R-22-186 for the direct purchase and installation of battery storage systems from Homeland Solar shall be funded with \$1,350,000 in funding from ARPA and \$1,700,000 from the General Fund of which \$915,000 will be rebated from the IRA.

Melink Solar, LLC has 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: Staff proposes using \$3,043,246 from ARPA Funding that was previously designated for solar on City Facilities, \$1,339,172 from the County Mental Health Millage, \$2,439,977 from the zero-interest loan from the State of Michigan and \$1,311,665 from the General Fund fund balance to cover the cost of the Enerlogics Construction Contract. Staff proposes the funding changes listed above for all projects to be completed and maintain compliance with ARPA requirements.

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, On January 9, 2023, through resolution R-23-008 City Council approved a construction contract with Enerlogics Networks, Inc. for the construction of roughly 2.8MW of solar at City facilities;

Whereas, Enerlogics Networks, Inc.'s project team included Melink Solar, LLC as the leading solar designer and construction partner for the city project;

Whereas, Because Melink Solar, LLC will be leading construction of the 2.8MW of solar at city facilities, it is appropriate for the City to enter into a construction contract with Melink Solar, LLC for the project;

Whereas, The proposed construction contract with Melink Solar, LLC is identical to the construction contract City Council previously approved with Enerlogics Networks, Inc. with the exception of the contractor's name and the updated term dates, and the reduced sizing of Steere Farm; and

Whereas, Funding has been found to cover the direct purchase of the solar facilities, leading to future direct fiscal and energy savings for the City;

RESOLVED, That City Council rescind Resolution R-23-008 and the construction contract with Enerlogics Networks, Inc. for the Purchase and Installation of Solar at City Facilities;

RESOLVED, That City Council approve a construction contract with Melink Solar, LLC in the amount of \$7,499,999.00 for the Purchase and Installation of solar systems at: Airport - northeast hangers; Airport administration building; Airport - northwest hangers; Water Recovery Facility/Plant; Water Treatment Plant; and Wheeler center;

RESOLVED, That City Council approve the use of \$3,043,246.00 from the ARPA funds,

\$1,339,172.00 from the County Mental Health Millage fund and appropriates \$1,020,172.00 from the fund balance of the County Mental Millage fund to the FY23 County Mental Health Millage expenditure budget, that City Council approves and appropriates \$3,750,837.00 from the General Fund fund balance to the FY23 Sustainability and Innovations expenditure budget with up to \$2,439,977.00 of this amount being funded by the State of Michigan zero interest loan until the Inflation Reduction Act rebate is received for the Construction Contract with Melink Solar, LLC. for the purchase and installation of solar systems at City facilities;

RESOLVED, That City Council rescind the budget appropriation in Resolution R-22-202 in the amount of \$520,172.00 for the energy storage and battery systems from Enerlogics Networks, Inc. at the Water and Wastewater Treatment Plants;

RESOLVED, That City Council appropriate \$520,172.00 from the General Fund fund balance to the FY23 Sustainability and Innovations expenditure budget - for the energy storage and battery systems project with Enerlogics Networks, Inc. with up to \$156,052.00 of this amount being funded by the State of Michigan zero interest loan until the Inflation Reduction Act rebate is received;

RESOLVED, That City Council rescind the budget appropriation in Resolution R-22-203 in the amount of \$98,306.00 for the purchase of 13 electric vehicle charging stations and software from Chargepoint;

RESOLVED, That City Council approve the use of \$98,306.00 in ARPA funds for the purchase of the 13 electric vehicle charging stations from Chargepoint;

RESOLVED, That City Council rescind the budget appropriation in Resolution R-22-186 for the direct purchase and installation of battery storage systems from Homeland Solar;

RESOLVED, That City Council approve the use of \$1,350,000.00 in ARPA funds for the direct purchase and installation of battery storage systems from Homeland Solar and that City Council appropriate \$1,700,000.00 from the General Fund fund balance to the FY23 Sustainability and Innovation expenditure budget for this purchase with up to \$915,000.00 of this amount being funded by the State of Michigan zero interest loan until the Inflation Reduction Act rebate is received;

RESOLVED, That City Council appropriate up to \$3,511,029.00 in revenue from the State of Michigan Zero Interest Loan to the FY23 Sustainability & Innovations revenue budget;

RESOLVED, That City Council approve receipt of and use of a zero-interest loan from the State of Michigan in the amount of \$3,511,029.00 to be used to directly purchase solar at the identified sites from Melink Solar, LLC. and that loan be repaid to the State of Michigan from federal renewable energy rebates received by the City under the Inflation Reduction Act of 2022;

RESOLVED, That City Council appropriate up to \$3,511,029.00 in revenue from the State of Michigan Zero Interest Loan to the FY23 Sustainability & Innovations revenue budget;

RESOLVED, That all amounts approved and appropriated herein are without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said agreement after approval 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.