



Midpeninsula Regional
Open Space District

Memorandum

DATE: February 14, 2024

MEMO TO: Board of Directors

THROUGH: Ana Ruiz, General Manager *AR*

FROM: Craig Beckman, Area Manager Skyline Field Office

SUBJECT: Sandbar Solar Contract Cancellation

On August 12, 2020, the Midpeninsula Regional Open Space District (District) Board of Directors (Board) approved an award of a contract with Sandbar Solar (Sandbar) to design and install solar panels at the Skyline Field Office as a Design-Build contract. The contract amount was \$151,533 with a 10% contingency. The intent was to incorporate solar energy as recommended by the Climate Action Plan. A Design-Build contract seemed like a good fit compared to the general District standard of Design-Bid-Build model because the process met the objectives of the project:

- A single point of accountability, as the same firm is responsible for both the design and construction of infrastructure.
- Fewer change orders and claims.
- Reduced delivery time when design and construction overlap.
- Greater cost certainty.
- Lower overall project cost.

Prior to panel installation, it was determined that the asphalt shingle roof on the office was nearing the end of its useful life (installed in 1996) and should be replaced. A separate contract was completed to replace the asphalt shingles. In preparation for the installation, Sandbar purchased the equipment, including solar panels and switches, and billed the District for these items. They also performed engineering, design, and permitting actions to move the project along.

As planning progressed, Sandbar identified difficulties in integrating the existing propane backup generator with the solar system components. Although the generator was installed by a qualified electrician, building permits were not secured with Santa Clara County (County). During installation of the generator, the electrician modified the PG&E service box in a manner that would not have been allowed under a permit. Sandar proposed change orders that provided a potential solution. However, after consulting with County representatives, it was determined that the generator would either need to be removed from the system or be permitted and installed for an estimated additional \$100,000.

Based upon this information District staff reviewed the following options:

1. Amend the contract to include an additional expense of \$100,000 to integrate the generator into the solar system with appropriate permitting.
2. Install the solar power system with no backup power alternative.
3. Cancel the contract to install the solar panels and keep the existing backup generator for now. Integrate a solar power system into the Skyline Field Office renovation project, which is in the early planning stage.

Due to additional permitting required to integrate the generator into a new solar system, option one proved to be infeasible.

Given frequent power outages in the skyline region, it is not a viable option to install solar power without a backup power alternative. The Skyline Office serves as an essential hub during regional power outages for both District operations and emergency response. A very limited battery backup system was considered but would not have provided enough backup power for operational needs and would have required significant manual intervention to work effectively with limited power consumption (no HVAC or hot water).

Staff determined that the best option was to terminate the Sandbar Solar contract and integrate the solar panel installation and power backup into the Skyline Field Office Renovation project. This option will result in an integrated power backup and generation solution with battery systems and selected circuit backups that will supply future electricity needs. It is likely that the entire electrical system will need to be redesigned to support future operational growth, including the expansion of zero emission vehicles to the fleet. The required electrical system enhancement for the renovation project is a much larger scope than planned with Sandbar Solar. The current configuration with a large propane backup generator that supplies power to the entire complex is essential for operating the facility during power outages and emergencies.

The Sandbar Solar contract was terminated by mutual agreement. At the time of agreement termination, the District had paid \$58,456.35 to Sandbar Solar for services and equipment purchases. Sandbar Solar was able to resell some of the purchased materials for \$22,005.95. The final cost to the District for services and materials is \$36,450.40. Sandbar Solar was unable to resell the solar panels and two transfer switches, which are now District property and can be utilized for future projects. Sandbar Solar provided their engineering and design documents that may be useful for future plans to incorporate solar energy at the Skyline Field Office or for using the purchased solar panels at another facility.

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