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

Reneé Harber
Assistant Superintendent, Facilities and Operations

Jeffrey Chambers
Director Design and Construction

School Board Action Item F-1
October 8, 2026

Recommendation

Approve a change order in the amount of **$1,130,655.49**, funded through the project contingency, to modify equipment specifications and materials necessary to satisfy federal domestic content requirements associated with Clean Energy Tax Credit eligibility.

- To qualify for available federal Clean Energy Tax Credits, certain project equipment and materials must meet minimum domestic content requirements.
    - Proposed modifications include selected HVAC, electrical, and other building systems that differ from equipment included in the original construction bid.
- Approval of this change order will enable APS to maintain eligibility for the federal tax credit program and maximize available project reimbursements.
    - Failure to implement these modifications will result in the project becoming ineligible for Clean Energy Tax Credits.
- APS estimates potential tax credit reimbursements of up to approximately $8.0 million, representing a substantial financial benefit that significantly exceeds the cost of the proposed change order.