



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Public Works and Parks



Date: December 6, 2012
Board Meeting Date: January 15, 2013
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: James C. Porter, Director of Public Works and Parks

Subject: Memorandum of Understanding for Regional Renewable Energy Project

RECOMMENDATION:

Adopt a Resolution approving a Memorandum of Understanding by and among California public agencies including the County of San Mateo for Regional Renewable Energy Procurement from effective date to June 30, 2015.

BACKGROUND:

The County of San Mateo is a participant in the Regional Renewable Energy Project (R-REP), an initiative for collaborative procurement to purchase renewable energy systems for public agencies throughout Alameda, Contra Costa, and Santa Clara and San Mateo Counties. Participating agencies include the California Department of Transportation, California Highway Patrol, Castro Valley Sanitary District, Central Contra Costa Sanitary District, the cities of Berkeley, Emeryville, Fremont, Martinez, Menlo Park, Mountain View, Oakland, Redwood City, Richmond, and Walnut Creek; the counties of Alameda, Contra Costa, San Mateo and Santa Clara; the Delta Diablo Sanitation District and the Hayward Area Recreation and Park District. The County of Alameda is the Lead Agency for the project in partnership with two local nonprofit organizations, Joint Venture Silicon Valley and the Contra Costa Economic Partnership.

DISCUSSION:

The use of a collaborative procurement process for renewable energy provides participating agencies enhanced leverage in the negotiations for renewable energy systems that significantly reduce cost and time outlays. Our County will potentially benefit from the installation of renewable energy systems by reducing utility costs and meeting our targets for renewable energy and reduced greenhouse gas emissions.

Included in the R-REP are four proposed County sites identified as feasible for solar photovoltaic projects: the parking lot at the San Mateo Medical Center, County offices at University Avenue in East Palo Alto, the Elections office building at 40 Tower Road in

San Mateo, and the hangars at the San Carlos Airport. Upon completion of the feasibility studies by the participating agencies, a technical/financial consultant retained by the County of Alameda will assist in the design of the procurement process and provide support during the solicitation process, proposal evaluation and contract negotiations. Vendors will be selected through a competitive bid process in accordance with the Public Contracting Code. Once vendors are selected, the discretion to proceed with the development of a project at each of the sites considered under the R-REP is retained by the participating agencies.

Each agency participating in the R-REP is required to sign a Memorandum of Understanding (MOU) with the County of Alameda and the other participating agencies. The MOU defines the roles and responsibilities of participating agencies and is intended to provide stability to the project during the solicitation process. Participating agencies are not to withdraw sites for the period thirty days prior to the solicitation issuance until vendors have been selected. This withdrawal provision is included to reduce the risk of changes that could impact bid pricing and vendor cost models, and the risk of price increases to the other agencies participating in the project. The solicitation will include “bundles,” inclusive of sites across agencies. The intention of bundling sites is to achieve economies of scale and sufficiently reduce vendors’ transaction costs to receive the best pricing possible.

Participating agencies drafted, reviewed and finalized the MOU language.

County Counsel has reviewed and approved the Resolution and Agreement as to form.

Approval of this action contributes to the Shared Vision 2025 outcome of an Environmentally Conscious Community through the production of clean, renewable energy.

FISCAL IMPACT:

There are no fiscal impacts associated with approval of the R-REP MOU nor are there penalties, financial or otherwise, associated with termination of participation in the MOU by the County of San Mateo. Agencies may terminate their participation in the MOU at any time up to thirty (30) days prior to the issuance of the solicitation, or at any time after a vendor is selected. Once that process is completed, and the decision made to purchase power from selected vendors, contracts developed by the County with input from participating agencies in the MOU would come back to your Board for approval.