

Request for Proposals for Solar Power on Developer Property

North Little Rock Electric Department
North Little Rock, Arkansas

RFP Number: 23-3809 Date Issued: March 13, 2023
Date & Time Bid Opening: April 13, 2023 at 1:30 P.M.

If you are obtaining this RFP from our website, please be reminded that addendums may occur. It is therefore advisable that you review our listings (www.nlr.ar.gov) for attachments including any changes to the RFP.

The City of North Little Rock encourages participation of small, minority, and woman-owned business enterprises in the procurement of goods, services, professional services, and construction, either as a general contractor or sub-contractor. It is further requested that whenever possible, majority contractors who require sub-contractors, seek qualified small, minority, and woman-businesses to partner with them.

EXECUTION OF BID

Upon signing this page, the organization certifies that they have read and agree to the requirements set forth in this bid including conditions set forth and pertinent information requests.

Name of Firm: _____ Phone No.: _____

Business Address: _____

Signature of Authorized Person: _____

Title: _____ Date: _____, 2023

Email Address: _____

UNSIGNED BID COVER SHEET WILL BE REJECTED.

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I. Introduction

The North Little Rock Electric Department (“NLRED”) requests proposals from highly qualified and experienced contractors to construct a solar powered electric generating facility (“Project”) with a generating capacity up to 5.0 MW_{ac} within NLRED’s service territory and to sell the full output of the Project to NLRED under a purchase power agreement structure, as further described in this request for proposals (“RFP”).

a. The North Little Rock Electric Department

NLRED is an electric utility owned by the City that provides retail service to approximately 38,000 residential, commercial, and industrial customers within North Little Rock, Sherwood, and parts of Pulaski County. NLRED is governed and regulated by the City outside of the jurisdiction of the Arkansas Public Service Commission (“APSC”).

b. Purpose for the Project

NLRED will purchase the Project output for resale to its retail customers. NLRED intends for this Project to mitigate financial and regulatory risk within its wholesale power portfolio, improve its renewable portfolio, and foster community confidence in utility operations.

c. Transaction Structure

NLRED intends for the transaction to be structured as a purchase power agreement (PPA) that will require the selected contractor to sell and NLRED to buy the full output of the Project delivered to a metering point on the Project site with an option to purchase at a later date as described below.

d. RFP Process

NLRED has determined to use the RFP process for procurement because consideration of price alone would not be most advantageous to NLRED, the City, or its customers. Through this RFP, NLRED will consider price among other factors that are important to the procurement.

II. The Project

The Project is envisioned as a low voltage (480/277V AC at 60Hz), ground-mounted solar energy generation facility capable of delivering up to 5.0 MW_{ac} during peak insolation periods. The Project will interconnect with the NLRED distribution system at a metering point set by NLRED on the Project site.

a. Design Specifications

- i. Site design that is cleared and graded to support drainage.
- ii. Low maintenance site preparation with environmentally-compatible ground cover.
- iii. Fencing, gates, and security monitoring.
- iv. Internal pathways.
- v. Underground conduit.
- vi. Acreage limited to a maximum of 6 acres/MW.
- vii. Parallel wiring architecture.
- viii. Micro inverter technology.
- ix. The ability to incorporate battery storage capabilities for future development.
- x. The DC:AC ratio will be 1.25:1.0 or greater.
- xi. The Project will support 24/7 real-time remote monitoring and operation.
- xii. The Project must maintain a power factor greater than 0.95 during operation.
- xiii. Design must be tailored to site-specific seismic criteria and weather conditions.
- xiv. Design and installation must comply with applicable industry standards (IEEE, UL, NEC, etc.).
- xv. Final Completion certification shall use ASTM 2848 or IEC 61724-2 capacity testing protocols.
- xvi. All equipment must be listed as Tier 1 by an industry trade organization.

b. Contractor Obligations.

In designing and constructing the Project, the contractor will:

- i. Develop preliminary design, including one-line electrical diagrams and protection schemes, and specifications for submission in response to this RFP.
- ii. Provide such temporary structures as required for proper storage of materials and equipment during construction prior to COD.
- iii. Develop engineered design plans and specifications with a 30%, 60% and 90% design review process with NLRED.

