



## Agenda Report

20-762

Agenda Date: 10/13/2020

### REPORT TO COUNCIL

#### **SUBJECT**

Action on an Agreement for Services with Aspen Environmental Group to Provide As-needed Electric Rate and Fee Analysis Consultant Services [Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure]

#### **BACKGROUND**

Silicon Valley Power (SVP) requires a consultant to provide as-needed Electric Fee and Rate Analysis Services. The required services include, but are not limited to, applying rate schedules and developing fees in complex configurations, typically involving service to SVP's largest customers; resolving unique billing and meter issues; monitoring market developments that may affect SVP's cost, rate structure or rate levels, and preparing rate-related analyses, reports and presentations.

Since November 2019, SVP has leveraged a cooperative agreement established by the Northern California Power Association (NCPA). The agreement was solicited on behalf of all of its members and provides integrated energy analysis and planning services. The NCPA agreement will expire on October 31, 2020. It is important to have an agreement in place as SVP has an ongoing need for rate and fee analysis services. Additionally, the department prefers to manage a contract directly rather than utilize a cooperative agreement.

#### **DISCUSSION**

In June 2020, the City issued a Statement of Qualifications (SOQ) for as-needed electric rate and fee analysis consultant services, using the City's e-procurement system. A total of 72 companies viewed the SOQ and the City received proposals from five companies:

- Aspen Environmental Group (Sacramento, CA)
- Energy and Environmental Economics, Inc. (San Francisco, CA)
- GDS Associates, Inc., dba EES Consulting (Marietta, GA)
- TriStem Ltd. (Robinson, TX)
- United Financial Solutions, LLC (Holland, MI)

**Evaluation:** A three-member evaluation team was formed to evaluate the proposals. Each team member independently evaluated and scored the proposals.

**Proposal Responsiveness:** Staff determined all proposals were responsive and met the initial pass/fail review of the stated minimum qualifications.

**Firm Qualifications (20% weight):** The qualifications of each proposer were evaluated, including their approach to providing electric rate and fee analysis services.

**Staff Qualifications (20% weight):** The panel evaluated the relevant professional and educational backgrounds of each proposer's key staff.

**Experience (35% weight):** Each proposer's experience was considered including number of years providing electric rate and fee analysis services consultant services at agencies similar to the City of Santa Clara.

After preliminary scoring, TriStem and United Financial Services were eliminated from further consideration.

**Cost (25% weight):** Cost proposals from the three finalists were opened and scored at the end of the preliminary proposal evaluation.

The evaluation results are summarized in the table below.

<b><u>Criteria</u></b>	<b><u>Maximum Points</u></b>	<b><u>Aspen Environmental</u></b>	<b><u>Energy and Environmental</u></b>	<b><u>EES Consulting</u></b>
Firm Qualifications	20	18	17	16
Staff Qualifications	20	18	16	16
Experience	35	33	28	27
Cost	25	25	12	21
<b>Total Score</b>	<b>100</b>	<b>94</b>	<b>73</b>	<b>80</b>

**Award Recommendation:** Staff recommends award of Agreement to Aspen Environmental Group as the most advantageous and best value proposal per the evaluation criteria set forth in the SOQ. Their proposal met or exceeded all of the SOQ specifications, and their solution was rated superior in the following key areas:

- Broad knowledge on California electric utility rates and municipal fees;
- Previous experience with other utilities in the Bay area; and
- Extensive knowledge of SVP's rate schedules and fees.

References were checked with Alameda Municipal Power (Alameda, CA), Peninsula Clean Energy (Redwood City, CA), Healdsburg Electric Department (Healdsburg, CA). The references checked positive.

**Notice of Intended Award:** A Notice of Intended Award (NOIA) announcing the City's recommended vendor was published on August 21, 2020.

**Term of Agreement:** The initial term of the proposed Agreement will be for five years. After the initial term, the City may exercise up to five one-year options to extend the Agreement.

**Summary of Agreement:** The Agreement with Aspen Environmental Group includes provision of all labor and technical expertise to provide as-needed electric rate and fee analysis consultant services.

The initial term of the agreement will be for five years, ending October 31, 2025, with up to five one-year options to renew the agreement.

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

### **FISCAL IMPACT**

The initial term of the proposed agreement for services with Aspen Environmental Group is for five years from November 1, 2020 through October 31, 2025 for a not-to-exceed amount of \$450,000. Funding for year one of the agreement is available in the Adopted FY 2020/21 Operating Budget, Electric Utility Fund. Funding in the out years is subject to budget appropriations and will be considered as part of the budget development process in those years.

The cost for the option years after the initial five-year term shall be based on renewal quotes from Aspen and any requests for compensation increases must be justified by the company and are subject to approval by the City and the annual appropriations of funds. Increases shall not exceed 3% escalation cap per year.

### **COORDINATION**

This report has been coordinated with the Finance Department and City Attorney’s Office.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>>.

### **RECOMMENDATION**

1. Authorize the City Manager to execute an Agreement for Services with Aspen Environmental Group for as-needed electric rate and fee analysis consultant services, for a term starting on or about November 1, 2020 and ending on or about October 31, 2025 for a total maximum amount not-to-exceed of \$450,000, subject to the annual appropriation of funds; and
2. Authorize the City Manager to execute up to five one-year options to extend the term of the Agreement after the initial term, ending October 31, 2030, assuming all options are exercised, and subject to the annual appropriation of funds.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Agreement for Services