

CITY COUNCIL ACTION REQUEST

DEPARTMENT(S): Energy	CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment).	COORDINATION: City Attorney's Office; City Manager's Budget Office	Director Approval: /s/ Lori Mitchell
COUNCIL DISTRICT(S): Citywide			CMO Approval:  2/6/26

SUBJECT: First Amendment to the Master Agreement with NewGen Strategies and Solutions, LLC for Professional Consulting Services

RECOMMENDATION

Adopt a resolution authorizing the City Manager or her designee to execute the First Amendment to the Master Consultant Agreement with NewGen Strategies and Solutions, LLC for professional consulting services, increasing the maximum compensation by \$500,000 from \$350,000 to \$850,000.

BASIS FOR RECOMMENDATION

On June 28, 2024, the Energy Department released a Request for Proposal for technical consulting services to assist San José Clean Energy. The Request for Proposal included the following scope: 1) Municipal Power Exploration and Evaluation; 2) San José Clean Energy Financial Planning and Analysis Advisory; and 3) San José Clean Energy Electricity Rates, Cost of Service, and Rate Design Advisory.

NewGen Strategies and Solutions, LLC was selected as one of the vendors to provide technical consulting services, and a master consultant agreement was executed on October 17, 2024 for a five-year term through October 17, 2029, with a maximum compensation of \$350,000.

NewGen Strategies and Solutions, LLC has been providing expert consulting on municipal power exploration and evaluation, cost-of-service rates, rate setting, and large load ratemaking, and is positioned to assist the City with challenges presented by the sudden influx of data centers relating to large load rates and tariffs.

COMMISSION RECOMMENDATION AND INPUT

There is no commission recommendation or input associated with this action.

COST AND FUNDING SOURCE

The recommended actions in this memorandum will allow for an amendment to increase the maximum compensation for the master consultant agreement to an aggregate amount not to exceed \$850,000. The recommended amendment to the master consultant agreement will continue to be primarily funded by the Energy Non-Personal/Equipment appropriation in the San José Clean Energy fund. The actual expenditures for this agreement totaled \$109,286 in 2024-2025 and are projected to total \$222,000 in 2025-2026.

The ability to expend against this master consultant agreement in 2025-2026 and in future years through the term of the agreement is subject to the appropriation of funds, and approval by the City Council for any increase in compensation for future years.

FOR QUESTIONS CONTACT: Allen Fong, Division Manager, Finance and Administration, Energy Department at 408-535-5630 or allen.fong@sanjoseca.gov.