- iv. Comply with City permitting requirements.
- v. Select and procure all necessary equipment for the Project. This includes structural systems, electrical systems, tracking systems, solar panels, inverters, transformers, recloser switch, breakers, cable, controls, industrial-grade chain-link perimeter fencing, safety materials, and all other materials necessary for a turnkey Project. Prior to procurement of individual equipment items, detailed equipment submittals shall be supplied to NLRED for approval.
- vi. Perform all geotechnical investigations, land clearing, grading, and sitework, including providing and installing all site materials and drainage piping, if necessary.
- vii. Interconnect the Project to NLRED's 13.8-kV (Nominal) electric distribution system at the point of interconnection (POI).
- viii. Perform commissioning, start-up, and performance testing. The performance testing standard to be used must be included in proposal.
- ix. Make Project equipment adjustments during performance testing to maximize the performance and output of the Project.
- x. Once Project construction is complete, site clean-up is complete, performance testing meets specified standards, and the Project is ready for commercial operation, the Project shall be deemed to be at Final Completion.
- xi. Provide all product manuals, warranty documentation, and as-built drawings to NLRED.

c. NLRED Obligations.

During the design and construction phase of the Project, NLRED will:

- i. Timely approve all major equipment selections and design features where such approval is required.
- ii. Timely pay City permitting fees related to the Project.
- iii. Provide a metered auxiliary load connection at a mutually agreeable point.
- iv. Provide an interconnection point on the Project site that includes the step-down transformer.
- v. Network via fiber optic cable installed at a mutually agreeable point.
- vi. Make available appropriate staff as required.

III. PPA

NLRED will purchase the full output of the Project under a purchase power agreement (PPA) that will contain the terms described in this Section III and such other terms as may be negotiated after contractor selection. The terms described in this Section III

are intended to reflect different components of typical commercial PPA agreements that support financing.

a. Term

NLRED seeks a contract term that is between 20 and 30 years. The term should be no longer than the initial solar panel warranty period.

b. Price Structure

NLRED seeks a price structure with two components. NLRED will pay both amounts monthly.

- i. *Energy rate.* NLRED will pay an energy charge expressed in a rate per kilowatt-hour (\$/kWh) as measured by the Project meter. The energy charge will not be subject to price increases.
- ii. *Service charge.* NLRED will pay a fixed service charge (\$/mo.) that will increase annually at a rate that is the lesser of 3% and the Consumer Price Index for the South Region as published by the U.S. Bureau of Labor Statistics.

The price submitted in response to this RFP should *not* include sales taxes.

c. Purchase of Full Output

NLRED seeks to purchase the full output of the Project that will be comprised of:

- i. electric energy measured in kilowatt-hours (kWh),
- ii. electric power measured in kilowatts (kW);
- iii. renewable energy credits and/or environmental attributes associated with such electric energy and power;
- iv. all public and private incentives related to the Project *except for* benefits related to tax credits (including investment tax credits, production tax credits, opportunity zone tax credits, and the like); and
- v. all market and registration rights related to the foregoing.

d. NLRED's Purchase Option

NLRED seeks flexible options to purchase the Project at fair market value after tax incentives have been consumed. NLRED's purchase option should be based on the greater of: (i) a minimum price agreed between NLRED and the contractor, and (ii) the fair market value ("FMV") of the Project at the time the purchase option is exercised. The purchase option should include a defined methodology to

determine FMV. The purchase option should generally be available for NLRED to exercise at intervals of 5 years during the term.

In support of NLRED's option to purchase, Developer must acquire sufficient property rights to support operation of the Project for a minimum of 40 years.

e. Insurance Requirements

Contractor will be required to obtain and maintain insurance of the types and in the amounts shown below:

- i. *Statutory Workers' Compensation* - \$2 million ea. occurrence
- ii. *Commercial General Liability* - general aggregate limit \$2 million, each occurrence \$2 million (Bodily injury and property damage)
- iii. *Automobile Liability Insurance* - combined single limit \$2 million per occurrence
- iv. *Excess or Umbrella Liability* - \$5 million per occurrence, \$5 million general aggregate
- v. *Professional Liability* - \$3 million per claim
- vi. *Waiver of Subrogation* - With respect to workers' compensation and employers' liability, comprehensive automobile liability, commercial general liability, and umbrella liability insurance, and all other liability insurance specified herein to be provided by contractor, contractor shall require its insurance carriers to waive all rights of subrogation against NLRED, its officers, directors, members, employees, agents, consultants, and subcontractors of each and any of them.

