



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano
Lori Mitchell

SUBJECT: SEE BELOW

DATE: August 20, 2020

Approved

Date

8/20/2020

**SUBJECT: MASTER AGREEMENTS FOR CONSULTANT SERVICES FOR
MICROGRID AND ENERGY RESILIENCE STUDIES AND PROJECTS**

RECOMMENDATION

Approve master consultant agreements with Worley Group, Inc. (DBA Advisian) and AECOM Technical Services, Inc for microgrid and energy resilience studies and projects, from the date of execution through September 30, 2023, in a total amount not to exceed \$1,500,000 for each agreement, subject to the appropriation of funds.

OUTCOME

Approval of these master agreements will provide professional technical consulting services needed for the City to evaluate, develop, and/or deliver microgrid and energy resilience projects, including the development of microgrids and potential establishment of City owned and operated electric distribution systems to targeted facilities or geographical areas of the City.

BACKGROUND

On August 29, 2019, City Council held a study session on energy resiliency in which they discussed both the current state of the City's resiliency, as well as near-term and longer-term options for improvement. One option discussed was the concept of targeted investment for partial municipalization ("targeted municipalization") of electrical assets either through acquiring PG&E or other privately-owned assets or constructing new City-owned assets. There was also discussion regarding the status of backup power generation at City facilities and options for providing traditional and more sustainable backup power solutions at critical facilities. City Council directed staff to return with recommendations that identify priority work program areas and the associated resource needs to accomplish this work.

On October 23, 2019, the Rules and Open Government Committee approved a memorandum by Mayor Liccardo titled "Public Safety Power Shutoffs: Making San José Grid-Resilient" that

included recommendations related to the development of microgrids in key locations throughout the City and the establishment of City-provided electric distribution service in targeted areas.

On November 19, 2019, the City Council accepted staff's status report on plans to implement collective direction for improved energy resiliency and approved actions related to pursuing clean and reliable backup power solutions at critical facilities and the evaluation and development of microgrids in areas of new development, including the potential establishment of City owned and operated electric distribution infrastructure in these targeted areas.

Consistent with City Council direction for improved energy resiliency, staff has been considering several projects and initiatives that would require professional technical consulting services.

ANALYSIS

On May 13, 2020, the City issued a Request for Qualifications ("RFQ"), on Bidding, seeking the required services. The City received seven Statements of Qualifications ("SOQ") by the June 11, 2020, submittal deadline.

A Technical Evaluation Panel, consisting of representatives from the Departments of Public Works and Community Energy Department evaluated and ranked the SOQs in accordance with the procurement process set forth in the RFQ. Each panel member evaluated the SOQs using a consistent scoring matrix based on the firm's expertise, experience, approach, and Local/Small Business Enterprise status as described in the table below:

Proposal Responsiveness	Possible Points
Expertise - Organizational chart with staff resumes	20
Experience - Past projects	30
Approach - Past project challenges - Project/program delivery - Adapting to new technology and regulations	40
Local Business Enterprise	5
Small Business Enterprise	5
TOTAL SCORE	100

Each firm received a total score comprised of their SOQ score and Local Business Enterprise (LBE)/Small Business Enterprise (SBE) status. The final ranking and rounded scores for each firm were as follows:

Rank	Consultant	Expertise	Experience	Approach	LBE	SBE	Total
1	Worley Group, Inc (Advisian)	18.75	27.50	34.50	0	0	80.75
2	AECOM	15.25	23.75	28.50	5	0	72.50
3	Guidehouse	15.25	16.25	27	0	0	58.50
4	Salas O'Brien	11.50	18.75	22.75	5	0	58.00
5	Engie Impact	16.75	17	22.75	0	0	56.50
6	Integral	13.25	19.75	21.50	0	0	54.50
7	Flynn RCI	12	14.50	17	0	0	43.50

All seven firms met the minimum qualifications and their SOQs were deemed responsive. In accordance with City policy, ten percent of the total evaluation points were reserved for local and small business enterprise status. Only two firms (AECOM and Salas O'Brien) qualified for the Local Business Enterprise (LBE), and none of the firms qualified for the Small Business Enterprise (SBE) status.

