EVALUATION REPORT

Evaluation of Proposals Received on October 14, 2021 in Response to a Request for Proposal for a Developer of a Photovoltaic System on Facilities Owned by Florham Park Public Schools Board of Education

Prepared for:
Florham Park Public Schools Board of Education

By:
The Florham Park Public Schools Board of Education Evaluation Team

Dated:
November 24, 2021

Evaluation Report
Table of Contents

Report Sections — Page

Attachments

Executive Summary

This Report is being provided pursuant to the requirements of the competitive contracting provisions of the Public School Contracts Law, specifically, N.J.S.A. 18A:18A-4.1(k); LFN 2008-20, dated December 3, 2008, *Contracting for Renewable Energy Services*; BPU protocol for measuring energy savings in PPA agreements (*Public Entity Energy Efficiency and Renewable Energy Cost Savings Guidelines, dated February 20, 2009*); LFN 2009-10, dated June 12, 2009, *Contracting for Renewable Energy Services: Update on Power Purchase Agreements,* and all other applicable law.

The purpose of the Evaluation Report is to provide the Florham Park Public Schools Board of Education (hereafter referred to as "BOE"), with an evaluation of proposals received for its planned solar project and to provide a recommendation to the BOE.

The goal of the BOE is to implement a solar energy project that is environmentally responsible, educational, and economically beneficial to the BOE. To this end, on September 2, 2021, the BOE issued a Request for Proposals ("RFP"), as amended, for a Power Purchase Agreement ("PPA") for the purchase by the BOE of electricity generated by photovoltaic solar energy systems ("Systems") implemented by a proposing firm ("Respondent") to the RFP, at its sole cost and expense (the Respondent to be awarded the project will be referred to as the "Successful Respondent"), to be located on facilities owned by the Florham Park Public Schools Board of Education, in the County of Morris, New Jersey.

Pursuant to the RFP, the Successful Respondent will finance, design, permit, construct, install, operate, and maintain the System, all in accordance with the terms set forth in the RFP including the terms proposed on the Successful Respondent's PPA Price Quotation Proposal Forms. The Successful Respondent will also have all ownership rights to the potential tax benefits and Transition Renewable Energy Certificates ("TRECs") generated by the Systems at each facility and will monetize the TRECs.

The RFP contained technical, site specific requirements and the results of the preliminary feasibility assessment performed by the BOE's energy consultant, Gabel Associates, which defined and estimated the technical potential for the System. The RFP required respondents to perform their own assessment of technical potential and sizing of the Systems. Respondents were also encouraged to include educational and curriculum-based content as part of the proposed solution.

The BOE sought proposals for a mandatory "Option 1" as set forth in Article II of the RFP, which included only roof-mounted systems to be developed at the Ridgedale Middle School, Brooklake Elementary School, and Briarwood Elementary School. The RFP also included "Option 2" which added a ground mount system to the Briarwood Elementary School. The BOE allowed, but did not require, Respondents to submit alternative proposal options. Under the RFP, the BOE retained sole discretion whether to consider these alternatives and to select the proposal option under which the PPA, if any, will be awarded. One Respondent included a proposal submission marked "Option 1" that has modules on roof areas outside of the areas made available in the RFP, but the same Respondent also included an option, "Option 1a" with modules within the areas made available. The Evaluation Team considered this Respondents Option 1 as an alternative because the option

labeled Option 1a is more consistent with the RFP. The Evaluation Team did perform a preliminary technical and economic analysis of this Respondents Option 1, but ultimately decided not to consider any of the Option 2 or alternative proposals submitted since they did not provide the same value to the District as the submissions that were compliant with the required Option 1 in the RFP.

As set forth in the RFP, the Successful Respondent and the BOE will enter into a 15-year PPA under which the BOE will purchase all electricity produced from the System at a rate per kWh. Production will be guaranteed by the Successful Respondent. Pursuant to law, the PPA price must be lower than the delivered cost of power from the local electric utility company; i.e. Jersey Central Power & Light ("JCP&L"). This PPA structure provides the BOE with a reduction in its energy expenditures and minimizes the uncertainty that may result from price increases in the electricity market during the 15-year term of the PPA, in addition to other environmental and educational benefits that may be realized by the BOE. At the conclusion of the PPA Term, the BOE will have three options; the default option is for the Successful Respondent or system owner to remove the system at their cost, the BOE will have the option to purchase the systems at a fair market value, and, if the law allows, an option for continued or renewed PPA. These last two options may result in potentially, significant long-term savings for the remaining life of the equipment.

To evaluate proposals, the BOE organized an Evaluation Team comprised of Administration personnel and supporting legal and the BOE's Architect and energy professionals (collectively, "Evaluation Team"). The Evaluation Team developed the RFP and evaluation criteria, administered the procurement process (including site visits, RFP addenda, and written Q&A), determined legal completeness and technical compliance of the proposals received, conducted interviews with proposing teams, completed a detailed economic analysis, performed a collective evaluation and proposal ranking by consensus, and drafted this consensus-based Evaluation Report for consideration by the BOE in making an award decision. Evaluation of the proposals was based on point-ranking in a variety of categories, including financial benefits, technical design and approach factors, Respondent experience, and other factors as defined in the Evaluation Matrix included in the RFP[1].

The BOE received four (4) proposals. After legal compliance review one (1) was recommend to be rejected as noted in the following report. The Evaluation Team performed an evaluation of the proposals from the three (3) remaining, compliant solution providers (hereafter referred to as "Respondents") for proposals received on October 14, 2021 in response to the RFP, including:

- Advanced Solar Products (ASP)
- HESP Solar (HESP)
- Solar Landscape (Solar Landscape)

Following a legal and preliminary economic review, three proposals were considered complete and legally compliant with the requirements of the RFP. The Evaluation Team completed interviews of all three (3) remaining, qualified Respondents. The Evaluation Team conducted a detailed technical and economic analysis, experience review, formal ranking of the proposals as per the evaluation criteria published in the RFP, and development of this Evaluation Report.

