



**City Council
Special Meeting
Monday, October 3, 2022
5:30 PM
Council Chamber & Virtual
Amended Agenda**

Amended agenda items appear below in red

Pursuant to [AB 361](#) Palo Alto City Council meetings will be held as “hybrid” meetings with the option to attend by teleconference/video conference or in person. To maximize public safety while still maintaining transparency and public access, members of the public can choose to participate from home or attend in person. Information on how the public may observe and participate in the meeting is located at the end of the agenda. Masks are strongly encouraged if attending in person.

HOW TO PARTICIPATE

VIRTUAL PARTICIPATION

[CLICK HERE TO JOIN](#) (<https://cityofpaloalto.zoom.us/j/362027238>)

Meeting ID: 362 027 238 Phone: 1(669)900-6833

The meeting will be broadcast on Cable TV Channel 26, live on YouTube at <https://www.youtube.com/c/cityofpaloalto>, and streamed to Midpen Media Center at <https://midpenmedia.org>.

TIME ESTIMATES

Time estimates are provided as part of the Council's effort to manage its time at Council meetings. **Listed times are estimates only and are subject to change at any time, including while the meeting is in progress.** The Council reserves the right to use more or less time on any item, to change the order of items and/or to continue items to another meeting. Particular items may be heard before or after the time estimated on the agenda. This may occur in order to best manage the time at a meeting or to adapt to the participation of the public.

REVISED PUBLIC COMMENTS

Public Comments will be accepted both in person and via Zoom for up to three minutes or an amount of time determined by the Chair. All requests to speak will be taken until 5 minutes after the staff's presentation. Written public comments can be submitted in advance to city.council@cityofpaloalto.org and will be provided to the Council and available for inspection on the City's website. Please clearly indicate which agenda item you are referencing in your email subject line.

PowerPoints, videos, or other media to be presented during public comment are accepted only by email to city.clerk@cityofpaloalto.org at least 24 hours prior to the meeting. Once received, the City Clerk will have them shared at public comment for the specified item. To uphold strong cybersecurity management practices, USB's or other physical electronic storage devices are not accepted.

CALL TO ORDER

CLOSED SESSION

- ~~1. CONFERENCE WITH LABOR NEGOTIATORS City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (Ed Shikada, Kiely Nose, Sandra Blanch, Nicholas Raisch, Tori Anthony, Molly Stump, and Terence Howzell) Employee Organization: Service Employees International Union, (SEIU) Local 521, Utilities Management and Professional Association of Palo Alto (UMPAPA), Palo Alto Peace Officers' Association (PAPOA), Palo Alto Police Management Association (PMA), International Association of Fire Fighters (IAFF) local 1319, Palo Alto Fire Chiefs Association (FCA), Management and Professional Employees (MGMT); Authority: Government Code Section 54957.6 (a)~~

SPECIAL ORDERS OF THE DAY (5:30 - 5:40 PM)

2. Adoption of Resolution for Heather Souza Upon Her Retirement

AGENDA CHANGES, ADDITIONS AND DELETIONS

PUBLIC COMMENT (5:40 - 6:05 PM)

Members of the public may speak to any item NOT on the agenda. Council reserves the right to limit the duration of Oral Communications period to 30 minutes.

CONSENT CALENDAR (6:05 - 6:10 PM)

Items will be voted on in one motion unless removed from the calendar by three Council Members.

3. Approve Minutes from the September 19, 2022 City Council Meetings
4. Approval of a Professional Services Agreement With Eagle Systems (dba Synergy Companies) for Development and Administration of Heat Pump Water Heater Pilot Program, Energy and Water Efficiency, and Electrification Programs for the City's Utility Customers in a Total Not-to-Exceed Amount of \$7.705M for a 3-Year Term Through October 2025
5. Approval of Construction Contract Number C23184924 with Ron Paris Construction Company, Inc. in the Amount of \$990,733; Authorization for the City Manager to Negotiate and Execute Change Orders up to a Not-to-Exceed Amount of \$99,073 for the Water, Gas, Wastewater Office Remodel Project, Capital Improvement Program Project PE-19001; and Approval of Budget Amendments in the Capital Improvement Fund, Water Fund, Gas Fund and Wastewater Collection Fund

Q&A

6. Adoption of a Resolution Authorizing Use of Teleconferencing for Council Meetings During Covid-19 State of Emergency
Supplemental Report
7. Adopt a Resolution Authorizing the City Manager to Purchase a Portion of the City's Natural Gas Requirements From Certain Prequalified Natural Gas Suppliers Under Specified Terms and Conditions for Delivery During Calendar Years 2023 Through 2028, Inclusive, With a \$150 Million Maximum Aggregate Transaction Limit

Q&A

CITY MANAGER COMMENTS (6:10 - 6:25 PM)

Presentation

ACTION ITEMS

Include: Reports of Committees/Commissions, Ordinances and Resolutions, Public Hearings, Reports of Officials, Unfinished Business and Council Matters.

- ~~8. TEFRA Hearing Regarding Conduit Financing for the Kehillah Jewish High School's for the Partial or Full Refinancing of the 2014 Loan and Financing the Development, Construction, Renovation, Improvement and Equipping of the Corporation's Campus at 3900 Fabian Way, Palo Alto; and Approving the issuance of a Tax-exempt Loan by the California Municipal Finance Authority for this Purpose and Other Matters Relating Thereto~~

9. Acceptance of Sustainability and Climate Action Plan (S/CAP) Goals and Key Actions; Review of Proposed Reach Code Changes; Adoption of Resolutions Adopting Advanced Heat Pump Water Heater Program Guidelines, Creating and Funding Electrification Reserves, Amending the City's Policy on the Use of Cap and Trade Allowance Revenues, and Adopting a Carbon Neutrality Goal; Approval of Budget Amendments in the Electric Fund, Gas Fund, and General Fund; and Direction to Staff to Amend the 2022 Utilities Legislative Guidelines (6:25 – 8:25 PM)
Title Updated and Supplemental Report

Public Letters

Ad Hoc Presentation

10. Adoption of Support or Oppose Positions on State and Local Measures Presented to Palo Alto Voters on the November 8, 2022 Ballot (8:25 – 9:25 PM)

Presentation

COUNCIL MEMBER QUESTIONS, COMMENTS, ANNOUNCEMENTS

Members of the public may not speak to the item(s)

ADJOURNMENT

INFORMATION REPORTS

Information reports are provided for informational purposes only to the Council and the public but are not listed for action during this meeting's agenda.

11. Informational Report on the Annual Review of the City's Renewable Procurement Plan, Renewable Portfolio Standard Compliance, and Carbon Neutral Electric Supplies for 2021

OTHER INFORMATION

Public Comment Letters

Schedule of Meetings

PUBLIC COMMENT INSTRUCTIONS

Members of the Public may provide public comments to teleconference meetings via email, teleconference, or by phone.

- 1. Written public comments** may be submitted by email to city.council@cityofpaloalto.org.
- 2. Spoken public comments using a computer** will be accepted through the teleconference meeting. To address the Council, click on the link below to access a Zoom-based meeting. Please read the following instructions carefully.
 - A. You may download the Zoom client or connect to the meeting in-browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
 - B. You may be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
 - C. When you wish to speak on an Agenda Item, click on "raise hand." The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak.
 - D. When called, please limit your remarks to the time limit allotted.
 - E. A timer will be shown on the computer to help keep track of your comments.
- 3. Spoken public comments using a smart phone** will be accepted through the teleconference meeting. To address the Council, download the Zoom application onto your phone from the Apple App Store or Google Play Store and enter the Meeting ID below. Please follow the instructions B-E above.
- 4. Spoken public comments using a phone** use the telephone number listed below. When you wish to speak on an agenda item hit *9 on your phone so we know that you wish to speak. You will be asked to provide your first and last name before addressing the Council. You will be advised how long you have to speak. When called please limit your remarks to the agenda item and time limit allotted.

[CLICK HERE TO JOIN](#) **Meeting ID: 362 027 238 Phone:1(669)900-6833**



City of Palo Alto

City Council Staff Report

(ID # 14803)

Meeting Date: 10/3/2022

Report Type: Special Orders of the Day

Title: Adoption of Resolution for Heather Souza Upon Her Retirement

From: City Manager

Lead Department: Police

Attachments:

- **Attachment2.a:** Attachment A: Heather Souza Retirement Resolution

**RESOLUTION OF THE COUNCIL OF THE CITY OF PALO ALTO
EXPRESSING APPRECIATION TO
HEATHER SOUZA UPON HER RETIREMENT**

WHEREAS, Heather Souza served the City of Palo Alto and its citizens as a member of the Palo Alto Police Department for 25 years, first becoming a Police Officer in 1997, then a Police Agent in 2005, and ultimately a Police Sergeant in 2021; and

WHEREAS,; Sergeant Souza has worked on all shifts of the patrol schedule, and has worked in many specialty assignments, to include personnel and training supervisor, staff assistant, court liaison officer, reserve training officer, field training officer, crisis negotiator, and emergency vehicle operations instructor; and

WHEREAS,; Sergeant Souza has an indefatigably positive attitude and a remarkable ability to develop positive relationships with coworkers and members of the community alike; and

WHEREAS,; Sergeant Souza has a tireless work ethic, one that drove her to always assist her fellow Department members with any task and not stop until the job was completed thoroughly and correctly; and

WHEREAS,; Sergeant Souza repeatedly demonstrated commendable flexibility and willingness to take on challenging assignments for the betterment of the Department and her coworkers; and

WHEREAS, Sergeant Souza supported her coworkers with a high degree of professionalism and respect that is in alignment with the mission of the Department; and

WHEREAS, Sergeant Souza deserves a long and happy retirement for all her years of dedicated service; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Palo Alto hereby commends the outstanding public service of Sergeant Heather Souza and records its appreciation, as well as the appreciation of the citizens of this community, upon her retirement

Introduced and Passed: October 3, 2022

**Pat Burt
Mayor**



City of Palo Alto
Office of the City Clerk
City Council CAO Report

(ID # 14797)

Meeting Date: 10/3/2022

Report Type: Consent Calendar

Title: **Approve Minutes from the September 19, 2022 City Council Meetings**

From: **Lesley Milton, City Clerk**

Staff recommends Council to review and approve the minutes as presented.

ATTACHMENTS:

- **Attachment3.a:** Attachment A: 20220919amCCsm (PDF)



CITY COUNCIL DRAFT ACTION MINUTES

Special Meeting
September 19, 2022

The City Council of the City of Palo Alto met on this date in the Council Chambers and by virtual teleconference at 5:00 P.M.

Present In Person: Burt, Cormack, DuBois, Filseth, Kou, Stone, Tanaka

Present Virtually: None

Absent: None

Closed Session

1. CONFERENCE WITH CITY ATTORNEY- EXISTING LITIGATION Subject: Charles Scrivner v. City of Palo Alto Santa Clara County Superior Court Case No. 18-CV-333834 (One Case, as Defendant) Authority: Government Code Section 54956.9(d)(1)
2. CONFERENCE WITH CITY ATTORNEY- EXISTING LITIGATION Subject: Eric Figueroa, et al. v. City of Palo Alto Santa Clara County Superior Court, Case No. 21 CV383740 Authority: Government Code Section 54956.9(d)(1)

MOTION: Council Member Cormack moved, seconded by Council Member Kou to go into Closed Session.

MOTION PASSED: 7-0

Council went into Closed Session at 5:07 P.M.

Council returned from Closed Session at 6:31 P.M.

Mayor Burt indicated there were no announcements for the public.

Agenda Changes, Additions and Deletions

Item 5 was removed from consideration prior to the meeting.

Consent Calendar

Staff pulled Agenda Item 3 from consideration prior to the meeting.

MOTION: Council Member Cormack moved, seconded by Council Member DuBois to approve Agenda Item Number 3.

DRAFT ACTION MINUTES

3. Adopt a Resolution Authorizing the City Manager to Purchase a Portion of the City's Natural Gas Requirements From Certain Prequalified Natural Gas Suppliers Under Specified Terms and Conditions for Delivery During Calendar Years 2023 Through 2032, Inclusive, With a \$300 Million Maximum Aggregate Transaction Limit
Pulled from consideration
4. Adoption of a **Resolution 10071** to Appoint Adriane D. McCoy of Baker Tilly US, LLP as Interim City Auditor Through January 31, 2023

MOTION PASSED: 7-0

Public Comment

City Manager Comments

Study Session

5. 3400 EL CAMINO REAL [22PLN-00227]: Request for Prescreening of the Applicant's Proposal to Rezone the Subject Site From Various Zoning Districts to Planned Housing Zone (PHZ) to Allow Construction of 382 Residential Rental Units (44 studios, 243 one-bedroom, 86 two-bedroom and 9 three-bedroom units) in two Buildings. Environmental Assessment: Not a Project. Zoning District: CS, CS(H), RM-20 (Service Commercial, Hotel, Multi-Family Residential).

Action: Removed from Consideration

6. Joint Study Session With City Council and Utilities Advisory Commission (UAC) Regarding Fiber-to-the-Premise Efforts

ACTION: Direction provided

Council Member Questions, Comments and Announcements

Adjournment: The meeting was adjourned at 10:30P.M.

ATTEST:

APPROVED:

City Clerk

Mayor

DRAFT ACTION MINUTES

NOTE: Action minutes are prepared in accordance with Palo Alto Municipal Code (PAMC) 2.04.160(a) and (b). Summary minutes (sense) are prepared in accordance with PAMC Section 2.04.160(c). Beginning in January 2018, in accordance with [Ordinance No. 5423](#), the City Council found action minutes and the video/audio recordings of Council proceedings to be the official records of both Council and committee proceedings. These recordings are available on the City's website.



City of Palo Alto City Council Staff Report

(ID # 14542)

Meeting Date: 10/3/2022

Report Type: Consent Calendar

Title: Approval of a Professional Services Agreement With Eagle Systems (dba Synergy Companies) for Development and Administration of Heat Pump Water Heater Pilot Program, Energy and Water Efficiency, and Electrification Programs for the City's Utility Customers in a Total Not-to-Exceed Amount of \$7.705M for a 3-Year Term Through October 2025

From: City Manager

Lead Department: Utilities

Recommendation

Staff recommends the Council approve and authorize the City Manager or their designee to execute a professional services agreement C23181953A with Eagle Systems, LLC doing business as (dba) Synergy Companies (Synergy) for development and administration of the following programs:

1. Turnkey Heat Pump Water Heater Installation Program, to deliver turnkey installation services to single-family and multifamily residential customers, subject to Council adoption of budget authority to execute the program (to be considered by the Council as part of item); and
2. Multifamily Residential Program to deliver direct installation of energy and water efficiency services to multifamily complexes, including electrification services at City's discretion; and
3. Income-Qualified Residential Program to deliver direct installation of energy and water efficiency services to income-qualified residents in Palo Alto, including electrification services at City's discretion.

The total not-to-exceed (NTE) amount for the agreement covering the three programs is \$7.705 million over a 3-year term through October 2, 2025.

Note: Turnkey installation means start-to-finish installation of equipment, which may involve a co-payment contribution from the customer. Direct installation means start-to-finish installation of equipment at no cost to the customer. Direct installation of efficiency measures is a common component of programs for hard-to-reach customer segments such as income-qualified or multifamily residential customers.

Executive Summary

Palo Alto has the ambitious climate action goal of reducing its greenhouse gas emissions to 80% below 1990 levels by 2030. A 2021 impact analysis showed that to meet this goal the City must electrify all of its roughly 15,000 single-family homes, where electrification is defined as the replacement of natural gas equipment with efficient electric alternatives. A broad team including community and Council members, regional experts and staff has determined that prioritizing replacement of gas water heaters with heat pump water heaters is the most strategic approach to jump-starting residential building electrification in Palo Alto. A significant barrier to replacing gas equipment with efficient electric equipment is the difficulty in finding contractors experienced in making this switch. Through a competitive RFP process, staff identified Synergy Companies as a vendor with extensive experience performing building electrification in the residential sector, specifically in California.

The City's current contracts to deliver direct-install energy and water efficiency services to multifamily and income-qualified customers expire December 31, 2022, and these services were also solicited as part of the same RFP process. Synergy also has substantial experience in this area of direct installation of energy and water efficiency measures and was the vendor selected to provide these services. Staff requests Council approve an agreement with Synergy with a not-to-exceed amount of \$7.705M over three years to implement and administer three programs for residential customers: 1) a Turnkey Installation Program in support of an advanced heat pump water heater pilot program; 2) a program to deliver energy and water efficiency and, at City's discretion, electrification services to multifamily complexes; and 3) a program to deliver energy and water efficiency and, at City's discretion, electrification services to income-qualified residents in Palo Alto.

Background

Council is currently considering whether to direct staff to implement an Advanced Heat Pump Water Heater Pilot Program (Pilot) to accelerate heat pump water heater adoption in Palo Alto. The Pilot program would provide turnkey installation by a contractor selected by the City of heat pump water heaters in homes in Palo Alto, with a goal of reaching 1,000 installations. Additional background on this program is provided in the staff report for a September 27, 2022 study session on this topic (Staff Report #14606, Section 3 and Attachment B). This program furthers the community's ambitious goal of reducing the community's GHG emissions to 80% below 1990 levels by 2030 ("80x30")¹.

The Advanced Heat Pump Water Heater Pilot Program is a first-of-its kind program designed to test three main features that City staff hope will drive the adoption of home electrification: 1) targeted marketing, aimed at homeowners who have been identified to have aging gas equipment (initially, water heaters); 2) attractive financing, designed to reduce the barrier of high-upfront costs common to installation of home electrification equipment; and 3) easy installation, provided by a turnkey installer. Targeted marketing would be part of an extensive outreach and engagement effort involving City and external marketing resources, including community groups, to generate customers for the program. Attractive financing would be

¹ [City of Palo Alto City Council Action Minutes](#), April 18, 2016.

achieved through low up-front costs and an on-bill financing program component. Ease of installation would be offered through turnkey installation services provided by a City-selected contractor.

Council has already adopted several policies which support funding programs that maximize the deployment of cost-effective, reliable and feasible energy efficiency (EE) within the City. Council adopted the City's first 10-year electric and gas EE goals in 2007, with a cumulative reduction target of 3.5% electric and gas EE savings (35,000 MWh and 1,200,000 therms) between 2008 and 2017. Since then, Council adopted updates to the EE goals in 2010, 2013, 2017, and most recently, in May 2021 ([Staff Report ID # 12068](#)) for the 10-year period between 2022 and 2031. The cumulative electric savings target in the latest EE goals is 4.4% (or 37,940 MWh) of the City's projected electric usage in 2031. In order to achieve the aggressive EE goals, the City has contracted with third-party EE service providers since 2006 to expand the reach of EE program services for its customers.

Discussion

If the Advanced Heat Pump Water Heater (HPWH) Pilot is approved by Council, Synergy would administer and operate the Turnkey Installation Program under the attached professional services agreement. Synergy has provided direct installation building electrification programs in multiple locations throughout California, including a program for Sacramento Municipal Utility District (SMUD) and low-income programs in the San Joaquin Valley for the investor-owned utilities Pacific Gas and Electric Company (PG&E) and Southern California Edison (SCE). Through these programs, as of January 2022 Synergy installed over 200 HPWHs and over 400 HP HVAC systems in residences.

Synergy was one of several respondents to a City-issued request for proposals (RFP) on June 24, 2021. Staff issued the RFP in advance of the expiration of contracts for several of the City's residential energy and water efficiency programs. Because the S/CAP impact analysis was underway and extensive building electrification programs were expected to be needed, staff included building electrification in the RFP. Synergy proposed direct installation services of energy and water efficiency and building electrification measures for both single-family and multifamily residences. Staff is proposing contracting with Synergy for these services for income-qualified as well as "market-rate" (non-income-qualified) customers. Synergy is the current operator for the City's multifamily and income-qualified energy and water efficiency programs known as MultiFamily Plus Program (MF+) and Residential Energy Assistance Program (REAP). Neither program currently includes building electrification. The proposed agreement would enable the City to add electrification measures to these programs in the future, using Synergy as the installer.

Bid Process

In the RFP issued through PlanetBids proposers could respond to one or more of the following program categories:

- *Category 1:* Develop and administer efficiency and electrification programs for single family residential properties. Examples of program features include advisory services, technical assistance for building and transportation electrification, rebate program administration, and direct-install services for income-or-medically qualified customers.
- *Category 2:* Develop and administer efficiency and electrification programs for multifamily residential properties. Examples of program features include outreach and marketing, advisory services, technical assistance for building electrification, rebate program administration, and direct-install services. This Category may include programs and services for income-or-medically qualified customers.
- *Category 3:* Identify income-qualified customers and provide outreach, program application and case management services.
- *Category 4:* Develop and administer innovative tools or solutions to encourage and support adoption of energy efficiency, electrification, and water efficiency by residential customers and multifamily building owners.

