

ROSEBURG URBAN SANITARY AUTHORITY

RESOLUTION NO. 25-02

A RESOLUTION ADOPTING FINDINGS OF FACT, DECLARING AN EXEMPTION FROM COMPETITIVE BIDDING, AND AUTHORIZING THE DIRECT APPOINTMENT OF AMERESCO FOR THE 900 kW SOLAR PV PROJECT

WHEREAS, the Roseburg Urban Sanitary Authority (“RUSA”) an Oregon sanitary authority formed and authorized pursuant to Oregon Revised Statutes (“ORS”) chapter 450.705-450.787, is subject to Oregon’s public contracting laws, including ORS chapter 279C relating to construction of public improvements; and

WHEREAS, ORS 279C.335 permits RUSA’s Board of Directors, acting as the Local Public Contract Review Board, to exempt specific projects from the standard competitive bidding requirements of ORS chapter 279C after specifically adopting written findings of fact justifying an exemption from traditional competitive bidding and use of an alternative contracting method; holding a public hearing on the adoption of the findings; and declaring an exemption from competitive bidding; and

WHEREAS, when approving the exemption in ORS 279C.335, the Local Contract Review Board “shall, where appropriate, direct the use of alternative contracting and purchasing practices that take account of market realities and modern or innovative contracting and purchasing methods, which are also consistent with the public policy of encouraging competition”; and

WHEREAS, RUSA has determined that, due to the specialized nature of the proposed construction of the 900 kW Solar PV Project (“the Project”) and its importance to RUSA’s long-term sustainability strategy, directly awarding a contract construction of the Project to a qualified contractor is justified; and

WHEREAS, RUSA has prepared written Findings of Fact (“Findings”) to support the exemption from competitive bidding and the direct appointment of a contractor, which are attached hereto as Exhibit A and incorporated herein by this reference; and

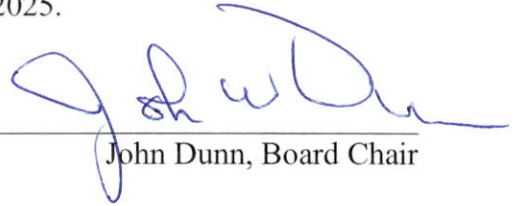
WHEREAS, a public hearing on the Findings was duly noticed and held on March 12th, 2025; and

NOW, THEREFORE, RUSA’s Board of Directors, acting as the Local Contract Review Board, hereby resolves as follows:

1. The written Findings attached hereto as Exhibit A are hereby adopted.
2. On the basis of the attached Findings, the Board finds that:

- (a) Exempting the Project from competitive bidding is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts;
 - (b) Awarding the contract under the exemption will likely result in substantial cost savings and other substantial benefits for RUSA and its customers; and.
 - (c) The Project is a pilot project for which RUSA intends to determine whether using the alternative contracting method actually results in substantial cost savings.
- 3. Consistent with ORS 279C.335, an exemption from competitive bidding processes is hereby declared.
 - 4. The Board hereby approves the direct appointment of Ameresco for the contract award.
 - 5. Staff are hereby directed to carry out the process necessary to enter into a contract with Ameresco as provided in Exhibit B.

APPROVED AND ADOPTED on March 12, 2025.



John Dunn, Board Chair

ATTEST:



James V. Baird, General Manager

EXHIBIT A

FINDINGS IN SUPPORT OF DECLARING AN EXEMPTION FROM COMPETITIVE BIDDING AND DIRECTLY AWARDING A CONTRACT FOR RUSA's 900 kW SOLAR PV PROJECT

The 900 kW Solar PV Project is a critical component of Roseburg Urban Sanitary Authority (RUSA)'s long-term sustainability strategy. It is being pursued with funding support from the Clean Water State Revolving Fund (CWSRF) and the Oregon Department of Energy's (ODOE) Community Renewable Energy Program (C-REP) grant, among other sources.

Ameresco has been deeply involved in this project's development since Summer 2023, and through its expertise, RUSA has secured a C-REP grant that requires performance guarantees—a key requirement that Ameresco is uniquely positioned to provide. Given the urgency of meeting funding deadlines, the complexity of the project, and Ameresco's extensive groundwork, going out to bid for a new contractor would cause unnecessary delays, risk grant funding, and disrupt project continuity.

