

RESOLUTION NO. 2023-169

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE AUTHORIZING THE CITY MANAGER TO EXECUTE AN OPERATIONS AND MAINTENANCE AND PERFORMANCE GUARANTEE AGREEMENT WITH CENTRICA BUSINESS SOLUTIONS SERVICES, INC. IN AN AMOUNT NOT-TO-EXCEED \$446,159.86 FOR A TERM OF 15 YEARS FOR THE GENERATING FACILITY LOCATED AT DISTRICT56; AND AUTHORIZING THE PUBLIC WORKS DIRECTOR TO APPROVE ADDITIONAL REPAIRS NOT TO EXCEED \$5,000 ANNUALLY, TO APPROVE UP TO THREE PERCENT ANNUAL ESCALATION; AND TO APPROVE UP TO TWO FIVE-YEAR EXTENSIONS

WHEREAS, at the January 27, 2021 City Council meeting, a public hearing was held to dispense with formal bidding procedures and to authorize a design-build contract with Centrica Business Solutions Services, Inc. (Centrica) to design, procure and install a ground-mounted solar photovoltaic array (Generating Facility) (Resolution No. 2021-029; Contract No. C-21-029); and

WHEREAS, the Generating Facility is necessary to reach net-zero electrical energy use at the District56 site by generating an equivalent amount of electricity from solar photovoltaic as is being consumed; and

WHEREAS, an Operations and Maintenance and Performance Guarantee Agreement with Centrica is required to maintain and ensure electrical power production for the City's Generating Facility; and

WHEREAS, over the next 25 years, the City is expected to spend approximately \$5,930,000 in electrical expenses to operate District56 without the Generating Facility; and

WHEREAS, the term of the O&M and PEGU agreement is 15 years with the option to renew for two additional five-year terms and includes a 3% annual escalation. The total not-to-exceed amount is \$446,159.86 (includes the O&M, PEGU, and 3% total escalation increase) over the initial 15-year term of the contract.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby:

1. Authorizes the City Manager to execute an Operations and Maintenance and Performance Guarantee Agreement with Centrica for the Generating Facility located at District56;
2. Authorizes the Public Works Director to approve additional repairs per the O&M and PEGU agreement, approve the annual escalation rate increase, and approve up to two five-year extensions, all subject to sufficient funding available in the City's Budget.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 26th day of July 2023




BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



JONATHAN P. HOBBS,
CITY ATTORNEY

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2023-169

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on July 26, 2023 by the following vote:

AYES: **COUNCILMEMBERS:** *Singh-Allen, Spease, Brewer, Robles, Suen*

NOES: **COUNCILMEMBERS:** *None*

ABSTAIN: **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *None*


Jason Lindgren, City Clerk
City of Elk Grove, California