

Request for Decision

Title	Contract Awarding for Solar Opportunities
Proposed Motion	That Council award the design, supply and installation of a solar photovoltaic system at the Protective Services Building to SkyFire Energy Inc. in the amount of \$188,409 plus GST, contingent on receiving \$86,649 in funding from the Municipal Climate Change Action Centre (MCCAC), with Sturgeon County's contribution of \$101,760 plus GST to come from 7.2 Contingency Reserve.
Administrative Recommendation	That Council award the design, supply and installation of a solar photovoltaic system for the Protective Services Building to SkyFire Energy Inc. in the amount of 188,409 plus GST with funding to come from the 7.2 Contingency Reserve. Project execution would be contingent upon receiving a 30% rebate commitment from the MCCAC, including the additional first-time installation bonus rebate (the estimated total contribution would be \$86,649).
Previous Council Direction	<p><u>March 12, 2019</u></p> <p>Motion 069/19: That Council authorize Administration to proceed with a Request for Proposal related to the installation of solar facilities on County buildings eligible for existing MCCAC grants.</p> <p>Motion 068/19: That Council authorize Administration to investigate solar opportunities on County buildings what would be eligible for existing Municipal Climate Change Action Centre (MCCAC) grants.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • The County's current buildings are connected to the existing power grid. • Electricity received is subject to baseload operations that are currently feeding the grid. • Currently in Alberta, roughly 30% of all generated electricity comes from coal-fired generation. Gas plant generation is the next highest producer, with a small percentage of generation attributed to wind, solar and biomass generation.

History

- Over the last several years, solar opportunities have been discussed but a more thorough review has not been undertaken by Administration.
- Solar installations have become more prevalent with the reduction in solar panel pricing.
- Grants such as the rebates from the Municipal Climate Change Action Centre (MCCAC) have allowed municipalities to access required capital, easing the initial burden on installation.
- General public sentiment has changed over the last several years with individuals expressing support for utilizing responsible renewable energy alternatives.

Solar Photovoltaic Tender

- The County received four proposals from interested vendors through the Alberta Purchasing Connection (APC).
- Using a scoring matrix that involved several qualifying factors (including cost), Administration determined that SkyFire Energy Inc. was the most successful bidder.

External Communication:

- The solar photovoltaic system tender was advertised on Alberta Purchasing Connection (APC).
- The tender was open for 3 weeks and closed April 18, 2019.

Relevant Policy/Legislation/Practices:

- Corporate Procurement Directive
- Corporate Procurement Procedure

Implication of Administrative Recommendation

Strategic Alignment:

Environmental Stewardship – The installation of solar applications on County buildings aligns with the Counties focus on responsible stewardship alternatives, reducing Sturgeon County environmental impact.

Strong Local and Regional Governance – The installation of solar applications on County buildings will lower operating costs and with Council’s policy of strong governance by demonstrating fiscal stability and sustainability of the County.

Organizational:

If Council approves the motion(s), Administration will resource accordingly to ensure cost-effective project delivery. Project management of the installation was included within the Request for Proposal (RFP) as well as assistance with the grant application (designed according to related Sturgeon County solar panel needs).

Financial:

- Currently, the solar photovoltaic project is unfunded.
- Council can fund the Protective Services Building solar retrofit from 7.2 Contingency Reserve.
- Project execution would be contingent upon receiving a 30% rebate commitment from the MCCAC, including the additional first-time installation bonus rebate (the estimated total contribution would be \$86,649).
- Project execution would also be contingent upon review of the engineering drawings to ensure adequate structural capability.

Return on Investment	Protective Services Building
Total Project Cost	\$188,409 (plus GST)
Estimated MCCAC Rebate	\$86,649
Estimated cost to Sturgeon County	\$101,760 (plus GST)
Estimated First Year Saving	\$7,862
Payback (after rebate)	13.2 Years
Payback (without rebate)	25 Years

Alternatives Considered

1. Council may choose to also award the design, supply and installation of a solar photovoltaic system at the Fleet Services Building to SkyFire Energy Inc. for a total cost \$101,142. The combined total for retrofitting the Protective Services and Fleet Services buildings would be \$289,550 (plus GST pre-rebate).
2. Council could defer the design, supply and installation of the solar photovoltaic system for the Fleet Services and Protective Services buildings to the 2020 budget process.

Implications of Alternatives

Strategic Alignment:



None.

Financial

The 7.2 Contingency Reserve holds \$300,000 as the annual balance.

1. If Council chooses to award both the Protective Services and Fleet Services buildings with solar retrofits, it would nearly deplete all remaining funds found within the 7.2 Contingency Reserve.

Return on Investment	Fleet Services Building
Total Project Cost	\$101,142 (plus GST)
Estimated MCCAC Rebate (30%)	\$30,343.00
Estimated cost to Sturgeon County	\$70,799.00 (plus GST)
Estimated First Year Saving	\$3,679
Payback (after rebate)	19.8 Years
Payback (without rebate)	28 Years

	2. The MCCAC grant funding is not guaranteed to continue. If Council decides to defer the awarding until next year, there is a possibility that the return on investment (ROI) of this project would be reduced if funding was not available.
Follow up Action	1. Execute the solar photovoltaic system contract with SkyFire Energy Inc. as directed by Council.
Attachment(s)	1. CONFIDENTIAL - SkyFire Proposal 2. CONFIDENTIAL - Scoring Matrix
Report Reviewed by:	 Scott MacDougall, General Manager, Municipal Services  Reegan, McCullough, County Commissioner – CAO

Strategic Alignment Checklist

Vision: Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.

Mission: Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.

Focus Areas	Not consistent	N/A	Consistent
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan and MDP pg. 36)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Supports a strong thriving business environment to strengthen our economic foundation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Plans for responsible growth through the MDP and regional growth plan.</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Manages growth for current and future developments through: <ul style="list-style-type: none"> ○ <i>transparent bylaws, policies and processes to enable responsible land development</i> ○ <i>targeting growth around existing and identified future growth areas</i> </i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe and viable community, where our residents are provided with access to opportunities and quality of life. (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Provides access to programs and services that have a positive impact on residents' quality of life</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Provides access to safe and reliable infrastructure assets</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Supports the safety of people and property</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Strong Local and Regional Governance			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Provides effective leadership and management consistent with Strategic Plan, MDP, master plans, bylaws, policies, community engagement</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Considers fiscal stability and sustainability</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Fosters collaborative intergovernmental partnerships</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan and MDP pg. 27)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Promotes and/or enhances residents' identification with Sturgeon County</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Support and/or collaborate with voluntary organizations in the region</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Environmental Stewardship			
<i>We foster a healthy environment and minimize our impact on ecosystems. (Strategic Plan and MDP pg. 27)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Plans and partnerships that minimize environmental impact on natural areas</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Provides awareness of environmental issues impacting the County</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>