[1] In accordance with the Competitive Contracting requirements of the Public School Contracts Law, the Evaluation Matrix was developed and published prior to the receipt of proposals in response to the RFP.

The Evaluation Team developed a consensus ranking of each proposal within each evaluation category, leading to an overall score for each proposal between 0 and 100. The proposal with the highest score represents the strongest weighted-balance of all factors considered. Based on information contained within the proposals, and additional information collected during the oral interviews, the Evaluation Team scored the three (3) proposals in accordance with the evaluation criteria specified in the RFP. Table 1 below includes the scores for each of the proposals:

Table 1: Evaluation of Proposals

Respondent	School	Solar Capacity	PPA Rate ($/kWh)	Escalation Rate	Points
ASP	Ridgedale	133.65	$0.0345	1.75%	79.5
	Brooklake	189.90			
	Briarwood	186.75			
HESP	Ridgedale	286.70	$0.0290	1.00%	92
	Brooklake	230.40			
	Briarwood	208.80			
Solar Landscape	Ridgedale	141.20	$0.0520	1.00%	78.5
	Brooklake	262.70			
	Briarwood	207.20			

Economic merit, particularly regarding savings through reduced utility bill payments, was evaluated in detail for each proposal. All of the three (3) proposals received for the mandatory Option 1 provide savings, measured as the difference between the solar PPA rate and what it would cost to purchase the same electricity from the utility.

The strongest ranked proposal is the proposal from HESP with 92 points and provides a 15-year net present value (NPV) of savings of approximately $559,828.

Based on the Evaluation Team's conclusions and the points allocated as described in the sections of this report, HESP received the highest score and provides the strongest overall proposal with the most overall benefit and the least overall risk to the BOE. The Evaluation Team recommends awarding the PPA to the highest ranked Respondent, HESP Solar.

1. Overview of the RFP

On September 2,2021, the BOE issued an RFP for a PPA for electricity generated by the System to be financed, designed, installed, owned, operated and maintained by the Successful Respondent on the Florham Park Public Schools' facilities. The BOE sought proposals for a mandatory "Option 1" as set forth in Article II of the RFP, which included roof mounted photovoltaic solar renewable energy systems located on the roofs of Ridgedale Middle School, Brooklake Elementary School, and Briarwood Elementary School. The BOE also allowed, but did not require, Respondents to submit alternative proposals.

The Successful Respondent and the BOE will enter into a PPA for fifteen (15) years, the maximum duration permitted by State law, under which the BOE will purchase the electricity produced from the System at the proposed rate per kWh with any proposed annual escalator. By law for the BOE to award a PPA, the PPA rate must be less than the local utility electric tariff in the initial year of the term. It is anticipated that the Successful Respondent will finance the project through a combination of revenues derived from the sale of the electrical output of the System to the BOE, the generation and sale of Transition Renewable Energy Certificates ("TRECs") to the TREC Administrator through the Transition Incentive Program, federal tax benefits (i.e. both investment tax credits and depreciation) and investor capital. At the end of the PPA term, the BOE will have the three options; (a) removal of the Systems at the PPA Provider's expense; or (b) if allowable by law, extend the PPA; or (c) purchase the System by the BOE at fair market value ("FMV").

Proposals were to be evaluated on the basis of price and non-price criteria, in accordance with competitive contracting provisions of the Public School Contracts Law, specifically, N.J.S.A. 18A:18A-4.1(k); LFN 2008-20, dated December 3, 2008, *Contracting for Renewable Energy Services*; BPU protocol for measuring energy savings in PPA agreements (*Public Entity Energy Efficiency and Renewable Energy Cost Savings Guidelines, dated February 20, 2009*); LFN 2009-10, dated June 12, 2009, *Contracting for Renewable Energy Services: Update on Power Purchase Agreements,* and all other applicable law. Components of the RFP are as follows:

a) Solar Systems Size

A preliminary feasibility assessment was performed by the BOE's energy consultant, Gabel Associates, to identify the technical potential for a solar system at the BOE. Based upon this preliminary assessment, the available space for the Systems was estimated to have a total capacity of approximately of 690 kW DC for the three facilities combined. Depending on the roof areas included and design approach, the proposed System sizes were expected to vary from Respondent to Respondent. The preliminary system size was capped at 90% of the facility's previous 12 months of On-Peak electricity usage. The RFP required that all proposals not exceed this 90% of the Baseline On-Peak Annual Usage cap.

The Respondents were provided with twelve (12) months of electric usage data and utility tariff information for the facilities included. The RFP also included conceptual layout designated the areas of the roofs that are available for the installation of solar arrays based on discussion with the BOE and its professionals.

b) Pricing and Other Commercial Requirements

The RFP required the Respondents to propose with system sizes, production guarantees, a PPA Price, and an annual escalation rate, if any, for every proposal submitted. In addition, all Respondents were required to provide a price adjustment factor to account for any increase in project development cost and unforeseen electrical interconnection or structural improvement costs. These adjustment factors provide a controlled way for unforeseen cost changes to be handled after award, if required.

Proposals were required to include the following information about each Respondent:

- Proposal PPA Price Quotation Sheets
- Respondent Information/Cover Letter
- Consent of Surety
- Agreement for Proposal Security in Lieu of Proposal Bond
- Proposal Bond
- Ownership Disclosure Statement
- Non-Collusion Affidavit
- Consent to Investigation
- Statement of Respondent's Qualifications
- Acknowledgement of Receipt of Addenda
- Affirmative Action Compliance Notice/Mandatory EEO Language
- Disclosure of Investment Activities in Iran
- Political Contributions
- Public Works Certificate
- Notice of Classification
- Total Amount of Uncompleted Contracts
- Business Registration Certificate

The RFP also contained specific standard terms that were to be included in the PPA agreement, as well as standard requirements for proposal and construction bonding, insurance, etc.

c) Technical Requirements

The RFP provided technical requirements as well as special site conditions as a preliminary guide for the Respondents' proposed System. These Exhibits were used as the minimum requirements to satisfy the RFP. One of these minimum requirements is to design a system and installation that maintains the roof warranties for the schools. Tremco, the District's roof manufacture pointed out several areas of the roofs that are in need of refurbishment and would be required to install a resin or coating to the roof membrane to maintain or extend the warranty.

