

City of Las Cruces[®]

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 27 Ordinance/Resolution#10-11-448 Council District: 2

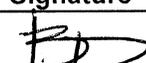
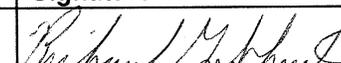
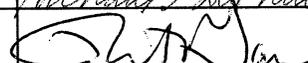
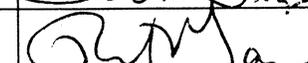
For Meeting of January 3, 2011
(Adoption Date)

TITLE:

A RESOLUTION AWARDING A CONTRACT FOR THE CONSTRUCTION OF A SOLAR PHOTOVOLTAIC (PV) SYSTEM AT THE LAS CRUCES CONVENTION CENTER, BID NUMBER 10-11-448, TO DPW SOLAR, CORP., ALBUQUERQUE, NM, FOR A CONTRACT SUM, NOT TO EXCEED \$375,000.00, PLUS AN ALLOWANCE OF \$28,359.38 FOR GROSS RECEIPTS TAX AND A CONTINGENCY OF \$37,500.00, FOR A TOTAL PROJECT AUTHORIZATION OF \$440,859.38, BASED ON A UNIT COST OF \$3.394 PER KWH.

PURPOSE(S) OF ACTION:

To authorize a contract for the construction of a Solar PV System at the Las Cruces Convention Center located at 680 East University Avenue, Las Cruces, New Mexico.

Drafter and Staff Contact: Sonya Harmon 		Department: Facilities/Project Mgmt.		Phone: 541-2573	
Department	Signature	Phone	Department	Signature	Phone
Facilities Director		541-2658	Budget		541-2107
Other			Assistant City Manager		541-2271
Legal		541-2128	City Manager		541-2076

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The City solicited bids for the construction of a Solar PV System at the Las Cruces Convention Center under bid number 10-11-312, resulting in the receipt of four (4) bids on October 14, 2010. All four (4) bids were deemed non-responsive by the Purchasing Manager and rejected. The project was re-bid under bid number 10-11-448, which also resulted in the receipt of four (4) bids on November 10, 2010. The apparent low bidder was determined to be non-responsive for not complying with New Mexico Department of Workforce Solutions Regulations. Therefore, bid award is recommended to the next responsive low bidder, DPW Solar, Corp., of Albuquerque, New Mexico with a bid of \$3.394 per kWh.

This project is funded through acceptance of a \$495,330.00 grant from the American Recovery and Reinvestment Act (ARRA) through a New Mexico Energy, Minerals and Natural Resources Department (EMNRD) Energy Efficiency & Conservation Block Grant

(Continue on additional sheets as required)

(EECBG) via City Council Resolution 11-014. Because the project is funded by Federal money, use of local preference is prohibited.

The general scope of work for this contract consists of construction of a parking shade structure and a photovoltaic array for the production of renewable energy to be used by the Las Cruces Convention Center. In order to maximize the amount of energy produced by the system thereby increasing energy savings, the Request for Bids was solicited in a cost per Kilowatt Hour format. The contract amount, which is not to exceed \$375,000.00, is within the budget established for the scope of work. DPW Solar, Corp. has agreed to engineer and install a 58.5 KW DC turnkey photovoltaic solar electric system, mounted on a new construction carport/canopy, which will produce roughly 110,000 kWh per annum at the bid unit cost of \$3.394 per kWh.

The construction of this Solar PV System works toward accomplishing one of the City's strategic plan goals – "Renewable energy implementation at the Convention Center" under the "Protect and Promote our Natural and Energy Resources" category.

SUPPORT INFORMATION:

1. Resolution
2. Purchasing Manager's Request to Contract, attached as Exhibit "A"
3. Bid Tabulation Sheet

SOURCE OF FUNDING:

Is this action already budgeted?	Yes	<input checked="" type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from:
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
<input type="checkbox"/>		Proposed funding is from fund balance in the Fund.	
Does this action create any revenue?	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: in the amount of \$ _____ for FY ____.
	No	<input checked="" type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

N/A

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
DOE Stimulus 4912	49805010-852100-20019	\$440,859.38	\$495,330.00	\$54,470.62	To be used to fund the monitoring of the energy output for one year as required by the grant.