f. Indemnity Requirements

Contractor shall be required, to the fullest extent permitted by law, and in addition to any other obligations of Seller under the contract or otherwise, to indemnify, defend, and hold harmless NLRED, including its officers, directors, members, partners, employees, agents, consultants and subcontractors, from and against all claims, costs, losses, and damages (including, but not limited to, all fees and charges of engineers, attorneys, and other professionals, and all court, arbitration, mediation, or other dispute resolution costs) arising out of or relating to the performance of the work, provided that any such claim, cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than (1) the work itself, or (2) the materials and equipment to be incorporated therein), including the loss of use resulting therefrom but only to the extent caused or incurred as a result of the intentional misconduct, recklessness, negligence, or other actionable fault of contractor, any subcontractor of contractor, any supplier, or any individual or entity directly or

indirectly employed by any of them to perform any of the work or anyone for whose acts any of them may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this paragraph.

g. COD Guarantee

NLRED seeks assurances that the commercial operation date (“COD”) of the Project will be achieved. Proposals that provide financial assurances of COD will be favored.

h. Production Guarantee

NLRED seeks assurances that the expected energy output of the Project will be achieved, given variations in insolation and reasonable Project degradation. Proposals that provide financial assurances of production will be favored.

i. Early-stage Termination

NLRED acknowledges that uncertainties may arise in the early stages of Project development that may cause the Project to be untenable. NLRED seeks balanced provisions in the PPA that would allow either party to terminate during the early stages of Project development with limited and predefined early termination damages.

j. Rights and Obligations at Termination

NLRED seeks a predictable disposition of the Project upon termination of the PPA. The parties may negotiate the purchase of the Project, or any Project component. The contractor must remove every part of the Project that is not purchased by NLRED and located above the ground surface. Failed components should be recycled or discarded in a responsible manner.

k. Builder’s Risk Insurance Requirements

At all times during construction, contractor must maintain, or cause to be maintained, casualty insurance in Builder’s All-Risk Form. Such policy will, on a completed values basis for the full insurable value at all times, insure against loss or damage by fire, vandalism and malicious mischief and other such risks as are customarily covered by the so-called “broad form extended coverage endorsement” upon the Project. Said Builder’s All-Risk Insurance shall contain an

express waiver of any right of subrogation by the insurer against City, NLRED, and any of their affiliates, agents and employees.

IV. Schedule

NLRED intends for this RFP to follow the schedule shown below, provided that unforeseen delays might cause the need for adjustment. NLRED seeks a COD prior to December 31, 2024 but understands that national supply chain constraints may cause this goal to be unreasonable.

Task	Date
RFP issued	3/13/2023
Teleconference with prospective contractors	3/24/2023
RFP responses due	4/13/2023
Respondent selected	4/28/2023
Lease and contract complete and submitted for approval	6/12/2023
Lease and contract executed	7/12/2023
Project begins	9/4/2023
Project complete	3/13/2024

a. Evaluation

NLRED will evaluate proposals will be evaluated according to the following categories:

- i. *Cost (60%)* – The levelized cost of energy (LCOE) during the term of the PPA without extensions, discounted to present day value.
- ii. *References and experience (10%)* – The demonstrated ability of the respondent to construct, operate, and maintain a solar power facility in a manner that meets or exceeds customer expectations.
- iii. *Project deliverability (8%)* – The managerial and financial ability of the respondent, including its parent or any other guarantor of services, to construct the project according to NLRED’s timelines, and the financial assurances provided by the respondent that such timelines will be achieved.
- iv. *System design and equipment (7%)* – The overall design of the system and selection of system components to include warranty information.
- v. *Purchase option (5%)* – The option, and terms related to the option, provided to NLRED to purchase the Project at fair market value at defined intervals after tax credits are retired.
- vi. *Operational assurances (5%)* – Guarantees provided by respondent that the Project will produce output that is sufficiently predictable to incorporate into NLRED’s wholesale power model.

- vii. *Termination (5%)* - The rights and obligations of the parties upon termination of the PPA.

b. Proposal Format and Required Documents

All proposals must be signed by an authorized representative of the contractor and include the following information:

- i. Company narrative
 - A. Corporate structure related to the Project
 - B. Identity of personnel key to Project
 - C. Anticipated partners and subcontractors
 - D. List of previous similar projects with references.
- ii. A list of all major components of the Project, including:
 - A. Panel manufacturer, type and warranty
 - B. Tracker manufacturer, type and warranty
 - C. Inverter manufacturer, type and warranty
 - D. Racking manufacturer and type
 - E. Monitoring systems and type
- iii. Evidence of required insurance
- iv. Comments or exceptions (if any) related to proposed contract terms
- v. Compliance statements
 - A. "No collusion with any competitor has occurred in the development or submission of this response."
 - B. "No officer or employee of the City of North Little Rock and no officer or employee of NLRED will have any direct or indirect pecuniary interest in the award of any contract related to this response. Any conflict of interest will be promptly disclosed in writing."
 - C. "The respondent will not boycott Israel."
- vi. Required attachments
 - A. Table of rates to be charged for the Project output
 - B. Table of anticipated annual energy production (P50 and P90)
 - C. Table of minimum purchase prices to be associated with NLRED's purchase option
 - D. Map identifying the location of the Project
 - E. Graphic depiction of the proposed array

c. Submission Instructions.

