



## Legislation Text

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**File #:** 170400., **Version:** 1

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### **Authorization for GRU's General Manager to Apply for Permits and Negotiate and Execute Contracts Related to the Operation and Maintenance of the Biomass Facility (B)**

At the September 7, 2017, City Commission meeting, staff presented the results of the due diligence activities related to the GREC Asset Purchase Agreement (APA), with a recommendation that the City Commission accept the results as satisfactory, thereby directing the Mayor to execute the APA upon satisfactory inspection of the plant after Hurricane Irma passed, as approved on August 24, on or before September 14, 2017.

At that same meeting, staff also recommended that the Commission authorize the General Manager for Utilities or his designee(s) to apply for and execute any documents necessary to obtain permits, consents and approvals for the operation and maintenance of the biomass facility and also authorize the General Manager for Utilities or his designee(s) to negotiate and execute (effective at closing) assumptions of existing contracts or new contracts necessary to operate and maintain the biomass facility.

Due to conversation about due diligence and the possibility of casualty damage from Hurricane Irma, the City Commission did not approve the three staff recommendations and instead approved a motion that authorized the Mayor to execute the Asset Purchase Agreement only after the General Manager for Utilities, or his designee, does a visual inspection during the weekly walk-through of the GREC facility following Hurricane Irma and confirms that the walk-thru is satisfactory. The General Manager's designee conducted the walk-through on September 12<sup>th</sup> and found no damages to the biomass facility which change its status and/or overall condition.

The Mayor subsequently signed the APA on September 12, 2017, and staff is ready to move forward with getting all the necessary contracts and permits in place to allow GRU to operate and maintain the facility. Staff returns today to ask the Commission to make the necessary approvals.

Staff projects annual expenses of \$5 million to keep the biomass facility in cold storage. This projection includes the costs of NAES and other service contracts necessary for operation and maintenance of the plant.

- 1) Authorize the General Manager for Utilities or his designee(s) to apply for and execute any documents necessary to obtain permits, consents and approvals for the operation and maintenance of the biomass facility; and
- 2) Find that a non-competitive situation exists and provide advance approval for the General Manager for Utilities to negotiate and execute assumptions of existing contracts or new contracts necessary to operate and maintain the biomass facility, provided such contracts do not exceed a term of 1 year from closing and further provided that such contracts are subject to approval as to form and legality by the City Attorney or her designee (s).