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will award the contract to DPW Solar, Corp., of Albuquerque, New Mexico for the construction of a Solar PV System at the Las Cruces Convention Center for a contract amount not to exceed \$375,000.00, plus an allowance of \$28,359.38 for gross receipts tax, and a contingency of \$37,500.00, for a total project authorization of \$440,859.38, based on a unit cost of \$3.394/kWh.
2. Vote "No"; this will not award the contract to DPW Solar, Corp, of Albuquerque, New Mexico for the construction of a Solar PV System at the Las Cruces Convention Center for a contract amount not to exceed \$375,000.00, plus an allowance of \$28,359.38 for gross receipts tax, and a contingency of \$37,500.00, for a total project authorization of \$440,859.38, based on a unit cost of \$3.394/kWh; and will jeopardize the previously authorized ARRA contractually obligated funding timeline.
3. Vote to "Amend"; this will direct staff to proceed as amended by City Council.
4. Vote to "Table"; this may jeopardize the previously authorized ARRA contractually obligated funding timeline for construction of a Solar PV System at the Las Cruces Convention Center.

REFERENCE INFORMATION

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. Resolution No. 09-318
2. Resolution No. 11-014

(Continue on additional sheets as required)

RESOLUTION NO. 10-11-448

A RESOLUTION AWARDED A CONTRACT FOR THE CONSTRUCTION OF A SOLAR PHOTOVOLTAIC (PV) SYSTEM AT THE LAS CRUCES CONVENTION CENTER, BID NUMBER 10-11-448, TO DPW SOLAR, CORP., ALBUQUERQUE, NM, FOR A CONTRACT SUM, NOT TO EXCEED \$375,000.00, PLUS AN ALLOWANCE OF \$28,359.38 FOR GROSS RECEIPTS TAX AND A CONTINGENCY OF \$37,500.00, FOR A TOTAL PROJECT AUTHORIZATION OF \$440,859.38, BASED ON A UNIT COST OF \$3.394 PER KWH.

The City Council of the City of Las Cruces is informed that:

WHEREAS, This project is funded through acceptance of a \$495,330.00 grant from American Recovery and Reinvestment Act (ARRA) through a New Mexico Energy, Minerals and Natural Resources Department (EMNRD) Energy Efficiency & Conservation Block Grant (EECBG) via City Council Resolution 11-014; and

WHEREAS, The construction of this Solar PV System works toward accomplishing one of the City's Strategic Plan Goals – "Renewable energy implementation at the Convention Center" under the "Protect and Promote our Natural and Energy Resources" category ; and

WHEREAS, In order to maximize the amount of energy produced by the system thereby increasing energy savings, the Request for Bids was solicited in a cost per Kilowatt Hour format; and

WHEREAS, The City solicited bids for the construction of a Solar PV System at the Las Cruces Convention Center under bid number 10-11-312, resulting in the receipt of four (4) bids on October 14, 2010. All four (4) bids were deemed non-responsive by the Purchasing Manager and rejected; and

WHEREAS, The project was re-bid under bid number 10-11-448, which also resulted in the receipt of four (4) bids on November 10, 2010. The apparent low bidder was determined to be non-responsive for not complying with New Mexico Department of Workforce Solutions Regulations; and

WHEREAS, the next responsive low bidder is DPW Solar, Corp., of Albuquerque, New Mexico with a bid of \$3.394 per kWh; and

WHEREAS, The general scope of the work for this contract consists of construction of a parking shade structure and a photovoltaic array for the production of renewable energy to be used by the Las Cruces Convention Center; and

Resolution No. _____

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WHEREAS, DPW Solar, Corp., has agreed to engineer and install a 58.5 KW DC turnkey photovoltaic solar electric system, mounted on a new construction carport/canopy, which will produce roughly 110,000 kWh per annum at the bid unit cost of \$3.394 per kWh; and

WHEREAS, The contract amount, which is not to exceed \$375,000.00, is within the budget established for the scope of work.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT City staff is authorized to contract with DPW Solar, Corp., of Albuquerque, New Mexico for the construction of a Solar PV System at the Las Cruces Convention Center for a contract amount not to exceed \$375,000.00, plus an allowance of \$28,359.38 for gross receipts tax, and a contingency of \$37,500.00, for a total project authorization of \$440,859.38, based on a unit cost of \$3.394/kWh.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE and APPROVED this _____ day of _____, 2011.