Prior to the release of the RFP, the BOE's energy consultant, Gabel Associates, reviewed the available hosting capacity map from the local electric distribution company, Jersey Central Power & Light (JCP&L), to inquire about interconnection difficulty. Currently the BOE does not have a reason to anticipate a difficult interconnection. This is a preliminary finding and not definitive; the

only way to determine whether a solar project can be interconnected is to file an interconnection application once detailed designs are prepared.

d) Evaluation Process

To evaluate proposals, the BOE organized an evaluation team comprised of: John Csatlos, Business Administrator/Board Secretary; Stephen Secora of Lan Associates; and Andrew Conte, CEM, and Brian Bizjak of Gabel Associates (collectively, "Evaluation Team"). The Evaluation Team developed the RFP, administered the procurement process (including site visits, RFP addenda, and written Q&A), determined legal completeness and technical compliance of the proposals received, conducted oral interviews with proposing teams, completed a detailed evaluation and proposal ranking by consensus, and drafted this Evaluation Report for consideration by the BOE in making an award decision.

The following milestones summarize the RFP development and evaluation process:

- 9/2/2021 – RFP Issued
- 9/15/2021 Pre-proposal Conference and Site Tours
- 9/14/21 – Addendum No. 1 Issued
- 10/8/21 – Addendum No. 2 Issued
- 10/14/2021 – Proposals Received
- 11/5/2021 and 11/8/2021 – Oral Interviews with Compliant Respondents
- 11/8/2021 – Meeting of Evaluation Team to Rank Proposals
- 11/24/2021 – Evaluation Report Issued
- 11/29/2021 – Meeting with the BOE

2. Responses to the RFP

The BOE received four (4) proposals and fully evaluated three (3) compliant proposals in response to the RFP as outlined in Table 2. Each Respondent consisted of a team made up of, at a minimum, a project developer (typically the PPA Provider) and an Engineering, Procurement and Construction ("EPC") company. Under this structure, the PPA Provider is responsible for the financing, design, permitting, acquisition, construction, installation, operation and maintenance of the Systems. To accomplish this task, the PPA Provider will contract with an EPC to complete the required engineering and construction work.

The proposals that provided all the necessary documentation as required of Respondents by the RFP were evaluated. Proposals that were missing required documentation or information detailed in the RFP were rejected.

Table 2: Overview of Respondent Teams

PPA Provider	EPC	Status
Spano Partners Holding*	Advanced Solar Products*	Evaluated
HESP Solar*	HESP Construction	Evaluated
Solar Landscape Development*	Solar Landscape	Evaluated
BluePath Finance	Eznergy NJ LLC*	Noncompliant– The response did not include a consent of surety for construction performance bond, which is a required document.

* - Proposing Firms

In this report, Advanced Solar Products and Spano Partners Holding will be referred to as ASP, HESP Solar and HESP Construction will be referred to as HESP, and Solar Landscape Development will be referred to as Solar Landscape.

One Respondent, HESP, included a proposal submission marked “Option 1” that showed modules on roof areas outside of the areas made available in the RFP on a pitched roof at Ridgedale Middle School, and also included an option, “Option 1a” with modules within the areas made available on the flat roofs at Ridgedale Middle School and the other schools. The Evaluation Team considered this Respondents “Option 1” as an alternative because the option labeled “Option 1a” is more consistent with the project requested in RFP. The Evaluation Team did perform a preliminary technical and economic analysis of HESP’s “Option 1”, but ultimately decided not to consider any of the Option 2 or alternative proposals submitted because of the increased challenges and tree removal associated with the marginal additional value from the addition of the ground mounted system at Briarwood, and the District’s desire for the roof improvements and warranty extensions included in the Option 1 as defined in the RFP.

Table 3 provides an overview of the proposals that were accepted and evaluated the BOE.

Table 3: Overview of Received Proposals

Respondent	School	Solar Capacity	PPA Rate ($/kWh)	Escalation Rate
ASP	Ridgedale	133.65	$0.0345	1.75%
	Brooklake	189.90		
	Briarwood	186.75		
HESP	Ridgedale	286.70	$0.0290	1.00%
	Brooklake	230.40		
	Briarwood	208.80		
Solar Landscape	Ridgedale	141.20	$0.0520	1.00%
	Brooklake	262.70		
	Briarwood	207.20		

Attachment 1 is a detailed summary of the key information from the proposal submitted by each responsive proposing team.

3. Decision Making Strategy and Proposal Evaluation Criteria

Evaluation of the proposals was based on point ranking in a variety of categories, including economic benefits, design strategy, technical proposal, construction management, experience and financial capability, and educational value. The full Evaluation Team developed a consensus ranking of each proposal within each evaluation category, leading to an overall score for each proposal between 0 and 100. The proposal with the highest score represents the strongest weighted balance of all factors considered.

Economic merit, as determined by projected net savings realized by the project, was a dominant factor in the evaluation. As allowed by Competitive Contracting law, it is not the only factor considered in the evaluation. Other considerations, such as risk, design merit, and experience, as well as educational value, are also part of the evaluation. The strongest ranked proposal is based on a combination of relative economic strength along with these other factors.

The Evaluation Criteria and Matrix used for proposal ranking, which was also included in the RFP, is as follows:

CATEGORY	EVALUATION FACTOR	WEIGHTING	FIRM SCORE
Financial Benefits	**NPV of Benefits**	**50**	
Design & Approach	**Solar Design Strategy & Innovative Benefits**	**15**	
	Technical Approach & Construction Management	**15**	
Respondent's Experience & Capability	**Proposal Team Experience**	**10**	
	Financial Capability	**7**	
Educational Value	**Educational Materials**	**3**	
Total Proposal		**100**	

The Evaluation Criteria scoring for each proposal Option are provided in **Attachment 2**. The following sections of this Evaluation Report provide a review of the evaluation criteria for each Respondent and its associated proposal.

