

BOROUGH OF HOPATCONG
SUSSEX COUNTY, NEW JERSEY
RENEWABLE ENERGY RESOURCES

ADDENDUM NO. 1

February 24, 2010

To All Concerned:

The original contract documents dated February 2010, for the above-referenced contract are amended as noted in this addendum. This addendum shall become part of the contract document and is to be attached thereto.

We have received the following questions regarding the original contract documents and provide the following responses to same:

Question No. 1: Are there specific goals that the Borough is trying to achieve?

Response: Both the Board of Education (BOE) and the Borough of Hopatcong (Borough) is looking to reduce its operating cost by either obtaining a discounted energy cost to its facilities and/or leasing the Borough's sanitary landfill property.

The Board of Education has not identified a specific goal in reducing their energy costs.

Any reduction in the Borough's operating cost and/or lease of the sanitary landfill, regardless of the amount, will be seriously considered by the Borough.

Question No. 2: Does all the Borough and/or BOE properties identified on Exhibit A have to be serviced by the PV System?

Response: No. Site specific PV Systems can be proposed. Where the bidder feels it is not cost effective to service an individual property, the subject property may be eliminated from the bidder's overall proposed scope of work.

If individual PV Systems are proposed, the bidder shall identify the specific benefits associated with each unit. Each PV System will be evaluated independently from the bidder's overall proposed scope of work. Bidder shall present their proposals with the understanding that the Borough may award more than one Contract. Each PV System proposed will be considered a separate project.

Question No. 3: Does the PV System have to be limited to the Borough's sanitary landfill?

Response: No. The bidders are encouraged to include the installation of a PV System on the Borough's landfill as part of their overall proposal; however, it is not mandatory.

Question No. 4: Is Flora Avenue a municipal road?

Response: Yes.

Question No. 5: Can private utilities be installed within municipal roads?

Response: Yes.

Question No. 6: Can multiple service meters on common properties be consolidated into one service?

Response: Bidders may propose electrical improvements on the subject properties. All electrical work shall comply with local and State rules and regulations.

Question No. 7: Does the Borough have a current LOI for wetlands on the subject properties?

Response: No.

Question No. 8: Does the Borough have a list of all local and State permits which will be required for the project?

Response: It is the bidder's responsibility to determine the extent of all local and State permits and/or approvals which will be required for the proposed scope of work by the individual bidder.

Question No. 9: Please provide date, time, location and other relevant details associated with the site visit promptly so that we may prepare and schedule appropriately. In addition to the landfill, will the other facilities listed in Exhibit A be accessible for inspection?

Response: A site visit is scheduled for March 4 at 10:00 a.m. at the entrance of the landfill located on Flora Avenue. The site visit is not mandatory. Access to BOE and Municipal Buildings will also be available on March 4.

Inspection of the well houses and pump stations will not be conducted on March 4. The bidders are welcome to inspect the municipal well houses and

pump stations at any time. There is limited space in the structures. As such, all electrical equipment shall be mounted on the exterior of each structure.

Question No. 10: Please provide the solicitation documents in electronic format to facilitate review and response by the proposal team, particularly with completing the required forms.

Response: The forms are available in electronic format in a file folder entitled *Renewable Energy Resources* on the Hatch Mott MacDonald (HMM) ftp site at <ftp://ftp.hatchmott.com/> the user name is **do8132** and password is **NYbn5a5k**.

Question No. 11: Please provide the landfill closure “as built” specifications. What type of cap is in place?

Response: Detailed specifications are not available for the landfill closure. The complete set of the landfill drawings is provided on the HMM ftp webpage. A clay cap was installed.

Question No. 12: How long has the landfill been closed?

Response: The landfill was closed in 1997.

Question No. 13: Will penetrations be allowed? If so, to what extent?

Response: The Borough will not object to penetrations of the landfill cap, however, are discouraged. All penetrations must comply with applicable State regulations and permit requirements.

Question No. 14: What is the current zoning designation of the landfill site? Is accommodation of a solar facility currently a permissible use?

Response: All Borough (including the landfill) and BOE properties are located in Residential Zone designations. Solar facilities are currently not permitted in Residential Zones.

The Borough has initiated proposed zoning modifications. All bidders shall assume that solar facilities will be a permitted conditional use on Borough property.

