


**CITY COUNCIL ACTION REQUEST**

<b>Department(s):</b> Community Energy Department	<b>CEQA:</b> Not a Project, File No. PP17-008, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment)	<b>Coordination:</b> City Attorney's Office and the City Manager's Budget Office	<b>Dept. Approval:</b> /s/ Lori Mitchell
<b>Council District(s):</b> Citywide			<b>CMO Approval:</b>  5/18/23

**SUBJECT: THIRD AMENDMENT TO THE MASTER CONSULTANT AGREEMENT WITH FLYNN RESOURCE CONSULTANTS, INC. TO PROVIDE PROFESSIONAL CONSULTING SERVICES**

**RECOMMENDATION:**

Adopt a resolution authorizing the City Manager to:

(a) Negotiate and execute the Third Amendment to the Master Consultant Agreement with Flynn Resource Consultants, Inc. for professional consulting services including power procurement and portfolio management, energy risk management and analysis, financial analysis, and energy program support, to amend the compensation rate, and extend the term with up to three one-year options through June 30, 2026, subject to the appropriation of funds; and

(b) Exercise up to three one-year options to extend the term of the Master Consultant Agreement through June 30, 2026.

**BASIS FOR RECOMMENDATION:**

On February 5, 2018, the Community Energy Department released a Request for Proposal for technical consulting services to assist San José Clean Energy with a variety of tasks. Flynn Resource Consultants, Inc. (Flynn) was selected as one of the vendors to provide technical consulting services. The City executed a Master Consultant Agreement in June 2018 for a five-year term through June 30, 2023, with a maximum compensation of \$290,000. The scope of services included power procurement and portfolio management services, energy risk management and analysis, financial analysis, and energy program support.

On October 15, 2019, the City executed the First Amendment to the Master Consultant Agreement with Flynn, increasing the maximum compensation from \$290,000 to \$990,000 through June 30, 2023. On June 21, 2021, the City executed the Second Amendment to the Master Consultant Agreement with Flynn, increasing the maximum compensation from \$990,000 to \$1,990,000 through June 30, 2023. Flynn has provided the City with technical support on a variety of key energy related projects over the past several years.

Approval of the Third Amendment to the Master Consultant Agreement with Flynn will provide continued expert-level support to the City on a variety of areas, including development of microgrids, negotiation of Interconnection Agreements to the transmission system, analysis and planning of electric transmission and distribution systems. Flynn's expertise and experience in power system planning processes, including but not limited to, California Public Utilities Commission Integrated Resource Planning and California Independent System Operator Transmission Planning processes, has proved to be extremely vital for the City. Specific services under this Master Consultant Agreement are issued through service orders and funds are appropriated each year and encumbered at the time the service order is issued.

Commission Recommendation/Input: No commission recommendation or input is associated with this action.

**COST AND FUNDING SOURCE:**

No additional funding is needed to approve the Third Amendment of the Master Consultant Agreement. The ability to expend against this Master Consultant Agreement in future years through the term of the agreement is subject to the appropriation of funds in the Clean Energy Operating Fund.

FOR QUESTIONS CONTACT: Lori Mitchell, Director, Community Energy, at (408) 535-4880 and [lori.mitchell@sanjoseca.gov](mailto:lori.mitchell@sanjoseca.gov).