4. Evaluation: Economic Benefit

The BOE realizes economic benefits from the installation of a solar project through the energy costs savings generated by purchasing electricity from the solar project through a PPA at a cost lower than the cost of electricity that would otherwise be delivered by and/or purchased from the local electric utility (otherwise referred to as 'grid-sourced' electricity).

To calculate the estimated energy cost savings for the BOE, Gabel Associates prepared a forecast of delivery rates under the local utility tariff rate for Jersey Central Power & Light ("JCP&L") and added the forecasted electricity supply costs. Supply costs were evaluated based on both forecasted third-party supplier (TPS) rates and Basic Generation Service rates ("BGS" or default service). The forecasted total electricity costs calculated as if the BOE continued the current purchasing strategy (JCP&L and TPS) over the next fifteen (15) years was compared to the total electricity costs calculated if the BOE were to move ahead with the solar project inclusive of the PPA rates proposed by each Respondent and the reduced, remaining utility distribution and supply electricity purchases.

Gabel Associates' forecasts of the local utility delivery tariff rates and the cost of grid-sourced power is the result of a detailed analysis of the delivery tariff and the market costs for power supply, by component, over the term of the PPA. The BOE currently purchases electricity through a third-party supplier cooperative pricing system, and the economic analysis has included the current contract costs as well as forecasted third-party supplier costs over the term. This detailed analysis takes into account the following factors:

1. The components of the utility delivery tariff rate that are not avoided as a result of the solar installation. For example, the customer charge and the major portion of the demand charges are not avoided through the purchase of solar energy generated by the System.
2. The components of grid-sourced power supply costs that are only partially avoided by a solar installation; for example, peak capacity and transmission obligations.
3. The most recent energy market fundamentals (i.e., New York Mercantile Exchange ("NYMEX") futures, Energy Information Administration ("EIA") long term escalation rates, and environmental and Renewable Portfolio Standard ("RPS") programs such as the TREC program) are incorporated to provide the best indication of future energy market prices.
4. The expiration date of the current third-party supplier contract and future third-party supply rate trends. Third party supply rates after the expiration of the current contract were calculated as a discount from BGS rates to conservatively estimate the potential savings from a third-party supplier contract (as compared to BGS). The third-party supply rate discount in our analysis reflects an expectation of a diminishing disparity between the two rates over time.
5. The impact of future energy costs as a result of national, state, and regional environmental initiatives.
6. The impact that general energy market escalations will have upon long-term energy prices.
7. The most recent TREC market forecasted prices

All Proposal Options were evaluated based on the Net Present Value ("NPV") of the total savings over the PPA term, which is a widely adopted methodology that recognizes the time value of

money and the opportunity cost of money, to the BOE. To calculate the NPV benefits provided by each proposal, Gabel Associates utilized the Respondent's proposed guaranteed ninety percent (90%) of estimated solar production during the term of the PPA multiplied by the per-kwh savings (difference between the solar PPA rate and the average cost of grid-sourced power avoided by on-site solar generation – otherwise referred to as the 'solar price-to-compare'). All savings in future years are discounted back to present value using a 5% discount rate, consistent with standard accounting practices for NPV calculations. Note that NPV is a function not just of the first year PPA rate and the annual escalator, but also of the size of the System and the fraction of the utility purchase displaced by solar generation.

Gabel Associates' economic evaluation, based on the sources and factors listed above, utilized current utility tariff prices, forecasted TPS rates, and current energy market conditions to which assumed annual escalation rates for different portions of the distribution tariff and grid-sourced power supply components were applied, in order to compare each of the PPA pricing proposals to electricity costs under a 'non-solar' electricity price scenario. All proposals were benchmarked against the same 'non-solar' electricity price scenario. In preparation of the forecast of the future prices for grid-sourced electricity, the annual escalation rates applied to the various cost components range conservatively from a low of 0.0% (flat) to as high as approximately 3.0%. The economic evaluation considered first and second-year and annual nominal (non-discounted) savings, as well as the NPV of total savings over the full 15-year term. Please see Attachment 3 for a summary of the economic analysis results.

It is important to note that there are certain charges in the BOE's electricity utility tariffs that will not be impacted in the first year but will be in the second year of operation. This mostly relates to capacity, transmission, and other demand-based charges that are set based on the maximum measurement from the previous 12-months. As such it takes 12-months for the reduction from the installed solar project to impact the electricity bills. This is reason for the increase in savings from the first-year to second-year savings.

Once the solar project is in service, it may be prudent to review the BOE's contract for the third-party supply for these particular electric accounts and consider a transition back to default supply (known as BGS). While the cost benefit analysis suggests that this would be the best course of action for the BOE to maximize savings from net metering, the final decision can be made as the project nears commercial operation. The savings calculated from the economic analysis was determined based on the most likely scenario: a comparison of forecasted BGS supply costs for the remaining electricity purchased by the BOE after the installation of solar to forecasted third party supply costs for electricity (calculated as discount from forecasted BGS supply rates), if the BOE continued the current purchasing strategy without solar.

The New Jersey solar incentive and solar market transitioned from the legacy SREC program to the Transition Incentive Program. The Transition Incentive Program closed to new applications in August 2021 and transitioned again to the Successor Solar Incentive Program. This project applied for and received conditional approval through the Transition Incentive Program before it closed. The Transition Incentive Program includes a securitized TREC based incentive market with projects producing TRECs for the first 15-years of operation. There is substantial value and less risk in the Transition Incentive Program for solar developers leading to the low PPA rates proposed. If the Systems proposed cannot be constructed in by the TREC approval deadline, the

Project will be required to apply for the ability to produce SREC-IIs through the less lucrative Successor Solar Incentive Program Administrative Incentive sub-program. This change in incentive program could impact the project.

The Evaluation Criteria contains fifty (50) points for Economic Benefit, which are awarded proportionally based on the 15-year NPV of the savings derived from the solar price compare analysis of the proposed system sizes and guaranteed production values. The proposal with the highest NPV is awarded the full 50 points for economic merit, and the remaining projects are awarded points in proportion to their NPV of savings relative to the highest ranked proposal in the group.