Turnkey installation of efficiency and electrification equipment for market-rate, single-family residences was included as part of Category 1, as was direct installation of these services for single-family income-qualified residences. Direct installation of efficiency and electrification equipment for multifamily residential properties was included as part of Category 2. Synergy proposed direct-installation efficiency and electrification services responsive to Categories 1 and 2. Three other vendors also proposed direct-installation program services responsive to Category 1 or Category 2. Staff chose Synergy because they were the only vendor with experience with a natural gas to electric fuel switching program (the only other vendor with fuel switching experience was with propane to natural gas), and Synergy's pricing was lower. Synergy demonstrated a strong history of managing electrification programs with various utilities across California, including SMUD, PG&E and SCE. SMUD's program staff have been very satisfied with the success of their program and have had very few complaints about Synergy's performance. Staff selected Synergy to provide their proposed direct-installation services to market-rate customers in addition to multifamily and income-qualified customers because of Synergy's extensive experience and competitive pricing proposed for the direct installation of efficiency and electrification measures.

Staff also chose Synergy to provide energy and water efficiency services for multifamily and income-qualified customers because of their successful delivery of direct installation of energy and water efficiency measures for the City of Palo Alto (through the City's MultiFamily Plus program and Residential Energy Assistance Program, since 2015) and other utilities and for their pricing. In addition, staff selected Synergy because of their experience installing building electrification measures in these sectors. The City would like to expand its offerings to multifamily and income-qualified customers to include direct installation of building electrification measures, as part of reaching its climate action goals.

Table 1: Information related to City-issued request for proposals (RFP) #181953 for residential program services.

PROPOSAL DESCRIPTION/ NUMBER	IMPLEMENTATION OF 3RD PARTY ENERGY AND WATER EFFICIENCY AND ELECTRIFICATION PROGRAMS FOR RESIDENTIAL, LOW-INCOME, AND MULTIFAMILY CUSTOMERS / RFP #181953
<i>Proposed Program Length</i>	36 months, with two possible 12-month extensions
<i>Number of Notices Sent to Vendors via City's Procurement System (Planetbids)</i>	1,733
<i>Number of Packages Downloaded by Vendors</i>	25
<i>Total Days to Respond to RFP</i>	34
<i>Number of Proposals Received for Category 1, direct-installation services</i>	4
<i>Number of Proposals Received for Category 2, direct-installation services</i>	4

The three parts of the contract with Synergy (Attachment A) are:

Contract Task A: Develop and administer energy and water efficiency and, at City's discretion, electrification installation programs for multifamily customers

Contract Task A requires Synergy to develop and administer a Multifamily Residential Program. This program is designed to assist this hard-to-reach customer segment with achieving energy and water savings at their properties by offering direct installation of EE and water savings measures, such as LED lighting and high-efficiency showerheads, at no cost to eligible customers. At the City's discretion, the Multifamily Residential Program may also include direct installation of building electrification measures. Multifamily residences are defined as residences with four or more units, including, apartments, hospices, care centers, and rehab facilities.

Contract Task B: Develop and administer energy and water efficiency and, at City's discretion, electrification, programs for low-income customers

Contract Task B requires Synergy to develop and administer an Income-Qualified Residential Program. This program is designed to provide direct installation of energy and water efficiency and, at City's discretion, building electrification and electric vehicle supply equipment (EVSE) measures at no cost to qualified low-income households in Palo Alto.

Contract Task C: Develop and administer a residential building electrification turnkey installation program

Contract Task C requires Synergy to develop and administer a Turnkey Installation Program. This program is designed to provide turnkey installation of energy efficiency, building electrification measures, and EVSE at low cost to eligible market-rate single family and multifamily residences. While the initial focus of this program will involve turnkey installation of heat pump water heaters in single-family residences, multifamily buildings with standalone water heaters, rather than central water heating, may also be eligible. A key difference between the Turnkey Installation Program and the other two programs described above is that participants will provide a co-payment for eligible measures in the Turnkey Installation Program.

All three programs require Synergy to draft a suite of documents needed for program implementation. These documents include a Policies and Procedures Manual for use by the City's contractor and City staff, a Site Assessment Agreement permitting Synergy to assess potential customers' residences to determine whether a HPWH is a feasible option, a Program Participation Agreement setting forth the terms and conditions for the project, including repayment terms, and various customer feedback and contractor reporting documents. These documents will be reviewed and revised by the City's legal team, including outside counsel, to ensure the City's compliance with state and federal lending laws triggered by the on bill financing aspects of the Turnkey Installation Program.

The agreement has a 3-year term. The Advanced HPWH Pilot program work is included in Task C, which has a contract limit of \$5.2 million. This \$5.2M budget covers the payment to the vendor for installing up to 900 heat pump water heaters. The remaining 100 heat pump water heaters in the 1,000-HPWH goal for the Pilot Program are expected to be installed by customers who choose to participate in the rebate component of the Pilot Program. Task C allows for expansion of the Turnkey Installation Program into other types of building electrification or efficiency equipment. Budget for this type of program expansion is not included in the NTE amount for this contract but could be added in the future. If the program were expanded, an amendment to the contract and the budget would be needed to add spending authority as well. Pricing for turnkey installation of additional building electrification measures is included in the tables of the contract's Exhibit "C," Compensation.

For Tasks A and B, if fully subscribed (including both efficiency and electrification measures), the Synergy contract is estimated to cost up to \$1.905M for the three years of the contract. The contractor only receives compensation for measures that are installed. The portion of the budget allocated for efficiency measures – \$1.125M – is expected to achieve 5,100 MWh in lifetime electric savings and 363,000 therms in lifetime gas savings if projections about customer participation prove accurate. If achieved, these EE savings represent a savings to the utility and community of \$1.125M, based on projected avoided energy supply costs. Low-income single-family and multifamily electrification are also included in these tasks, and a

budget of \$780,000 for the three years of the contract is set aside for these purposes, with an expected annual gas savings of 13,815 therms per year (representing emissions reductions of 73 metric tons (MT) per year of CO₂e). The agreement could be amended to increase this amount if more expansive low-income or multifamily programs are developed and funding sources are identified. An additional services budget of \$200,000 per year is included to account for additional energy and water efficiency measures in the multifamily sector, to accompany potential grant-funded low-income multifamily building electrification projects.

Table 2: Total compensation not-to-exceed (NTE) amounts for the proposed contract with Synergy.

Task		Year 1 NTE	Year 2 NTE	Year 3 NTE	Total NTE
Task A: Multifamily Residential Program		\$200,000	\$200,000	\$200,000	\$600,000
Task B: Income-Qualified Residential Program	Efficiency	\$175,000	\$175,000	\$175,000	\$525,000
	Electrification	\$260,000	\$260,000	\$260,000	\$780,000
Task C: Turnkey Installation Program		\$5,200,000			\$5,200,000
Additional Services		\$200,000	\$200,000	\$200,000	\$600,000
Total Maximum NTE					\$7,705,000

Resource Impact

Spending authority to cover Task C of the Synergy contract, turnkey installation for the Advanced Heat Pump Water Heater Pilot, will be considered at a Council on September 27, 2022 (Staff Report #14606, Section 3, and Attachment B Sections 5-8). Approving this agreement would enable turnkey installation of up to 900 heat pump water heaters at a cost of \$5.2M.

Spending authority to cover the first year of Tasks A, B and additional services of the Synergy agreement (multifamily and income-qualified energy efficiency and building electrification), approximately \$835,000, is available in the FY 2023 Adopted Operating Budget of the Electric and Gas Funds. Funding will come from three sources: Electric Public Benefits, Gas Efficiency Public Benefits, and Electric Cap and Trade revenues. Electric Public Benefit funds are collected via a state-mandated public benefit surcharge with revenues required to fund any of these four program areas: (i) cost effective energy efficiency and energy conservation programs, (ii) renewable energy resources and technologies, (iii) electricity-related research, development, and demonstration projects (iv) low-income customer assistance². CPAU also funds gas efficiency programs via a gas public benefits charge, and spends an average of 1% of the natural gas utility's revenues to fund gas public benefit programs. Electric Cap and Trade Revenues are

² California Public Utilities Code Section 385.

auction proceeds resulting from the sale of free allowances allocated to the City under the State's Cap and Trade Program and must be spent on greenhouse gas emissions reducing activities like building electrification. Funding for future years is contingent upon Council's approval through the annual budget process.

Policy Implications

The attached agreement supports the Council-approved Sustainability Plan, the Council-approved Ten-year Energy Efficiency Targets, Comprehensive Plan Goals N4.2.1 (educate customers on efficient water use), N7.4.2 (implement cost effective energy efficiency programs for all customers) and N7.7.2 (explore the transition of existing buildings from gas to electric or solar water and space heating). The agreement also furthers the Utilities Strategic Plan Collaboration priority (Strategy 1, increasing communication and engagement with the community).

This contract is on the City's professional services contract template, which permits the City to terminate without cause/for convenience by providing written notice to the contractor. In the event the City finds itself facing a challenging budget situation, and it is determined that City resources need to be refocused elsewhere, the City can terminate for convenience. Other options include termination due to non-appropriation of funds or amending the contract to reduce the cost, for example, by reducing the scope of work. The contract may also be temporarily suspended by written notice of the City Manager.

Stakeholder Engagement

The City issued the Request for Proposal (RFP) on June 24, 2021, for third-party energy and water efficiency and electrification program services for residential customers. Proposal submission deadline was on July 28, 2021. Stakeholder engagement for the Advanced Heat Pump Water Heater Program is discussed in the Stakeholder Engagement section of the September 27, 2022 staff report (Staff Report #14606)

Environmental Review

Approval of the attached agreement described in this staff report does not meet the definition of a project under the California Environmental Quality Act (CEQA), pursuant to the California Public Resources Code Section 21065, because it is not an activity that will cause a direct physical change in the environment. [In the alternative, Council's approval of this agreement is exempt from review under CEQA Guidelines Section 15302, as replacement of existing facilities, and Section 15308, as an action taken for the protection of the environment.](#)

Attachments:

- **Attachment4.a:** Attachment A: Eagle Systems (dba Synergy Companies), Contract S23181953A

CITY OF PALO ALTO CONTRACT NO. C23181953A**AGREEMENT FOR PROFESSIONAL SERVICES****BETWEEN THE CITY OF PALO ALTO AND****EAGLE SYSTEMS INTERNATIONAL, INC., dba SYNERGY COMPANIES**

This Agreement for Professional Services (this “Agreement”) is entered into as of the 3rd day of October, 2022 (the “Effective Date”), by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and **EAGLE SYSTEMS INTERNATIONAL, INC. dba SYNERGY COMPANIES**, a Utah Corporation, located at 28436 Satellite Street, Hayward, CA 94545 (“CONSULTANT”).

The following recitals are a substantive portion of this Agreement and are fully incorporated herein by this reference:

RECITALS

A. CITY intends to award a contract for the (the “Project”) and desires to engage a consultant to provide residential energy and water efficiency and electrification services in connection with the CITY’s implementation of energy and water efficiency and electrification programs for the City’s residential, low-income, and multifamily customers Project (the “Services”, as detailed more fully in Exhibit A).

B. CONSULTANT represents that it, its employees and subconsultants, if any, possess the necessary professional expertise, qualifications, and capability, and all required licenses and/or certifications to provide the Services.

C. CITY, in reliance on these representations, desires to engage CONSULTANT to provide the Services as more fully described in Exhibit A, entitled “SCOPE OF SERVICES”.

NOW, THEREFORE, in consideration of the recitals, covenants, terms, and conditions, in this Agreement, the parties agree as follows:

SECTION 1. SCOPE OF SERVICES. CONSULTANT shall perform the Services described in Exhibit A in accordance with the terms and conditions contained in this Agreement. The performance of all Services shall be to the reasonable satisfaction of CITY.

SECTION 2. TERM.

The term of this Agreement shall be from the date of its full execution through **October 2, 2025** unless terminated earlier pursuant to Section 19 (Termination) of this Agreement.

SECTION 3. SCHEDULE OF PERFORMANCE. Time is of the essence in the performance of Services under this Agreement. CONSULTANT shall complete the Services within the term of

this Agreement and in accordance with the schedule set forth in Exhibit B, entitled “SCHEDULE OF PERFORMANCE”. Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by CONSULTANT in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the CONSULTANT. CITY’s agreement to extend the term or the schedule for performance shall not preclude recovery of damages for delay if the extension is required due to the fault of CONSULTANT.

SECTION 4. NOT TO EXCEED COMPENSATION. The compensation to be paid to CONSULTANT for performance of the Services shall be based on the compensation structure detailed in Exhibit C, entitled “COMPENSATION,” including any reimbursable expenses specified therein, and the maximum total compensation for Basic Services shall not exceed **Seven Million One Hundred Five Thousand Dollars (\$7,105,000.00)**. The hourly schedule of rates, if applicable, is set out in Exhibit C-1, entitled “SCHEDULE OF RATES.” Any work performed or expenses incurred for which payment would result in a total exceeding the maximum compensation set forth in this Section 4 shall be at no cost to the CITY.

☒ Optional Additional Services Provision (This provision applies only if checked and a not-to-exceed compensation amount for Additional Services is allocated below under this Section 4.)

In addition to the not-to-exceed compensation specified above, CITY has set aside the not-to-exceed compensation amount of **Six Hundred Thousand Dollars (\$600,000)** for the performance of Additional Services (as defined below). The total compensation for performance of the Services, Additional Services and any reimbursable expenses specified in Exhibit C, shall not exceed **Seven Million Seven Hundred and Five Thousand Dollars (\$7,705,000)**, as detailed in Exhibit C.

“Additional Services” means any work that is determined by CITY to be necessary for the proper completion of the Project, but which is not included within the Scope of Services described at Exhibit A. CITY may elect to, but is not required to, authorize Additional Services up to the maximum amount of compensation set forth for Additional Services in this Section 4. CONSULTANT shall provide Additional Services only by advanced, written authorization from CITY as detailed in this Section. Additional Services, if any, shall be authorized by CITY with a Task Order assigned and authorized by CITY’s Project Manager, as identified in Section 13 (Project Management). Each Task Order shall be in substantially the same form as Exhibit A-1, entitled “PROFESSIONAL SERVICES TASK ORDER”. Each Task Order shall contain a specific scope of services, schedule of performance and maximum compensation amount, in accordance with the provisions of this Agreement. Compensation for Additional Services shall be specified by CITY in the Task Order, based on whichever is lowest: the compensation structure set forth in Exhibit C, the hourly rates set forth in Exhibit C-1, or a negotiated lump sum.

To accept a Task Order, CONSULTANT shall sign the Task Order and return it to CITY’s Project Manager within the time specified by the Project Manager, and upon authorization by CITY (defined as counter-signature by the CITY Project Manager), the fully executed Task Order shall become part of this Agreement. The cumulative total compensation to CONSULTANT for all Task Orders authorized under this Agreement shall not exceed the amount of compensation set forth for Additional Services in this Section 4.

CONSULTANT shall only be compensated for Additional Services performed under an authorized Task Order and only up to the maximum amount of compensation set forth for Additional Services in this Section 4. Performance of and payment for any Additional Services are subject to all requirements and restrictions in this Agreement.

SECTION 5. INVOICES. In order to request payment, CONSULTANT shall submit monthly invoices to the CITY describing the Services performed and the applicable charges (including, if applicable, an identification of personnel who performed the Services, hours worked, hourly rates, and reimbursable expenses), based upon Exhibit C or, as applicable, CONSULTANT's schedule of rates set forth in Exhibit C-1. If applicable, the invoice shall also describe the percentage of completion of each task. The information in CONSULTANT's invoices shall be subject to verification by CITY. CONSULTANT shall send all invoices to CITY's Project Manager at the address specified in Section 13 (Project Management) below. CITY will generally process and pay invoices within thirty (30) days of receipt of an acceptable invoice.

SECTION 6. QUALIFICATIONS/STANDARD OF CARE. All Services shall be performed by CONSULTANT or under CONSULTANT's supervision. CONSULTANT represents that it, its employees and subcontractors, if any, possess the professional and technical personnel necessary to perform the Services required by this Agreement and that the personnel have sufficient skill and experience to perform the Services assigned to them. CONSULTANT represents that it, its employees and subcontractors, if any, have and shall maintain during the term of this Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform the Services. All Services to be furnished by CONSULTANT under this Agreement shall meet the professional standard and quality that prevail among professionals in the same discipline and of similar knowledge and skill engaged in related work throughout California under the same or similar circumstances.

SECTION 7. COMPLIANCE WITH LAWS. CONSULTANT shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this Agreement, as amended from time to time. CONSULTANT shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.

SECTION 8. ERRORS/OMISSIONS. CONSULTANT is solely responsible for costs, including, but not limited to, increases in the cost of Services, arising from or caused by CONSULTANT's errors and omissions, including, but not limited to, the costs of corrections such errors and omissions, any change order markup costs, or costs arising from delay caused by the errors and omissions or unreasonable delay in correcting the errors and omissions.

SECTION 9. COST ESTIMATES. If this Agreement pertains to the design of a public works project, CONSULTANT shall submit estimates of probable construction costs at each phase of design submittal. If the total estimated construction cost at any submittal exceeds the CITY's stated construction budget by ten percent (10%) or more, CONSULTANT shall make recommendations to CITY for aligning the Project design with the budget, incorporate CITY approved recommendations, and revise the design to meet the Project budget, at no additional cost to CITY.

SECTION 10. INDEPENDENT CONTRACTOR. CONSULTANT acknowledges and agrees that CONSULTANT and any agent or employee of CONSULTANT will act as and shall be deemed at all times to be an independent contractor and shall be wholly responsible for the manner in which CONSULTANT performs the Services requested by CITY under this Agreement. CONSULTANT and any agent or employee of CONSULTANT will not have employee status with CITY, nor be entitled to participate in any plans, arrangements, or distributions by CITY pertaining to or in connection with any retirement, health or other benefits that CITY may offer its employees. CONSULTANT will be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, workers' compensation, unemployment compensation, insurance, and other similar responsibilities related to CONSULTANT's performance of the Services, or any agent or employee of CONSULTANT providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between CITY and CONSULTANT or any agent or employee of CONSULTANT. Any terms in this Agreement referring to direction from CITY shall be construed as providing for direction as to policy and the result of CONSULTANT's provision of the Services only, and not as to the means by which such a result is obtained.

SECTION 11. ASSIGNMENT. The parties agree that the expertise and experience of CONSULTANT are material considerations for this Agreement. CONSULTANT shall not assign or transfer any interest in this Agreement nor the performance of any of CONSULTANT's obligations hereunder without the prior written approval of the City Manager. Any purported assignment made without the prior written approval of the City Manager will be void and without effect. Subject to the foregoing, the covenants, terms, conditions and provisions of this Agreement will apply to, and will bind, the heirs, successors, executors, administrators and assignees of the parties.

SECTION 12. SUBCONTRACTING.

☒ **Option A: No Subcontractor:** CONSULTANT shall not subcontract any portion of the Services to be performed under this Agreement without the prior written authorization of the City Manager or designee. In the event CONSULTANT does subcontract any portion of the work to be performed under this Agreement, CONSULTANT shall be fully responsible for all acts and omissions of subcontractors.

☐ **Option B: Subcontracts Authorized:** Notwithstanding Section 11 (Assignment) above, CITY agrees that subcontractors may be used to complete the Services. The subcontractors authorized by CITY to perform work on this Project are:

CONSULTANT shall be responsible for directing the work of any subcontractors and for any compensation due to subcontractors. CITY assumes no responsibility whatsoever concerning compensation of subcontractors. CONSULTANT shall be fully responsible to CITY for all acts and omissions of subcontractors. CONSULTANT shall change or add subcontractors only with the prior written approval of the City Manager or designee.

SECTION 13. PROJECT MANAGEMENT. CONSULTANT will assign David Price, Division Manager, 28436 Satellite Street, Hayward, CA 94545 Telephone: (800) 439-9610 Ext. 111, Email: david.price@synergycompanies.org as the CONSULTANT's Project Manager to

have supervisory responsibility for the performance, progress, and execution of the Services and represent CONSULTANT during the day-to-day performance of the Services. If circumstances cause the substitution of the CONSULTANT's Project Manager or any other of CONSULTANT's key personnel for any reason, the appointment of a substitute Project Manager and the assignment of any key new or replacement personnel will be subject to the prior written approval of the CITY's Project Manager. CONSULTANT, at CITY's request, shall promptly remove CONSULTANT personnel who CITY finds do not perform the Services in an acceptable manner, are uncooperative, or present a threat to the adequate or timely completion of the Services or a threat to the safety of persons or property.

CITY's Project Manager is Leanna Huynh, Utilities Department, Resource Management Division, 250 Hamilton Ave., Palo Alto, CA, 94301 Telephone: (650)329-2132, Email: Leanna.Huynh@CityofPaloAlto.org. CITY's Project Manager will be CONSULTANT's point of contact with respect to performance, progress and execution of the Services. CITY may designate an alternate Project Manager from time to time.

SECTION 14. OWNERSHIP OF MATERIALS. All work product, including without limitation, all writings, drawings, studies, sketches, photographs, plans, reports, specifications, computations, models, recordings, data, documents, and other materials and copyright interests developed under this Agreement, in any form or media, shall be and remain the exclusive property of CITY without restriction or limitation upon their use. CONSULTANT agrees that all copyrights which arise from creation of the work product pursuant to this Agreement are vested in CITY, and CONSULTANT hereby waives and relinquishes all claims to copyright or other intellectual property rights in favor of CITY. Neither CONSULTANT nor its subcontractors, if any, shall make any of such work product available to any individual or organization without the prior written approval of the City Manager or designee. CONSULTANT makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the Scope of Services.

