

**County of Monterey**

**Contracts/Purchasing Division**

**JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST**

Purchase Requisition Number \_\_\_\_\_ Date \_\_\_\_\_

Description of Item: \_\_\_\_\_

1. Please indicate the following:

Procurement:

Services

Sole Source: Item is available from one source only. Item is a one-of-a kind and is not sold through distributors. Manufacturer is exclusive distributor.

Sole Brand: Various sources can supply the specified model and brand and competitive bids will be solicited for the requested brand only. Meets form, fit and function- nothing else will do.

Note: Sole Source/Sole Brand Requests are not maintained as a standing request. Each request is for a single one-time purchase only.

2. Vendor Selection:

Preferred Vendor

Sole Source

Vendor Name: Mynt Systems

Address: \_\_\_\_\_ 111 Mission St. City: Santa Cruz State: CA

Phone Number: ( 408-426-5420 ) \_\_\_\_\_ Fax: ( \_\_\_\_\_ ) \_\_\_\_\_

Contact Person: Robert Hymes Title: Chief Development Officer

Federal Employer #: 47-3912352

3. Provide a brief description of the goods/services to be purchased and why this purchase is being proposed under a sole source acquisition.

**Goals of project:**

We are working to take our county facilities to net zero carbon emissions by 2030 and are executing a pilot project to take one facility to or near to net zero through the following measures:

- Implementing energy efficiency measures that reduce building energy demand;
- Electrifying building thermal load and;
- Installing a solar plus storage microgrid that will provide carbon free energy in the event of a power outage.

In order to do this, we need to bundle all project aspects into an Energy Service Agreement (ESA) that will use one vendor for all project needs thereby keeping the project budget neutral or net positive in cash flow. Many vendors can complete one or two aspects of this project, such as executing a power purchase agreement for solar or applying for on-bill financing through Pacific Gas and Electric (PG&E) to implement energy efficiency but very few other vendors can complete this project in a bundled fashion and with a focus on efficiency first. After extensive research we have found no other registered PG&E vendors with a focus on Net Zero emissions and have demonstrated that they can complete the required upgrades at a critical government facility that operates 24/7 and can execute within the

timeframe needed to apply for the extremely beneficial Equity Self Generation Incentive Program funding.

a) Why were product and/or vendor chosen?

This vendor has a proven ability to complete scope of work utilizing comprehensive approach that has not been proven by other vendors.

b) What are the unique performance features of the product/brand requested that are available in any other product/brand? For Services: what unique qualifications, rights, and licenses does the vendor possess to qualify as a sole source/brand request?

We need a vendor that can complete all of the following:

- Design for Zero Net Energy buildings from the outset.
- Assess the facility for energy efficiency needs and reduce demand on the building through weatherization and passive house techniques.
- Assess the maintenance needs of the facility to organize and coordinate upcoming maintenance and necessary replacements of building equipment in a way that is financially advantageous to the County. For instance, seeking out opportunities for energy savings with new “bolt-on” efficiency technologies while sparing and optimizing existing infrastructure in some cases.
- Implement energy efficiency measures and maintenance measures in conjunction with facilities maintenance team (construction and installation).
- Work with PG&E to utilize on bill financing methods to implement and finance energy efficiency measures and subsequently monitor and verify results. Bundle any additional savings into the overall project concept and design.
- Evaluate the site for solar plus battery storage and true microgrid capabilities based on the critical load of the facility in the event of an outage.
- Apply for the Equity Self Generation Incentive Program (SGIP) grant funding through PG&E for battery storage.
- Be a certified PG&E vendor.
- Apply for Monterey Bay Community Power (MBCP) low interest loan revolving funds for uninterrupted power supply.
- Provide investors or funding that can cover the upfront costs associated with project implementation including the 5% down payment for the SGIP grant and the subsequent 50% investment required until project completion.
- Organize and implement a solar PPA that will monetize tax credits and accrue RECs to the County or sell RECs to supplement the project economics as needed.
- Act as a general contractor on the design, engineering, installation, and performance monitoring and verification of all aspects of the project from grant application to energy efficiency measures to solar array and battery storage production.
- Effectively utilize the battery storage so as to optimize County rates based on time of use and peak demand pricing.
- Bundle all services into an Energy Service Agreement so that no up-front investment is required by the county and the entire project becomes a turnkey undertaking.
- Demonstrated ability to complete all of the above at a fully occupied 24/7 critical facility

See example of similar undertaking by this vendor: <http://myntsystems.com/portfolio/san-benito-health-foundation/>

b) Why are these specific features/qualifications required?