Of the proposal submissions received by the BOE, HESP Solar had the highest NPV and was awarded 50 points. ASP had the next highest NPV and was awarded 35.5 points. Solar Landscape had the least NPV and was awarded 33.5. Attachment 3 contains a table listing the results of the economic analysis which is also summarized in the table below.

Respondent	School	Estimated 15 year Savings	Estimated 15 year NPV Savings	Estimated 15 year NPV of Savings Combined	Points
Solar Landscape	Ridgedale Middle	$130,069	$86,441	$352,747	31.5
	Brookelake Elementary	$233,529	$154,740		
	Briarwood Elementary	$168,519	$111,566		
ASP	Ridgedale Middle	$152,623	$102,211	$373,336	33.3
	Brookelake Elementary	$214,592	$143,686		
	Briarwood Elementary	$190,725	$127,439		
HESP Solar	Ridgedale Middle	$338,332	$226,166	$559,828	50
	Brookelake Elementary	$273,246	$182,613		
	Briarwood Elementary	$226,434	$151,048		

5. Evaluation: Design and Approach

The evaluation of the Design and Approach section carries a total of thirty points (30 points) weighting in the evaluation. There are two subsections to this section:

- Solar Design Strategy and Innovative Benefits – fifteen points (15 points)
- Technical Approach and Construction Management – fifteen points (15 points)

Each of these areas will be discussed and reviewed with a rating to be given for the Respondent's Proposal.

a. Design Strategy and Innovative Benefits

The evaluation of the Design Strategy and Innovative Benefits carries a fifteen points (15 points) weighting in the evaluation.

Each of the Respondents were evaluated on awareness of potential problems, system size, system production as indicated, design choices, proposed system components, along with any innovative benefits provided as part of their proposal.

Advanced Solar Products / Spano Partners Holdings:

Advanced Solar Products/Spano Partners Holdings' (ASP/SP) proposed equipment from the proposal and compliance to specifications are as follows:

Advanced Solar Products/Spano Partners Holdings: Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Astronergy – CHSM72M-HC Series – 450W	Yes
Inverters	Solar Edge – SE33.3kUS, SE66.6kUS, and SE100kUS	Yes
Rapid Shutdown	Solar Edge – Power Optimizers	Yes
Racking System	Panel Claw – clawFR 5^{o} – Ballasted System	Yes
DAS	Solar Edge	Yes

ASP/SP confirmed the use of Tier 1 materials, either those listed above or equivalent. ASP/SP's equipment selection complied with the RFP. ASP/SP indicated that they are part of an association of solar installers and would be ordering the long lead time items once awarded given the current material supply chain issues.

The Evaluation Team compared Option 1 of a total system size of 510.30 kW DC. ASP/SP's proposed system layout were compared to the conceptual site plan layouts which were provided as part of the RFP and found to be compliant.

ASP/SP's proposal Option 1 has a guaranteed total system output of 554,748 kWh which represents ninety percent (90%) of the expected total system output as guaranteed output.

Below is a summary of ASP/SP's estimated production reported in their proposal as the PVWatts estimates.

	System Size: (kW DC)	Expected System Output: (kWh)	Guaranteed System Output: (kWh)
Option 1	510.30	616,386	554,748

ASP/SP's expected system output at each facility complies with the less than ninety percent (90%) baseline annual usage. Furthermore, the conceptual layout reflected a thoughtful design strategy which demonstrated awareness of the potential design challenges presented by the existing conditions and equipment.

The ASP/SP team's proposal includes up to two (2) level 2 EV charging stations at each school, however, they will not include credit card billing capability. The BOE and ASP/SP need to mutually agree to the locations of the EV charging stations if installed.

ASP/SP will coordinate and work with Tremco (roof manufacture) to come to a reasonable solution and provided wall to wall coverage only in the areas where modules would be installed.

In comparison to the other Respondents and the Evaluation Team's expectations, ASP/SP was awarded fourteen points (14 points) out of the fifteen points (15 points) possible for the Design Strategy and Innovative Benefits portion of the evaluation.

HESP Solar:

HESP proposed equipment from the proposal and compliance to specifications are as follows:

HESP Solar: Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Trina Solar – TSM-DE17M(II) – 450W	Yes
Inverters	Solectria – PVI50TL – String Inverters	Yes
Rapid Shutdown	Tigo – TS4-F	Yes
Racking System	Solar Mounts – Atlantis – Ballasted System Solar Mounts – Atlas 2-High – Ground Mount	Yes
DAS	Locus (AKA AlsoEnergy)	Yes

HESP confirmed the use of Tier 1 materials, either those listed above or equivalent. HESP's equipment selection complied with the RFP. HESP indicated they would be ordering the long lead time items once awarded given the current material supply chain issues.

The Evaluation Team compared Option 1 of a total system size of 495.50 kW DC, Alt. Option 1 of a total system size of 725.90 kW DC, Option 2 of a total system size of 943.70 kW DC, Alt. Option 2 of a total system size of 1,229.00 kW DC. HESP proposed system layout was compared

to the conceptual site plan layout that was provided as part of the RFP and their "Option 1" was found to be on the roofs with some arrays outside the permitted area, at certain locations. However, HESP's "Option 1a" was more aligned with the RFP defined Option 1 and during the interview HESP clarified the design was intended to avoid additional cost and HESP indicated they would work with the District in resolving the location of the array.

HESP's proposal Option 1 has a guaranteed total system output of 508,219 kWh, Option 1a has a guaranteed total system output of 745,292 kWh, Option 2 has a guaranteed total system output of 1,006,666 kWh, Option 2a has a guaranteed total system output of 1,300,637 kWh which represents 90 percent (90%) of the expected total system output as guaranteed output. HESP provided the PVWatts calculations for the systems substantiating the production calculations, below is a summary of the estimated production in their proposal.

