

Date: May 19, 2015

To: THE TRUSTEES

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: **Procurement (Services) Contracts –
Energy Efficiency Programs – Roof Mounted
Solar Photovoltaic Systems – Phase II
Contract Award**

SUMMARY

The Trustees are requested to authorize the award of contracts (as described below) to three (3) firms to furnish design services, labor, material, and supervision for the turn-key installation of Solar Photovoltaic (“PV”) Power arrays in New York City and statewide.

The aggregate total for all three proposed awards is \$48 million and the term of each contract will be five years. These three (3) contracts will be used to support the Authority’s Energy Efficiency Programs (“EEP”), and funding for these contracts will be allocated from existing approved EEP funding. This funding will generally be recovered directly from EEP participants.

Phase I of the two phases included in this RFP has been awarded following Trustee approval at the March 2015 meeting.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for procurement contracts involving services to be rendered for a period in excess of one year. In accordance with the Authority’s Expenditure Authorization Procedures, the award of non-personnel services or equipment contracts in excess of \$3 million require the Trustees’ approval.

In November of 2014, the City of New York Department of Citywide Administrative Services (“DCAS”) requested the Power Authority’s Energy Efficiency Department’s assistance in the implementation of 6 MW of roof mounted PV systems on 24 New York City Schools located throughout the five boroughs. This request was expedited due to partial funding from NYSERDA which requires all systems be fully operational and exporting power to the grid by April of 2016. Designs at nine (9) of the schools were initiated immediately, exhausting an existing solar PV contract with the Authority. The balance of the 15 expedited NYC schools, and additional capacity to implement PV across New York State, including other projects in New York City, necessitated the solicitation of the subject Request for Proposals (“RFP”) (Q14-5789RH). The RFP was divided into biddable phases with Phase I addressing the remaining expedited NYC schools, and Phase II the remaining PV work statewide.

Phase I of this RFP accommodated the City's accelerated timeline to implement the remaining 15 schools with an estimated installed capacity of 4 MW. Trustee approval to award two (2) contracts for Phase I was sought and received at their March 2015 meeting.

Phase II, for which approval is now being sought, will allow for the timely installation of 16 MW of additional solar PV systems in six (6) NY Regions: Western, Central, Northern, South Eastern, NYC, and Long Island. The intent of these regional awards is to make multiple contractors available to implement future projects as they are requested by eligible program participants. Contractors will be assigned projects as they become available by an Assignment Committee based upon cost, current workload, and current contract utilization levels.

DISCUSSION

The EEP provides energy efficiency services to customers meeting the eligibility criteria under NYS Public Authorities Law ("PAL"), Section 1005. Energy efficiency services provided through the EEP include audits, energy master planning and retro commissioning, design, construction management, construction trade management and turn-key implementation services, operation and maintenance, and other related energy efficiency or sustainability services.

On December 3, 2014, the Authority advertised a Request for Proposals ("RFP") No.Q14-5789RH in the New York State *Contract Reporter* soliciting firms interested in providing roof mounted PV systems throughout New York State. As a result of that advertisement and invitations to bid, one-hundred and twenty seven (127) firms downloaded the RFP from the Authority's website. Twenty (20) firms attended the mandatory bidders' conference held on December 18, 2014 to review the proposed scope-of-work and provide an opportunity for potential bidders to ask questions and seek clarification.

The following are the regions, as defined in the RFP, for which respondents were requested to provide regional pricing:

- Region 1: Western – All counties west of Wayne, Ontario, and Steuben counties.
- Region 2: Central – Counties east of the western region, and east of St. Lawrence, Herkimer, Otsego, and Delaware counties
- Region 3: Northern – All counties east of the central region, and north of Sullivan, Ulster, and Dutchess counties
- Region 4: Southeastern – All counties south of the northern region, and north of Bronx County
- Region 5: NYC – Bronx, Kings, Queens, New York, and Richmond counties
- Region 6: Long Island – Nassau and Suffolk counties

On January 14, 2015, ten (10) firms submitted bids for the RFP. The bids were evaluated based on a number of technical criteria, commercial requirements, and cost that included but was not limited to: relevant technical experience with regional permitting requirements; fees; practical knowledge of PV systems; and their financial security.

The Authority's evaluation committee which comprised of Authority staff from Energy Efficiency, Customer Energy Solutions and Procurement reviewed and evaluated the proposals. The evaluation criteria used to score each proposal was established prior to the receipt of bids. Each region was scored individually.

Of the ten (10) firms that submitted proposals, only four (4) provided regional pricing outside of New York City. The committee evaluated these four (4) proposals and recommended awards based on the best combination of cost, qualifications, references and the resources required to support the EEP. Based on the evaluations further set forth in the recommendation award documents for the Energy Efficiency program, the committee recommended the award of a total of three (3) contracts as detailed below.

