

South Bay Cities Council of Governments

August 11, 2014

TO: SBCCOG Steering Committee

FROM: Jacki Bacharach, Executive Director

RE: Atkins North America, Inc. Contract Amendment for Integration of Natural Gas Strategies into the EECAP project

ADHERENCE TO STRATEGIC PLAN:

Goal A: Environment, Transportation and Economic Development. Facilitate, implement and/or educate members and others about environmental, transportation and economic development programs that benefit the South Bay.

BACKGROUND

In May 2013, Southern California Edison (SCE) awarded the South Bay Cities Council of Governments (SBCCOG) \$771,630 to draft the Energy Efficiency Chapter of Climate Action Plans (EECAPs) for the South Bay cities and the sub-region. The SBCCOG received a Notice to Proceed from SCE in November 2013 and SBCCOG awarded a contract to Atkins North America, Inc. (Atkins) as the consultant for the project in February 2014.

Atkins currently is under contract to assist the SBCCOG in developing the EECAPs. The scope of work includes updating the greenhouse gas (GHG) emissions inventories, setting GHG reduction targets, and identifying energy efficiency strategies to reduce GHG emissions for each city in the South Bay and the sub-region. While the GHG emissions inventories include all sectors and sources, the SCE funding can only be used for development of energy efficiency measures related specifically to electricity.

PROPOSED AMENDMENT

In an effort to comprehensively address energy efficiency strategies in the EECAPs, the SBCCOG staff has identified funds available from the Southern California Gas Company's Direct Implementation budget of the South Bay Energy Efficiency Partnership Program Agreement to integrate natural gas strategies. This integration would require added scope to the Atkins contract that would specifically identify strategies and estimate GHG emissions to reduce natural gas consumption in the South Bay cities and develop an implementation plan for these strategies.

RECOMMENDATION

Recommend Board approval of Atkins contract amendment (attached), subject to legal review, for inclusion of natural gas strategies into the EECAPs for an additional amount not to exceed \$20,000 to be completed by March 31, 2015.

AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

This Amendment to Professional Services Agreement (“Amendment”) is made as of August 28, 2014 by and between the South Bay Cities Council of Governments, a California joint powers authority (“SBCCOG”) and Atkins (“Consultant”).

RECITALS

- A. SBCCOG and Consultant entered into a Professional Services Agreement as of January 23, 2013 (the “Agreement”) wherein SBCCOG engaged the services of Consultant as an independent contractor to provide specified professional services to SBCCOG as set forth in Exhibit A – Scope of Work of the Agreement to draft the Energy Efficiency Chapter of Climate Action Plans (EECAPs) for the South Bay cities and the sub-region.
- B. The parties desire to amend Consultant’s Scope of Work to include the identification of natural gas strategies and estimate GHG emissions to reduce natural gas consumption in the South Bay cities and develop an implementation plan for these strategies.
- C. The parties desire to increase the current \$405,000 budget of the Agreement by \$20,000 as compensation for the additional scope of work.

NOW, THEREFORE, in consideration of the foregoing, the parties agree to amend the Agreement as follows:

- 3. **Compensation.** SBCCOG shall pay for services based on the estimated budget. The total compensation is not to exceed \$425,000.

Exhibit A of the Agreement is hereby amended to include the following tasks:

Task 4: City-Specific and Subregional Energy Efficiency Measures, Programs and Policies Analysis Report (Measures Report)

Task 4.1

Atkins will identify existing programs related to natural gas efficiency and quantify energy and greenhouse gas (GHG) reductions that have been implemented since 2005, the baseline year of the EECAP. Next, Atkins will identify the potential to expand these programs to maximize existing resources. Atkins will also identify new natural gas programs and strategies that would result in additional energy efficiencies. The expanded and new programs will be offered to the cities as a menu of options along with the electricity-related programs. As with the electricity-related programs, Atkins will provide different levels of implementation for each program, where applicable, that will be presented to each city. Each city will choose the level of implementation for each strategy that would be feasible for their community. For example, a measure could be voluntary, incentivized, or required through code changes. Atkins will assist the cities in understanding each measure and level of

implementation. Based on input from the cities, Atkins will estimate the potential energy and GHG emissions reductions associated with each program. Atkins will present the findings to each city and identify whether the reductions meet the recommended reduction targets identified in Task 3.

