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Title: Actions pertaining to the Fresno/Clovis Regional Wastewater Reclamation Facility (RWRF) 2-Megawatt Solar Energy Facility (Bid File 3380) (Council District 3)
1. ***RESOLUTION - 4th amendment to the Annual Appropriation Resolution (AAR) No. 2015-104 appropriating \$1,367,500 in the sewer Enterprise State Revolving Loan Fund for the Regional Wastewater Reclamation Facility 2-Megawatt Solar Energy Facility (Requires 5 affirmative votes)
2. Award a \$10,024,426.24 contract as negotiated, to MD Energy, Inc., of Rancho Cucamonga, California for the design and construction thereof

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. 16 4th WW Solar Facility SAM.pdf, 2. Report from Evaluation Committee.pdf, 3. Fiscal Impactl.pdf, 4. MD Energy Contract.pdf

Date	Ver.	Action By	Action	Result
7/30/2015	1	City Council	continued	

REPORT TO THE CITY COUNCIL

July 30, 2015

FROM: THOMAS C. ESQUEDA, Director
Department of Public Utilities

THROUGH: STEPHEN A. HOGG, Assistant Director
Department of Public Utilities - Wastewater Management Division

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SUBJECT

Actions pertaining to the Fresno/Clovis Regional Wastewater Reclamation Facility (RWRF) 2-Megawatt Solar Energy Facility (Bid File 3380) (Council District 3)

1. ***RESOLUTION - 4th amendment to the Annual Appropriation Resolution (AAR) No. 2015-104 appropriating \$1,367,500 in the sewer Enterprise State Revolving Loan Fund for the Regional Wastewater Reclamation Facility 2-Megawatt Solar Energy Facility (Requires 5 affirmative votes)

2. Award a \$10,024,426.24 contract as negotiated, to MD Energy, Inc., of Rancho Cucamonga, California for the design and construction thereof

RECOMMENDATIONS

Staff recommends that the City Council award a design/build contract in the amount of \$10,024,426.24 to MD Energy, Inc. and approve the Appropriation Resolution to appropriate the necessary additional funds to construct a 2 Megawatt (MW) Solar Facility at the Regional Wastewater Reclamation Facility.

EXECUTIVE SUMMARY

The Department of Public Utilities, Wastewater Management Division seeks to award a design-build contract to MD Energy, Inc., to design and construct a 2- MW solar energy facility. The solar energy facility will offset the electrical demands of the Tertiary Treatment and Disinfection Facility (TTDF), currently under construction.

BACKGROUND

In August 2010 (and amended in April 2012), the City entered into a consultant services agreement with Parsons Water and Infrastructure Inc. for the design of the TTDF Project, located at the RWRF. The TTDF is currently under construction and is approximately 35 percent complete.

Part of the TTDF includes the installation of additional large horsepower electrical blowers and ultraviolet disinfection which will add significant electrical load to the RWRF. Therefore, in conjunction with the TTDF, a new 2-MW Solar Energy Facility will be constructed to help counter the increased electrical demand. The amended contract provided for the preparation of a Design/Build Request for Proposal Package for a new 2-MW Solar Energy Facility, amending State Revolving Fund (SRF) application package, and engineering support during proposal and construction phases.

A State Revolving Fund loan with a rate of 1.7 percent has been obtained for this design/build contract which anticipated \$14,325,000 as the price.

The Design/Build Request for Proposal was advertised April 1, 2015. Specification packages were distributed to eleven prospective proposers. The public opening of proposals was on May 5, 2015. A single proposal was received. Outreach was performed by the City of Fresno's Purchasing Department to determine why only one proposal was submitted. Reasons ranged from strictness of the requirements of the Request for Proposal to not having adequate resources to cover a project of this size. The proposal has been evaluated by the Purchasing Division and has been deemed to be responsible and responsive. The proposal has also been evaluated for technical compliance with the specifications by the City's consultant and the City of Fresno Attorney's Office and found to meet the requirements.

ENVIRONMENTAL FINDINGS

A Mitigated Negative Declaration (MND) was adopted by the Council on June 26, 2014 for the TTDF project that included the 2-MW Solar Energy Facility. An analysis has been performed pursuant to CEQA Guidelines §15162 to determine whether subsequent environmental review is required for the Solar Project. Based on this analysis the following findings are made to support the determination

that no subsequent environmental review is required:

1. No substantial changes are proposed in the Project which will require major revisions of the previous MND due to the involvement of new significant environmental effects, or a substantial increase in the severity of previously identified significant effects.
2. No substantial changes occur with respect to the circumstances under which the Project is undertaken which will require major revisions of the previous MND due to the involvement of new significant environmental effects, or a substantial increase in the severity of previously identified significant effects.
3. There is no new information which was not known or could not have been known at the time of the previous MND that the Project will have significant effects not discussed in the MND.

Furthermore, since a MND was previously adopted for this Project, the considerations set forth in CEQA Guidelines §15162(a)(3)(C) and (D), related to the adequacy and feasibility of previously adopted mitigation measures, are not applicable. Based upon these findings, it has been determined that no further environmental documentation is required for this Project.

LOCAL PREFERENCE

Local preference was not implemented because only a single proposal was received.

FISCAL IMPACT

This project, located in Council District 3, is identified in the five-year capital improvement plan and included in the five year rate model and will not impact the General Fund. Funds in the amount of \$14,325,000 were budgeted in the FY15 Sewer Enterprise Fund No. 40527. The award of the project was postponed into FY16 to allow additional technical and financial review. This delay was deemed prudent given there was only one proposal. Funds in the amount of \$9,067,000 were budgeted in 40527 in FY16. The fiscal impact of this contract will be \$10,434,426.24. An AAR is necessary to increase the appropriation in the SRF loan fund for the cost of this project.

Attachments:

Annual Appropriations Resolution
Report from Evaluation Committee
Fiscal Impact Statement
Contract