Question No. 15: Please provide the past three (3) years of audited financial statements for the Borough of Hopatcong/Board of Education and, if available, a Moody’s, Fitch or Standard & Poor’s recent credit report.

Response: The Borough of Hopatcong and the Board of Education are government agencies. Financial statements for the Borough of Hopatcong and the Board of Education are public documents. Bidders can request an inspection or a copy of these documents in accordance with New Jersey's Open Public Records Act.

Question No. 16: What utility provides electricity service to the Borough of Hopatcong and the facilities listed in Appendix A? What is the average electricity rate that the Borough is paying for electricity for Borough owned facilities?

Response: JCP&L, A First Energy Company. All bidders should assume that the retail cost to the Borough and the Board of Education is \$0.17 per kW/hr.

Question No. 17: Please provide the past twelve (12) month's utility bills for the facilities in the red circled area listed in Exhibit A that indicates monthly kWh usage, peak monthly demand and electricity cost.

Response: The Exhibit A identifies the average monthly use in kilowatt hour. The average annual usage at each facility should be assumed to be twelve (12) times the noted monthly average. In order for the bids to be consistent, the financial analysis should be based on the usage identified on Exhibit A. All supporting documentation will be provided to the selected bidder prior to entering into a formal Contract.

Question No. 18: Page 3.1, Section 3.4 – Please clarify the performance bond amount. Contract amount would actually be the total revenue streams (\$/kWh) in accordance with the Solar Power & Services Agreement. Does project completion mean construction of the solar energy system and placed into commercial operation or delivery of energy for the term of the Solar Power & Services Agreement?

Response: The performance bond amount shall be based on the cost of the improvements to be installed at each facility.

Question No. 19: Page 3.3, Item E – Is there a specific goal?

Response: There is no specific goal required under this Contract.

Question No. 20: Page 3.6, Section 3.8, B – Is this information to be provided with the proposal or upon bidder selection?

Response: This information may be provided after the award of a Contract.

Question No. 21: Page 4.4, Section 4.7 – In order to make the site visits most productive, please provide a list of potential usable areas (ground space and/or

roofs) for the Borough/BOE facilities (other than the landfill) that may be suitable for solar projects. For example, roofs that are relatively new (less than seven years old) and can withstand an additional 5 lbs/sf of load and have 20,000 sf of usable area may be good candidates. Ground parcels that are at least five acres in size, adjacent to facilities that are flat and clear of trees/shading are also potentially good sites.

Response: The available property in the vicinity of the Borough's well houses and pump stations are limited. Individual PV Systems at these locations would have to be constructed over the existing structures.

The available property of the Borough's Municipal Building, Civic Center, DPW Buildings and Fire Houses are also limited. Individual PV Systems at these locations would also have to be constructed over the existing structures. The roofing systems vary in age. The roofs for Fire House No. 3 and No. 4 have been replaced within the past seven (7) years.

The roofs on the BOE buildings are all greater than seven years old.

Question No. 22: Exhibit A – Are the values listed as “kW/month” intended to be kilowatt hours or does that value actually represent monthly peak capacity?

Response: The values listed on Exhibit A represent the average kW/hr per month at each facility.

Question No. 23: Exhibit C – Can bidders propose to use an alternate Solar Power & Services Agreement?

Response: Yes, the alternate agreement would be subject to review and approval by the Borough.

Question No. 24: Is there a desired/required term such as fifteen (15) years?

Response: The Borough has not set a desired/required term for the lease agreement. The lease agreement shall comply with applicable New Jersey statutes.

Question No. 25: What is the legal basis under which the Borough intends for the electricity "to be used by the Borough to power Borough facilities" (underscore the plural of the word "facilities")?

Response: All bidders must comply with all applicable State statutes.

In addition to the above, the contract documents shall be amended as follows:

The following sentence on Page 4.3 which states *“The bidder shall include two (2) payments of \$25,000 (\$50,000 Total) to the Borough in their benefit analysis. One payment of \$25,000 shall be made at the time of award of this Contract. The second payment shall be made upon issuance of the first Construction Permit.”* shall be replaced with *“Upon Award of Contract, the bidder shall pay the Borough a process fee which is equal to 12% of the average kW/hr per month shown on Exhibit A for each facility which is connected to a PV System. A second payment to the Borough for an equal amount shall be paid upon the issuance of the first Building Permit for the project.”*