CONCLUSION

Staff recommends approval of master agreements to the top two firms, Worley Group, Inc (Advisian) and AECOM. The top two consultants demonstrated a high level of technical expertise and extensive experience in energy resiliency, microgrids, and electric utility related projects of different types and sizes.

The master agreements will be initiated by authorized service orders detailing the specific scope of services, schedule and compensation. The City will determine to which consultant to give a service order as follows: (1) consultants will be notified about upcoming service orders and ranked by their fee proposal, workload availability, project subject expertise, and prior work experience, and (2) the City will give the service order to the highest ranked consultant. This ensures the most suitable consultant is selected to perform the required work.

Some possible projects that could be supported with these consultant agreements include site analysis and/or microgrid design and construction recommendations for new planned buildings within the Measure T bond such as new Fire Stations, Police Department Training/Academy and the Emergency Operations Center/Fire Training Center. In addition, the consultant agreements may be used to look at existing facilities that are priority for being able to work during emergencies such as the Central Service Yard, Fire Stations, and the San Jose Airport. Facilities prone to PG&E Public Safety Power Shutoffs such as the City's Almaden and Evergreen Community Centers may also be studied. Consulting services could also provide a variety of

technical support related to the development of microgrids and potential establishment of City owned and operated microgrids within one or more prominent development projects currently being planned.

Professional Technical Consulting Services Support

Energy resiliency projects such as microgrid design require special expertise that is difficult to develop and retain in-house. The workload for such projects also frequently varies. The City Facilities and Architectural Services (CFAS) Division of Public Works has a workforce which is sized for a moderately increasing workload over a much longer duration. Many City facilities projects are designed and managed in-house by the CFAS Division; however consultant support is required to supplement City Staff during peak periods and to provide special expertise and capacity to deliver these complex projects.

The Community Energy Department is currently utilizing temporary staffing and existing consulting resources to implement its critical energy resiliency projects, including the potential establishment of a City owned and operated microgrid in Downtown. Both of these resources are limited in their bandwidth and technical capabilities to fully deliver the scope of existing and envisioned energy resiliency initiatives. The approval of these two master agreements will address these issues by adding workload capacity and a broad range of available technical expertise and experience.

Types of possible services to be provided through the consultant agreements include the following:

- Perform evaluations, studies, and analysis related to the feasibility, development, permitting, construction, and/or delivery of city operated distribution infrastructure and/or microgrid technologies at selected facilities, development projects, and other geographically targeted areas of the City.
- Provide support and perform project engineering and design for the modification of existing infrastructure and/or the installation of new infrastructure needed to deliver city operated distribution infrastructure, clean energy generation such as photovoltaics, wind or geothermal, energy storage such as battery systems, and/or microgrid technologies at specified facilities, development projects, and other geographically targeted areas of the City.
- Perform analysis and provide recommendations for funding, managing, operating and sustaining successful electric service programs and/or microgrid deployments.

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EVALUATION AND FOLLOW-UP

No additional follow up action with the Council is expected at this time. Projects requiring City Council approval will be agendaized for future Council meetings as the projects develop. City Council will be updated on the projects as part of the Public Works regular CIP reports.

CLIMATE SMART SAN JOSE

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

- It facilitates the reduction of energy or water use consumption, or increases the demand for renewable energy;
- It facilitates the energy and water efficiency of homes or commercial buildings; and
- It facilitates job creation within City limits.

PUBLIC OUTREACH

The RFQ was advertised on Biddingo on May 13, 2020. This memorandum will be posted to the City's website for the August 25, 2020, City Council meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. It also supports the City Council's goals and direction to improve energy resiliency.

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COST SUMMARY/IMPLICATIONS

No funding is required to approve master agreements. Funding will be identified in the project-specific service orders issued to the firms as detailed scopes are defined and cost and schedules are negotiated. In most instances, funding is included in project budgets and will be provided through existing and new appropriations within the City's Capital Improvement Programs.

CEQA

Not a Project, File No. PP17-002, Consultant services for design, study, inspection, or other professional services with no commitment to future action.

/s/
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Director of Public Works

/s/
LORI MITCHELL
Director, Community Energy Department

For questions, please contact John Cannon, Deputy Director, Public Works Department, at 408-535-8300, or Kevin O'Connor, Deputy Director, Community Energy Department, at 408-535-8538.