SECTION 15. AUDITS. CONSULTANT agrees to permit CITY and its authorized representatives to audit, at any reasonable time during the term of this Agreement and for four (4) years from the date of final payment, CONSULTANT's records pertaining to matters covered by this Agreement, including without limitation records demonstrating compliance with the requirements of Section 10 (Independent Contractor). CONSULTANT further agrees to maintain and retain accurate books and records, including the invoices described in the Scope of Services, in accordance with generally accepted accounting principles for at least four (4) years after the expiration or earlier termination of this Agreement or the completion of any audit hereunder, whichever is later.

SECTION 16. INDEMNITY.

16.1. To the fullest extent permitted by law, CONSULTANT shall indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents (each an "Indemnified Party") from and against any and all demands, claims, or liability of any nature, including death or injury to any person, property damage or any other loss, including all costs and expenses of whatever nature including attorney's fees, experts fees, court costs and disbursements ("Claims") resulting from, arising out of or in any manner related to performance or nonperformance by CONSULTANT, its officers, employees, agents or contractors under this

Agreement, regardless of whether or not it is caused in part by an Indemnified Party.

16.2. Notwithstanding the above, nothing in this Section 16 shall be construed to require CONSULTANT to indemnify an Indemnified Party from a Claim arising from the active negligence or willful misconduct of an Indemnified Party that is not contributed to by any act of, or by any omission to perform a duty imposed by law or agreement by, CONSULTANT, its officers, employees, agents or contractors under this Agreement.

16.3. The acceptance of CONSULTANT's Services and duties by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section 16 shall survive the expiration or early termination of this Agreement.

SECTION 17. WAIVERS. No waiver of a condition or nonperformance of an obligation under this Agreement is effective unless it is in writing in accordance with Section 29.4 of this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted shall apply solely to the specific instance expressly stated. No single or partial exercise of any right or remedy will preclude any other or further exercise of any right or remedy.

SECTION 18. INSURANCE.

18.1. CONSULTANT, at its sole cost and expense, shall obtain and maintain, in full force and effect during the term of this Agreement, the insurance coverage described in Exhibit D, entitled "INSURANCE REQUIREMENTS". CONSULTANT and its contractors, if any, shall obtain a policy endorsement naming CITY as an additional insured under any general liability or automobile policy or policies.

18.2. All insurance coverage required hereunder shall be provided through carriers with AM Best's Key Rating Guide ratings of A-VII or higher which are licensed or authorized to transact insurance business in the State of California. Any and all contractors of CONSULTANT retained to perform Services under this Agreement will obtain and maintain, in full force and effect during the term of this Agreement, identical insurance coverage, naming CITY as an additional insured under such policies as required above.

18.3. Certificates evidencing such insurance shall be filed with CITY concurrently with the execution of this Agreement. The certificates will be subject to the approval of CITY's Risk Manager and will contain an endorsement stating that the insurance is primary coverage and will not be canceled, or materially reduced in coverage or limits, by the insurer except after filing with the Purchasing Manager thirty (30) days' prior written notice of the cancellation or modification. If the insurer cancels or modifies the insurance and provides less than thirty (30) days' notice to CONSULTANT, CONSULTANT shall provide the Purchasing Manager written notice of the cancellation or modification within two (2) business days of the CONSULTANT's receipt of such notice. CONSULTANT shall be responsible for ensuring that current certificates evidencing the insurance are provided to CITY's Chief Procurement Officer during the entire term of this Agreement.

18.4. The procuring of such required policy or policies of insurance will not be construed to limit CONSULTANT's liability hereunder nor to fulfill the indemnification

provisions of this Agreement. Notwithstanding the policy or policies of insurance, CONSULTANT will be obligated for the full and total amount of any damage, injury, or loss caused by or directly arising as a result of the Services performed under this Agreement, including such damage, injury, or loss arising after the Agreement is terminated or the term has expired.

SECTION 19. TERMINATION OR SUSPENSION OF AGREEMENT OR SERVICES.

19.1. The City Manager may suspend the performance of the Services, in whole or in part, or terminate this Agreement, with or without cause, by giving ten (10) days prior written notice thereof to CONSULTANT. If CONSULTANT fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided under this Agreement or at law, the City Manager may terminate this Agreement sooner upon written notice of termination. Upon receipt of any notice of suspension or termination, CONSULTANT will discontinue its performance of the Services on the effective date in the notice of suspension or termination.

19.2. In event of suspension or termination, CONSULTANT will deliver to the City Manager on or before the effective date in the notice of suspension or termination, any and all work product, as detailed in Section 14 (Ownership of Materials), whether or not completed, prepared by CONSULTANT or its contractors, if any, in the performance of this Agreement. Such work product is the property of CITY, as detailed in Section 14 (Ownership of Materials).

19.3. In event of suspension or termination, CONSULTANT will be paid for the Services rendered and work products delivered to CITY in accordance with the Scope of Services up to the effective date in the notice of suspension or termination; provided, however, if this Agreement is suspended or terminated on account of a default by CONSULTANT, CITY will be obligated to compensate CONSULTANT only for that portion of CONSULTANT's Services provided in material conformity with this Agreement as such determination is made by the City Manager acting in the reasonable exercise of his/her discretion. The following Sections will survive any expiration or termination of this Agreement: 14, 15, 16, 17, 19.2, 19.3, 19.4, 20, 25, 27, 28, 29 and 30.

19.4. No payment, partial payment, acceptance, or partial acceptance by CITY will operate as a waiver on the part of CITY of any of its rights under this Agreement, unless made in accordance with Section 17 (Waivers).

SECTION 20. NOTICES.

All notices hereunder will be given in writing and mailed, postage prepaid, by certified mail, addressed as follows:

To CITY: Office of the City Clerk
 City of Palo Alto
 Post Office Box 10250
 Palo Alto, CA 94303

With a copy to the Purchasing Manager

To CONSULTANT: Attention of the Project Manager at the address of
CONSULTANT recited on the first page of this Agreement.

CONSULTANT shall provide written notice to CITY of any change of address.

SECTION 21. CONFLICT OF INTEREST.

21.1. In executing this Agreement, CONSULTANT covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services.

21.2. CONSULTANT further covenants that, in the performance of this Agreement, it will not employ subcontractors or other persons or parties having such an interest. CONSULTANT certifies that no person who has or will have any financial interest under this Agreement is an officer or employee of CITY; this provision will be interpreted in accordance with the applicable provisions of the Palo Alto Municipal Code and the Government Code of the State of California, as amended from time to time. CONSULTANT agrees to notify CITY if any conflict arises.

21.3. If the CONSULTANT meets the definition of a "Consultant" as defined by the Regulations of the Fair Political Practices Commission, CONSULTANT will file the appropriate financial disclosure documents required by the Palo Alto Municipal Code and the Political Reform Act of 1974, as amended from time to time.

SECTION 22. NONDISCRIMINATION; COMPLIANCE WITH ADA.

22.1. As set forth in Palo Alto Municipal Code Section 2.30.510, as amended from time to time, CONSULTANT certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person due to that person's race, skin color, gender, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, pregnancy, genetic information or condition, housing status, marital status, familial status, weight or height of such person. CONSULTANT acknowledges that it has read and understands the provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Section 2.30.510 pertaining to nondiscrimination in employment.

22.2. CONSULTANT understands and agrees that pursuant to the Americans Disabilities Act ("ADA"), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor or subcontractor, are required to be accessible to the disabled public. CONSULTANT will provide the Services specified in this Agreement in a manner that complies with the ADA and any other applicable federal, state and local disability rights laws and regulations, as amended from time to time. CONSULTANT will not discriminate against persons with disabilities in the provision of services, benefits or activities provided under this Agreement.

SECTION 23. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS. CONSULTANT shall comply with the CITY's Environmentally Preferred Purchasing policies which are available at CITY's Purchasing Department, hereby

incorporated by reference and as amended from time to time. CONSULTANT shall comply with waste reduction, reuse, recycling and disposal requirements of CITY's Zero Waste Program. Zero Waste best practices include, first, minimizing and reducing waste; second, reusing waste; and, third, recycling or composting waste. In particular, CONSULTANT shall comply with the following Zero Waste requirements:

(a) All printed materials provided by CONSULTANT to CITY generated from a personal computer and printer including but not limited to, proposals, quotes, invoices, reports, and public education materials, shall be double-sided and printed on a minimum of 30% or greater post-consumer content paper, unless otherwise approved by CITY's Project Manager. Any submitted materials printed by a professional printing company shall be a minimum of 30% or greater post-consumer material and printed with vegetable-based inks.

(b) Goods purchased by CONSULTANT on behalf of CITY shall be purchased in accordance with CITY's Environmental Purchasing Policy including but not limited to Extended Producer Responsibility requirements for products and packaging. A copy of this policy is on file at the Purchasing Department's office.

(c) Reusable/returnable pallets shall be taken back by CONSULTANT, at no additional cost to CITY, for reuse or recycling. CONSULTANT shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.

SECTION 24. COMPLIANCE WITH PALO ALTO MINIMUM WAGE ORDINANCE.

CONSULTANT shall comply with all requirements of the Palo Alto Municipal Code Chapter 4.62 (Citywide Minimum Wage), as amended from time to time. In particular, for any employee otherwise entitled to the State minimum wage, who performs at least two (2) hours of work in a calendar week within the geographic boundaries of the City, CONSULTANT shall pay such employees no less than the minimum wage set forth in Palo Alto Municipal Code Section 4.62.030 for each hour worked within the geographic boundaries of the City of Palo Alto. In addition, CONSULTANT shall post notices regarding the Palo Alto Minimum Wage Ordinance in accordance with Palo Alto Municipal Code Section 4.62.060.

SECTION 25. NON-APPROPRIATION. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code, as amended from time to time. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Agreement are no longer available. This Section shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement.

SECTION 26. PREVAILING WAGES AND DIR REGISTRATION FOR PUBLIC WORKS CONTRACTS.

☒ 26.1. **Portions of the Project performed at multifamily properties under this agreement are subject to prevailing wages and related requirements as "public works" under California Labor Code Sections 1720 et seq. and related regulations. CONSULTANT is required to pay general prevailing wages** as defined in California Labor Code Section 1773.1 and Subchapter 3, Title 8 of the California Code of Regulations Section 16000 et seq., as amended from time to time. Pursuant to Labor Code Section 1773, the CITY has obtained the general

prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of worker needed to execute the contract for this Project from the State of California Department of Industrial Relations (“DIR”). Copies of these rates may be obtained at the CITY’s Purchasing Department office. The general prevailing wage rates are also available at the DIR, Division of Labor Statistics and Research, web site (see e.g. <http://www.dir.ca.gov/DLSR/PWD/index.htm>) as amended from time to time. CONSULTANT shall post a copy of the general prevailing wage rates at all Project job sites and shall pay the adopted prevailing wage rates as a minimum. CONSULTANT shall comply with all applicable provisions of Division 2, Part 7, Chapter 1 of the California Labor Code (Labor Code Section 1720 et seq.), including but not limited to Sections 1725.5, 1771, 1771.1, 1771.4, 1773.2, 1774, 1775, 1776, 1777.5, 1782, 1810, 1813 and 1815, and all applicable implementing regulations, including but not limited to Subchapter 3, Title 8 of the California Code of Regulations Section 16000 et seq. (8 CCR Section 16000 et seq.), as amended from time to time. CONSULTANT shall comply with the requirements of Exhibit E, entitled “DIR REGISTRATION FOR PUBLIC WORKS CONTRACTS”, for any contract for public works construction, alteration, demolition, repair or maintenance, including but not limited to the obligations to register with, and furnish certified payroll records directly to, DIR.

SECTION 27. CLAIMS PROCEDURE FOR “9204 PUBLIC WORKS PROJECTS”. For purposes of this Section 27, a “9204 Public Works Project” means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind. (Cal. Pub. Cont. Code § 9204.) Per California Public Contract Code Section 9204, for Public Works Projects, certain claims procedures shall apply, as set forth in Exhibit F, entitled “Claims for Public Contract Code Section 9204 Public Works Projects”.



This Project is not a 9204 Public Works Project.

SECTION 28. CONFIDENTIAL INFORMATION.

28.1. In the performance of this Agreement, CONSULTANT may have access to CITY’s Confidential Information (defined below). CONSULTANT will hold Confidential Information in strict confidence, not disclose it to any third party, and will use it only for the performance of its obligations to CITY under this Agreement and for no other purpose. CONSULTANT will maintain reasonable and appropriate administrative, technical and physical safeguards to ensure the security, confidentiality and integrity of the Confidential Information. Notwithstanding the foregoing, CONSULTANT may disclose Confidential Information to its employees, agents and subcontractors, if any, to the extent they have a need to know in order to perform CONSULTANT’s obligations to CITY under this Agreement and for no other purpose, provided that the CONSULTANT informs them of, and requires them to follow, the confidentiality and security obligations of this Agreement.

28.2. “Confidential Information” means all data, information (including without limitation “Personal Information” about a California resident as defined in Civil Code Section 1798 et seq., as amended from time to time) and materials, in any form or media, tangible or intangible, provided or otherwise made available to CONSULTANT by CITY, directly or indirectly, pursuant to this Agreement. Confidential Information excludes information that CONSULTANT can show by appropriate documentation: (i) was publicly known at the time it was provided or has subsequently become publicly known other than by a breach of this

Agreement; (ii) was rightfully in CONSULTANT's possession free of any obligation of confidence prior to receipt of Confidential Information; (iii) is rightfully obtained by CONSULTANT from a third party without breach of any confidentiality obligation; (iv) is independently developed by employees of CONSULTANT without any use of or access to the Confidential Information; or (v) CONSULTANT has written consent to disclose signed by an authorized representative of CITY.

28.3. Notwithstanding the foregoing, CONSULTANT may disclose Confidential Information to the extent required by order of a court of competent jurisdiction or governmental body, provided that CONSULTANT will notify CITY in writing of such order immediately upon receipt and prior to any such disclosure (unless CONSULTANT is prohibited by law from doing so), to give CITY an opportunity to oppose or otherwise respond to such order.

28.4. CONSULTANT will notify City promptly upon learning of any breach in the security of its systems or unauthorized disclosure of, or access to, Confidential Information in its possession or control, and if such Confidential Information consists of Personal Information, CONSULTANT will provide information to CITY sufficient to meet the notice requirements of Civil Code Section 1798 et seq., as applicable, as amended from time to time.

28.5. Prior to or upon termination or expiration of this Agreement, CONSULTANT will honor any request from the CITY to return or securely destroy all copies of Confidential Information. All Confidential Information is and will remain the property of the CITY and nothing contained in this Agreement grants or confers any rights to such Confidential Information on CONSULTANT.

28.6. If selected in Section 30 (Exhibits), this Agreement is also subject to the terms and conditions of the Information Privacy Policy and Cybersecurity Terms and Conditions.

SECTION 29. MISCELLANEOUS PROVISIONS.

29.1. This Agreement will be governed by California law, without regard to its conflict of law provisions.

29.2. In the event that an action is brought, the parties agree that trial of such action will be vested exclusively in the state courts of California in the County of Santa Clara, State of California.

29.3. The prevailing party in any action brought to enforce the provisions of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with that action. The prevailing party shall be entitled to recover an amount equal to the fair market value of legal services provided by attorneys employed by it as well as any attorneys' fees paid to third parties.

29.4. This Agreement, including all exhibits, constitutes the entire and integrated agreement between the parties with respect to the subject matter of this Agreement, and supersedes all prior agreements, negotiations, representations, statements and undertakings, either oral or written. This Agreement may be amended only by a written instrument, which is signed by the authorized representatives of the parties and approved as required under Palo Alto Municipal

Code, as amended from time to time.

29.5. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the unaffected provisions of this Agreement will remain in full force and effect.

29.6. In the event of a conflict between the terms of this Agreement and the exhibits hereto (per Section 30) or CONSULTANT's proposal (if any), the Agreement shall control. In the event of a conflict between the exhibits hereto and CONSULTANT's proposal (if any), the exhibits shall control.

29.7. The provisions of all checked boxes in this Agreement shall apply to this Agreement; the provisions of any unchecked boxes shall not apply to this Agreement.

29.8. All section headings contained in this Agreement are for convenience and reference only and are not intended to define or limit the scope of any provision of this Agreement.

29.9. This Agreement may be signed in multiple counterparts, which, when executed by the authorized representatives of the parties, shall together constitute a single binding agreement.

SECTION 30. EXHIBITS. Each of the following exhibits, if the check box for such exhibit is selected below, is hereby attached and incorporated into this Agreement by reference as though fully set forth herein:

- | | | |
|-------------------------------------|-------------|------------------------------------|
| <input checked="" type="checkbox"/> | EXHIBIT A: | SCOPE OF SERVICES |
| <input checked="" type="checkbox"/> | EXHIBIT A-1 | PROFESSIONAL SERVICES TASK ORDER |
| <input checked="" type="checkbox"/> | EXHIBIT B: | SCHEDULE OF PERFORMANCE |
| <input checked="" type="checkbox"/> | EXHIBIT C: | COMPENSATION |
| <input checked="" type="checkbox"/> | EXHIBIT D: | INSURANCE REQUIREMENTS |
| <input checked="" type="checkbox"/> | EXHIBIT E: | INFORMATION PRIVACY POLICY |
| <input checked="" type="checkbox"/> | EXHIBIT F: | CYBERSECURITY TERMS AND CONDITIONS |

THIS AGREEMENT IS NOT COMPLETE UNLESS ALL SELECTED EXHIBITS ARE ATTACHED.

CONTRACT NO. C23181953A SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement as of the date first above written.

CITY OF PALO ALTO

City Manager

APPROVED AS TO FORM:

City Attorney or designee**EAGLE SYSTEMS INTERNATIONAL,
INC., dba SYNERGY COMPANIES****Officer 1**

DocuSigned by:
By: Matthew Clark
F5EDAB08A36948D...
Name: Matthew Clark

Title: Vice President, Business Development**Officer 2**

DocuSigned by:
By: Andrew Clark
32FE6957825A489...
Name: Andrew Clark

Title: CFO

EXHIBIT “A” SCOPE OF SERVICES

CONSULTANT shall provide the Services detailed in this Exhibit A, entitled “SCOPE OF SERVICES”.

The City of Palo Alto (“CITY”) has adopted an aggressive greenhouse gas (“GHG”) emissions reduction goal of reducing emissions to 80% below 1990 levels by 2030. To meet its sustainability goals, the City is encouraging residential City of Palo Alto Utilities (“CPAU”) customers and building owners to pursue cost-effective efficiency savings and building electrification to reduce the use of natural gas.

The City seeks to provide residential City of Palo Alto Utilities (“CPAU”) natural gas, electric, and water customers with building electrification (BE) (defined as the replacement of natural gas equipment for space heating, water heating, cooking and clothes drying with efficient electric alternatives), energy efficiency (EE) and/or water efficiency (WE) programs or services. A goal of these programs and services is to promote voluntary adoption of building electrification and energy and/or water efficiency upgrades in the residential sector through incentives, advising, technical assistance, on-bill financing, planning tools, and other innovative means.

CONSULTANT will leverage its technical expertise and local experience to deliver the following programs to CITY/CPAU customers within the City of Palo Alto:

- I. Multifamily Residential Program
- II. Income-Qualified Residential Program
- III. Turnkey Installation Program

I. Overview of Multifamily Residential Program

The Multifamily Residential Program (MFR Program) will provide direct installation¹ services to Palo Alto residences with four or more units, including, but not limited to, apartments, hospices, care centers, and rehabilitation facilities.

CONSULTANT will also cross-promote other applicable CITY/CPAU program offerings for multifamily properties, including the CITY’s Electric Vehicle Charger Rebate Program for Multifamily and Mixed-use buildings and the CITY’s Electric Vehicle Technical Assistance Program (EV TAP). CONSULTANT will not offer, solicit or provide any non-CITY/CPAU programs or services under this Agreement.

At CITY’s discretion, CONSULTANT will solicit eligible multifamily customers through marketing and direct outreach to engage CONSULTANT to perform a site assessment. With a site assessment, CONSULTANT will identify EE, WE, and potentially, at CITY’s discretion, BE measures to be installed at the multifamily residential property via the MFR Program, as well as

¹ Direct installation means start-to-finish installation of equipment at no cost to the customer.

the estimated project cost. Eligible MFR Program customers may also be identified and referred to CONSULTANT by the CITY's separate third-party vendor, so CONSULTANT can perform site assessments for those customers. CONSULTANT will advise and support customers throughout the process of installing CITY-approved measures and verifying quality installation.

a) Multifamily Residential Program Targets

Term	Year 1	Year 2	Year 3	Total
kWh savings	200,000	200,000	200,000	600,000
therms savings	13,000	13,000	13,000	39,000
CCF savings	228	228	228	684

Table A-1. Multifamily Residential Program savings targets

Table A-1 shows energy and water savings targets for each program year. The energy savings targets are deemed reasonable by CONSULTANT given CONSULTANT's experience working in Palo Alto. Water savings are estimated by targeting installation of 50 high-efficiency showerheads and 100 faucet aerators in multifamily units per year. The City receives high-efficiency showerheads and faucet aerators at no cost as part of its partnership with Valley Water.

b) Multifamily Residential Program Eligible Measures

CONSULTANT will deliver energy, water, and GHG emissions savings to customers through the direct installation of:

- "Multifamily Eligible Measures" (measures listed in Tables C-3 and C-4 of Exhibit "C," Compensation)
- potentially, at CITY's discretion, "Multifamily Electrification Eligible Measures" (measures identified in Table C-6 of Exhibit "C," Compensation).

