



Legislation Details (With Text)

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**Title:** Energy Supply Department of Gainesville Regional Utilities Request to Extend the Current NAES Contract to Operate and Maintain DHR (NB)

\*\*This item was presented to the Utility Advisory Board on September 13, 2018.\*\*

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**Attachments:** 1. 180312 DHR - OMA Amendment No 1 (NAES signed copy 8-10-18) 20180913, 2. 180312 GRU DHR OMA (Redacted Execution Version 11-20-17) 20180913

| Date      | Ver. | Action By       | Action                  | Result |
|-----------|------|-----------------|-------------------------|--------|
| 9/20/2018 | 2    | City Commission | Approved as Recommended |        |

**Energy Supply Department of Gainesville Regional Utilities Request to Extend the Current NAES Contract to Operate and Maintain DHR (NB)**

**\*\*This item was presented to the Utility Advisory Board on September 13, 2018.\*\***

Under the Power Purchase Agreement between GRU and the former Gainesville Renewable Energy Center (GREC), staffing for the plant was supplied by North American Energy Services (NAES). When GRU purchased GREC in November 2017, GRU continued the contract with NAES for staffing services. The City Commission gave GRU permission to enter a contract with NAES for one year, starting November 7, 2017.

The plant now known as Deerhaven Renewable (DHR) has continued to be operated by NAES. GRU is also actively reviewing the advantages of staffing DHR directly. Because employee benefits and compensation are a major component for retention of current plant employees, the City of Gainesville Human Resources department is tasked with many components of the potential conversion. Employee benefits and compensation are negotiated terms that fall under the Communication Workers of America (CWA) contract and the current contract negotiations will not be finished before the end of this calendar year.

In order to maintain continued reliable operations of the DHR facility, GRU has been negotiating with NAES to amend the contract, extending the current contract for one year with two additional one year extensions. Also, the amended contract includes the removal of the 7% markup on labor costs. GRU recommends the City Commission approve the amended contract for a one year extension that may be renewed for two additional one year extensions and removal of the 7% markup on labor costs. The contract does allow for termination of the contract with 60 days' notice to NAES.

This item was approved on the UAB's consent agenda on September 13, 2018.

Funds are available in the FY2018 Energy Supply budget and will be requested in subsequent year budgets as

needed for the additional extensions.

Staff recommends that the City Commission: 1) Authorize the General Manager or his designee to negotiate and execute up to three (3) years of contract amendments with North American Energy Services for operation and maintenance for the DHR facility, subject to the approval of the City Attorney as to form and legality; and 2) approve the issuance of purchase orders to NAES for each year of the contract amendment pending final appropriation of funds for each fiscal year.

The UAB approved this item on their consent agenda and recommends that the City Commission approve the staff recommendation.