Proposals must be labeled "NLRED Solar Proposal" and prominently show the contractor's name, phone number, email address, and license number. Proposals must be delivered in a sealed, opaque envelope to the address shown below by noon on April 13, 2023. Deliver to: Commerce Department, 120 Main Street, North Little Rock, Arkansas 72114.

d. FOIA

To the extent allowed by law, NLRED shall consider the required attachments to proposals submitted (Section V.d.iv) to constitute documents “that if disclosed would give advantage to competitors” and thus protected from public disclosure under the Freedom of Information Act. Such attachments will only be preserved in NLRED’s records until no longer needed and will thereafter be returned or destroyed. If NLRED receives an information request that includes the attachments, NLRED will notify the contractor as soon as practicable.

e. LOI

NLRED reserves the right to reject any and all proposals. If NLRED selects a proposal, the successful respondent and NLRED will jointly execute a letter of intent immediately thereafter to be followed by contract negotiations consistent with this RFP.

V. **Terms and Conditions**

- a. The City reserves the right to accept or reject any or all proposals, with or without cause, to waive technicalities, or to accept the proposal which, in its sole judgement, best serves the interest of the City, or to award a contract to the next most qualified proposer if a successful proposer does not execute a contract within forty-five (45) days after approval of the selection by the City.
- b. The City reserves the right, and has absolute and sole discretion, to cancel a solicitation at any time prior to approval of the award by the City.
- c. The City reserves the right to request clarification of information submitted and to request additional information of one or more applicants.
- d. Any proposal may be withdrawn until the date and time set above for the submission of the proposals. Any proposals not so withdrawn shall constitute an irrevocable offer, for a period of thirty (30) days, to provide to the City the services set forth in this Request for Proposals, or until one or more of the proposals have been awarded.
- e. Costs of preparation of a response to this request for proposals are solely those of the proposer. The City assumes no responsibility for any such costs incurred by the proposer. The proposer also agrees that the City bears no responsibility for any costs associated with any administrative or judicial proceedings resulting from the solicitation process.

VI. **Award of Contract**

Proposers acknowledge and understand that upon award of the winning proposal, the selected Proposer will be required to review and sign a contract with the City.

VII. **Questions and Inquiries**

Questions and inquiries, both verbal and written, will be accepted from any and all proposers. The NLRED is the sole point of contact for this solicitation unless otherwise instructed herein. Unauthorized contact with other City or NLRED staff regarding the RFP may result in the disqualification of the proposer. Material questions will be answered in writing with an Addendum provided, however, no questions will be taken after 10:00 a.m. on March 29, 2023. It is the responsibility of all proposers to ensure that they have received all Addendums. Addendums can be downloaded from www.nlr.ar.gov. (Click on Government, Finance, Commerce and Current Bids and Summaries.)

Questions should be directed to:

Name: Jessica Stephens
Address: 1400 W Maryland Ave, North Little Rock, AR 72120
Email: jstephens@nlr.ar.gov
Phone: 501-992-4089