	System Size: (kW DC)	Expected System Output: (kWh)	Guaranteed System Output: (kWh)
Option 1	495.50	564,687	508,219
Option 1a	725.90	828,103	745,292
Option 2	943.70	1,118,518	1,006,666
Option 2a	1,229.00	1,445,152	1,300,637

HESP's expected system output at each facility complies with the less than ninety percent (90%) baseline annual usage. Although the report lists the output from the various options, the Committee only considered Option 1a in the evaluation because, as stated in Section 2, HESP's proposal option labeled "Option 1a" is more consistent with the RFP and desired project due to the inclusion of roof refurbishment enabling the extended warranty required to maintain the roof warranty and due to HESP's Option 1 including modules on a pitched roof outside of the array areas desired by the District.

The innovative benefits offered by the proposal were not found to be innovative by the Evaluation Team.

In comparison to the other Respondents and the Evaluation Team's expectations, HESP was awarded twelve points (12 points) out of the fifteen points (15 points) possible for the Design Strategy and Innovative Benefits portion of the evaluation.

Solar Landscape:

Solar Landscape's proposed equipment from the proposal and compliance to specifications are as follows:

Solar Landscape: Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Canadian Solar – CS3W-440MB-AG – BiFacial – 440W	Yes
Inverters	Solar Edge – SE120KUS	Yes

Rapid Shutdown	Solar Edge – Power Optimizers	Yes
Racking System	Panel Claw – clawFR 5º – Ballasted System RBI – Ground Mount	Yes
DAS	Solar-Log and AlsoEnergy	Yes

Solar Landscape confirmed the use of Tier 1 materials, either those listed above or equivalent. Solar Landscape's equipment selection complied with the RFP. Solar Landscape indicated they have the solar modules in a warehouse and would be ordering the other long lead time items once awarded given the current material supply chain issues

The Evaluation Team compared Option 1 of a total system size of 611.10 kW DC and for option 2 of a total system size of 968.00 kW DC. Solar Landscape's proposed system layout was compared to the conceptual site plan layout that was provided as part of the RFP and were found to be compliant.

Solar Landscape's proposal Option 1 has a guaranteed total system output of 695,160 kWh and Option 2 has a guaranteed total system output of 1,111,140 kWh. Both represent 90 percent (90%) of the expected total system output as guaranteed output. Solar Landscape provided the Helioscope calculations for the systems substantiating the production calculations, below is a summary of the estimated production in their proposal.

	System Size: (kW DC)	**Expected System Output: (kWh)**	**Guaranteed System Output: (kWh)**
Option 1	611.10	772,400	695,160
Option 2	968.00	1,234,600	1,111,140

Solar Landscape's expected system output at each facility complies with the less than ninety percent (90%) baseline annual usage. Although the report lists the two Options supplied by Solar Landscape, the Committee only considered Option 1 in its evaluation.

The innovative benefits offered by the proposal were not found to be innovative by the Evaluation Team.

In comparison to the other Respondents and the Evaluation Team's expectations, Solar Landscape's with thirteen points (13 points) out of the fifteen points (15 points) possible for the Technical Proposal portion of the evaluation.

b. Technical Approach and Construction Management

The evaluation of the Technical Approach and Construction Management carries a fifteen points (15 points) weighting in the evaluation.

Each Respondent was evaluated based on the project management and construction management, Operations & Maintenance (O&M), project schedule described in their proposals.

Advanced Solar Products / Spano Partners Holdings:

The ASP/SP team indicated that Advanced Solar Products (ASP) will be providing the project management for these projects. ASP is experienced with completing projects of this size and ASP stated that the project manager for this project would be assigned at the start of the project and would be involved through the completion of construction. ASP will attend scheduled weekly meetings and provide traffic, health & safety, and staging plans prior to the start of construction.

The ASP/SP team indicated that ASP would provide the operations and maintenance service for the term of the PPA. Maintenance response time for normal calls is within 24 to 48 hours and emergency maintenance response would be to dispatch an APS personnel to the site as soon as possible to include the president of the company being dispatched. ASP indicated they would perform at least two inspections during the first year, followed by at least annual service inspection of the system for the balance of the PPA.

In comparison to the other Respondents, the Evaluation Team awarded the ASP/SP team with twelve points (12 points) out of the fifteen points (15 points) possible for the Technical Approach and Construction Management portion of the evaluation.

HESP Solar:

HESP indicated that HESP Construction (HESP) will be the EPC firm for this project. HESP has verifiable experience with completing projects in a timely manner and maintaining project schedules. HESP acts as the general contractor and provides a full-time, on-site project manager to coordinate with the District's facilities personnel, manage the subcontractor teams, and manage deliveries, staging, and closeout. This on-site supervisor will report to the Chief Operating Officer of HESP Solar who will act as client contact and project manager for this project.

HESP indicated they will most likely subcontract the operation and maintenance for this project. They will be using their real-time monitoring system to track key performance indicators and will respond quickly in the event of a component failure. HESP anticipates a minimum of two service inspections per year, a 24/7 emergency hotline, response to emergencies within 4-6 hours, and 48-hour response to non-emergencies.

In comparison to the other Respondents, the Evaluation Team awarded the HESP team with thirteen points (13 points) out of the fifteen points (15 points) possible for the Technical Approach and Construction Management portion of the evaluation.

Solar Landscape:

Solar Landscape indicated they will be the EPC firm for this project. Solar Landscape will assign a project manager, oversee engineering and construction. Solar Landscape will provide a dedicated on-site project manager to oversee the installation team. Solar Landscape has verifiable experience with completing projects in a timely manner and maintaining project schedules.

Solar Landscape indicated they will be self-performing the operation and maintenance for this project. They will be using their real-time monitoring system to track key performance indicators

and will respond quickly in the event of a component failure. Solar Landscape anticipates a minimum of two service inspections per year during the term of the PPA and a 24-hour response time to any emergency.

In comparison to the other Respondents, the Evaluation Team awarded Solar Landscape with fourteen points (14 points) out of the fifteen points (15 points) possible for the Technical Approach and Construction Management portion of the evaluation.

