



# Pinellas County

## Staff Report

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**File #:** 16-568A, **Version:** 1

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**Subject:**

Rescindment of approval of ranking, termination of negotiations with Ygrene Energy Fund Florida LLC, and rejection of proposals related to a contract for a Property Assessment Clean Energy Program.

**Recommended Action:**

Rescind the approval of ranking, terminate negotiations with Ygrene Energy Fund Florida LLC (Ygrene) and reject proposals received for a Property Assessment Clean Energy Program (PACE).

Contract No. 123-0426-P

Further recommend the Board of County Commissioners (Board) authorize staff to bring back for Board consideration a non-exclusive PACE program(s) to permit opportunities for more than one (1) program to participate provided that each program passes legal and administrative review.

**Strategic Plan:**

Deliver First Class Services to the Public and Our Customers

5.3 Ensure effective and efficient delivery of county services and support

**Summary:**

After several attempts to negotiate an agreement for requirements of a PACE program with Ygrene, staff recommends the Board rescind the approval of ranking, terminate negotiations with Ygrene and reject all proposals received.

After multiple discussions relating to the legal and administrative hurdles with establishing a new district for which Ygrene would provide administrative services, Ygrene began to push for the County to join the Green Energy Corridor District (for which Ygrene provides administrative services), in lieu of creating a separate district and bonded financing source of funding.

The recommendation of staff is to proceed with a non-exclusive process allowing multiple PACE providers the opportunity to access this market. By doing so, customers interested in PACE may have the opportunity to competitively quote more than one provider to obtain the best financing and services for their specific needs. This method of sourcing PACE services appears to be the trend statewide. Several Florida counties (Pasco, Alachua, Osceola) are currently using this approach with success.

As the agreements with existing PACE organizations are interlocal agreements, Florida law does not require competitive solicitation. Firms interested in providing PACE services to the County will submit the necessary agreements to Purchasing for legal and administrative review by County staff. If the PACE provider's program has been reviewed for administrative process and legal requirements, the program can then be brought forward to the Board for its decision to allow such program to provide PACE services.

In addition, cities within the County may also participate in this non-exclusive PACE initiative by subsequently entering into interlocal agreements with PACE providers who have been previously vetted by County staff and approved by the Board. Some of the cities have been waiting for the County to proceed with PACE to determine the viability and demand for a PACE program. County action regarding PACE should assist local municipal governments toward this end.

**Background Information:**

On August 5, 2013, the Purchasing Department released a request for proposal (RFP) for the purpose of selecting a provider to implement a Property Assessment Clean Energy Program to assist property owners in financing wind resistance, energy efficiency and renewable energy improvements on their property. On November 5, 2013, the Board approved Ygrene Energy Fund Florida, LLC as the number one ranked firm and authorized staff to begin negotiations for a PACE program specifically for commercial properties.

The negotiations pertaining to this contract were greatly protracted due to an appeal of bond validations to the Florida Supreme Court. Once the validation process was remedied, staff re-entered negotiations with Ygrene in an attempt to finalize an agreement based on their response to the County-issued RFP.

With the significant passage of time since the RFP was let and responded to, the development and maturation within the PACE “industry” in Florida, the most prudent and cost-effective course of action appears to be to join into one or several existing PACE programs.

As the agreements with existing PACE organizations (districts) are interlocal agreements, Florida law does not require competitive solicitation. Firms interested in providing PACE services to the County will submit the necessary agreements to Purchasing for legal and administrative review by County staff. Once the PACE provider’s program has been reviewed for administrative process and legal requirements, the program can then be brought forward to the Board for its decision to allow such program to provide PACE services. By providing agreements that are non-exclusive, the market may provide more diverse options and direct competition among the districts for the benefit of the end user.

Administrative and legal review will consist of, at a minimum, ensuring that each program:

- 1) Is non-exclusive thereby allowing the potential for multiple programs;
- 2) Provides appropriate and enforceable indemnification for the County from issues which may arise as to the programs’ underlying district or third party administrator operations; and
- 3) Provides appropriate financial protection from County financial involvement from bond issues or repayment, and administrative costs.

**Fiscal Impact:**

N/A

**Staff Member Responsible:**

Michael Meidel, Director of Economic Development  
Joe Lauro, Director, Purchasing

**Partners:**

Pinellas County municipalities

**Attachments:**

N/A