Deliverables:

- Menu of potential natural gas reduction programs
- Discussion of menu with cities
- Draft analysis of programs chosen by cities for implementation

If necessary, Atkins will discuss the implications of not achieving the recommended targets, adjusting the targets, or identifying additional measures or implementation levels necessary to achieve the recommended targets. If necessary, Atkins will recalculate the estimated energy and GHG reductions based on input from the cities. Atkins will estimate the initial and ongoing costs and benefits as well as payback period for each program. In addition, Atkins will identify the co-benefits and funding sources for each program.

Deliverables:

- Discussion with cities of draft analysis
- Final analysis and report identifying energy and GHG reductions, costs, and co-benefits

Task 4.2 Subregional Measures Report

Atkins will prepare a summary report of energy and GHG reduction measures for the subregion as part of the existing Task 4.2, to include natural gas measures identified as part of Task 4.1.

Tasks 5 and 6: Draft and Final EECAP and Reporting Tools

The EECAP report will include a chapter on Energy Efficiency Strategies and GHG Reduction Measures. Atkins will describe the proposed natural gas programs, the potential level of energy and GHG reductions, level of implementation, co-benefits, and potential funding sources for each measure. These measures may be described separately from the electricity measures or, where applicable, in combination. Where the electricity and natural gas measures overlap (for example, in whole-home energy retrofits), the amount of electricity and natural gas and related GHG savings will be separated to the extent possible. Under the current scope, a report will be prepared for each city; the natural gas analysis would be included in that report.

Atkins will include a discussion of natural gas measures, energy and GHG reductions, and co-benefits at the subregional level in the subregional EECAP report.

The current scope of work includes Atkins preparing reporting tools and conducting two training sessions for electricity energy efficiency measures. Atkins will include natural gas efficiency reduction measures in the reporting tool being developed for electricity measures under the current scope of work. Atkins will prepopulate the tool with each city's natural gas

measures. At the training workshops for city staff, Atkins will include description and training of natural gas measures.

Both the report and tool will be provided to city staff for review and comment. Atkins will incorporate comments regarding natural gas into the final EECAP and reporting tool.

Deliverables:

- Draft and Final EECAP Reports with natural gas measures
- Draft and Final reporting tools with natural gas measures
- Training workshops for reporting tools with natural gas measures

Task 7: EECAP adoption documentation

Atkins will be assisting cities in EECAP adoption and documenting the process. Since the EECAP will include natural gas, the adoption and documentation will include the analysis of natural gas. Any specific items related to natural gas will be addressed under this task.

Natural Gas amendment proposal		SLL	MH	CL	HD	JK	Dsurrell	Expenses	Hours	Fee
Task	Name	\$225	\$225	\$165	\$125	\$75	\$110			
4.0	Natural Gas Measures	6	6	20	16	80	24		152	\$16,640
5.0	15 jurisdiction EECAP Reports - Draft	1	1	2		4	2		10	\$1,300
6.0	15 jurisdiction EECAP Reports - Final	1	1	2		1	2		7	\$1,075
7.0	15 EECAP Adoption Documentations		1	2		2			5	\$705
										\$0
Fee		\$1,800	\$2,025	\$4,290	\$2,000	\$6,525	\$3,080	\$0		\$19,720

Budget and Schedule: The not-to-exceed budget for Tasks 4-7 is \$20,000. The total budget of all Tasks is not to exceed \$425,000.

Atkins anticipates that work under Task 4 will be completed by December 31, 2014 and the remainder of the tasks will be completed in accordance with the current Term of Agreement, March 31, 2015.

Except as modified above, all other provisions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

"SBCCOG"
South Bay Cities Council of Governments

By: _____
James F. Goodhart

Title: Chairman

Date: _____

"Consultant"
Atkins

By: _____
Suzanne Leta Liou

Title: Senior Division Manager

Date: _____

Attest: _____
SBCCOG Secretary – Marcy Hiratzka