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July 14, 2010

ADDENDUM #2

BID #10-MISC-16, Installation of Photovoltaic Panels at Oakdale and Linganore High Schools

DUE DATE/TIME: 2:00 P.M., JULY 19, 2010

This addendum is being issued primarily in response to the questions provided by prospective bidders. It modifies or amends the bid instructions or terms of the original June 21, 2010, Request for Proposal, as follows:

1. Question: Pg. 8 – If the bidder is able to provide the commercial operation of the power generated by the solar photovoltaic (PV) electric generating system prior to April 1, 2011, does the Power Purchase Agreement take effect on that earlier date?

<u>Response:</u> If the Bidder can certify the operation of the system prior to April 1, 2011 the BOE will commence the term of the PPA on the date accepted on that earlier date.

Question: Pg. 13, paragraph 6 – Please clarify what portions of the roof and building the sentence "the Bidder shall insure and maintain the School roofs and related facilities components throughout the duration of the contract term and shall pay for any/all maintenance repairs..."intends to cover. Proposed wording could include "the Bidder shall insure and maintain the school roof areas that are covered by the PV system, and the related facilities components that are utilized by the PV system..."

<u>Response:</u> The BOE will accept the following: The Bidder shall insure and maintain the school roof areas that are covered by the PV system, and the related facilities components that are utilized by the PV system for the term of the PPA.

3. Question: Payment of Grant Funds: On page 8 of the RFP document, Section 1 B. states that payment of the grant funds will be made upon accepted installation of the PV system.

Response: The payment of the grant funds will be made upon accepted installation of the PV system.

4. Question: On Page 50, Section V of the MOU between MEA and FCPS states, in the case of a PPA financed project, that MEA will transfer funds to FCPS upon execution of the Power Purchase Agreement.

<u>Response:</u> The BOE will issue the payment as stipulated in the RFP and not as stated in the MOU document as follows: Upon the Bidder providing certification of commercial operation of the solar photovoltaic system(s) by April 1, 2011 the BOE will issue payment to the Bidder. The payment of the MEA Grant to Bidder shall be issued ninety days (90) following certification of commercial operation and receipt of funding from the Maryland Energy Administration to the BOE.

5. Question: Could you please confirm as precisely as possible when the successful PPA provider will expect to receive payment of the grant funds?

Response: The payment of the MEA Grant to Bidder shall be issued ninety days (90) following certification of commercial operation and receipt of funding from the Maryland Energy Administration to the BOE.





Question: Comment: The timing of the payment of the grant funds impacts the financial economics of the project for the PPA Provider and the PPA price/kWh that can be provided. The wording in the PPA contract and the provision of a Performance Bond should be able to mitigate any risk to the BOE associated with the early payment of the grant funds.

<u>Response:</u> The comment has been reviewed, however the payment of the MEA Grant to Bidder shall be issued ninety days (90) following certification of commercial operation and receipt of funding from the Maryland Energy Administration to the BOE.

7. Question: How does the grant money apply to the PPA? (Will the one-time payment of up upon completion of the installation be given as an off-set to construction costs to the successful bidder that would otherwise be reflected in the PPA price of electricity?)

<u>Response:</u> In general this is the accepted approach to use the grant to offset the final unit cost per kWh charged to the BOE from the installation of the system. The Bidder shall in the technical and price proposal propose a approach to be beneficial to the BOE and the Bidder

8. Question: I was a little confused because the RFP references systems sizes at the High Schools expected to be up to 500,000 kWh/year, and then discusses the one-time payment of \$1,000.00 per kW-DC not to exceed a total of \$500,000.00 – it seemed as though you were relating the maximum one-time payment to the system generation, but a 500 kW-DC system will generate more than 500,000 kWh/year

Response: The system sizing shall be based on kW-DC Peak based on the nameplate rating of the solar panels and certified as the potential operating capacity of the installed system in the first year. The one-time payment shall be based on the final certified kW-DC Peak capacity of the system. The payment shall be \$1,000.00 per kW-DC PEAK up to grant amount allocated for the project.

9. Question: Should we assume that the system sizes are not to exceed 500 kW?)

<u>Response:</u> The system size can be larger than 500 kW however the one-time payment will not be more than the payment of \$1,000.00 per kW-DC PEAK. The system can be smaller than 500 kW and the amount of the payment of \$1,000.00 per kW-DC PEAK will be reduced accordingly

10. Question: There is mention of a Performance Bond in the RFP, but I didn't see anything regarding a Bid Bond or Consent of Surety. I just wanted to double-check myself – will a Bid Bond/Consent of Surety be required with submittal of our bid?

Response: Refer to Bid Addendum 1 for clarification of the requirements for the bid bond

Thank you again for your interest in bidding with Frederick County Public Schools.

Sincerely.

Bill Meekins Buyer Specialist

BM/mra