All work completed by CONSULTANT under this Agreement must comply with the most recently adopted building and appliance efficiency standards. Only energy savings that are achieved in addition to the minimum energy savings mandated by Title 20 and Title 24 can be counted towards program savings targets. CONSULTANT will provide CITY with the projected energy and water savings and supporting documentation for the savings estimates for all Multifamily Eligible Measures and potentially, at CITY's discretion, Electrification Eligible Measures, as part of providing Eligible Measure list updates per Task A.1.10 and delivered according to Table 1 of Exhibit "B," Schedule of Performance. Projected energy and water savings must be based on sources such as the California Technical Forum ("CalTF"), electronic Technical Reference Manual ("eTRM"), California Public Utility Commission ("CPUC") Database for Energy Efficiency Resources, City-approved workpapers, etc. If a program measure is not covered by any of these sources, the CONSULTANT will provide the estimated energy savings and workpaper(s) or reference source documenting the savings estimation methodology for City review and approval. CONSULTANT will provide revised energy savings calculations and pricing upon CITY request.

c) Multifamily Residential Program Staffing

CONSULTANT agrees to staff the MFR Program in accordance with the Staffing Plan set forth in Table A-1. CONSULTANT will notify the CITY in writing concerning proposed changes to the staffing plan, and all such changes will require the prior written consent of the CITY.

CITY may (i) request CONSULTANT conduct criminal background checks to City's satisfaction on all CONSULTANT's staff that may enter customer premises, and (ii) require that any staff of CONSULTANT that fails the background check will not be permitted to enter any customer premises.

Table A-2. Multifamily Residence Program Staffing Plan

Staffing and Direct Labor	Responsibilities	% of Total Hours
David Price Sr., General Manager Matthew Clark, VP – Business Development	Administration Program Overview; Special Requests, Contracts	4%
Jim Amos, General Manager – Energy Efficiency and Weatherization Services	Multifamily and Income-Qualified Residential Programs Fulfillment	3%
David Price Sr., General Manager – Building Electrification	Turnkey Installation Program Fulfillment	3%
Matthew Clark, VP – Business Development	Contracts and EE Engineering Support	3%
Andrew Clark, Controller	Administration – Financial Services	2%
Program-Dedicated Synergy Liaison	Dedicated Palo Alto Program Administrator with regular communication or as desired.	10%
Customer Service & Scheduling Staff	Administration	14%
Quality Production Manager (QPM)	Production Supervision and Quality Control	24%
Julie Richardson	Surveys, Reporting, Invoicing	3%
Crew Chiefs & Technicians	Installation of measures and customer service	34%
TOTAL		100%

d) Multifamily Residential Program Implementation & Delivery

TASK A.1 MULTIFAMILY RESIDENTIAL PROGRAM PLANNING AND KICK OFF

Task A.1.1 MFR Program Kick-Off Meeting

CONSULTANT will develop an agenda for the MFR Program Kick-Off Meeting and organize the Kick-Off Meeting with CITY staff to review the MFR Program design and delivery, roles, timelines and priorities. This meeting will also cover logistics, marketing, coordination, measurement and verification activities, establishing workflow systems, invoicing requirements, reports, and any remaining implementation questions.

CONSULTANT will discuss with the CITY new technologies as potential Multifamily Eligible Measures, and where appropriate, refine timelines and identify additional CITY needs for the MFR Program.

Task A.1.1 Deliverable: Meeting agenda and meeting minutes

Task A.1.2 Develop MFR Program Policies and Procedures Manual

CONSULTANT will draft the MFR Program Policies and Procedures Manual, for use by CITY and CONSULTANT which will include, at a minimum, the following:

- i. the terms and conditions for eligible customers to participate in the MFR Program;
- ii. the process for customers to participate in the MFR Program;
- iii. the process for scheduling MFR Program activities such as “MFR Customer Site Assessments” and “MFR Customer Site Assessment Reports” reviews with customers (Task A.2.2);
- iv. the process for performing “MFR Customer Site Assessments” and identifying potential Multifamily Eligible Measures and potentially, at CITY’s discretion, Multifamily Electrification Eligible Measures, and obtaining CITY approval for installation (Tasks A.2.3 and A.2.4);
- v. the process for installing Multifamily Eligible Measures and potentially Multifamily Electrification Eligible Measures, including a Quality Assurance and Quality Control Plan that ensures measures are installed and working properly and customers are satisfied (Task A.2.5);
- vi. the process for delivering and obtaining completed “MFR Project Completion and MFR Customer Feedback” forms as part of a customer complaint and resolution plan (Task A.2.6);
- vii. the process for managing and entering MFR Program data, including but not limited to data from the Customer Information System (“CIS”), into CITY’s program platform(s), such as the CITY’s Energy Efficiency Collaboration Platform (Tasks A.1.7 and A.3.1);
- viii. the process for providing “MFR Program Reports” (Tasks A.1.8 and A.3.2);
- ix. the process for completing invoicing (Tasks A.1.9 and A.3.3).

CONSULTANT will submit a draft MFR Program Policies and Procedures Manual to CITY for review and approval before finalizing and will provide written revisions and updates to the MFR Program Policies and Procedures Manual upon CITY request. CONSULTANT will adhere to and document its compliance with applicable policies and procedures in the MFR Program Policies and Procedures Manual as it performs the Services in this Scope of Work.

Task A.1.2 Deliverable: MFR Program Policies and Procedures Manual

Task A.1.3 Develop MFR Customer Site Assessment Report

CONSULTANT will create a MFR Customer Site Assessment Report Template for CITY review and approval and will revise as directed by CITY before use. Once finalized and approved by CITY, the MFR Customer Site Assessment Report will be provided by CONSULTANT to the customer, and will include information necessary for the customer to

understand energy and water efficiency opportunities available to them under the City's MFR Program. CONSULTANT will provide written revisions and updates to the MFR Customer Site Assessment Report Template upon CITY request.

MFR Customer Site Assessments will include the following elements regarding equipment and appliances located at the residential property owned or occupied by the customer interested in exploring participation in the MFR Program, each to be documented on the MFR Customer Site Assessment Report Template:

- i. An inventory of physical conditions, age and estimated remaining lifespan(s) of equipment and appliances;
- ii. Identification of whole house efficiency and optimization opportunities (each a "Multifamily Eligible Measure" as described in Tables C-3 and C-4 of Exhibit "C," Compensation);
- iii. Quantification of household equipment and appliance estimated energy consumption and identification of opportunities for enhanced energy and water efficiency and electrification opportunities;
- iv. Clear and actionable energy and water savings and electrification recommendations for the customer;
- v. Description of a work plan, including planned work and timeline, that will be executed if customer opts to participate in the MFR Program;
- vi. Estimated energy, water, and GHG savings from proposed projects;
- vii. Estimated cost of work to be performed, for CITY's review.

At CITY's discretion, the MFR Customer Site Assessment may also include CONSULTANT's identification of building electrification opportunities. If directed by CITY, CONSULTANT will include the following elements in the MFR Customer Site Assessment, each to be documented on the MFR Customer Site Assessment Report:

- i. Summary of the customer's annual natural gas consumption data provided by CITY, with identification of the largest natural gas equipment or end use loads;
- ii. Identification of energy efficient electric equipment as a potential replacement for current natural gas equipment (each a "Multifamily Electrification Eligible Measure"), with comparison of the cost (initial and operating) and energy consumption (natural gas and electric) of the electric versus gas equipment, and emissions reductions for the replacement of each existing piece of gas equipment;
- iii. Evaluation of the condition and capacity of the existing electrical systems and recommended upgrades that may be necessary to enable the proposed Electrification Eligible Measures;
- iv. Recommended locations for new electrical equipment, noting any observed space or structural constraints and possible remedies.

Task A.1.3 Deliverable: MFR Customer Site Assessment Report Template(s)

Task A.1.4 Develop MFR Customer Site Assessment Agreement

CONSULTANT will create an MFR Customer Site Assessment Agreement that includes the following, at a minimum:

- i. Provides an overview of the MFR Program;
- ii. Grants CONSULTANT permission to perform the MFR Customer Site Assessment to

- determine whether MF property is a good candidate for inclusion in the MFR Program;
- iii. Fully indemnifies CITY against all loss, damages, costs and liability arising from any claims stemming from the MFR Customer Site Assessment;
- iv. Collects basic information from the customer, including but not limited to customer contact information and installation address.

CONSULTANT will submit the MFR Customer Site Assessment Agreement to CITY for review and approval, and will revise and update the MFR Customer Site Assessment Agreement, including adding additional elements, as directed by CITY before use. CONSULTANT will provide the MFR Customer Site Assessment Agreement to customers in both electronic and paper formats. CONSULTANT will scan paper forms completed by customers and submit them to CITY electronically, as well as in their original paper format.

Task A.1.4 Deliverable: MFR Customer Site Assessment Agreement Template

Task A.1.5 Develop MFR Program Participation Agreement

CONSULTANT will create a MFR Program Participation Agreement that grants CONSULTANT permission to install Multifamily Eligible Measures (and potentially, at CITY's discretion, Multifamily Electrification Eligible Measures). The MFR Program Participation Agreement will include, at a minimum, the following elements:

- i. Customer contact information;
- ii. Installation address;
- iii. Project scope;
- iv. Project costs by line item, including any Electrification Remediation Services as defined in Table C-6;
- v. Product and labor warranty information;
- vi. Language specifying that only MFR Program Eligible Measures are covered under the MFR Program Participation Agreement, and CITY is not responsible for any non-MFR Program work, equipment, installations or warranties;
- vii. Language releasing CITY of liability for any claims stemming from the installed measure(s).

CONSULTANT will submit the MFR Program Participation Agreement to CITY for review and approval, and will revise and update as directed by CITY before use. CONSULTANT will provide the MFR Program Participation Agreement to customers in both electronic and paper formats. CONSULTANT will scan paper forms completed by customers and submit them to CITY electronically, as well as in their original paper format.

Task A.1.5 Deliverable: MFR Program Participation Agreement Template

Task A.1.6 Develop MFR Project Completion and MFR Customer Feedback Forms

CONSULTANT will develop an MFR Project Completion Form to be executed by customer attesting that CONSULTANT's installation of Multifamily Eligible Measures (and potentially, at CITY's discretion Multifamily Electrification Eligible Measures) is completed, installed, and operational to the customer's satisfaction.

CONSULTANT will develop an MFR Customer Feedback Form template. The MFR Customer Feedback Form gives customers the opportunity to evaluate the MFR Program, including the Site Assessment, the on-going customer support, and the overall customer experience associated with the MFR Program. The Customer Feedback Form must include a question for the customer that enables CITY to calculate a Net Promotor Score value, which is a standardized metric used to assess customer satisfaction.

CONSULTANT will submit the MFR Project Completion Form and MFR Customer Feedback Form Templates to CITY for review and approval, and will revise and update them as directed by CITY before use. CONSULTANT will provide the Project Completion and Customer Feedback Forms to customers in both electronic and paper formats. CONSULTANT will scan paper forms completed by customers and submit them to CITY electronically, as well as in their original paper format.

Task A.1.6 Deliverable: MFR Project Completion Form Template and MFR Customer Feedback Form Template

Task A.1.7 Develop Customer Information System

CONSULTANT will provide CITY with a searchable, electronic customer information system (CIS). CITY will have access to the CIS to download program participation data and information in an electronic format, such as .csv and .xls file formats, that can be easily integrated with CITY program platforms, including but not limited to the City's Energy Efficiency Collaboration Platform. CONSULTANT will enter project data, using information from the CIS, into CITY program platforms for program tracking, reporting, and invoicing.

CONSULTANT will design the CIS so that CITY staff will be able to access program data, including the following elements:

- i. Customer contact information (name, address, phone, email);
- ii. Customer program eligibility (income, medical, etc.);
- iii. Customer status for receiving services (pending, completed, no customer response);
- iv. Scheduled and completed Site Assessments;
- v. Existing equipment description (age, model, condition);
- vi. Site Assessment Report and recommendations provided;
- vii. Customer projects in progress with CONSULTANT;
- viii. Installed equipment and measures (fixtures, quantity, wattage, cost, model)
- ix. Installed equipment and measure costs;
- x. Completed customer forms, as described in this Exhibit A (Site Assessment Agreement, Program Participation Agreement, Project Completion Form, Customer Feedback Form);.
- xi. Equipment repair issues, warranty and non-warranty-related;
- xii. First-year gross energy and water savings that will be achieved by installed measures;
- xiii. Greenhouse gas (GHG) emissions that will be avoided by installed measures;
- xiv. Summary of customer compliments and/or complaints, and reasons for rejection of proposed installations by customer, if applicable;

- xv. Customer referrals to other CITY programs.

CONSULTANT will revise and update the above list of program data to be included in the CIS as directed by CITY. CITY will own all customer information and program data. CONSULTANT will adhere to the CITY's Exhibit G - Information Privacy Policy and Exhibit H - Cybersecurity Terms and Conditions; specifically, CONSULTANT will protect the confidentiality of all customer information and program data used, prevent any sale or release of such information and data to third parties, and ensure CITY has secure access to all customer information and data collected through the CIS.

Task A.1.7 Deliverable: Customer Information System

Task A.1.8 Develop MFR Program Report Template

CONSULTANT will create a standard MFR Program Report template to meet CPAU's reporting requirements. This MFR Program Report will be delivered monthly, quarterly and annually. CONSULTANT will assist CITY in finalizing program performance metrics to include in the MFR Program Reports. These metrics may include data specified in Task A.1.7, as directed by CITY. The MFR Program Report will also provide summary statistics including, but not limited to:

- i. Number of pending and completed MFR Customer Site Assessments;
- ii. Number and type of measures installed;
- iii. Installed equipment and measure costs;
- iv. Gross and net annual kWh savings;
- v. Gross and net lifetime kWh savings;
- vi. Gross and net annual kW demand savings;
- vii. Gross and net lifetime kW demand savings;
- viii. Gross and net annual therms savings;
- ix. Gross and net lifetime therms savings;
- x. Gross and net annual greenhouse gas (GHG) emissions;
- xi. Gross and net lifetime GHG savings.
- xii. Annual CCF savings

CONSULTANT will submit the MFR Program Report Template to CITY for review and approval, and will revise and update the MFR Program Report Template as directed by CITY before use.

Task A.1.8 Deliverable: MFR Program Report Template

Task A.1.9 Develop MFR Program Invoice Template

CONSULTANT will create a standard MFR Program Invoice Template to meet CPAU's invoicing requirements, including, but not limited to:

- i. name of company providing invoice (Synergy);
- ii. invoice number;
- iii. invoice date;
- iv. Synergy's remit-to address for invoicing;

- v. description of work performed;
- vi. invoice amount, broken down as requested by CITY according to category of work.

CONSULTANT will submit the MFR Program Invoice Template to CITY for review and approval, and will revise and update the MFR Program Invoice Template as directed by CITY before use.

Task A.1.9 Deliverable: MFR Program Invoice Template

Task A.1.10 Provide Multifamily Eligible Measure List Updates

Within thirty days of execution of this Agreement, CONSULTANT will use Template C-1 to update Tables C-3, C-4, and C-6 with savings (Annual kWh savings, Annual Therm savings, Annual GHG savings, EUL, and Source).

Sixty days before the start of each fiscal year, or as requested by CITY, but no more than two (2) times per fiscal year, CONSULTANT will use Template C-1 to provide to the CITY proposed updates of Tables C-3, C-4, and C-6 for CITY review and approval. The proposed tables will include any new Multifamily Eligible Measures and Multifamily Electrification Eligible Measures proposed by CITY or CONSULTANT as well as changes to Effective Period that reflect measures no longer offered.

Task A.1.10 Deliverable: Multifamily Eligible Measure List Updates

TASK A.2 – MULTIFAMILY RESIDENTIAL PROGRAM IMPLEMENTATION

Task A.2.1 Implement Marketing and Outreach Activities

CONSULTANT will market CITY programs as directed by the CITY's Project Manager.

Task A.2.2 Develop Schedule of Activities

CONSULTANT will develop a Schedule of Activities including a work plan and implementation timeline for CONSULTANT's MFR Program activities with CITY customers for CITY review and approval. CONSULTANT will notify CITY's Project Manager of any delays to the implementation timeline within ten (10) business days of customer signing MFR PPA. CONSULTANT will revise and update the Schedule of Activities as directed by CITY before use.

Task A.2.2 Deliverable: Monthly Schedule of Activities

Task A.2.3 Perform MFR Customer Site Assessments and Deliver MFR Customer Site Assessment Report

CONSULTANT will:

- 1) Respond to customers by email and/or phone within two (2) business days of receiving a

customer referral or being contacted by customer, whichever comes first, to schedule an MFR Customer Site Assessment.

- 2) Collect all data necessary during the MFR Customer Site Assessment visit to develop the MFR Customer Site Assessment Report (Task A.1.3).
- 3) Update Customer Information System (Task A.1.7) and CITY's program platform with data gathered from the MFR Customer Site Assessment for inclusion in the Program Report (Task A.1.8).
- 4) Deliver a completed MFR Customer Site Assessment Report and a detailed estimate of proposed projects and estimated costs to CITY staff for review.
- 5) Once work is approved by CITY, deliver a completed MFR Customer Site Assessment Report and a detailed estimate of proposed projects to the customer. CONSULTANT will offer to review the report with the customer in person or by phone, as the customer prefers, to explain the findings, address any questions, and begin planning any program installations.
- 6) Promote CITY's other energy efficiency, demand response, renewable energy and water program offerings to maximize benefit to customers, which is intended to result in referrals to other CITY programs or services. CONSULTANT will direct customers to appropriate CITY resources or vendors to answer questions regarding other CITY programs. CONSULTANT may not offer, solicit or provide any non-CITY/CPAU programs or services under this Agreement.

CITY reserves right to accompany CONSULTANT during MFR Customer Site Assessment visits or join CONSULTANT's review of the MFR Customer Site Assessment Report (Task A.1.3) with customer.

Task A.2.4 Execute MFR Program Participation Agreement

After completing Task A.2.3 with the customer, CONSULTANT will:

- 1) Provide an unsigned version of the MFR Program Participation Agreement (Task A.1.5) to CITY for review and approval before presenting to customer;
- 2) As necessary, CONSULTANT will coordinate with the customer to correct any errors or omissions identified by CITY in the MFR Program Participation Agreement;
- 3) Upon CITY approval, provide the MFR Program Participation Agreement (Task A.1.5) to the customer and obtain customer's signature;
- 4) Return fully executed (by CONSULTANT and customer) copies of MFR Program Participation Agreement to CITY for review;
- 5) After CITY review and approval of the executed MFR Program Participation Agreement, CITY will issue a notice to proceed for CONSULTANT to begin installation work.

Task A.2.5 Install Measures and Provide Post-Installation Quality Control

Upon CITY's notice to proceed for CONSULTANT to begin installation work, CONSULTANT will:

- 1) Apply for and obtain any required permits on the customer's behalf;
- 2) Install Multifamily Eligible Measures (and potentially, at CITY's discretion Multifamily Electrification Eligible Measures) identified in the executed MFR Program Participation Agreement.
 - a. CONSULTANT will hold the appropriate license(s) for any installation and work

performed under this Agreement. All equipment must be installed in accordance with all applicable federal, state, and local laws, building codes, manufacturer's specifications, and permitting requirements.

- b. CONSULTANT will notify CITY Project Manager of any delays which may result in an installation start date later than 120 days from the CITY's issuance of the notice to proceed.
- 3) Implement the Quality Assurance and Quality Control Plan to verify each project has been installed properly and documented accurately.
- 4) Assist customers in understanding equipment operation, including programming and performing preventative maintenance for any Eligible Measures installed under the MFR Program.
- 5) Remain available throughout the installation process to answer questions from customers or CITY about projects. As needed, CONSULTANT will direct customers to appropriate CITY resources or vendors for questions related to other CITY programs. CONSULTANT may not offer, solicit or provide any non-CITY/CPAU programs or services under this Agreement.
- 6) Obtain final inspections and complete the job closure paperwork for all installed measures.
- 7) Provide the MFR Project Completion Form to customer for the customer to attest whether the installation and operation of Multifamily Eligible Measures (and potentially, at CITY's discretion Multifamily Electrification Eligible Measures) is acceptable and satisfactory.
- 8) Obtain the customer's completed MFR Project Completion Form and return copies to CITY.
- 9) Update Customer Information System (Task A.1.7) and CITY's program platform with completed project installation data and invoice information for inclusion in the MFR Program Report (Task A.1.8) and MFR Program Invoice (Task A.1.9)
- 10) Provide customers, at a minimum, a one (1) year warranty for all measures installed under the MFR Program, effective from the date of installation. CONSULTANT will ensure that all manufacturer product warranties held by CONSULTANT will be transferred to the customer upon installation.

