

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 11

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To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Interim General Manager

Subject: Approval of Amendment 19 to Task Order 4 (Operation Staff Services) of the SMUD Professional Services Agreement

Date: September 10, 2020

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### **RECOMMENDATION**

Adopt a resolution authorizing the Interim General Manager to sign Amendment 19 to Task Order 4 (Operational Staff Services).

### **BACKGROUND AND ANALYSIS**

On October 12, 2017 the VCE Board approved a Professional Services Agreement with the Sacramento Municipal Utility District (SMUD) and Task Orders 1 and 2 to provide Program Launch Support, and Data Management and Customer Call Center Services, respectively. Soon thereafter, a series of additional Task Orders were added to the Agreement, including Task Order 3 to provide Wholesale Energy Services and Task Order 4 to provide Operational Staff Services to VCE. Over the past few years, Task Order 5 (Long Term Renewable Procurement Services) and Task Order 6 (Expansion of VCE Service to Winters, CA) have been added to the Agreement.

In June 2020, the Board approved Amendment 17 to Task Order 4 (Operational Staff Services) which included extending the Director of Finance and Operations dedicated operational staff position through September 30, 2020 and fixed the annual fee for the Director of Finance and Operations position to \$280,000, effective July 1, 2020. After a thorough review and discussion of current VCE projects, staff believes that VCE will benefit from preserving the continuity of current staff by providing stability and short-term efficiency, specifically extending the Director of Finance and Operations' position through December 31, 2020. This extension is reflected in the attached Amendment 19 to Task Order 4 (attached).

### **Financial Impact**

The monthly fee for the Director of Finance and Operations dedicated operational staff increased approximately 9.8% on July 1, 2020 (Amendment 18 to Task Orders 2, 3, and 4 adopted 8/13/20) resulting in an increase from \$21,250 to \$23,333 monthly. These cost changes are included in the recently adopted FY2020/2021 operating budget.

### **CONCLUSION**

Staff is recommending the VCE Board adopt the attached resolution authorizing the Interim General Manager to sign Amendment 19 to Task Order 4 (Operational Staff Services).

### **Attachments**

1. Amendment 19 to Task Order 4 (Operational Staff Services)
2. Resolution Authorizing Interim General Manager to sign Amendment 19 to the VCE-SMUD Professional Services Agreement

## **AMENDMENT 19 TO EXHIBIT A: Scope of Services**

### **A.4 Task Order 4 – Operational Staff Services**

SMUD and VCEA agree to the following services, terms, and conditions described in this Amendment 19 to Exhibit A, Task Order No. 4 (Amendment 19), the provisions of which are subject to the terms and conditions of the Master Professional Services Agreement (Agreement) between the Parties. If any specific provisions of this Amendment 19 conflict with any general provisions in the Agreement or Task Order 4, the provisions of this Amendment 19, shall take precedence. Capitalized terms used in this Amendment which are not defined in this Amendment will have the respective meanings ascribed to them in the Agreement or an Amendment thereof.

The Effective Date of this Amendment 19 is the date of last signature below.

The Parties hereto mutually agree to the following changes to Task Order No. 4:

**A. Amend Section 4.1, Term of Task Order 4. Sub-section 4.1.1, Dedicated Operational Staff, Title and Paragraph 1, are deleted and replaced with the following:**

**“4.1.1, Dedicated Operational Staff and Power Director**

Notwithstanding Section 4.1, Term of Task Order 4, SMUD will assign dedicated operational staff as described in Section 1.1 of this Task Order 4 for Finance and Operations to be available onsite at VCEA offices. SMUD will provide the Finance and Operations Director through December 31, 2020. The Parties may mutually agree to extend or modify any portion of the operational staff services as provided in Section 4.2.1 of Task Order No. 4.”

**SIGNATURES**

The Parties have executed this Amendment 19, and it is effective as of the date of last signature below.

