

CITY COUNCIL ACTION REQUEST

DEPARTMENT(S): Environmental Services	CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended)	COORDINATION: Energy Department	Director Approval: /s/ Lori Mitchell
COUNCIL DISTRICT(S): Citywide	resulting in no physical changes to the environment.		CMO Approval:  2/5/25

SUBJECT: Third Amendment to the Master Consultant Agreement with Integrated Design 360, LLC

RECOMMENDATION

Approve the Third Amendment to Master Consultant Agreement with Integrated Design 360, LLC, extending the contract term from February 28, 2025 to December 31, 2025, with no change to the maximum compensation.

BASIS FOR RECOMMENDATION

On March 9, 2023, after a competitive process, the City Manager approved the master consultant agreement with Integrated Design 360, LLC (ID 360), to support building electrification policy analysis, building reach code updates and analysis, and community engagement around potential climate initiatives in the amount not to exceed \$200,000 with a term date through February 28, 2025. On July 21, 2023, the City Manager approved a first amendment to the master consultant agreement to increase the maximum compensation to \$345,000. On December 8, 2023, City Council approved a second amendment to increase the maximum compensation to \$495,000. The proposed amendment will extend the term through December 31, 2025.

The State of California updates the building codes every three years. New state laws will become effective on January 1, 2026. The City of San José analyzes whether any updates to state law are necessary, including any “reach” codes to address the City of San José’s *Climate Smart San José’s* policies and goals. The extension of time is necessary for the consultant to conduct public engagement and complete any necessary technical analysis on a proposed updated San José Municipal Reach Code. Additionally, some amendments must be supported by evidence of cost effectiveness, which will not be available until summer 2025. The extension of time is necessary for the review of that data.

Currently, there is an unencumbered balance of \$77,282 for the master consultant agreement. Staff does not anticipate additional compensation for this work.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation

COST AND FUNDING SOURCE

The master consultant agreement with Integrated Design 360, LLC to support the 2025 Building Reach Code update will use the remainder of the balance in the master consultant agreement encumbrance, overseen by the Energy Department, and funded by the San José Clean Energy Operating Fund in the Energy Department’s Non-Personal/Equipment appropriation.

FOR QUESTIONS CONTACT: Julie Benabente, Deputy Director, Julie.Benabente@sanjoseca.gov