Services and Material Changes Required to Maximize/Obtain Geothermal Tax Credit Hoffman-Boston ES - HVAC / Reroofing

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Energy Tax Credits Explained

- An Energy Tax Credit is a **federal financial incentive** that helps reduce the overall cost of eligible energy-efficient building projects.
- Qualifying for the credit **can return significant project funds** that can be reinvested in schools and educational priorities.
- To receive the credit, **projects must meet specific federal standards**, including energy-efficiency performance and domestic content requirements for certain materials and equipment.
- Some HVAC, electrical, and other building equipment may need to be changed from what was originally included in the bid to meet federal requirements.
- Making these adjustments can maximize available federal incentives while still delivering the project's educational and operational goals.

Services and Material Changes Required

- To obtain the clean energy tax credit, we must adjust our equipment specifications to meet minimum domestic continent requirements.
- HVAC, electrical, and other building equipment may need to be changed from what was originally included in the bid to meet domestic content requirements needed to qualify for an energy tax credit, which is a financial incentive that helps offset the cost of energy-related improvements.
- Executing this change order will secure the project's tax credit eligibility. Failure to implement these modifications will disqualify the project from the "Clean Energy Tax Credits".
- We have worked with consultants and contractors to make the required modifications to the equipment to meet the requirements.
- APS Potential Tax Credits is estimated at $8,000,000.00

Cost for Material Changes Required

Tax Credit Requirements to Comply	
Mechanical Costs	$676,454.00
Electrical Costs	$364,622.21
CCC Geothermal Tax Credit Fee	$89,579.28
Grand Total	**$1,130,655.49**

Recommendation

- The Superintendent recommends School Board approve the proposed change order funded by the project's contingency for **$1,130,655.49**