Extensive Project Involvement. Ameresco has been engaged with RUSA since Summer 2023 with a Technical Energy Audit (TEA) being approved and signed at our November 2023 RUSA Board meeting, providing critical pre-construction services that have positioned the project for success:

- **Investment-Grade Audit & Feasibility Analysis:** Ameresco conducted a detailed site assessment, identifying optimal system sizing, integration with wastewater operations, and economic viability. This IGA also identified solar as the preferred renewable energy strategy over other sources such as cogeneration.
- **Sustainability Planning & Financial Strategy:** Ameresco worked closely with RUSA to develop a funding strategy, including leveraging CWSRF, ODOE C-REP, and the Inflation Reduction Act's Investment Tax Credit (ITC) for maximum cost-effectiveness.
- **Grant Application & Award:** Ameresco assisted RUSA in securing a time-sensitive ODOE C-REP grant, which has strict deadlines and performance requirements that must be met.
- **Stakeholder Engagement & Marketing Support:** Ameresco has supported public outreach, internal stakeholder coordination, and project presentations, ensuring alignment with sustainability goals and ratepayer benefits.

If RUSA were required to go out to bid for a new contractor, the new contractor would need to:

- Rebuild feasibility analysis, system design assumptions, and grant compliance strategy from scratch.
- Research, understand and take on current funding mechanisms, which Ameresco has already structured to optimize project cost savings.

- Absorb significant delays, risking the loss of the ODOE C-REP grant, which has strict expenditure deadlines.
- Lack the performance guarantees that are critical to grant compliance and long-term project success.

Cost Savings & Risk Mitigation Through Direct Selection. Under ORS 279C.335, an exemption from competitive bidding may be granted if the alternative procurement method does not encourage favoritism, maintains competition, and results in substantial cost savings and efficiency improvements.

This project meets those criteria in several ways:

- **Performance Guarantees Required by ODOE C-REP**
 - Ameresco is uniquely qualified to provide a performance guarantee on the renewable energy production of the solar PV system. As an ESCO on the ODOE approved ESCO list, Ameresco is intimately familiar with energy performance guarantees.
 - The ODOE C-REP grant requires performance assurances, and Ameresco, as a certified Energy Service Company (ESCO), has the specialized expertise to structure and deliver these guarantees.
 - A traditional construction contractor would not be able to provide these guarantees, and selecting an alternative firm would require an entirely new approach to compliance, delaying or even jeopardizing grant eligibility.
- **Preserving Public Funding & Cost Savings**
 - Ameresco has already developed a financial structure that combines CWSRF funding, ODOE grants, and ITC incentives, resulting in significant cost reductions for RUSA.
 - If RUSA is forced to go out to bid, a new firm would need to redo Ameresco's funding and financial structuring work, leading to delays and potential funding shortfalls.
 - Ameresco's early involvement has already reduced project risk and optimized financial returns. Replacing them would create inefficiencies and uncertainty.
- **Maintaining Competitive Subcontracting for Construction**
 - While Ameresco is being selected without competitive bidding, all major construction scopes (electrical, civil, etc.) will be competitively bid in compliance with DEQ's procurement guidelines.
 - This ensures that cost competition is preserved, while maintaining project continuity with Ameresco's leadership.

Justification for Exemption from Competitive Bidding. Per ORS 279C.335, a public agency may exempt a project from competitive bidding if:

- The exemption will not encourage favoritism or substantially reduce competition; and
- The alternative method will likely result in substantial cost savings or other substantial benefits to the public agency.

This project meets both criteria:

- No Favoritism / Maintained Competition:
 - Ameresco was the best positioned ESCO having navigated the complicated Oregon funding opportunities on previous Oregon projects and as RUSA's ESCO and has since provided valuable project development services.
 - All subcontracted work will be competitively bid, ensuring fair pricing and compliance with procurement rules.
- Cost Savings & Efficiency Improvements:
 - Ameresco's early investment in project feasibility, funding, and grant compliance has significantly reduced project risk.
 - The ODOE grant requires a performance guarantee, which Ameresco is uniquely qualified to provide.
 - A new contractor would need to start from scratch, causing delays, funding risks, and inefficiencies.

ORS 279C.335(2)(c) also allows for a contracting agency to seek an exemption that would allow it to use an alternative contracting method not previously used, identifying the project as a pilot project for which the alternative method actually results in substantial cost savings to the contracting agency or the public. Because RUSA has not previously used the direct award process to evaluate and select a qualified solar contractor for this specialized work, RUSA intends to use the Ameresco contract as a pilot project that will be evaluated upon completion to determine whether the same process could be used to complete future similar work at a lower cost.

Unique Qualifications

In evaluating Ameresco's qualifications for the Project, RUSA recognizes:

- Ameresco's critical role in securing grant funding and structuring tax incentives.
- The time-sensitive nature of the ODOE C-REP grant and risk of delays.
- Ameresco's ability to provide performance guarantees, which are essential for grant compliance.
- The cost savings and risk mitigation achieved through maintaining Ameresco's project leadership.
- The competitive subcontracting process that will ensure cost-effectiveness and compliance with CWSRF funding guidelines.