6. Evaluation: Respondent Experience & Capability

The evaluation of the Respondent's Experience & Capability section carries a total of seventeen points (17 points) weighting in the evaluation. Each Respondent was evaluated in two categories on experience:

- Proposal Team Experience – ten points (10 points)
- Financial Capability – seven points (7 points)

Each of these areas will be discussed, reviewed, and rated for each of the respondents' proposals.

a. Proposal Team Experience

The Proposal Team Experience category focuses on each of the Respondent teams' experiences. The Evaluation Team valued the experience of the EPC firms as a greater impact to project success than the PPA provider's experience. This section carries a ten points (10 points) weight in the evaluation.

Advanced Solar Products / Spano Partners Holdings:

Advanced Solar Products/Spano Partners Holdings (ASP/SP) have extensive experience with developing, constructing, and operating solar projects. Advanced Solar Products (ASP) is one of the oldest solar EPC companies in New Jersey. The ASP/SP team have developed a large amount of solar in New Jersey.

ASP will be using Lighton Industries for the construction of this project, French & Parrello Associates (FPA) would conduct the structural analysis where required, and ASP will perform the design and procurement of solar arrays. Lighton Industries has completed many school installations in New Jersey, an extensive list of their completed projects was included in their Proposal. As a team, ASP, Lighton and FPA worked on several projects including their most recent school projects:

- Evesham Township BOE – (4 schools)
- Middletown Township Board of Education – (16 Schools)
- Delsea Regional School District – (2 Schools)
- Plainfield Public School District – (7 schools)
- Delaware Valley Regional High School – (1 School)
- Allamuchy Elementary School – (1 School)
- Hopewell Valley Central High School – (1 School)

Spano Partners Holdings, a local solar and real estate land developer will be the PPA provider under their proposal. Spano Partners Holding has taken ownership of a number of large commercial and utility-scale projects in New Jersey. At present, Spano Partners Holdings is in the process of installing systems on approximately 30 schools in NJ.

Based on prior experience of the ASP/SP and their subcontractors, the ASP/SP team has been awarded Ten points (10points) out of the ten points (10 points) for this category.

HESP Solar:

HESP Solar indicated that HESP Construction (HESP) will be the EPC firm for this project. HESP provides EPC services solely to HESP and will serve as a project manager, oversee engineering and construction. Additional work is proposed to be completed by KMB Design Group (structural and electrical engineering) and other subcontractors which were not identified in HESP's proposal or during the interview. HESP indicated there were four (4) preferred firms which they could use and would provide a list.

HESP has completed several school project installations in New Jersey including the following:

- West Caldwell BOE – (7 Schools)
- Elizabeth BOE – (2 Schools)
- South Brunswick School District – (14 Schools)
- Stafford School District – (5 Schools)
- Howell BOE – (16 Schools)
- Patterson BOE – (10 Schools)
- Manchester & Haledon School Districts – (2 Schools)
- Tenafly School District – (3 Schools)
- Plumsted School District – (2 Schools)
- Kingsway School District – (2 Schools)

Based on prior experience of HESP and that subcontractors for construction were not named (and therefore could not be evaluated), the HESP team has been awarded eight points (8 points) out of the ten points (10 points) for this category.

Solar Landscape:

Solar Landscape has experience with developing, constructing, and operating solar projects in New Jersey.

Solar Landscape will be performing all aspects of engineering, permitting, and construction of this project. Solar Landscape will also be performing the maintenance and operation of the installed systems. Solar Landscape has completed several private commercial solar projects in New Jersey this list includes the following:

- Jewish Educational Center, Elizabeth, NJ
- Nourison Industries, Saddle Brook, NJ
- RPM Warehouse, Edison, NJ
- Perfect Finishing, Clifton, NJ
- Filo Factory, Bergen County, NJ
- General Plumbing, Greenbrook, NJ

Solar Landscape has currently been awarded three public sector solar projects in New Jersey, two of which are School Districts. Currently Solar Landscape has completed one School District and the other is currently finishing up another School District:

- Morris Hills Regional School District – (2 Schools)
- East Windsor Municipal Utilities – (1 ground array)
- Asbury Park School District – (3 Schools)

Based on prior experience of Solar Landscape team, they have been awarded nine points (9 points) out of the ten points (10 points) for this category.

b. Financial Capability

Financial Capability includes the submission of required forms and information, the ownership structure of the Respondent and the project company, the project company financing strategy, the ability to perform work on-balance-sheet. The maximum points in this section is seven points (7 points).

Pursuant to Section 3.11 of the RFP, the Respondents were required to provide complete financial statements of the current fiscal year to date and the prior fiscal year. The financial statements were to include a balance sheet, statement of operations and statement of cash flows. The Respondent was also to provide any other information it deems relevant to demonstrate its financial strength. In the case of a subsidiary or affiliate, statements must include information with respect to the operating entity. All Respondents provided copies of their firm's financial statements.

The Evaluation Team also considered the scale of the project in relation to the financial capability of the Respondent team and financing strategies. The structure of the project company and Respondent firms was assessed and questioned during interviews.

Ultimately, the Evaluation Team awarded all three firm six (6) out of the seven (7) possible points in this category.

7. Evaluation: Educational Value

Respondents were required to submit a description and example of the educational materials and support that each Respondent could provide to the BOE in relation to this project. All Respondents were required to provide access to the raw data from the data acquisition system which could be used to verify invoices and in classrooms. In addition, all Respondents were required to include a display in each a facility that is available for public viewing of the solar array production and benefits.

Respondents provided a range of education materials and support ranging from curriculum for each grade level to assemblies, science fairs, and job training. The Evaluation Team found all of the Respondents provided satisfactory educational value in their proposals. The Evaluation Team

found that the Solar Landscape and HESP's proposals provide more value because they included workforce development and a sponsored science fair, respectively.

Therefore, the Evaluation Team awards ASP two points (2 points) out of a possible three points (3 points) in this category and HESP and Solar Landscape three points (3 points) out of a possible three points (3 points) in this category.