WESTERN, NORTHERN, CENTRAL and SOUTH EASTERN REGIONS:

Solar Liberty Energy Systems, Inc. headquartered in Williamsville, NY, Standard Solar, Inc. headquartered in Rockville, MD and Montante Solar Inc. headquartered in Buffalo, NY, were the lowest-priced evaluated and technically qualified bidders. The proposals highlighted a detailed and technical approach to the proposed scope-of-work. The committee agreed that of the ten (10) proposals, Solar Liberty Energy Systems, Inc., Standard Solar, Inc., and Montante Solar Inc. provided highly detailed technical proposals for the scope-of-work. All recommended awardees offer full service design, installation, and interconnection of solar electric systems and have been in business for over ten years.

NEW YORK CITY AND LONG ISLAND REGIONS:

Solar Liberty Energy Systems, Inc., and Standard Solar, Inc. were the lowest-priced evaluated and technically qualified bidders. The proposals highlighted a detailed and technical approach to the proposed scope of work. The committee agreed that of the ten (10) proposals, Solar Liberty Energy Systems, Inc. and Standard Solar, Inc. provided highly detailed technical proposals for the scope-of-work. All recommended awardees offer full service design, installation, and interconnection of solar electric systems.

FISCAL INFORMATION

No additional funding is requested at this time to fund the Authority's energy efficiency projects offered under the EEP beyond the current total program funding of \$950 million. Of these funds, \$48 million, in aggregate, will be allocated to the contracts with the three (3) firms listed in this item. The funding will be provided from the proceeds of the Authority's Commercial Paper Notes and/or the Operating Fund. In addition, projects may be funded, in part, with monies from the Petroleum Overcharge Restitution ("POCR") funds. Funding will be allocated as projects are assigned based on each firm's performance and workload, subject to the Approval Limits for Execution of Commitments in the Authority's Expenditure Authorization Procedures. All Authority costs, including Authority overheads and the costs of advancing funds, will be recovered as is consistent with other Energy Efficiency Programs.

RECOMMENDATION

The Senior Vice President – Economic Development and Energy Efficiency, the Vice President – Energy Efficiency and the Vice President of Procurement recommend that three contract awards, in the aggregate amount of \$48 million and up to a five-year term, for the turn-key installation of Solar Photovoltaic Power arrays in New York City and statewide be allocated to the following bidders: Solar Liberty Energy Systems, Inc., Standard Solar, Inc., and Montante Solar Inc.

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below.

Gil C. Quiniones
President and Chief Executive Officer

RESOLUTION

RESOLVED, That the Trustees authorize the President and Chief Executive Officer, the Chief Operating Officer, the Senior Vice President – Economic Development and Energy Efficiency and the Vice President – Energy Efficiency or such officer designated by the President and Chief Executive Officer to execute agreements and other documents between the Authority and Energy Efficiency Program (“EEP”) participants and to execute agreements and other documents with contractors, such agreements having such terms and conditions as the executing officer may approve, subject to the approval of the form thereof by the Executive Vice President and General Counsel, to facilitate the implementation of the EEP; and be it further

RESOLVED, That in accordance with the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, that an aggregate \$48 million be allocated from previously approved funding for contracts to furnish all design services, labor, material, and supervision for the turn-key installation of Solar Photovoltaic (“PV”) Power arrays both in New York City and Statewide, as outlined below:

<u>Commercial Paper Program/ Operating Fund/POCR</u>	<u>Ceiling</u>	<u>Termination Date</u>
Solar Liberty Energy Systems, Inc., Williamsville, NY	<u>\$48 million</u> (Aggregate)	May 19, 2020
Standard Solar, Inc., Rockville, MD		
Montante Solar Inc.(excluding NYC) Buffalo, NY		

(Q14-5789RH)

AND BE IT FURTHER RESOLVED, That the Authority's Commercial Paper Notes, Series 1, Series 2 and Series 3, and Operating Fund monies may be used to finance Energy Efficiency Program costs; and be it further

RESOLVED, That the Vice President – Energy Efficiency is authorized to determine which projects will be deemed to be energy efficiency projects within the meaning of Section (7) of Part P of Chapter 84 of the Laws of 2002 (the "Section (7) POCR Legislation") to be funded, in part, with Petroleum Overcharge Restitution ("POCR") Funds allocated pursuant to the Section (7) POCR Legislation; and be it further

RESOLVED, That POCR funds allocated to the Authority by the Section (7) POCR Legislation may be used to the extent authorized by such legislation, in such amounts as may be deemed necessary or desirable by the Senior Vice President – Economic Development and Energy Efficiency and the Vice President – Energy Efficiency to finance projects within the Statewide Energy Efficiency Program; and be it further

RESOLVED, That the Chairman, the Vice Chair, the President and Chief Executive Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, and take any and all actions and execute and deliver any and all certificates, agreements and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.