**Valley Clean Energy Alliance**

**By:** \_\_\_\_\_

**Name:** Mitch Sears

**Title:** Interim General Manager

**Date:** \_\_\_\_\_

**Approved as to Form:** N/A

**Sacramento Municipal Utility District**

**By:** \_\_\_\_\_

**Name:** Arlen Orchard

**Title:** Chief Executive Officer and General Manager

**Date:** \_\_\_\_\_

**Approved as to Form:** \_\_\_\_\_

**VALLEY CLEAN ENERGY ALLIANCE**

**RESOLUTION NO. 2020-\_\_\_**

**A RESOLUTION OF THE VALLEY CLEAN ENERGY ALLIANCE  
APPROVING AMENDMENT 19 TO TASK ORDER 4 OF THE SACRAMENTO MUNICIPAL  
UTILITIES DISTRICT PROFESSIONAL SERVICES AGREEMENT AND AUTHORIZING THE  
INTERIM GENERAL MANAGER TO SIGN THE AMENDMENT ON BEHALF OF VALLEY  
CLEAN ENERGY**

**WHEREAS**, the Valley Clean Energy Alliance (“VCE”) is a joint powers agency established under the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”), and pursuant to a Joint Exercise of Powers Agreement Relating to and Creating the Valley Clean Energy Alliance between the County of Yolo (“County”), the City of Davis (“Davis”), the City of Woodland and the City of Winters (“Cities”) (the “JPA Agreement”), to collectively study, promote, develop, conduct, operate, and manage energy programs; and,

**WHEREAS**, on August 31, 2017, the VCEA Board considered a proposal by the Sacramento Municipal Utilities District (“SMUD”) to provide program launch and operational services and subsequently directed VCEA staff to negotiate a services agreement between VCEA and SMUD for consideration and action by the VCEA Board; and,

**WHEREAS**, on September 21, 2017, the SMUD Board of Directors authorized its CEO to enter into a contract with VCE to provide Community Choice Aggregate support services; and,

**WHEREAS**, on December 12, 2017, the VCE Board approved Task Order 4 to provide Operational Staff Services to VCE for program launch and operations; and,

**WHEREAS**, Task Order 4 was set to expire February 28, 2019 and Interim General Manager Mitch Sears signed Amendment 7 to Task Order 4 extending the term to June 30, 2019; and,

**WHEREAS**, in October 2018 Amendments 3 and 5 to Task Order 4 were approved adding scope of services related to power purchase agreements and designating an On-call Proxy Power Director, and set compensation for said services;

**WHEREAS**, in December 2018 Amendment 6 to Task Order 4 was approved extending dedicated operational staff through February 28, 2019; and,

**WHEREAS**, in February 2019 Amendment 7 to Task Order 4 was approved extending dedicated operational staff through June 30, 2019; and,

**WHEREAS**, in April 2019 Amendment 8 to Task Order 4 was approved 1) extending dedicated operational staff and the Power Director through June 30, 2020, 2) replacing sub-section 4.2.1

term and termination notification, and 3) increasing the fixed fee for operational staff effective July 1, 2019; and,

**WHEREAS**, in August 2019, Amendment 13 to Task Orders 3 and 4 was approved updating compensation for services and extending the term through June 30, 2020;

**WHEREAS**, on February 13 2020, Amendment 15 to Task Order 4 was approved canceling the On-call Proxy Power Director effective December 20, 2019, adding scope of services to transition the Power Proxy Director to a VCEA employee, and updating compensation for services to an hourly rate for professional services;

**WHEREAS**, on June 11, 2020, Amendment 17 to Task Order 4 was approved extending the Director of Finance and Operations dedicated operational staff through September 30, 2020 and increased the fixed annual fee effective July 1, 2020, for this position;

**WHEREAS**, on August 13, 2020, Amendment 18 to Task Orders 2, 3, and 4 was approved increasing billable rates by 2.0% effective July 1, 2020 for dedicated operational staff; and,

**WHEREAS**, Amendment 19 to Task Order 4 extends the Director of Finance and Operations dedicated operational staff through December 31, 2020.

**NOW, THEREFORE**, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

1. approve Amendment 19 to Task Order 4 (operational staff services) and authorize the Interim General Manager to sign the Amendment on behalf of VCE.

**PASSED, APPROVED, AND ADOPTED**, at a regular meeting of the Valley Clean Energy Alliance, held on the \_\_\_ day of \_\_\_\_\_ 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Don Saylor, VCE Chair

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Alisa M. Lembke, VCEA Board Secretary

Attachment Exhibit A - Amendment 19 to Master Professional Services Agreement Task Order 4

**EXHIBIT A**

**Amendment 19 to Master Professional Services Agreement Task Order 4**