CITY reserves the right to accompany CONSULTANT during project installation and final inspection.

Task A.2.6 Provide Customer Service, Feedback and Issue Resolution

CONSULTANT will provide a dedicated phone number available on customer-facing materials as directed by CITY for all CITY customer contacts to schedule Site Assessments, provide program information, and answer customer inquiries during normal business hours, Monday through Friday between 8 AM – 5 PM.

CONSULTANT will request customer feedback as described in MFR Customer Feedback Form (Task A.1.5). CONSULTANT will enter customer feedback data into CITY's chosen platform. CONSULTANT will provide monthly customer feedback results to CITY in CONSULTANT's monthly invoicing and reporting.

CONSULTANT will address and attempt to resolve all customer issues discovered through

either survey feedback or other means of customer contact within five (5) business days of receiving the feedback. CONSULTANT will document all such customer issues, actions taken to resolve them, and outcomes and report them to CITY. If CONSULTANT cannot resolve program-related issues to the customer's satisfaction within five (5) business days, CONSULTANT will immediately provide CITY with a detailed description of each complaint, including the customer's name and contact information and any other information requested by CITY.

CONSULTANT will pursue continuous improvements in delivery of Services provided under this Agreement to customers to drive customer satisfaction and will revise its processes, procedures and documents as directed by CITY to ensure customer satisfaction. Customer feedback issues will be tracked by CONSULTANT using the monthly reports, as well as a completed MFR Customer Feedback Form (Task A.1.6). CITY may separately survey MFR Program participants regarding CONSULTANT's performance.

TASK A.3 – MULTIFAMILY RESIDENTIAL PROGRAM INVOICING AND REPORTING

Task A.3.1 Data Management

CONSULTANT will utilize the Customer Information System (Task A.1.7) to provide data tracking, analysis and reporting. CONSULTANT will utilize the Customer Information System to update the CITY's program platform with project information gathered from MFR Customer Site Assessments and completed project installations. CONSULTANT will track detailed customer information such as barriers and motivations as well as planned future upgrades to support ongoing MFR Program operations.

CONSULTANT will respond to CITY's written data requests within 30 calendar days to meet evaluation, measurement, and verification ("EM&V") and other regulatory requirements.

Task A.3.2 Reporting

CONSULTANT will provide completed MFR Program Reports to CITY on CITY-approved reporting templates (Task A.1.8) on a monthly basis.

MFR Program Reports are critical to the success of the programs described herein, and therefore CONSULTANT's timely submittal of complete and accurate MFR Program Reports is required in order for CONSULTANT to receive payments under this Agreement.

Task A.3.3 Invoicing

Using the MFR Program Invoice Template (Task A.1.9), CONSULTANT will invoice CITY on a monthly basis consistent with Section 5 of the Agreement and in accordance with the specific guidelines set forth in this Exhibit "A" and in Exhibit "C", "Compensation" through the CITY's designated submission approach or system.

Proper record-keeping is critical for the success of the programs described herein. As such, CONSULTANT must timely and accurately provide the following elements in order to receive payment for Services under this Agreement:

- i. Completed MFR Program Invoice Template;
- ii. Executed MFR Customer Site Assessment Agreement for each project;
- iii. Executed MFR Program Participation Agreement for each project;
- iv. Executed MFR Project Completion Form for each project;
- v. Completed MFR Customer Feedback Form for each project;
- vi. Completed project installation and invoice information for each project entered into CITY program platform.

TASK A.4 – MULTIFAMILY RESIDENTIAL PROGRAM CLOSE OUT

Task A.4.1 Resolve Outstanding Jobs in Progress

CONSULTANT will complete all outstanding projects in progress and resolve any complaints from previously completed projects as a prerequisite for CITY to process CONSULTANT's invoices.

Task A.4.2 Develop and Submit MFR Program Final Report

CONSULTANT will submit an "MFR Program Final Report," which includes a written overview of the MFR Program and a spreadsheet detailing the budgeted and actual MFR Program costs. The MFR Program Final Report will include MFR Program achievements, challenges, goals, and lessons learned. CONSULTANT will deliver the MFR Program Final Report within 30 calendar days before the end of the Term.

Task A.4.2 Deliverable: MFR Program Final Report

II. Overview of Income-Qualified Residential Program

The Income-Qualified Residential Program (IQR Program) will provide direct installation² services to low income single-family and multifamily Palo Alto residential customers. CONSULTANT will also cross-promote other applicable CITY/CPAU program offerings to low-income households, including but not limited to the Home Efficiency Genie. CONSULTANT may not offer, solicit or provide any non-CITY/CPAU programs or services under this Agreement.

At CITY's direction CONSULTANT will solicit eligible customers through marketing and direct outreach to perform a site assessment. The site assessment will identify EE, WE, and potentially, at CITY's discretion, BE measures to be installed at the single-family or multifamily residential property via the IQR Program, as well as the estimated cost. Eligible IQR Program customers may also be identified and referred to CONSULTANT by CITY's separate third-party vendor, so CONSULTANT can perform site assessments for those customers. CONSULTANT will support

² Direct installation means start-to-finish installation of equipment at no cost to the customer.

the customer with advising throughout the process of installing CITY-approved measures and verifying quality installation.

a) Income-Qualified Residential Program Targets

Term	Year 1	Year 2	Year 3	Total
kWh savings	150,000	150,000	150,000	450,000
therms savings	9,500	9,500	9,500	28,500
CCF savings	114	114	114	342
Number of low-income residences served	75	75	75	225

Table A-3 Income-Qualified Residential Program savings targets

Table A-2 shows energy and water savings targets for each program year. The energy savings targets were deemed reasonable by CONSULTANT given CONSULTANT's experience working in Palo Alto. Water savings are estimated by targeting installation of 25 high-efficiency showerheads and 50 faucet aerators in income-qualified residential units per year. The City receives high-efficiency showerheads and faucet aerators at no cost as part of its partnership with Valley Water.

b) Income-Qualified Residential Program Eligible Measures

CONSULTANT will deliver energy, water, and GHG emissions savings to customers through the direct installation of:

- “Single-Family Eligible Measures” (measures listed in Tables C-2 of Exhibit “C,” Compensation)
- “Multifamily Eligible Measures” (measures listed in Tables C-3 and C-4 of Exhibit “C,” Compensation); and
- potentially, at CITY's discretion, “Single-Family Electrification Eligible Measures” (measures identified in Table C-5 of Exhibit “C,” Compensation)
- potentially, at CITY's discretion, “Multifamily Electrification Eligible Measures” (measures identified in Table C-6 of Exhibit “C,” Compensation)

All work completed by CONSULTANT under this Agreement must comply with the most recently adopted building and appliance efficiency standards. Only energy savings that are achieved in addition to the minimum energy savings mandated by Title 20 and Title 24 can be counted towards program savings. CONSULTANT will provide the projected energy and water savings and supporting documentation for the savings estimates to CITY for all Single-Family Eligible Measures, Multifamily Eligible Measures, and potentially, at CITY's discretion, Electrification Eligible Measures as part of providing Eligible Measure List updates per Task B.1.10 and delivered according to Table 1 of Exhibit “B,” Schedule of Performance.

Projected energy and water savings must be based on credible sources such as the California Technical Forum (“CalTF”) electronic Technical Reference Manual (“eTRM”), California Public Utility Commission (“CPUC”) Database for Energy Efficiency Resources, approved workpapers, etc. If a program measure is not covered by any of these sources, the CONSULTANT shall

provide the estimated energy savings and workpaper(s) or reference source documenting the savings estimation methodology. At its discretion, the CITY reserves the right to request updated energy savings calculations and pricing.

c) Income-Qualified Residential Program Staffing

CONSULTANT agrees to staff the Program in accordance with the Staffing Plan set forth in Table A-2. CONSULTANT shall notify the CITY concerning proposed changes to the staffing plan, and all such changes require the prior written consent of the CITY.

CITY reserves the right to (i) request CONSULTANT conduct criminal background checks to City's satisfaction on all CONSULTANT's staff, contractors or agents that may enter customer premises, and (ii) require that any staff, contractor or agent of CONSULTANT that fails the background check will not be permitted to enter any customer premises.

Table A-4. Income Qualified Residential Program Staffing Plan

Staffing and Direct Labor	Responsibilities	% of Total Hours
David Price Sr., General Manager Matthew Clark, VP – Business Development	Administration Program Overview; Special Requests, Contracts	4%
Jim Amos, General Manager – Energy Efficiency and Weatherization Services	Multifamily Residence and Income-Qualified Customer Programs Fulfillment	3%
David Price Sr., General Manager – Building Electrification	Turnkey Installation Program Fulfillment	3%
Matthew Clark, VP – Business Development	Contracts and EE Engineering Support	3%
Andrew Clark, Controller	Administration – Financial Services	2%
Program Dedicated Synergy Liaison	Dedicated Palo Alto Program Administrator with regular communication or as desired.	10%
Customer Service & Scheduling Staff	Administration	14%
Quality Production Manager (QPM)	Production Supervision and Quality Control	24%
Julie Richardson	Surveys, Reporting, Invoicing	3%
Crew Chiefs & Technicians	Installation of measures and customer service	34%
TOTAL		100%

d) Income Qualified Residential Customer Program Implementation & Delivery

TASK B.1 – INCOME QUALIFIED RESIDENTIAL PROGRAM PLANNING AND KICK OFF

Task B.1.1 Program Kick-Off Meeting

CONSULTANT will develop an agenda for the IQR Program Kick Off Meeting and organize the Kick-Off Meeting with CITY staff to review IQR Program design and delivery, roles, timelines and priorities. The meeting will also cover logistics, marketing, coordination, measurement and verification activities, establishing workflow systems, invoicing requirements, reports, and any remaining contractual questions. CONSULTANT will discuss with the CITY new technologies as potential Single-Family Eligible Measures and Multifamily Eligible Measures, and where appropriate, refine timelines and identify additional CITY needs for the IQR Program.

Task B.1.1 Deliverable: Meeting agenda and meeting minutes

Task B.1.2 Develop IQR Program Policies and Procedures Manual

CONSULTANT will draft the IQR Program Policies and Procedures Manual for use by CITY and CONSULTANT, which will include at a minimum, the following:

- i. the terms and conditions for eligible customers to participate in the IQR Program;
- ii. the process for customers to participate in the IQR Program;
- iii. the process for scheduling MFR Program activities such as “IQR Customer Site Assessments” and “IQR Customer Site Assessment Reports” reviews with customers (Task B.2.2)
- iv. the process for performing “IQR Customer Site Assessments” and identifying potential Single-Family Eligible Measures and Multifamily Eligible Measures and obtaining CITY approval for installation (Tasks B.2.3 and B.2.4);
- v. the process for installing Single-Family Eligible Measures and Multifamily Eligible Measures and potentially Single-Family Electrification Eligible Measures and Multifamily Electrification Eligible Measures, including a Quality Assurance and Quality Control Plan that ensures measures are installed and working properly and customers are satisfied (Task B.2.5).
- vi. the process for delivering and obtaining completed “IQR Project Completion and IQR Customer Feedback” forms as part of a customer complaint and resolution plan (Task B.2.6);
- vii. the process for managing and entering IQR Program data, including but not limited to data from the Customer Information System (“CIS”), into CITY’s program platform(s), such as the CITY’s Energy Efficiency Collaboration Platform (Tasks B.1.7 and B.3.1);
- viii. the process for providing “IQR Program Reports” (Tasks B.1.8 and B.3.2);
- ix. the process for completing invoicing (Tasks B.1.9 and B.3.3);

CONSULTANT will submit a draft IQR Program Policies and Procedures Manual to CITY for review and approval before finalizing and will provide written revisions and updates to the IQR Program Policies and Procedures Manual upon CITY request. CONSULTANT will adhere to and document its compliance with applicable policies and procedures in the IQR Program Policies and Procedures Manual as it performs the Services in this Scope of Work.

Task B.1.2 Deliverable: IQR Program Policies and Procedures Manual

Task B.1.3 Develop IQR Customer Site Assessment Report

CONSULTANT will create an IQR Customer Site Assessment Report Template for CITY review and approval and will revise as directed by CITY before use. Once finalized and approved by CITY, the IQR Customer Site Assessment Report will be provided by CONSULTANT to the customer, and will include information necessary for the customer to understand energy and water efficiency opportunities available to them under the City's IQR Program. CONSULTANT will provide written revisions and updates to the IQR Customer Site Assessment Report Template upon CITY request.

IQR Customer Site Assessments will include the following elements regarding equipment and appliances located at the residential property owned or occupied by the customer interested in exploring participation in the IQR Program, each to be documented on the IQR Customer Site Assessment Report Template:

- i. Inventory of physical conditions, effective age and estimated remaining lifespans of equipment and appliances;
- ii. Identification of whole house efficiency and optimization opportunities (each a "Single Family Eligible Measure" and "Multifamily Eligible Measure");
- iii. Quantification of each device's estimated energy consumption and identify opportunities for enhanced energy-use efficiency, water efficiency, and electrification opportunities;
- iv. Clear and actionable energy and water savings and electrification recommendations to educate the customer;
- v. Description of a work plan, including planned work and timeline, that will be executed if customer opts to participate in the IQR Program;
- vi. Estimated energy, water, and GHG savings from proposed projects
- vii. Estimated cost of work to be performed, for CITY's review.

At CITY's discretion, the IQR Customer Site Assessment may also include CONSULTANT's identification of building electrification opportunities. If directed by CITY, CONSULTANT will include the following elements in the IQR Customer Site Assessment, each to be documented on the IQR Customer Site Assessment Report:

- i. Summary of annual natural gas consumption data provided by CITY, with identification of the largest natural gas equipment or end use loads;
- ii. Identification of energy efficient electric equipment as a potential replacement for current natural gas equipment (each a "Single Family Electrification Eligible Measure" and "Multifamily Electrification Eligible Measure"), with comparison of the cost (initial and operating) and energy consumption (natural gas and electric) of the electric versus gas equipment, and emissions reductions for the replacement of each existing gas equipment;
- iii. Evaluation of the condition and capacity of the existing electrical systems and recommend upgrades that may be necessary to enable the proposed Single Family Electrification Eligible Measures and Multifamily Electrification Eligible Measure;
- iv. Recommended locations for new electrical equipment, noting any observed space or structural constraints and possible remedies.

*Task B.1.3 Deliverable: IQR Customer Site Assessment Report Template****Task B.1.4 Develop IQR Site Assessment Agreement***

CONSULTANT will create an IQR Customer Site Assessment Agreement that includes the following, at a minimum:

- i. Provides an overview of the IQR Program;
- ii. Grants CONSULTANT permission to perform the IQR Customer Site Assessment to determine whether single-family or multifamily property is a good candidate for inclusion in the IQR Program;
- iii. Fully indemnifies CITY against all loss, damages, costs and liability arising from any claims stemming from the IQR Customer Site Assessment;
- iv. Collects basic information from the customer, including but not limited to customer contact information and installation address.

CONSULTANT will submit the IQR Customer Site Assessment Agreement to CITY for review and approval, and will revise and update the IQR Customer Site Assessment Agreement, including adding additional elements, as directed by CITY before use. CONSULTANT will provide the IQR Customer Site Assessment Agreement to customers in both electronic and paper formats. CONSULTANT will scan paper forms completed by customers and submit them to CITY electronically, as well as in their original paper format.

*Task B.1.4 Deliverable: IQR Customer Site Assessment Agreement Template****Task B.1.5 Develop IQR Program Participation Agreement***

CONSULTANT will create an IQR Program Participation Agreement that grants CONSULTANT permission to install Single-Family Eligible Measures and Multifamily Eligible Measures (and potentially, at CITY's discretion Single-Family Electrification Eligible Measures and Multifamily Electrification Eligible Measure). The IQR Program Participation Agreement will include, at a minimum, the following elements:

- i. Customer contact information;
- ii. Installation address;
- iii. Project scope;
- iv. Project costs by line item, including any Electrification Remediation Services as defined in Tables C-5 and C-6;
- v. Product and labor warranty information;
- vi. Language specifying that only IQR Program Eligible Measures are covered under the IQR Program Participation Agreement. CITY is not responsible for any non-IQR Program work, equipment, installations or warranties;
- vii. Language releasing CITY of liability for any claims stemming from the installed measure(s).

CONSULTANT will submit the IQR Program Participation Agreement to CITY for review and approval, and will revise and update as directed by CITY before use. CONSULTANT will provide the IQR Program Participation Agreement to customers in both electronic and paper formats. CONSULTANT will scan paper forms completed by customers and submit them to CITY electronically, as well as in their original paper format.

Task B.1.5 Deliverable: IQR Program Participation Agreement Template

Task B.1.6 Develop IQR Project Completion and IQR Customer Feedback Forms

CONSULTANT will develop an IQR Project Completion Form to be executed by customer attesting that CONSULTANT's installation of Single-Family Eligible Measures and Multifamily Eligible Measures (and potentially, at CITY's discretion Single-Family Electrification Eligible Measures or Multifamily Electrification Eligible Measure) is completed, installed, and operational to the customer's satisfaction.

CONSULTANT will develop an IQR Customer Feedback Form template. The IQR Customer Feedback Form gives customers the opportunity to evaluate the IQR Program, including the Site Assessment, the on-going customer support, and the overall customer experience associated with the IQR Program. The Customer Feedback Form must include a question for the customer that enables CITY to calculate a Net Promotor Score value, which is a standardized metric used to assess customer satisfaction.

CONSULTANT will submit the IQR Project Completion Form and IQR Customer Feedback Form Templates to CITY for review and approval, and will revise and update them as directed by CITY before use. CONSULTANT will provide the Project Completion and Customer Feedback Forms to customers in both electronic and paper formats. CONSULTANT will scan paper forms completed by customers and submit them to CITY electronically, as well as in their original paper format.

Task B.1.6 Deliverable: IQR Project Completion Form Template and IQR Customer Feedback Form Template

Task B.1.7 Develop Customer Information System

CONSULTANT will provide CITY with a searchable, electronic customer information system (CIS). CITY will have access to the CIS to download program participation data and information in an electronic format, such as .csv and .xls file formats, that can be easily integrated with CITY program platforms, including but not limited to the City's Energy Efficiency Collaboration Platform. CONSULTANT will enter project data, using information from the CIS, into CITY program platforms for program tracking, reporting, and invoicing.

CONSULTANT will design the CIS so that CITY staff will be able to access program data, including the following elements:

- i. Customer contact information (name, address, phone, email);
- ii. Customer program eligibility (income, medical, etc.);
- iii. Customer status for receiving services (pending, completed, no customer response);
- iv. Scheduled and completed Site Assessments;
- v. Existing equipment description (age, model, condition);
- vi. Site Assessment Report and recommendations provided;
- vii. Customer projects in progress with CONSULTANT;
- viii. Installed equipment and measures (fixtures, quantity, wattage, cost, model)

- ix. Installed equipment and measure costs;
- x. Completed customer forms, as described in this Exhibit A (Site Assessment Agreement, Program Participation Agreement, Project Completion Form, Customer Feedback Form);.
- xi. Equipment repair issues, warranty and non-warranty-related;
- xii. First-year gross energy and water savings that will be achieved by installed measures
- xiii. Greenhouse gas (GHG) emissions that will be avoided by installed measures
- xiv. Summary of customer compliments and/or complaints, and reasons for rejection of proposed installations by customer, if applicable;
- xv. Customer referrals to other CITY programs.

CONSULTANT will revise and update the above list of program data to be included in the CIS as directed by CITY. CITY will own all customer information and program data. CONSULTANT will adhere to the CITY's Exhibit G - Information Privacy Policy and Exhibit H - Cybersecurity Terms and Conditions; specifically, CONSULTANT will protect the confidentiality of all customer information and program data used, prevent any sale or release of such information and data to third parties, and ensure CITY has secure access to all customer information and data collected through the CIS.

Task B.1.7 Deliverable: Customer Information System

Task B.1.8 Develop IQR Program Report Template

CONSULTANT will create a standard IQR Program Report template to meet CPAU's reporting requirements. This IQR Program Report will be delivered monthly, quarterly and annually. CONSULTANT will assist CITY in finalizing program performance metrics to include in the IQR Program Reports. These metrics may include data specified in Task B.1.7, as directed by CITY. The IQR Program Report will also provide summary statistics including, but not limited to:

- i. Number of pending and completed IQR Program Site Assessments;
- ii. Number and type of measures installed;
- iii. Installed equipment and measure costs;
- iv. Gross and net annual kWh savings;
- v. Gross and net lifetime kWh savings;
- vi. Gross and net annual kW demand savings;
- vii. Gross and net lifetime kW demand savings;
- viii. Gross and net annual therms savings;
- ix. Gross and net lifetime therms savings;
- x. Gross and net annual greenhouse gas (GHG) emissions;
- xi. Gross and net lifetime GHG savings;
- xii. Annual CCF savings.

