



City of Killeen

Legislation Text

File #: RS-23-107, **Version:** 1

Consider a memorandum/resolution approving an Engineering, Procurement, and Construction Agreement with Ameresco, Inc. for an Airport Terminal Program Solar Project at the Killeen Fort Hood Regional Airport, in the amount of \$7,018,065.27.

DATE: June 27, 2023

TO: Kent Cagle, City Manager

FROM: Mike Wilson, Executive Director of Aviation

SUBJECT: Engineering, Procurement, and Construction Agreement-Airport Terminal Program Solar Project with Ameresco, Inc.

BACKGROUND AND FINDINGS:

In April 2018, the City released RFQ 18-12 to seek qualified companies for the design-build of a solar-integrated covered parking structure for the rental car ready/return lot at the Killeen-Fort Hood Regional Airport. Three (3) responses were received in June 2018 and thoroughly evaluated by a technical evaluation committee per the criteria specified in the RFQ. Ameresco, an industry leader in developing energy and renewable solutions, was ultimately selected in July 2018. The company has been operating for more than forty (40) years, has been incorporated as a Texas firm since 2000, and has successful energy projects and solutions in operation at the federal, state, and municipal levels, including many airports. Ameresco was vetted by the team through a process of talking with various customers telephonically and discussing Ameresco performance with the program managers. In all instances, the success of the programs and positive comments from the owners verified the choice of Ameresco.

Ameresco was selected to design, build, and finance certain photovoltaic and LED retrofit projects at the Killeen Fort Hood Regional Airport. As briefed to council in January 2019, these projects included the solar-integrated covered parking solutions for the rental car ready-return area as well as a portion of the short-term parking lot. Also at this meeting, staff indicated an agreement to approve these services would be brought to Council.

The original concept was for Ameresco to design, build, and finance the project with no up-front costs. The City would then make payments to Ameresco using savings it acquired for its electricity bills via power generated by the solar panels. At the conclusion of the agreement term, the solar system and all improvements would become property of the City. However, by the time the energy audit and design were completed, and while an agreement was being negotiated, the COVID 19 pandemic placed the project on hold. Since then, due to inflation causing material costs and interest rates to rise dramatically, City staff determined that this concept was no longer feasible. At that point, staff began to look for other funding

options.

The City of Killeen applied for and was selected to receive a Federal Aviation Administration (FAA) Bipartisan Infrastructure Law (BIL) Airport Terminal Program (ATP) Grant in the amount of \$5,000,000. This grant will be combined with funding from the Aviation Department's Customer Facility Charge (CFC) to fund the retrofit of the entire airport campus with energy efficient LED lighting as well as solar integrated covered parking in our car rental parking area and a portion of our short-term parking lot. A covered canopy from the terminal to the Car Rental area will also be added. This project will decrease our operational expenses by lowering our energy usage, increasing resiliency, reducing the airport's carbon footprint, and upgrading the customer experience by providing covered parking options.

Total cost for this project is \$7,018,065.27. The FAA BIL ATP Grant will fund \$4,969,814.05 and the Rental Car CFC will fund \$2,048,251.22. There is no impact to the Airport Operating fund or fund balance.

THE ALTERNATIVES CONSIDERED:

1. Disapprove the Agreement
2. Approve the Agreement

Which alternative is recommended? Why?

Alternative 2 is recommended because:

1. Moving forward with this project will ultimately save energy costs; improve lighting, quality, and safety; reduce maintenance requirements; protect pedestrians from inclement weather; and improve passenger access to the main terminal.
2. There is no impact to the operational fund or fund balance.

CONFORMITY TO CITY POLICY:

This item conforms to local and state policies.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The expenditure for Alternative 2 in the current fiscal year is \$7,018,065.27.

Is this a one-time or recurring expenditure?

One-time

Is this expenditure budgeted?

Yes, funds will be available in the Airport Improvement Program (AIP) Grant Fund account numbers 524-0515-521.69-03 Construction and Customer Facility Charge (CFC) Fund account 526-0512-521.69-08, upon approval of budget amendment.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes, upon approval of budget amendment.

RECOMMENDATION:

Staff recommends City Council approve an Engineering, Procurement and Construction agreement with Ameresco, Inc. in the amount of \$7,018,065.27 and recommends that the City Council authorize the City Manager, or designee, to execute all contract documents and any and all change orders or actions within the amounts set by state and local law.

DEPARTMENTAL CLEARANCES:

Purchasing
Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Agreement
Certificate of Interested Parties