APPROVED:

Mayor

ATTEST:

City Clerk

(SEAL)

VOTE:

Mayor Miyagishima: _____

Councillor Silva: _____

Councillor Connor: _____

Councillor Pedroza: _____

Councillor Small: _____

Councillor Sorg: _____

Councillor Thomas: _____

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:

City Attorney

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CITY OF LAS CRUCES

PURCHASING MANAGER'S REQUEST TO CONTRACT

For Meeting of: January 3, 2011

Resolution No.: 10-11-448

**Contract Purchase For
 Solar Photovoltaic (PV) System – Las Cruces Convention Center**

The Las Cruces City Council is provided the following information concerning this request:

BID SOLICITATION INFORMATION:

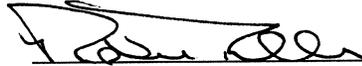
1. Bid Due Date: November 10, 2010
2. Description: **Solar Photovoltaic (PV) System – Las Cruces Convention Center**
3. Using Department: **Facilities/Project Management**
4. Number of Responses Accepted: **Four (4)**
5. Recommended Award(s) To: **DPW Solar Corp., of Albuquerque, NM**
6. Total Award Amount (includes any tax and contingency): **Not to exceed \$440,859.38**
7. Contract Duration: **120 consecutive calendar days**

LOCAL PREFERENCE FACTOR

Local Preference Factor Applied Per LCMC §24-100	No	<input checked="" type="checkbox"/>	LCMC §24-100 not applicable to this solicitation
	Yes	<input type="checkbox"/>	Made A Difference To Bid Awards(s)
		<input type="checkbox"/>	Made No Difference To Bid Award(s)

PROCUREMENT CODE COMPLIANCE:

The City of Las Cruces Procurement Code was administered in the conduct of this procurement and approval to purchase is hereby requested pursuant to **Section 24-91**.


 Purchasing Manager

12/9/2010
 Date

CONFIRMATION OF FUND ENCUMBRANCE:

REQUISITION or PURCHASE ORDER NUMBER:	TBD
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Bid Tabulation REBID: SOLAR PHOTOVOLTAIC (PV) SYSTEM LAS CRUCES CONVENTION CENTER for the City of Las Cruces Bid Number: 10-11-448	Bid Opening: Nov. 10, 2010 / 3:00 p.m.
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Bidder:	Addenda Received	Proposal Signed	License No.	BID LOT NO. 1	BID LOT NO. 2	BID LOT NO. 3	Cost per kW-hr
DPW Solar, Corp 4000 Vassar Dr. Albuquerque, NM 87107	2	X	82747	\$249,017.89	\$246,311.89		\$3.39
Sacred Power 1501 12th St. NW Albuquerque, NM 87104	2	X	89091	\$275,400.00	\$495,329.78 *		\$3.73
Solar Smart Living 5510 N Desert Blvd, Suite B El Paso, TX 79912	4	X	361818	\$178,190.00	\$367,200.00 *		\$3.09
Warren Construction 2470 Lakeside Drive Las Cruces, NM 88007	2	X	59499	\$186,788.00	\$187,460.00		\$8.77
					\$365,650.00 *		
					\$186,788.00		
					\$373,576.00 *		

prepared by 
 Sonya Harmon
 Project Manager, City of Las Cruces

* Cumulative Totals

REBID: SOLAR PHOTOVOLTAIC SYSTEM, LAS CRUCES CONVENTION CENTER
RFB 10-11-448

Bid Info	Bidder			
	SSL	DPW***	SPC	Warren****
Lot 1 (Array A Cost)	\$ 178,190	\$ 249,018	\$ 275,400	\$ 186,788
Lot 2 (Array B Cost)	\$ 187,460	\$ 246,312	\$ 91,800	\$ 186,788
Total Cost	\$ 365,650	\$ 495,330	\$ 367,200	\$ 373,576
Lot 3 (kWh in yr 1)	118,316	145,926	42.12**	42,588
\$/kWh (claimed)	\$ 3.09	\$ 3.39	\$ 3.73	\$ 8.77

Verification

Array A kW	32.625	41.860	32.400	27.600
Array A Tilt	15	15	20	15*
Array A Azimuth	165	165*	180	165*
Array A Derate	0.837	0.841	0.770	0.837*
Array A kWh	56,963	73,439	52,911	48,189
Array B kW	35.525	41.400	9.72	27.000
Array B Tilt	15	15	20	15*
Array B Azimuth	165	165*	180	165*
Array B Derate	0.828	0.841	0.77	0.837*
Array B kWh	61,353	72,632	15,873	47,142
Total kWh (PVWatts)	118,316	146,071	68,784	95,331
% of claim (energy)	100.00%	100.10%	#VALUE!	223.84%
\$/kWh (verified)	\$ 3.09	\$ 3.39	\$ 5.34	\$ 3.92
% of claim (\$/kWh)	0.01%	-0.09%	30.13%	-123.80%

*The information was not apparent in the bid. A value consistent with the lowest bid was therefore assumed.

**kW rating of system was provided, but the request was for kWh in year 1.

*** Total Project Cost exceeds available budget of \$375,000. This should not be an issue as long as the \$/kWh (basis for bid) is honored.

**** No photovoltaic projects are listed in past experience section.