CONSULTANT will submit the IQR Program Report Template to CITY for review and approval, and will revise and update the IQR Program Report Template as directed by CITY before use.

*Task B.1.8 Deliverable: IQR Program Report Template****Task B.1.9 Develop IQR Program Invoice Template***

CONSULTANT will create a standard IQR Program Invoice Template to meet CPAU's invoicing requirements, including, but not limited to:

- i. name of company providing invoice (Synergy);
- ii. invoice number;
- iii. invoice date;
- iv. Synergy's remit-to address for invoicing;
- v. description of work performed;
- vi. invoice amount, broken down as requested by CITY according to category of work .

CONSULTANT will submit the IQR Program Invoice Template to CITY for review and approval, and will revise and update the IQR Program Invoice Template as directed by CITY before use.

*Task B.1.9 Deliverable: IQR Program Invoice Template****Task B.1.10 Provide Single-Family and Multifamily Eligible Measure List Updates***

Within thirty days of execution of this Agreement, CONSULTANT will use Template C-1 to update Tables C-2, C-3, C-4, C-5, and C-6 with savings (Annual kWh savings, Annual Therm savings, Annual GHG savings, EUL, and Source).

Sixty days before the start of each fiscal year, or as requested by CITY but no more than two (2) times per fiscal year, CONSULTANT will use Template C-1 to provide to the CITY proposed updates of Tables C-2, C-3, C-4, C-5, and C-6, for CITY review and approval. The proposed tables will include any new Single-Family Eligible Measures, Multifamily Eligible Measures, and Electrification Eligible Measures proposed by CITY or CONSULTANT as well as changes to Effective Period that reflect measures no longer offered.

*Task B.1.10 Deliverable: Single-Family Eligible Measure and Multifamily Eligible Measure List Updates***TASK B.2 – INCOME QUALIFIED RESIDENTIAL PROGRAM IMPLEMENTATION*****Task B.2.1 Implement Marketing and Outreach Activities***

CONSULTANT will market CITY programs as directed by the CITY's Project Manager.

Task B.2.2 Develop Schedule of Activities

CONSULTANT will develop a Schedule of Activities including a work plan and implementation timeline for CONSULTANT's IQR Program activities with CITY customers for CITY review and approval. CONSULTANT will notify CITY's Project Manager of any delays to the implementation timeline within ten (10) business days of customer signing IQR

PPA. CONSULTANT will revise and update the Schedule of Activities as directed by CITY before use.

Task B.2.2 Deliverable: Monthly Schedule of Activities

Task B.2.3 Perform IQR Customer Site Assessments and Deliver IQR Customer Site Assessment Report

CONSULTANT will:

- 1) Respond to customers by email and/or phone within two (2) business days of receiving a customer referral or being contacted by customer, whichever comes first, to schedule an IQR Customer Site Assessment.
- 2) Collect all data necessary during the IQR Customer Site Assessment visit to develop the IQR Customer Site Assessment Report (Task B.1.3).
- 3) Update Customer Information System (Task B.1.7) and CITY's program platform with data gathered from the IQR Customer Site Assessment for inclusion in the Program Report (Task B.1.8).
- 4) Deliver a completed IQR Customer Site Assessment Report and a detailed estimate of proposed projects and estimated costs to CITY staff for review
- 5) Once work is approved by CITY, deliver a completed IQR Customer Site Assessment Report and detailed estimated of proposed projects to the customer. CONSULTANT will offer to review the report with the customer in person or by phone, as the customer prefers, to explain the findings, address any questions, and begin planning any program installations.
- 6) Promote CITY's other energy efficiency, demand response, renewable energy and water program offerings to maximize benefit to customers, which is intended to result in referrals to other CITY programs or services. CONSULTANT will direct customers to appropriate CITY resources or vendors to answer questions regarding other CITY programs. CONSULTANT may not offer, solicit or provide any non-CITY/CPAU programs or services under this Agreement.

CITY reserves right to accompany CONSULTANT during IQR Customer Site Assessment visits or join CONSULTANT'S review of the IQR Customer Site Assessment Report (Task B.1.3) with customer.

Task B.2.4 Execute IQR Program Participation Agreement

After completing Task B.2.3 with the customer, CONSULTANT will:

- 1) Provide an unsigned version of the MFR Program Participation Agreement (Task B.1.5) to CITY for review and approval before presenting to customer
- 2) As necessary, CONSULTANT will coordinate with the customer to correct any errors or omissions identified by CITY in the IQR Program Participation Agreement;
- 3) Upon CITY approval, provide the IQR Program Participation Agreement (Task B.1.5) to the customer and obtain customer's signature;
- 4) Return copies of IQR Program Participation Agreement executed by CONSULTANT and customer to CITY for review.
- 5) After CITY review and approval of the executed IQR Program Participation Agreement,

CITY will issue a notice to proceed for CONSULTANT to begin installation work.

Task B.2.5 Install Measures and Provide Post-Installation Quality Control

Upon CITY's notice to proceed for CONSULTANT to begin installation work, CONSULTANT will:

- 1) Apply for and obtain any required permits on the customer's behalf.
- 2) Install Single-Family Eligible Measures and Multifamily Eligible Measures (and potentially, at CITY's discretion Single-Family Electrification Eligible Measures and Multifamily Electrification Eligible Measures) identified in the executed IQR Program Participation Agreement.
 - a. CONSULTANT will hold the appropriate license(s) for any installation and work performed under this Agreement. All equipment must be installed in accordance with all applicable federal, state, and local laws, building codes, manufacturer's specifications, and permitting requirements.
 - b. CONSULTANT will notify CITY Project Manager of any delays which may result in an installation start date later than 120 days from the CITY's issuance of the notice to proceed.
- 3) Implement the Quality Assurance and Quality Control Plan to verify each project has been installed properly and documented accurately.
- 4) Assist customers in understanding equipment operation, including programming and performing preventative maintenance for any Eligible Measures installed under the IQR Program
- 5) Remain available throughout the installation process to answer questions from customers or CITY about projects. As needed, CONSULTANT will direct customers to appropriate CITY resources or vendors for questions related to other CITY programs. CONSULTANT may not offer, solicit or provide any non-CITY/CPAU programs or services under this Agreement.
- 6) Obtain final inspections and complete the job closure paperwork for all installed measures.
- 7) Provide the IQR Project Completion Form to customer for the customer to attest whether the installation and operation of Single-Family Eligible Measures, Multifamily Eligible Measures (and potentially, at CITY's discretion Single-Family Electrification Eligible Measures and Multifamily Electrification Eligible Measures) is acceptable and satisfactory.
- 8) Obtain the customer's completed IQR Project Completion Form and return copies to CITY.
- 9) Update Customer Information System (Task B.1.7) and CITY's program platform with completed project installation data and invoice information for inclusion in the IQR Program Report (Task B.1.8) and IQR Program Invoice (Task B.1.9)
- 10) Provide customers, at a minimum, a one (1) year warranty for all measures installed under the IQR Program, effective from the date of installation. CONSULTANT will agree and ensure that all manufacturer product warranties held by CONSULTANT will be transferred to the customer upon installation.

CITY reserves the right to accompany CONSULTANT during project installation and final inspection.

Task B.2.6 Provide Customer Service, Feedback and Issue Resolution

CONSULTANT will provide a dedicated phone number available on customer-facing materials as directed by CITY for all CITY customer contacts to schedule Site Assessments, provide program information, and answer customer inquiries during normal business hours, Monday through Friday between 8 AM – 5 PM.

CONSULTANT will request customer feedback as described in IQR Customer Feedback Form (Task B.1.5). CONSULTANT will enter customer feedback data into CITY's chosen platform. CONSULTANT will provide monthly customer feedback results to CITY in CONSULTANT's monthly invoicing and reporting.

CONSULTANT will address and attempt to resolve all customer issues discovered through either survey feedback or other means of customer contact within five (5) business days of receiving the feedback. CONSULTANT will document all such customer issues, actions taken to resolve them, and outcomes and report them to CITY. If CONSULTANT cannot resolve program-related issues to the customer's satisfaction within five (5) business days, CONSULTANT will immediately provide CITY with a detailed description of each complaint, including the customer's name and contact information and any other information requested by CITY.

CONSULTANT will pursue continuous improvements in delivery of Services provided under this Agreement to customers to drive customer satisfaction and will revise its processes, procedures and documents as directed by CITY to ensure customer satisfaction. Customer feedback issues will be tracked by CONSULTANT using the monthly reports, as well as a completed IQR Customer Feedback Form (Task B.1.6). CITY may separately survey IQR Program participants regarding CONSULTANT's performance.

TASK B.3 – INCOME-QUALIFIED RESIDENTIAL PROGRAM INVOICING AND REPORTING***Task B.3.1 Data Management***

CONSULTANT will utilize the Customer Information System (Task B.1.7) to provide data tracking, analysis and reporting. CONSULTANT will utilize the Customer Information System to update the CITY's program platform with project information gathered from IQR Customer Site Assessments and completed project installations. CONSULTANT will track detailed customer information such as barriers and motivations as well as planned future upgrades to support ongoing MFR Program operations.

CONSULTANT will respond to CITY's written data requests within 30 calendar days to meet evaluation, measurement, and verification ("EM&V") and other regulatory requirements.

Task B.3.2 Reporting

CONSULTANT will provide completed MFR Program Reports to CITY on CITY-approved

reporting templates (Task B.1.8) on a monthly basis.

MFR Program Reports are critical to the success of the programs described herein, and therefore CONSULTANT's timely submittal of complete and accurate MFR Program Reports is required in order for CONSULTANT to receive payments under this Agreement.

Task B.3.3 Invoicing

Using the MFR Program Invoice Template (Task B.1.9), CONSULTANT will invoice CITY on a monthly basis consistent with Section 5 of the Agreement and in accordance with the specific guidelines set forth in this Exhibit "A" and in Exhibit "C", "Compensation" through the CITY's designated submission approach or system.

Proper record-keeping is critical for the success of the programs described herein. As such, CONSULTANT must timely and accurately provide the following elements in order to receive payment for Services under this Agreement:

- vii. Completed IQR Program Invoice Template;
- viii. Executed IQR Customer Assessment Agreement for each project;
- ix. Executed IQR Program Participation Agreement for each project;
- x. Executed IQR Project Completion Form for each project;
- xi. Completed IQR Customer Feedback Form for each project;
- xii. Completed project installation and invoice information for each project entered into CITY program platform.

TASK B.4 – INCOME-QUALIFIED RESIDENTIAL PROGRAM CLOSE OUT

Task B.4.1 Resolve Outstanding Jobs in Progress

CONSULTANT will complete all outstanding projects in progress and resolve any complaints from previously completed projects as a prerequisite for CITY to process CONSULTANT's invoices.

Task B.4.2 Develop and Submit IQR Program Final Report

CONSULTANT will submit an "IQR Program Final Report", which includes a written overview of the IQR Program and a spreadsheet detailing the budgeted and actual IQR Program costs. The IQR Program Final Report will include IQR Program achievements, challenges, goals, and lessons learned. CONSULTANT will deliver the IQR Program Final Report within 30 calendar days before the end of the Term.

Task B.4.2 Deliverable: IQR Program Final Report

III. Overview of Turnkey Installation Program

The Turnkey Installation Program (TI Program) will provide turnkey installation³ services to eligible market-rate single-family and multifamily residential customers. Participating customers will provide CONSULTANT with a co-payment for Eligible Measures installed by CONSULTANT under this Agreement. CONSULTANT will also cross-promote other applicable CITY/CPAU program offerings, including but not limited to the Home Efficiency Genie program. CONSULTANT will not offer, solicit or provide any non-CITY/CPAU programs or services under this Agreement.

At CITY's discretion, CONSULTANT will solicit eligible market-rate single-family and multifamily customers through referrals and/or marketing and direct outreach to perform a site assessment. With a site assessment, CONSULTANT will identify eligible measures to be installed at the residential property via the TI Program, as well as estimated project cost. Eligible TI Program customers may also be identified and referred to CONSULTANT by CITY's separate third-party vendor, so CONSULTANT can perform site assessments for those customers. CONSULTANT will advise and support customers throughout the process of installing CITY-approved measures and verifying quality installation.

a) Turnkey Installation Program Targets

Term	Year 1	Year 2	Year 3	Total
Number of residences served	900			900

Table A-5 Turnkey Installation Program targets

b) Turnkey Installation Program Eligible Measures

CONSULTANT will deliver energy savings and GHG emissions savings to customers through the turnkey installation of:

- “Turnkey Installation Program (TIP) Eligible Measures” (measures listed in Table C-7 of Exhibit “C,” Compensation).

All work completed by CONSULTANT under this Agreement must comply with the most recently adopted building and appliance efficiency standards. Only energy savings that are achieved in addition to the minimum energy savings mandated by Title 20 and Title 24 can be counted towards program savings targets. CONSULTANT will provide CITY with the projected energy and water savings and supporting documentation for the savings estimates to CITY for all Turnkey Installation Eligible Measures-as part of providing Eligible Measure list updates per Task C.1.10 and delivered according to Table 1 of Exhibit "B," Schedule of Performance.

Projected energy and water savings must be based on sources such as the California Technical Forum (“CalTF”) electronic Technical Reference Manual (“eTRM”), California Public Utility

³ Turnkey installation means start-to-finish installation of equipment, which includes a co-payment contribution from the customer.

Commission (“CPUC”) Database for Energy Efficiency Resources, City-approved workpapers, etc. If a program measure is not covered by any of these sources, the CONSULTANT will provide the estimated energy savings and workpaper(s) or reference source documenting the savings estimation methodology for City review and approval. CONSULTANT will provide revised energy savings calculations and pricing upon CITY request.

c) Turnkey Installation Program Cost Allocation

CITY and customer will each pay a portion of the total installed costs of each Turnkey Installation Program Eligible Measure identified in Rows 1-6 of Table C-7 of Exhibit “C”. CITY will define customer payment amounts (“Customer Co-Payment”) in the Policies and Procedures Manual (Task C.1.2). CITY’s portion of the total TIP Eligible Measures’ installed cost over the Term will not exceed the Task C NTE of Table C-1, Exhibit C.

Table C-7 of Exhibit “C” also includes “Electrification Remediation Services” and “Electrification Labor Rates” in Rows 7-21. These sections of Table C-7 describe compensation, including applicable labor rates, that *may* be paid by participating customers to CONSULTANT for Electrification Remediation Services, *if* customers elect to request these services from CONSULTANT. The CITY bears no responsibility for any of CONSULTANT’s costs and/or compensation associated with CONSULTANT’s performance of any of the Electrification Remediation Services, including Electrification Labor Rates; all such compensation will remain the sole the responsibility of customers who may elect to request Electrification Remediation Services.

The column “Extended Parts and Labor Warranty Compensation”⁴ in Table C-7 of Exhibit “C” describes compensation that participating customers *may* pay CONSULTANT for an Extended Parts and Labor Warranty, *if* customers elect to purchase one. The CITY bears no responsibility for any of CONSULTANT’s costs and/or compensation associated with CONSULTANT’s delivery of Extended Parts and Labor Warranties for any of the Turnkey Installation Program Eligible Measures; all such compensation will remain the sole the responsibility of customers who may elect to purchase Extended Parts and Labor Warranties.

All TIP Customer Co-Payment amounts, Electrification Remediation Services costs, Electrification Labor Rates and any Extended Parts and Labor Warranty costs, if applicable, will be included and clearly disclosed in each customer’s Program Participation Agreement.

d) Turnkey Installation Program Staffing

CONSULTANT agrees to staff the Program in accordance with the Staffing Plan set forth in Table A-3. CONSULTANT shall notify the CITY concerning proposed changes to the staffing plan, and all such changes require the prior written consent of the CITY.

CITY reserves the right to (i) request CONSULTANT conduct criminal background checks to City’s satisfaction on all CONSULTANT’s staff, contractors or agents that may enter customer property, and (ii) require that any staff, contractor or agent of CONSULTANT that fails the background check shall not be permitted to enter any customer premises.

⁴ Exhibit C-2 describes the Extended Parts and Labor Warranty terms and conditions.

Table A-6. Turnkey Installation Program Staffing Plan

Staffing and Direct Labor	Responsibilities	% of Total Hours
David Price Sr., General Manager Matthew Clark, VP – Business Development	Administration Program Overview; Special Requests, Contracts	4%
Jim Amos, General Manager – Energy Efficiency and Weatherization Services	Multifamily Residence and Income-Qualified Customer Programs Fulfillment	3%
David Price Sr., General Manager – Building Electrification	Turnkey Installation Program Fulfillment	3%
Matthew Clark, VP – Business Development	Contracts and EE Engineering Support	3%
Andrew Clark, Controller	Administration – Financial Services	2%
Program Dedicated Synergy Liaison	Dedicated Palo Alto Program Administrator with regular communication or as desired.	10%
Customer Service & Scheduling Staff	Administration	14%
Quality Production Manager (QPM)	Production Supervision and Quality Control	24%
Julie Richardson	Surveys, Reporting, Invoicing	3%
Crew Chiefs & Technicians	Installation of measures and customer service	34%
TOTAL		100%

e) Turnkey Installation Program Implementation & Delivery**TASK C.1 TURNKEY INSTALLATION PROGRAM PLANNING AND KICK OFF*****Task C.1.1 Program Kick-Off Meeting***

CONSULTANT will develop an agenda for the TI Program Kick-Off Meeting and organize the Kick-Off Meeting with CITY staff to review the TI Program design and delivery, roles, timelines and priorities. This meeting will also cover logistics, marketing, coordination, measurement and verification activities, establishing workflow systems, invoicing requirements, reports, and any remaining implementation questions.

CONSULTANT will discuss with the CITY new technologies as potential TIP Eligible Measures, and where appropriate, refine timelines and identify additional CITY needs for the TI Program.

Task C.1.1 Deliverable: Meeting agenda and meeting minutes

Task C.1.2 Develop TI Program Policies and Procedures Manual

CONSULTANT will draft the TI Program Policies and Procedures Manual, for use by CITY and CONSULTANT, which will include, at a minimum, the following:

- i. the terms and conditions for eligible customers to participate in the TI Program, including Customer Co-Payment amounts;
- ii. the process for customers to participate in the TI Program;
- iii. the process for scheduling TI Program activities such as “TI Customer Site Assessments” and “TI Customer Site Assessment Reports” reviews with customers (Task C.2.2)
- iv. the process for performing “TI Customer Site Assessments” and identifying potential TIP Eligible Measures and obtaining CITY approval for installation (Tasks C.2.3 and C.2.4);
- v. the process for collecting customer payments for Customer Co-Payments, Electrification Remediation Services, and Extended Parts and Labor Warranty;
- vi. the process for installing TIP Eligible Measures, including a quality assurance and quality control plan that ensures measures are installed and working properly and customers are satisfied (Task C.2.5);
- vii. the process for delivering and obtaining completed “TI Project Completion and TI Customer Feedback” forms as part of a customer complaint and resolution plan (Task C.2.6);
- viii. the process for managing and entering TI Program data, including but not limited to that from the Customer Information System (“CIS”), into CITY’s program platform(s), such as the CITY’s Energy Efficiency Collaboration Platform (Tasks C.1.7 and C.3.1);
- ix. the process for providing “TI Program Reports” (Tasks C.1.8 and C.3.2);
- x. the process for completing invoicing (Tasks C.1.9 and C.3.3);

CONSULTANT will submit a draft TI Program Policies and Procedures Manual to CITY for review and approval before finalizing and will provide written revisions and updates to the TI Program Policies and Procedures Manual upon CITY request. CONSULTANT will adhere to and document its compliance with applicable policies and procedures in the TI Program Policies and Procedures Manual as it performs the Services in this Scope of Work.

Task C.1.2 Deliverable: TI Program Policies and Procedures Manual

Task C.1.3 Develop TI Customer Site Assessment Report

CONSULTANT will create a TI Customer Site Assessment Report Template for CITY review and approval and will revise as directed by CITY before use. Once finalized and approved by CITY, the TI Customer Site Assessment Report will be provided by CONSULTANT to the customer and will include information necessary for the customer to understand energy and water efficiency opportunities available to them under the City’s TI Program. CONSULTANT will provide written revisions and updates to the TI Customer Site Assessment Report Template upon CITY request.

TI Customer Site Assessments will include the following elements regarding equipment and appliances located at the residential property owned or occupied by the customer interested

in exploring participation in the TI Program, each to be documented on the TI Customer Site Assessment Report Template:

- i. An inventory of physical conditions, age and estimated remaining lifespan(s) of equipment and appliances;
- ii. Identification of whole house efficiency and optimization opportunities including, but not limited to building envelope, lighting, various energy appliances, measures, and potential occupant behaviors;
- iii. Quantification of household equipment and appliance estimated energy consumption and identification of opportunities for enhanced energy and water efficiency and electrification opportunities;
- iv. Clear and actionable energy and water savings and electrification recommendations for the customer;
- v. Description of a work plan, including planned work and timeline, that will be executed if customer opts to participate in the TI Program;
- vi. Estimated energy and GHG savings from proposed projects;
- vii. Estimated cost of work to be performed, for CITY's review.