8. Recommendation

The RFP process attracted a competitive range of proposals. Following a legal and technical review, Three (3) proposals were determined to be complete and legally and technically compliant with the requirements of the RFP.

The economic analysis indicates that the solar project will provide substantial savings to the BOE, compared with continuing the current purchase strategy for electricity over the 15-year term. If the BOE decides to purchase the system at the end of the term (based on a fair market value determination), there will likely be strong economic value for the remaining operating life of the equipment (estimated to be an additional 10 years or more). The relatively predictable price of solar electricity also provides a hedge against future price increases of utility supply. Based on these economic considerations, the Evaluation Team believes that the implementation of a solar project would be beneficial for the BOE.

In addition to economics, there will be other benefits to the BOE, including reduced carbon footprint, points in the Sustainable Jersey for Schools program, and a unique asset for student and community engagement. Proposals included educational content, including public displays, outreach efforts, and curriculum content.

The Evaluation Team did not consider or evaluate the alternative proposals provided by Respondents.

The strongest ranked proposal is the proposal from HESP Solar with 92 points and provides a 15-year net present value (NPV) of savings of approximately $559,828

Based on the Evaluation Team's conclusions and the points allocated as described in the previous sections of this report, HESP solar received the highest score and provides the strongest overall proposal with the most overall benefit and the least overall risk to the BOE. The Evaluation Team recommends awarding the PPA to the highest ranked Respondent, HESP Solar.

Attachment 1
Solar Proposal Summary

Bidder No.	Bidder	School	Solar Capacity	Expected Production	Guaranteed Production	PPA Rate ($/kWh)	Escalation Rate	Unforseen Costs Adjustment Factor ($/kWh)	PPA Adder
1	Solar Landscape	Ridgedale	141.20	178,100	160,290	$0.052000	1.000%	$50,000-$99,999.99	0.002000
1	Solar Landscape	Ridgedale						$100,000-$149,999.99	0.004000
1	Solar Landscape	Ridgedale						$150,000 and above	0.010000
1	Solar Landscape	Brookelake	262.70	330,400	297,360	$0.052000	1.000%	$50,000-$99,999.99	0.002000
1	Solar Landscape	Brookelake						$100,000-$149,999.99	0.004000
1	Solar Landscape	Brookelake						$150,000 and above	0.010000
1	Solar Landscape	Briarwood	207.20	263,900	237,510	$0.052000	1.000%	$50,000-$99,999.99	0.002000
1	Solar Landscape	Briarwood						$100,000-$149,999.99	0.004000
1	Solar Landscape	Briarwood						$150,000 and above	0.010000
2	ASP	Ridgedale	133.65	161,583	145,425	$0.034500	1.750%	$50,000-$99,999.100	0.001150
2	ASP	Ridgedale						$100,000-$149,999.100	0.003450
2	ASP	Ridgedale						$150,000 and above	0.005750
2	ASP	Brookelake	189.90	229,209	206,288	$0.034500	1.750%	$50,000-$99,999.100	0.001150
2	ASP	Brookelake						$100,000-$149,999.100	0.003450
2	ASP	Brookelake						$150,000 and above	0.005750
2	ASP	Briarwood	186.75	225,594	203,035	$0.034500	1.750%	$50,000-$99,999.100	0.001150
2	ASP	Briarwood						$100,000-$149,999.100	0.003450
2	ASP	Briarwood						$150,000 and above	0.005750
3	HESP Solar	Ridgedale	286.70	324,571	292,114	$0.029000	1.000%	$50,000-$99,999.101	0.001000
3	HESP Solar	Ridgedale						$100,000-$149,999.101	0.003000
3	HESP Solar	Ridgedale						$150,000 and above	0.005000
3	HESP Solar	Brookelake	230.40	264,038	237,634	$0.029000	1.000%	$50,000-$99,999.101	0.001000
3	HESP Solar	Brookelake						$100,000-$149,999.101	0.003000
3	HESP Solar	Brookelake						$150,000 and above	0.005000
3	HESP Solar	Briarwood	208.80	239,494	215,545	$0.029000	1.000%	$50,000-$99,999.101	0.001000
3	HESP Solar	Ridgedale						$50,000-$99,999.101	0.003000
3	HESP Solar	Ridgedale						$100,000-$149,999.101	0.005000

Attachment 2
Proposal Ranking Evaluation Criteria

CATEGORY	EVALUATION FACTOR	WEIGHTING	ASP SPH	Solar Landscape	HESP Solar
Financial Benefits	NPV of Benefits	50	35.5	33.5	50
Design & Approach	Solar Design Strategy & Innovative Benefits	15	14	13	12
	Technical Approach & Construction Management	15	12	14	13
Respondent's Experience & Capability	Proposal Team Experience	10	10	9	8
	Financial Capability	7	6	6	6
Educational Value	Educational Materials	3	2	3	3
Total Score		100	**79.5**	**78.5**	**92**

Attachment 3
Economic Analysis

Respondent	School	Solar Capacity	Expected Production	Guaranteed Production	PPA Rate ($/KWh)	Escalation Rate	Estimated 15 year Savings	Estimated 15 year NPV Savings	Estimated 15 year NPV of Savings Combined
Solar Landscape	Ridgedale Middle	141.20	178,100	160,290	$0.052	1%	$130,069	$86,441	$352,747
	Brookelake Elementary	262.70	330,400	297,360			$233,529	$154,740	
	Briarwood Elementary	207.20	263,900	237,510			$168,519	$111,566	
ASP	Ridgedale Middle	133.65	161,583	145,425	$0.0345	1.75%	$152,623	$102,211	$373,336
	Brookelake Elementary	189.90	229,209	206,288			$214,592	$143,686	
	Briarwood Elementary	186.75	225,594	203,035			$190,725	$127,439	
HESP Solar	Ridgedale Middle	286.70	324,571	292,114	$0.029	1%	$338,332	$226,166	$559,828
	Brookelake Elementary	230.40	264,038	237,634			$273,246	$182,613	
	Briarwood Elementary	208.80	239,494	215,545			$226,434	$151,048	