In order to take a critical facility to net zero all of the factors mentioned above need to be implemented in one package. The building's energy demand must first be reduced through these measures in order to right size those appliances as well as determine critical load. Savings from energy efficiency measures need to be applied to electrification of building appliances. Critical load determines the size of the solar array and battery storage system and various financial techniques need to be employed to finance the multiple aspects of the project.

d) What other products/services have been examined and/or rejected?

We have looked at several other vendor offerings to determine if they can complete a turnkey project and have found that many vendors can do one or two of the tasks listed above but have only found a limited number that will work with us to provide all of the services as one bundle. Without all of the services being provided as one bundle the project would not be possible due to resource constraints.

An example of an exercise undertaken to evaluate vendors was to review the list of all PG&E registered vendors and then filter the list by those that can provide the level of service required.

The original list contained over 700 vendors, most of which focus on solar power purchase agreements or battery storage only, and the filtered list contained 38. Additional research on these vendors removed 14 due to a sole focus on only solar plus storage, 3 due to being software only vendors and 10 due to being either focused only on construction, finance, generation or environmental compliance. 11 vendors required additional research. Of these only 5 qualified as ESCOs that could offer the majority of the services we need and only Mynt had demonstrated experience with a 24/7 facility and the ability to act within the timeframe required for the Equity SGIP funding.

e) Why are other sources providing like goods or services unacceptable (please give a full meaningful explanation)?

Trying to accomplish this without a turnkey vendor is not acceptable to the County. We do not have the manpower, expertise or resources to act as the designer, engineer, utility interface, energy manager, technology vetter and general contractor or source all of the individual aspects of this project separately. Other vendors require the county to act as a general contractor coordinating each individual piece, including sourcing third party funding which is not possible for the county. This process would also make the project more expensive because it would reduce economies of scale and make everything less efficient.

Please note that CA code 4217 allows the county to sole source an Energy Services Company and enter into an Energy Service Agreement on the following grounds:

“Notwithstanding any other provision of law, a public agency may enter into an energy service contract and any necessarily related facility ground lease on terms that its governing body determines are in the best interests of the public agency if the determination is made at a regularly scheduled public hearing, public notice of which is given at least two weeks in advance, and if the governing body finds:

**(1)**

That the anticipated cost to the public agency for thermal or electrical energy or conservation services provided by the energy conservation facility under the contract will be less than the anticipated marginal cost to the public agency of thermal, electrical, or other energy that would have been consumed by the public agency in the absence of those purchases.

**(2)**

That the difference, if any, between the fair rental value for the real property subject to the facility ground lease and the agreed rent, is anticipated to be offset by below-market energy purchases or other benefits provided under the energy service contract.

**(b)**

State agency heads may make these findings without holding a public hearing.”

f) What are the unique performance features REQUIRED (not merely preferred), and how would your requirement be inhibited without this particular item or service?

If we are taking this building net zero, then all of the features mentioned above are required. Without first reducing demand both building equipment and solar plus battery storage system will be oversized and inefficient. This means the overall cost of the project increases and resources are wasted. An initial assessment/feasibility study is first undertaken in order to identify opportunities for efficiency measures and from there an energy service agreement is created with mutually acceptable terms.

g) Estimated Costs: \$0

4. Is there an unusual or compelling urgency associated with this project?

**Yes (Please describe)**

Application to PG&E SGIP funding is due by May 12<sup>th</sup>

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**THE FOLLOWING TO BE COMPLETED BY THE REQUESTOR**

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I hereby certify that:

1. I am an approved department representative, and am aware of the County’s requirements for competitive bidding, as well as the criteria for justification for sole source/brand purchasing.
2. I have gathered the required technical information and have made a concentrated effort to review comparable and/or equal equipment.
3. The information contained herein is complete and accurate.
4. There is justification for sole source/brand purchasing noted above as it meets the County’s criteria.
5. A sole source/brand purchase in this case would withstand a possible audit or a vendor’s protest.

Ashley Paulsworth 5/5/20

*Ashley Paulsworth*  
Requestor's Signature Date

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Authorized Signature by Department Head Date

**Approval by the Contracts/Purchasing Officer:**