At CITY's discretion, the TI Customer Site Assessment may also include CONSULTANT's identification of building electrification opportunities. If directed by CITY, CONSULTANT will include the following elements in the TI Customer Site Assessment, each to be documented on the TI Customer Site Assessment Report:

- i. Summary of the customer's annual natural gas consumption data provided by CITY, with identification of the largest natural gas equipment or end use loads;
- ii. Identification of energy efficient electric equipment as a potential replacement for current natural gas equipment with comparison of the cost (initial and operating) and energy consumption (natural gas and electric) of the electric versus gas equipment, and emissions reductions for the replacement of each existing piece of gas equipment;
- iii. Evaluation of the condition and capacity of the existing electrical systems and recommended upgrades that may be necessary to enable building electrification upgrades;
- iv. Recommended locations for new electrical equipment, noting any observed space or structural constraints and possible remedies.

Task C.1.3 Deliverable: TI Customer Site Assessment Report Template

Task C.1.4 Develop TI Customer Site Assessment Agreement

CONSULTANT will create a TI Customer Site Assessment Agreement that includes the following, at a minimum:

- i. Provides an overview of the TI Program;
- ii. Grants CONSULTANT permission to perform the TI Customer Site Assessment to determine whether single-family or multifamily property is a good candidate for inclusion in the TI Program;
- iii. Fully indemnifies CITY against all loss, damages, costs and liability arising from any claims stemming from the TI Customer Site Assessment;
- iv. Collects basic information from the customer, including but not limited to customer contact information and installation address.

CONSULTANT will submit the TI Customer Site Assessment Agreement to CITY for review and approval, and will revise and update the TI Customer Site Assessment Agreement, including adding additional elements, as directed by CITY before use. CONSULTANT will provide the TI Customer Site Assessment Agreement to customers in both electronic and paper formats. CONSULTANT will scan paper forms completed by customers and submit them to CITY electronically, as well as in their original paper format.

Task C.1.4 Deliverable: TI Customer Site Assessment Agreement Template

Task C.1.5 Develop TI Program Participation Agreement

CONSULTANT will create a TI Program Participation Agreement that grants CONSULTANT permission to install TIP Eligible Measures, collect customer Co-Payments, Electrification Remediation Services costs, Electrification Labor Rates and any Extended Parts and Labor Warranty costs, if applicable, and enroll customer in any State or local financing programs. The TI Program Participation Agreement will include, at a minimum, the following elements:

- i. Customer contact information
- ii. Installation address
- iii. Project scope;
- iv. Project costs by line item, including Electrification Remediation Services and Electrification Labor Rates, as well as customer's sole responsibility for any costs associated with them;
- v. Product and labor warranty information, including Extended Parts and Labor Warranty agreement specifying coverage of any defects in material or workmanship under normal use during the five (5) year warranty period, and also specifying that during the warranty period Synergy Companies will repair or replace, at no charge, products or part of a product that proves defective because of improper material or workmanship, under normal use and maintenance.
- vi. In addition, this Warranty covers one (1) single visit anytime in the five years following installation to perform manufacturer-recommended service and maintenance tasks that require specialized training and equipment,, if applicable, as well as customer's sole responsibility for any costs associated with them;
- vii. Customer Co-Payments and payment options available if customer opts to participate in the TI Program;
- viii. Customer finance programs such as GoGreen Financing, payment amount, terms, and payment options available if customer opts to participate in the TI Program;
- ix. Language specifying that only TI Program Eligible Measures are covered under the TI Program Participation Agreement, and CITY is not responsible for any non-TI Program work, equipment, installations or warranties;
- x. Language releasing CITY of liability for any claims stemming from the installed measure(s);
- xi. Language and/or supplemental forms enrolling customers in any State or local financing programs.

CONSULTANT will submit the TI Program Participation Agreement to CITY for review and approval and will revise and update as directed by CITY before use. CONSULTANT will

provide the TI Program Participation Agreement to customers in both electronic and paper formats. CONSULTANT will scan paper forms completed by customers and submit them to CITY electronically, as well as in their original paper format.

Task C.1.5 Deliverable: TI Customer Program Participation Agreement Template

Task C.1.6 Develop TI Project Completion and TI Customer Feedback Forms

CONSULTANT will develop a TI Project Completion Form to be executed by customer attesting CONSULTANT's installation of TIP Eligible Measures is completed and operational to the customer's satisfaction.

CONSULTANT will develop a TI Customer Feedback Form template. The TI Customer Feedback Form gives customers the opportunity to evaluate the TI Program, including the Site Assessment, the on-going customer support, and the overall customer experience associated with the TI Program. The TI Customer Feedback Form must include, at minimum, a question for the customer that enables CITY to calculate a Net Promotor Score value, which is a standardized metric used to assess customer satisfaction.

CONSULTANT will submit the TI Project Completion Form and TI Customer Feedback Form Templates to CITY for review and approval and will revise and update them as directed by CITY before use. CONSULTANT will provide the TI Project Completion and TI Customer Feedback Forms to customers in both electronic and paper formats. CONSULTANT will scan paper forms completed by customers and submit them to CITY electronically, as well as in their original paper format.

Task C.1.6 Deliverable: TI Project Completion Form Template and TI Customer Feedback Form Template

Task C.1.7 Develop Customer Information System

CONSULTANT will provide CITY with a searchable, electronic customer information system (CIS). CITY will have access to the CIS to download program participation data and information in an electronic format, such as .csv and .xls file formats, that can be easily integrated with CITY program platforms, including but not limited to the City's Energy Efficiency Collaboration Platform. CONSULTANT will enter project data, using information from the CIS, into CITY program platforms for program tracking, reporting, and invoicing.

CONSULTANT will design the CIS so that CITY staff will be able to access program data, including the following elements:

- i. Customer contact information (name, address, phone, email)
- ii. Customer qualifications and program eligibility (income, medical, etc.)
- iii. Customer status for receiving services (pending, completed, no customer response)
- iv. Scheduled and completed Site Assessments
- v. Existing equipment description (age, model, condition)
- vi. Site Assessment Report and recommendations provided
- vii. Customer job orders

- viii. Installed equipment and measures (fixtures, quantity, wattage, cost, model)
- ix. Installed equipment and measures costs
- x. Completed customer forms, as described in this Exhibit A (Site Assessment Agreement, Program Participation Agreement, Project Completion Form, Customer Feedback Form).
- xi. Non-warranty and warranty related repair issues
- xii. Program costs
- xiii. Energy and water savings
- xiv. Greenhouse gas (GHG) emissions avoided
- xv. Summary of customer compliments and/or complaints, and reasons for rejection of proposed installations by customer.
- xvi. Customer referrals to other programs
- xvii. Customer payments collected for Customer Co-Payments, Electrification Remediation Services and Labor, and Extended Parts and Labor Warranty
- xviii. Records of customers' Extended Parts and Labor Warranties.

CONSULTANT will revise and update the above list of program data to be included in the CIS as directed by CITY. CITY will own all customer information and program data. CONSULTANT will adhere to the CITY's Exhibit G - Information Privacy Policy and Exhibit H - Cybersecurity Terms and Conditions; specifically, CONSULTANT will protect the confidentiality of all customer information and program data used, prevent any sale or release of such information and data to third parties, and ensure CITY has secure access to all customer information and data collected through the CIS.

Task C.1.7 Deliverable: Customer Information System

Task C.1.8 Develop TI Program Report Template

CONSULTANT will create a standard TI Program Report template to meet CPAU's reporting requirements. This TI Program Report will be delivered monthly, quarterly and annually. CONSULTANT will assist CITY in finalizing program performance metrics to include in the TI Program Reports. These metrics may include data specified in Task C.1.7, as directed by CITY. The TI Program Report will also provide summary statistics including, but not limited to:

- i. Number of pending and completed Site Assessments;
- ii. Number and type of measures installed;
- iii. Installed equipment and measure costs;
- iv. Gross and net annual kWh savings;
- v. Gross and net lifetime kWh savings;
- vi. Gross and net annual kW demand savings;
- vii. Gross and net lifetime kW demand savings;
- viii. Gross and net annual therms savings;
- ix. Gross and net lifetime therms savings;
- x. Gross and net annual greenhouse gas (GHG) emissions;
- xi. Gross and net lifetime GHG savings.

CONSULTANT will submit the TI Program Report Template to CITY for review and

approval and will revise and update the TI Program Report Template as directed by CITY before use.

Task C.1.8 Deliverable: TI Program Report Template

Task C.1.9 Develop TI Program Invoice Template

CONSULTANT will create a standard TI Program Invoice Template to meet CPAU's invoicing requirements, including, but not limited to:

- i. name of company providing invoice (Synergy);
- ii. invoice number;
- iii. invoice date;
- iv. Synergy's remit-to address for invoicing;
- v. invoice amount, broken out as directed by Project Manager;
- vi. description of work.

CONSULTANT will submit the TI Program Invoice Template to CITY for review and approval and will revise and update the TI Program Invoice Template as directed by CITY before use.

Task C.1.9 Deliverable: TI Program Invoice Template

Task C.1.10 Provide Eligible Measure List Updates

Within thirty days of execution of this Agreement, CONSULTANT will use Template C-1 to update Table C-7 with savings values (Annual kWh savings, Annual Therm savings, Annual GHG savings, EUL, and Source).

Sixty days before the start of each fiscal year, or as requested by CITY but no more than two (2) times per fiscal year, CONSULTANT will use Template C-1 to provide to the CITY proposed updates of Table C-7 for CITY review and approval. The proposed tables will include any new TIP Eligible Measures proposed by CITY or CONSULTANT as well as changes to Effective Period that reflect measures no longer offered.

Task C.1.10 Deliverable: TIP Eligible Measure List Updates

Task C.1.11 Enroll in State or Local Financing Programs

CONSULTANT will enroll in GoGreen Financing, the public-facing platform of the California Hub for Energy Efficiency Financing, as a qualified contractor to provide energy efficiency and electrification installation services in Santa Clara County. When CONSULTANT is successfully enrolled in GoGreen Financing, CONSULTANT will provide CITY a link to the public-facing financing program website for Santa Clara County documenting CONSULTANT's enrollment or provide CITY with a letter certifying CONSULTANT's enrollment in the program in Santa Clara County.

If directed by CITY, CONSULTANT will enroll in additional financing programs or enlist third-party financial partners, such as National Energy Improvement Fund, to provide

lending services.

CONSULTANT will update the TI Program Participation Agreement (Task C.1.5) with financing programs which CONSULTANT is enrolled in and promote these financing programs to customers participating in the TI Program.

Task C.1.11 Deliverable Listing on public-facing financing program website or letters certifying CONSULTANT's enrollment

TASK C.2 - PROGRAM IMPLEMENTATION

Task C.2.1 Implement Marketing and Outreach Activities

CONSULTANT will market CITY programs as directed by the CITY's Project Manager.

Task C.2.2 Develop Schedule of Activities

CONSULTANT will develop a Schedule of Activities including a work plan and implementation timeline for CONSULTANT's TI Program activities with CITY customers for CITY review and approval. CONSULTANT will notify CITY's Project Manager of any delays to the implementation timeline. CONSULTANT will revise and update the Schedule of Activities as directed by CITY before use.

Task C.2.2 Deliverable: Monthly Schedule of Activities

Task C.2.3 Perform TI Customer Site Assessments and Deliver TI Customer Site Assessment Report

CONSULTANT will:

- 1) Respond to customers by email and/or phone within two (2) business days of receiving a customer referral or being contacted by customer, whichever comes first, to schedule a TI Customer Site Assessment.
- 2) Collect all data necessary during the TI Customer Site Assessment visit to develop the TI Customer Site Assessment Report (Task C.1.3).
- 3) Update Customer Information System (Task C.1.7) and CITY's program platform with data gathered from the IQR Customer Site Assessment for inclusion in the Program Report (Task C.1.8).
- 4) Deliver a completed TI Customer Site Assessment Report and a detailed estimate of proposed projects to CITY staff for review
- 5) Once work is approved by CITY, deliver a completed TI Customer Site Assessment Report and detailed estimate of proposed projects to the customer. CONSULTANT will offer to review the report with the customer in person or by phone, as the customer prefers, to explain the findings, address any questions, and begin planning any program installations.
- 6) Promote CITY's other energy efficiency, demand response, renewable energy and water program offerings to maximize benefit to customers, which is intended to result in referrals to other CITY programs or services. CONSULTANT will direct customers to

appropriate CITY resources or vendors to answer questions regarding other CITY programs. CONSULTANT may not offer, solicit or provide any non-CITY/CPAU programs or services under this Agreement.

CITY reserves right to accompany CONSULTANT during TI Customer Site Assessment visits or join CONSULTANT'S review of the TI Customer Site Assessment Report (Task C.1.3) with customer.

Task C.2.4 Execute TI Program Participation Agreement, Collect Customer Payments, and Enroll Customers in Financing Programs

After completing Task C.2.3 with the customer, CONSULTANT will:

- 1) Provide an unsigned version of the TI Program Participation Agreement (Task C.1.5) to CITY for review and approval before presenting to customer;
- 2) As necessary, CONSULTANT will coordinate with the customer to correct any errors or omissions identified by CITY in the TI Program Participation Agreement;
- 3) Upon CITY approval, provide the TI Program Participation Agreement (Task C.1.5) to the customer and obtain customer's signature;
- 4) Assist customer in understanding any payments that are the customer's responsibility, such as Customer Co-Payments, payments for Electrification Remediation Services and associated labor rates, and Extended Parts and Labor Warranties;
- 5) Assist customer in understanding CITY-approved financing programs, options, and payment terms
- 6) Return fully executed (by CONSULTANT and customer) copies of TI Program Participation Agreement to CITY for review.
- 7) Collect any customer payments including Customer Co-Payments, payments for Electrification Remediation Services and associated labor rates, and Extended Parts and Labor Warranties.
- 8) Assist interested customers with enrollment in any CITY-approved State or local financing programs (Task C.1.11).
- 9) After CITY review and approval of the executed TI Program Participation Agreement, CITY will issue a notice to proceed for CONSULTANT to begin installation work.

Task C.2.5 Install Measures and Provide Post-Installation Quality Control

Upon CITY's notice to proceed for CONSULTANT to begin installation work, CONSULTANT will:

- 1) Apply for and obtain any required permits on the customer's behalf.
- 2) Install TIP Eligible Measures identified in the executed TI Program Participation Agreement.
 - a. CONSULTANT will hold the appropriate license(s) for any installation and work performed under this Agreement. All equipment must be installed in accordance with all applicable federal, state, and local laws, building codes, manufacturer's specifications, and permitting requirements.
 - b. CONSULTANT will notify CITY Project Manager of any delays which may result in an installation start date later than 120 days from the CITY's issuance of the notice to proceed.
- 3) Implement the Quality Assurance and Quality Control Plan to verify each project has

- been installed properly and documented accurately.
- 4) Within ten (10) business days of TI Eligible Measure installation, assist customers in understanding equipment operation, including programming and performing preventative maintenance for any Eligible Measures installed under the TI Program;
 - 5) Remain available throughout the installation process to answer questions from customers or CITY about projects. As needed, CONSULTANT will direct customers to appropriate CITY resources or vendors for questions related to other CITY programs. CONSULTANT may not offer, solicit or provide any non-CITY/CPAU programs or services under this Agreement.
 - 6) Obtain final inspections and complete the job closure paperwork for all installed measures.
 - 7) Provide the TI Project Completion Form to customer for the customer to attest whether the installation and operation of TIP Eligible Measures is acceptable and satisfactory.
 - 8) Obtain the customer's completed TI Project Completion Form and return copies to CITY.
 - 9) Update Customer Information System (Task C.1.7) and CITY's program platform with completed project installation data and invoice information for inclusion in the TI Program Report (Task C.1.8) and TI Program Invoice (Task C.1.9)
 - 10) Provide customers, at a minimum, a one (1) year warranty for all measures installed under the TI Program, effective from the date of installation. CONSULTANT will ensure that all manufacturer product warranties held by CONSULTANT will be transferred to the customer upon installation.

CITY reserves the right to accompany CONSULTANT during project installation and final inspection.

Task C.2.6 Provide Customer Service, Feedback and Issue Resolution

CONSULTANT will provide a dedicated phone number available on customer-facing materials as directed by CITY for all CITY customer contacts to schedule Site Assessments, provide program information, and answer customer inquiries during normal business hours, Monday through Friday between 8 AM – 5 PM.

CONSULTANT will request customer feedback as described in TI Customer Feedback Form (Task C.1.5). CONSULTANT will enter customer feedback data into CITY's chosen platform. CONSULTANT will provide monthly customer feedback results to CITY in CONSULTANT's monthly invoicing and reporting.

CONSULTANT will address and attempt to resolve all customer issues discovered through either survey feedback or other means of customer contact within five (5) business days of receiving feedback. CONSULTANT will document all such customer issues, actions taken to resolve them, and outcomes and report them to CITY. If CONSULTANT cannot resolve program-related issues to the customer's satisfaction within five (5) business days, CONSULTANT will immediately provide CITY with a detailed description of each complaint, including the customer's name and contact information and any other information requested by CITY.

CONSULTANT will pursue continuous improvements in delivery of Services provided under this Agreement to customers to drive customer satisfaction and will revise its

processes, procedures and documents as directed by CITY to ensure customer satisfaction. Customer feedback issues will be tracked by CONSULTANT using the monthly reports, as well as a completed TI Customer Feedback Form (Task C.1.6). CITY may separately survey TI Program participants regarding CONSULTANT's performance.

TASK C.3 – TURNKEY INSTALLATION PROGRAM INVOICING AND REPORTING

Task C.3.1 Data Management

CONSULTANT will utilize the Customer Information System (Task C.1.7) to provide data tracking, analysis and reporting. CONSULTANT will utilize the Customer Information System to update the CITY's program platform with project information gathered from TI Customer Site Assessments and completed project installations. CONSULTANT will track detailed customer information such as barriers and motivations as well as planned future upgrades to support ongoing TI Program operations.

CONSULTANT will respond to CITY's written data requests within 30 calendar days to meet evaluation, measurement, and verification ("EM&V") and other regulatory requirements.

Task C.3.2 Reporting

CONSULTANT will provide completed TI Program Reports to CITY on CITY-approved reporting templates (Task C.1.8) on a monthly basis.

TI Program Reports are critical to the success of the programs described herein, and therefore CONSULTANT's timely submittal of complete and accurate TI Program Reports is required in order for CONSULTANT to receive payments under this Agreement.

Task C.3.3 Invoicing

Using the TI Program Invoice Template (Task C.1.9), CONSULTANT will invoice CITY on a monthly basis consistent with Section 5 of the Agreement and in accordance with the specific guidelines set forth in this Exhibit "A" and in Exhibit "C", "Compensation" through the CITY's designated submission approach or system.

Proper record-keeping is critical for the success of the programs described herein. As such, CONSULTANT must timely and accurately provide the following elements in order to receive payment for Services under this Agreement:

- i. Completed TI Program Invoice Template;
- ii. Executed TI Customer Site Assessment Agreement for each project;
- iii. Executed TI Program Participation Agreement for each project;
- iv. Executed TI Project Completion Form for each project;
- v. Completed TI Customer Feedback Form for each project;
- vi. Completed project installation and invoice information for each project entered into CITY program platform.

TASK C.4 – TURNKEY INSTALLATION PROGRAM CLOSE OUT

Task C.4.1 Resolve Outstanding Jobs in Progress

CONSULTANT will complete all outstanding projects in progress and resolve any complaints from previously completed projects as a prerequisite for CITY to process CONSULTANT's invoices.

Task C.4.2 Develop and Submit TI Program Final Report

CONSULTANT will submit a "TI Program Final Report", which includes a written overview of the TI Program and a spreadsheet detailing the budgeted and actual TI Program costs. The TI Program Final Report will include TI Program achievements, challenges, goals, and lessons learned. CONSULTANT will deliver the TI Program Final Report within 30 calendar days before the end of the Term.

Task C.4.2 Deliverable: TI Program Final Report

EXHIBIT A-1

PROFESSIONAL SERVICES TASK ORDER

CONSULTANT shall perform the Services detailed below in accordance with all the terms and conditions of the Agreement referenced in Item 1A below. All exhibits referenced in Item 8 are incorporated into this Task Order by this reference. CONSULTANT shall furnish the necessary facilities, professional, technical and supporting personnel required by this Task Order as described below.

CONTRACT NO.