GENERAL TERMS AND CONDITIONS FOR THE CITY OF NORTH LITTLE ROCK, AR

1. When submitting an "Invitation to Bid," the bidder warrants that the commodities covered by the bid shall be free from defects in material and workmanship under normal use and service. In addition, bidder must deliver new commodities of the latest design and model, unless otherwise specified in the "Invitation to Bid."
2. Prices quoted are to be net process, and when an error is made in extending total prices, the City may accept the bid for the lesser amount whether reflected by extension or by the correct multiple of the unit price.
3. Discounts offered will be taken when the City qualifies for such. The beginning date for computing discounts will be the date of invoice or the date of delivery and acceptance, whichever is later.
4. When bidding other than the brand and/or model specified in the "Invitation to Bid," the brand and/or model number must be stated by that item in the "Invitation to Bid," and descriptive literature be submitted with the bid.
5. The City reserves the right to reject any and all bids.
6. The Purchasing office reserves the right to award items, all or none, or by line item(s).
7. Quality, time and probability of performance may be factors in making an award.
8. Bid quotes submitted will remain firm for 30 calendar days from bid opening date; however, the prices may remain firm for a longer period of time if mutually agreeable between bidder and the Department of Commerce.
9. Bidder must submit a completed signed copy of the front page of the "Invitation to Bid" and must submit any other information required in the "Invitation to Bid."
10. In the event a contract is entered into pursuant to the "Invitation to Bid," the bidder shall not discriminate against any qualified employee or qualified applicant for employment because of race, sex, color, creed, national origin or ancestry. The bidder must include in any and all subcontracts a provision similar to the above.
11. Sales or use tax is not to be included in the bid price, but is to be added by the vendor to the invoice billing to the City. Although use tax is not to be included in this bid, vendors are to register and pay tax direct to the Arkansas State Revenue Department.
12. Prices quoted shall be "Free on Board" (F.O.B.) to destination at designated facility in North Little Rock. Charges may not be added after the bid is opened.
13. In the event of two or more identical low bids, the contract may be awarded arbitrarily or for any reason to any of such bidders or split in any proportion between them at the discretion of the Department of Commerce..
14. Specifications furnished with this Invitation are intended to establish a desired quality or performance level, or other minimum dimensions and capacities, which will provide the best product available at the lowest possible price. Other than designated brands and/or models approved as equal to designated products shall receive an equal consideration.
15. Samples of items when required, must be furnished free, and, if not called for within 30 days from date of bid opening, will become property of the City.
16. Bids will not be considered if they are:
 1. Submitted after the bid's opening time.

2. Submitted electronically or faxed (unless authorized by Purchasing Agent).
17. Guarantees and warranties should be submitted with the bid, as they may be a consideration in making an award.
18. **CONSTRUCTION**
 - A. Contractor is to supply the City with evidence of having and maintaining proper and complete insurance, specifically Workman's Compensation Insurance in accordance with the laws of the State of Arkansas, Public Liability and Property Damage. All premiums and cost shall be paid by the Contractor. In no way will the City be responsible in case of accident.
 - B. When noted, a Certified check or bid bond in the amount of 5% of total bid shall accompany bid.
 - C. A Performance Bond equaling the total amount of any bid exceeding \$35,000.00 must be provided for any contract for the repair, alteration or erection of any public building, public structure or public improvement (pursuant to Arkansas Code Annotated Section 22-9-203).
19. **LIQUIDATED DAMAGES** - Liquidated damages shall be assessed beginning on the first day following the maximum delivery or completion time entered on this bid form and/or provided for by the plans and specifications.
20. **AMBIGUITY IN BID** - Any ambiguity in any bid as the result of omission, error, lack of clarity or non-compliance by the bidder with specifications, instructions, and all conditions of bidding shall be construed in the light most favorable to the City.
21. The bid number should be stated on the face of the sealed bid envelope. If it is not, the envelope will have to be opened to identify.
22. Whenever a bid is sought seeking a source of supply for a specified period of time for materials and services, the quantities of usage shown are estimated ONLY. No guarantee or warranty is given or implied by the participants as to the total amount that may or may not be purchased from any resulting contracts. These quantities are for the bidders information ONLY and will be used for tabulation and presentation of bid and the participant reserves the right to increase or decrease quantities as required.
23. The City of North Little Rock reserves the right to reject any and all bids, to accept in whole or in part, to waive any informalities in bids received, to accept bids on materials or equipment with variations from specifications in those cases where efficiency of operation will not be impaired, and unless otherwise specified by the bidder, to accept any item in the bid. If unit prices and extensions thereof do not coincide, the City of North Little Rock may accept the bid for the lesser amount whether reflected by the extension or by the correct multiple of the unit price.
24. Additional information or bid forms may be obtained from:
COMMERCE DEPARTMENT, 120 Main Street, P.O. Box 5757, North Little Rock, Arkansas 72119 (501)975-8881
www.nlr.ar.gov

BIDDERS ACKNOWLEDGE AND UNDERSTAND THAT UPON AWARD OF THE WINNING BID, THE SELECTED BIDDER WILL BE REQUIRED TO REVIEW AND SIGN A CONTRACT WITH THE CITY OF NORTH LITTLE ROCK PRIOR TO BEGINNING WORK.

Bidding documents must be submitted on or before the bid's opening date and time. Unless noted, bids must be sealed and mailed or delivered to:

**Commerce Department
120 Main Street (P.O. Box 5757)
North Little Rock, AR 72119**

The City of North Little Rock is committed to fair and equal opportunity in employment and service delivery regardless of race, color religion, gender, age, disability, sexual orientation, gender identity or expression, genetic information, marital status, national origin, or veteran status. This policy statement reinforces and communicates that commitment to employees.