CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Kerrie Romanow
Jim Shannon

SUBJECT: **SEE BELOW**

DATE: November 5, 2019

Approved D-DSyC

Date 11/7/19

SUBJECT: CONTRACT WORK AUTHORIZATION CHANGE ORDER WITH PACIFIC GAS & ELECTRIC COMPANY FOR THE SILICON VALLEY ENERGY WATCH PROGRAM AND APPROPRIATION ACTIONS

RECOMMENDATION

(a) Adopt a resolution authorizing the City Manager to execute the Contract Work Authorization Change Order with Pacific Gas and Electric Company for the Silicon Valley Energy Watch program extending the term through July 25, 2020 and increasing funding in the amount of $196,000, from $436,064 to $632,064.

(b) Adopt the following 2019-2020 Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund:
   (1) Increase the City-Wide appropriation to the Environmental Services Department for Silicon Valley Energy Watch 2019 in the amount of $196,000, from $218,032 to $414,032; and
   (2) Increase the Estimate for Other Revenue by $196,000.

(c) Extend the term limit date for 2.0 Environmental Service Specialist positions assigned to the Environmental Services Department from January 25, 2020 through June 30, 2020.

OUTCOME

Execution of a Contract Change Order to the Contract Work Authorization (CWA) with Pacific Gas and Electric (PG&E) will enable the City to be reimbursed for up to an additional $196,000 in Environmental Services Department (ESD) staff and non-personal costs to operate the Silicon Valley Energy Watch (SVEW) program, which will provide energy efficiency education, outreach, and coordination for eligible public sector entities in Santa Clara County. The agreement extends the program through June 30, 2020 with a program close out period through July 25, 2020.

BACKGROUND

The City of San José has been a Local Government Partner (LGP) with PG&E, managing targeted energy efficiency programs in Santa Clara County since 2004. Funding for the program activities are derived from the Public Goods Charge, directed by the California Public Utilities Commission and administered by the state's four investor-owned utilities (including PG&E). The City's focus has been on offering energy audits and upgrades, technical assistance, and county-wide education, outreach, and marketing regarding energy efficiency and renewable energy services and technologies to residential, municipal, school, nonprofit, and business audiences in Santa Clara County.

The SVEW master services agreement (MSA) is the umbrella agreement that provides the general terms and conditions under which SVEW operates. The CWA is the scope of services that directs specific activities under the MSA. SVEW's most recent MSA was approved by City Council on December 4, 2018 and coupled with a $436,064 CWA that directed program activities focused on the public sector entities (primarily K-12 schools and municipal organizations) for a one-year term plus a close-out period which runs from January 1, 2019 through January 25, 2020.

PG&E instituted a new procurement and contracting process for LGP programs beyond June 2020. In June of 2019, PG&E issued a Request for Abstracts (RFA) to design, propose, and implement LGP energy savings services and/or programs in the PG&E's service territory. The City's SVEW proposal passed this initial RFA phase and will continue on through the Request for Proposal (RFP) phase of the contracting process, likely to occur in November 2019. Only those that are selected through the RFP process will advance to contract negotiations and award.

ANALYSIS

The SVEW program has been a primary component of the City's efforts to promote, educate, and enable energy-efficiency activities throughout its service territory in Santa Clara County and particularly in San José. SVEW staff have supported several programs during its current cycle and will continue to support the following programs through the extension period:

- Hosted 13 energy related trainings with 361 attendees (through September 2019) with more planned through June 2020;
- Provide benchmarking assistance aligned with San José's Energy and Water Building Performance Ordinance to over 60 municipal buildings;
- Provide seven school districts throughout Santa Clara County with Proposition 39[1] reporting assistance;

[1] California Proposition 39 provides funding to school districts for energy efficiency and clean energy generation projects.

- Implemented a pilot program in the Eastside Union High School District of San José to empower over 400 students to take climate change action in their community utilizing tools such as the Do-It-Yourself Home Energy Savings toolkit and will provide final pilot report and define next steps with the school district in the first quarter of 2020;
- Support updates to greenhouse gas inventories;
- Provide funding for a full-time Americorps fellow;
- Help launch an online Climate Smart Challenge platform to encourage residents and businesses of San José to complete climate and emissions-savings actions; and
- Helped to fund the Bay Area Home Electrification Expo hosted at the Tech Interactive on October 12, 2019 with over 300 attendees.

PG&E has requested a Contract Change Order to the SVEW CWA that will add funding of $196,000, increasing the total contract amount to $632,064, and extending the term of contract from January 25, 2020 to July 25, 2020. Approval of the contract change order will allow the City to invoice PG&E and receive reimbursements for all staffing costs and non-personal/equipment costs that support the SVEW program's activities and programs such as those described above. Non-personal/equipment costs allowed under contract include but are not limited to: supplies and materials, printing, advertising and development of marketing materials, travel, trainings, and contractual services. The term of 2.0 Environmental Service Specialist positions would also be extended from the current end date of January 25, 2020 to June 30, 2020. The PG&E contract will continue to fund all SVEW activities supporting both immediate- and long-term energy savings in the community.

SVEW is currently still under consideration for programmatic funding as an LGP beyond June 30, 2020, though this funding is not guaranteed. ESD and Community Energy Department staff continue to assess and collaborate on other means of accessing and delivering programs with Public Goods Charge funding. Staff will bring those opportunities forward for City Council consideration as appropriate.

CONCLUSION

The SVEW contract change order will extend the current contract end date from January 25, 2020 to June 30, 2020 and provide an additional $196,000 in funding, increasing the contract total to $632,064. This includes a program close-out period of July 25, 2020 that will allow administrative staff to complete necessary work to close-out the contract. The additional funding provided will extend the 2.0 term limited positions through June 30, 2020, in addition to related non-personal/equipment costs. These positions will cover programs as described, including activities that promote, educate and enable energy efficiency activities in San José and throughout Santa Clara County. Funding for this program beyond June 30, 2020 is not guaranteed and SVEW staff will identify next steps to sustain the program's funding once that information is made available from PG&E.

EVALUATION AND FOLLOW UP

ESD will provide an annual status update on SVEW as part of its regular Climate Smart Council updates.

CLIMATE SMART SAN JOSE

The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the November 19, 2019 City Council meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the Community Energy Department.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

This contract supports program activities through June 30, 2020 (with a close out period of July 25, 2020), including the funding of 2.0 Environmental Service Specialist positions, and requires no City matching funds. This contract also includes funding for 0.135 FTE of current positions within ESD that provide program oversight and administrative support.

SVEW program staffing and activities will be funded by the total contract amount of up to $632,064 grant. Program funding currently totals $218,032 in 2019-2020 and an additional $196,000 is requested to be appropriated.

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the agreement recommended as part of this memorandum.

Fund	Appn. #	Appn. Name	Current Appn.	Recommended Budget Action	2019-2020 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	205D	Silicon Valley Energy Watch 2019	$218,032	$196,000	IX-6	6/18/2019 Ord. No. 30286
001	R130	Other Revenue	$31,451,329	$196,000	VI -1	10/22/2019 Ord. No. 79270

CEQA

Not a Project. File No. PP17-003, Agreements/Contracts (New or Amended), resulting in no physical changes to the environment.

/s/
KERRIE ROMANOW
Director, Environmental Services

JIM SHANNON
Budget Director

I hereby certify that there will be available for appropriation in the General Fund in the FY 2019-2020, monies in excess of those heretofore appropriated there from, said excess being at least $196,000.

JIM SHANNON
Budget Director

For questions, please contact Ken Davies, Deputy Director, at (408) 975-2587.