OR PURCHASE ORDER REQUISITION NO. (AS APPLICABLE)

- 1A. MASTER AGREEMENT NO. (MAY BE SAME AS CONTRACT / P.O. NO. ABOVE):
- 1B. TASK ORDER NO.:
2. CONSULTANT NAME:
3. PERIOD OF PERFORMANCE: START: COMPLETION:
4. TOTAL TASK ORDER PRICE: \$ _____
BALANCE REMAINING IN MASTER AGREEMENT/CONTRACT \$ _____
5. BUDGET CODE _____
COST CENTER _____
COST ELEMENT _____
WBS/CIP _____
PHASE _____
6. CITY PROJECT MANAGER'S NAME & DEPARTMENT: _____
7. DESCRIPTION OF SCOPE OF SERVICES (Attachment A)
MUST INCLUDE:
 - SERVICES AND DELIVERABLES TO BE PROVIDED
 - SCHEDULE OF PERFORMANCE
 - MAXIMUM COMPENSATION AMOUNT AND RATE SCHEDULE (as applicable)
 - REIMBURSABLE EXPENSES, if any (with "not to exceed" amount)
8. ATTACHMENTS: A: Task Order Scope of Services B (if any): _____

I hereby authorize the performance of the work described in this Task Order.

I hereby acknowledge receipt and acceptance of this Task Order and warrant that I have authority to sign on behalf of Consultant.

APPROVED:
CITY OF PALO ALTO

APPROVED:
COMPANY NAME: _____

BY: _____
Name _____
Title _____
Date _____

BY: _____
Name _____
Title _____
Date _____

EXHIBIT “B” SCHEDULE OF PERFORMANCE

CONSULTANT shall perform the Services so as to complete each milestone within the number of days/weeks specified below. The time to complete each milestone may be increased or decreased by mutual written agreement of the project managers for CONSULTANT and CITY so long as all work is completed within the term of the Agreement. CONSULTANT shall provide a detailed schedule of work consistent with the schedule below within 2 weeks of receipt of the notice to proceed (NTP).

Table 1 – Multifamily Residential (MFR) Program Schedule of Performance

Task	Due Date
<i>Task A.1 MFR Program Planning and Kick Off</i>	
A.1.1 MFR Program Kick-Off Meeting	Within 15 days of NTP
A.1.2 Develop MFR Program Policies and Procedures Manual	Within 30 days of NTP
A.1.3 Develop MFR Customer Site Assessment Report	Within 30 days of NTP
A.1.4 Develop MFR Customer Site Assessment Agreement	Within 30 days of NTP
A.1.5 Develop MFR Program Participation Agreement	Within 30 days of NTP
A.1.6 Develop MFR Project Completion and Customer Feedback Forms	Within 30 days of NTP
A.1.7 Develop Customer Information System	Within 30 days of NTP
A.1.8 Develop MFR Program Reporting Template	Within 30 days of NTP
A.1.9 Develop MFR Program Invoice Template	Within 30 days of NTP
A.1.10 Provide Multifamily Eligible Measure List Updates	Within 30 days of NTP
<i>Task A.2. MFR Program Implementation</i>	
A.2.1 Implement Marketing and Outreach Activities	Ongoing
A.2.2 Develop Schedule of Activities	Ongoing
A.2.3 Perform MFR Site Assessments and Deliver Site Assessment Report	Ongoing
A.2.4 Execute MFR Program Participation Agreement	Ongoing
A.2.5 Install Measures and Provide Post-Installation Quality Control	Ongoing
A.2.6 Provide Customer Service, Feedback and Issue Resolution	Ongoing
<i>Task A.3 MFR Program Invoicing and Reporting</i>	
A.3.1 Data Management	Ongoing
A.3.2 Reporting	15 th of each month, for previous month's Program Report
A.3.3 Invoicing	15 th of each month, for previous month's Program Report
<i>Task A.4 MFR Program Close Out</i>	
A.4.1 Resolve Outstanding Jobs in Progress	Ongoing
A.4.2 Develop and Submit MFR Final Program Report	Within 30 days before end of Term

Table 2 – Income-Qualified Residential (IQR) Customer Program Schedule of Performance

Task	Due Date
<i>Task B.1 IQR Program Planning and Kick Off</i>	
B.1.1 IQR Program Kick-Off Meeting	Within 15 days of NTP
B.1.2 Develop IQR Program Policies and Procedures Manual	Within 30 days of NTP
B.1.3 Develop IQR Customer Site Assessment Report	Within 30 days of NTP
B.1.4 Develop IQR Customer Site Assessment Agreement	Within 30 days of NTP
B.1.5 Develop IQR Program Participation Agreement	Within 30 days of NTP
B.1.6 Develop IQR Project Completion and IQR Customer Feedback Forms	Within 30 days of NTP
B.1.7 Develop Customer Information System	Within 30 days of NTP
B.1.8 Develop IQR Program Report Template	Within 30 days of NTP
B.1.9 Develop IQR Program Invoice Template	Within 30 days of NTP
B.1.10 Provide Single-Family and Multifamily Eligible Measure List Updates	Within 30 days of NTP
<i>Task B.2. IQR Program Implementation</i>	
B.2.1 Implement Marketing and Outreach Activities	Ongoing
B.2.2 Develop Schedule of Activities	Ongoing
B.2.3 Perform IQR Site Assessments and Deliver Site Assessment Report	Ongoing
B.2.4 Execute IQR Program Participation Agreement	Ongoing
B.2.5 Install Measures and Provide Post-Installation Quality Control	Ongoing
B.2.6 Provide Customer Service, Feedback and Issue Resolution	Ongoing
<i>Task B.3 IQR Invoicing and Reporting</i>	
B.3.1 Data Management	Ongoing
B.3.2 Reporting	15 th of each month, for previous month's Program Report
B.3.5 Invoicing	15 th of each month, for previous month's Program Report
<i>Task B.4 IQR Program Close Out</i>	
B.4.1 Resolve Outstanding Jobs in Progress	Ongoing
B.4.2 Develop and Submit IQR Final Program Report	Within 30 days before end of Term

Table 3 – Turnkey Installation (TI) Program Schedule of Performance

Task	Due Date
<i>Task C.1 TI Program Planning and Kick Off</i>	
C.1.1 Program Kick-Off Meeting	Within 15 days of NTP
C.1.2 Develop TI Program Policies and Procedures Manual	Within 30 days of NTP
C.1.3 Develop TI Customer Site Assessment Report	Within 30 days of NTP
C.1.4 Develop TI Customer Site Assessment Agreement	Within 30 days of NTP
C.1.5 Develop TI Program Participation Agreement	Within 30 days of NTP
C.1.6 Develop TI Project Completion and TI Customer Feedback Forms	Within 30 days of NTP
C.1.7 Develop Customer Information System	Within 30 days of NTP
C.1.8 Develop Program Invoice and Reporting Template	Within 30 days of NTP
C.1.9 Develop IQR Program Invoice Template	Within 30 days of NTP
C.1.10 Provide Turnkey Installation Program Eligible Measure List Updates	Within 30 days of NTP
C.1.11 Enroll in State or Local Financing Programs	Within 30 days of NTP
<i>Task C.2. TI Program Implementation</i>	
C.2.1 Implement Marketing and Outreach Activities	Ongoing
C.2.2 Develop Schedule of Activities	Ongoing
C.2.3 Perform TI Site Assessments and Deliver TI Customer Site Assessment Report	Ongoing
C.2.4 Execute TI Program Participation Agreement, Collect Customer Payments, and Enroll Customers in Financing Programs	Ongoing
C.2.5 Install Measures and Provide Post-Installation Quality Control	Ongoing
C.2.6 Provide Customer Service, Feedback and Issue Resolution	Ongoing
<i>Task C.3 TI Program Invoicing and Reporting</i>	
C.3.1 Data Management	Ongoing
C.3.2 Reporting	15 th of each month, for previous month's Program Report
C.3.3 Invoicing	15 th of each month, for previous month's Program Report
<i>Task C.4 TI Program Close Out</i>	
C.4.1 Resolve Outstanding Jobs in Progress	Ongoing
C.4.2 Develop and Submit Final Program Report	Within 30 days before end of Term

☒ Optional Schedule of Performance Provision for On-Call or Additional Services Agreements.
 (This provision only applies if checked and only applies to on-call agreements per Section 1 or agreements with Additional Services per Section 4.)

The schedule of performance shall be as provided in the approved Task Order, as detailed in Section 1 (Scope of Services) in the case of on-call Services, or as detailed in Section 4 in the case

of Additional Services, provided in all cases that the schedule of performance shall fall within the term as provided in Section 2 (Term) of this Agreement.

EXHIBIT “C” COMPENSATION

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement, and as set forth in this Exhibit C.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit “A” (“Basic Services”) shall not exceed **Seven Million One Hundred and Five Thousand dollars (\$7,105,000)** for the Term of the Agreement and as set forth in Table C-1, below. The CONSULTANT shall provide Additional Services only by advanced, written authorization from the CITY, as described in Section 4. Payment for Additional Services is subject to all requirements and restrictions in this Agreement.

CONSULTANT understands that CONSULTANT’s receipt of compensation under this Agreement will depend on the number of customers who opt to participate in the Multifamily Residential, Income-Qualified Residential, and Turnkey Installation Programs by executing Program Participation Agreements binding them to pay for any eligible measures installed, and CONSULTANT’s satisfactory completion of invoicing activities as described in Exhibit A, Tasks A.3.3, B.3.3, and C.3.3. CITY makes no guarantee, express or implied, regarding the number of customers who will participate in programs covered by this Agreement.

The Multifamily Residential and Income-Qualified Residential Programs (Tasks A and B) have annual not-to-exceed (NTE) amounts defined in Table C-1. The Turnkey Installation Program (Task C) has a total NTE amount over the Term of the Agreement defined in Table C-1. Any work performed or expenses incurred for which payment would result in a total amount exceeding the annual NTE amount of compensation set forth in Table C-1 shall be at no cost to the CITY.

The CITY’s Project Manager may approve in writing the transfer of budget amounts between any of the tasks listed below provided the total compensation for Basic Services, including reimbursable expenses, and the total compensation for Additional Services do not exceed **Seven Million Seven Hundred and Five Thousand dollars (\$7,705,000)** for the Term of the Agreement, as set forth in Section 4 of this Agreement. CONSULTANT agrees to complete all Services within the amounts set forth in Section 4.

Table C-1 – Total Compensation Not to Exceed (NTE) Amounts

Task	Year 1 NTE	Year 2 NTE	Year 3 NTE	Total NTE
Task A: Multifamily Residential Customer Program	\$200,000	\$200,000	\$200,000	\$600,000
Task B: Income-Qualified Residential Customer Program¹	\$435,000	\$435,000	\$435,000	\$1,305,000
Task C:	\$5,200,000			\$5,200,000 ²

Turnkey Installation Program				
Total Task A-C NTE				\$7,105,000
Additional Services	\$200,000	\$200,000	\$200,000	\$600,000
Maximum Total NTE				\$7,705,000

¹ Includes income-qualified single-family and multifamily residences.

² This not-to-exceed amount does not include customer co-payments to CONSULTANT. The approved budget for the Turnkey Installation program covers achieving the program target of installing 900 heat pump water heaters. While the program goal is to complete 900 installations within the first program year, this program is the first of its kind and so the program budget is shown to cover all three program years.

CITY will compensate CONSULTANT the fixed price (the Cost per Unit) per Eligible Measure installed by CONSULTANT and approved by CITY, up to the NTE amounts listed in Table C-1, as described in the following Tables:

- 1) "Single Family Eligible Measure" in Table C-2 Single Family Efficiency Eligible Measure List,
- 2) "Multifamily Eligible Measure" in Table C-3 Multifamily Efficiency In-Unit Eligible Measure List,
- 3) "Multifamily Eligible Measure" in Table C-4 Multifamily Efficiency Common Area Eligible Measure List,
- 4) "Single Family Electrification Eligible Measure" in Table C-5 Single-Family Electrification Eligible Measure List,
- 5) "Multifamily Electrification Eligible Measure" in Table C-6 Multifamily Electrification Eligible Measure List,
- 6) "Turnkey Installation Program Eligible Measure" in Table C-7 Turnkey Installation Program Eligible Measure List (Rows 1-6).

The figures set forth in Tables C-2, C-3, C-4, C-5, C-6, and C-7, include all of CONSULTANT's costs to perform all of the Services listed in this Agreement that correspond to that Eligible Measure, including, without limitation, CONSULTANT's administrative costs, marketing and outreach costs, implementation (materials and labor) costs, Electrification Remediation Services, Electrification Labor Rates and Extended Parts and Labor Warranty costs. No additional fees or charges will be required of CITY or its customers for CONSULTANT to perform the Services listed in this Agreement.

The CITY bears no responsibility for any of CONSULTANT's costs and/or compensation to CONSULTANT associated with Customer Co-Payments, CONSULTANT's performance of any of the Electrification Remediation Services, including Electrification Labor Rates, or CONSULTANT's delivery of Extended Parts and Labor Warranties for any of the Turnkey Installation Program Eligible Measures. All such compensation will remain the sole the responsibility of customers who may elect to participate in the Turnkey Installation Program. (see Exhibit A, Section III(c), "Turnkey Installation Program Cost Allocation").

Template C-1 Program Eligible Measure Compensation Per Unit Summary

Eligible Measure Number	Eligible Measure Description	Unit of Measure	Maximum Quantity per Home	Compensation for Installed Eligible Measure	Gross Annual kWh savings	Gross Annual kW savings	Annual Therm savings	Annual GHG savings	Annual CCF savings	Expected Useful Life (EUL)	Source	Effective Period
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Table C-2 Single-Family Efficiency Eligible Measure List			
#	Single-Family Eligible Measure	Unit of Measure	Compensation for Installed Eligible Measure
1	AC Diagnostic & Tune up w/verification	Ton	\$235.00
2	Air Source Heat Pump 1- System (does not include cost of permits)	Unit	\$8,233.40
3	Air Source Heat Pump 2- System (does not include cost of permits)	Unit	\$10,995.00
4	Attic Access Weather Stripping	Unit	\$19.95
5	Attic Insulation Batt Insulation - Existing	Sq.Ft.	\$2.23
6	Attic Insulation Batt Insulation - R0 to R38	Sq.Ft.	\$2.45
7	Attic Insulation R-0 to Standard R-38	Sq.Ft.	\$1.95
8	Attic Insulation R-12 to Standard R-38	Sq.Ft.	\$1.85
9	Attic Venting	Unit	\$145.00
13	Carbon Monoxide Alarm	Unit	\$59.50
14	Door Replacement	Unit	\$250.00
15	Door Sweep	Unit	\$39.95
16	Door Weather-stripping	Unit	\$99.60
17	Duct Test & Seal	Unit	\$595.00
18	Energy Education	Unit	\$89.50
19	Exterior LED Light Fixture with Sensor	Unit	\$79.50
20	Faucet Aerators	Unit	\$4.00
21	Furnace Filter	Unit	\$24.90
22	Furnace Replacement (plus permits)-central	Unit	\$5,950.00
23	Furnace Replacement Wall Furnace Double (plus permits)	Unit	\$3,450.00
24	Furnace Replacement Wall Furnace Single (plus permits)	Unit	\$1,950.00
25	Furnace Replacement with Duct Work (plus permits)-central	Unit	\$8,450.00
26	Furnace Tune-up	Unit	\$195.00
27	HVAC Efficient Fan Control	Unit	\$195.00
28	Intelligent Power Strip-tier 2	Unit	\$118.00
29	LED 10-13 W replacing 50 W or greater halogen downlight (Interior)	Unit	\$32.00
30	LED 10-13 W replacing 50 W or greater halogen downlight (Exterior)	Unit	\$32.00
31	LED 19-21 W replacing 90 W or greater halogen downlight (Interior)	Unit	\$39.50
32	LED 19-21 W replacing 90 W or greater halogen downlight (Exterior)	Unit	\$39.50
33	LED 7 W replacing 50 W MR16 (Exterior)	Unit	\$37.00
34	LED A Type 10W replacing 60W Incandescent	Unit	\$17.95
35	LED A Type 8W replacing 40W Incandescent	Unit	\$15.95
36	LED R30 Bulb	Unit	\$29.95
37	LED R40 Bulb	Unit	\$37.95
38	Low-Flow Showerheads	Unit	\$20.00
39	Max Hourly Rate for Additional Work	Hour	\$95.00
40	Minor Home Repair - Walls + Materials	Unit	\$125.00
41	Natural Gas Appliance Testing	Unit	\$110.00
42	Occupancy Sensors	Unit	\$89.00
43	Pipe Insulation	Ln. Ft.	\$10.95
44	Smart Thermostats (with new HVAC install)	Unit	\$395.00

45	Refrigerator replacement – 15 Cubic Feet (CF), Right Hand Door (RHD), White (WHT), Westinghouse	Unit	\$1245.00
46	Refrigerator replacement - 18CF, RHD, WHT, Westinghouse	Unit	\$1395.00
47	Repair Furnace	Unit	variable NTE \$600
48	Repair Refrigerator	Unit	variable NTE \$300
49	Repair Water Heater	Unit	variable NTE \$300
50	Replace Water Heater (plus permits)	Unit	\$2,234.80
51	Smoke Detector Alarm	Unit	\$53.50
52	T8 LED 4F1L (Lamps and Ballast)	Fixture	\$64.50
53	T8 LED 4F2L (Lamps and Ballast)	Fixture	\$72.50
54	T8 LED 4F3L (Lamps and Ballast)	Fixture	\$89.50
55	T8 LED 4F4L (Lamps and Ballast)	Fixture	\$94.50
56	T8 LED 8F1L (Lamps and Ballast)	Fixture	\$86.50
57	T8 LED 8F2L (Lamps and Ballast)	Fixture	\$96.00
58	T8 Delamp - Kitchen, food preparation	Bulb	\$29.50
59	VFD Pool Pump Retrofit (plus permits)	Unit	\$2,595.00

Table C-3 Multifamily Efficiency In-Unit Eligible Measure List				
#	Multifamily Eligible Measure	Unit of Measure	Compensation for Installed Eligible Measure	Compensation for Installed Eligible Measure with Prevailing Wages
1	AC Diagnostic & Tune up w/verification	Ton	\$229.50	\$318.75
2	Air Source Heat Pump 1- System (does not include the cost of permits)	Unit	\$8,233.40	\$11,435.28
3	Air Source Heat Pump 2- System (does not include the cost of permits)	Unit	\$10,995.00	\$15,270.83
4	Attic Access Weather Stripping	Unit	\$19.95	\$27.71
5	Attic Insulation Batt Insulation - Existing	Sq.Ft.	\$2.23	\$3.10
6	Attic Insulation Batt Insulation - R0 to R38	Sq.Ft.	\$2.45	\$3.40
7	Attic Insulation R-0 to Standard R-38	Sq.Ft.	\$1.95	\$2.71
8	Attic Insulation R-12 to Standard R-38	Sq.Ft.	\$1.85	\$2.57
9	Attic Venting	Unit	\$145.00	\$201.39
10	Carbon Monoxide Alarm	Unit	\$59.50	\$82.64
11	Door Replacement	Unit	\$250.00	\$347.22
12	Door Sweep	Unit	\$39.95	\$55.49
13	Door Weather-stripping	Unit	\$99.60	\$138.33
14	Duct Test & Seal	Unit	\$595.00	\$826.39
15	Energy Education	Unit	\$89.50	\$124.31
16	Exterior LED Light Fixture with Sensor	Unit	\$79.50	\$110.42
17	Faucet Aerators	Unit	\$4.00	\$4.00
18	Furnace Filter	Unit	\$24.90	\$34.58
19	Furnace Replacement (plus permits)	Unit	\$5,950.00	\$8,263.89
20	Furnace Replacement Wall Furnace Double (plus permits)	Unit	\$3,450.00	\$4,791.67
21	Furnace Replacement Wall Furnace Single (plus permits)	Unit	\$1,950.00	\$2,708.33
22	Furnace Replacement with Duct Work (plus permits)	Unit	\$8,450.00	\$11,736.11
23	Furnace Tune-up	Unit	\$195.00	\$270.83
24	Hardwired Bathroom Vanity Fixture	Unit	\$89.50	\$124.31
25	Hardwired Interior Ceiling Fixture	Unit	\$109.50	\$152.08
26	Hardwired Interior Wall Sconces	Unit	\$79.50	\$110.42
27	HVAC Efficient Fan Control	Unit	\$195.00	\$270.83
28	Intelligent Power Strip	Unit	\$118.00	\$163.89
29	LED 10-13 W replacing 50 W or greater halogen downlight (Interior)	Unit	\$32.00	\$44.44
30	LED 10-13 W replacing 50 W or greater halogen downlight (Exterior)	Unit	\$32.00	\$44.44
31	LED 19-21 W replacing 90 W or greater halogen downlight (Interior)	Unit	\$39.50	\$54.86
32	LED 19-21 W replacing 90 W or greater halogen downlight (Exterior)	Unit	\$39.50	\$54.86
33	LED 7 W replacing 50 W MR16 (Exterior)	Unit	\$37.00	\$51.39
34	LED A Type 10W replacing 60W Incandescent	Unit	\$17.95	\$24.93
35	LED A Type 8W replacing 40W Incandescent	Unit	\$15.95	\$22.15

Table C-3 Multifamily Efficiency In-Unit Eligible Measure List				
#	Multifamily Eligible Measure	Unit of Measure	Compensation for Installed Eligible Measure	Compensation for Installed Eligible Measure with Prevailing Wages
36	LED R30 Bulb	Unit	\$29.95	\$41.60
37	LED R40 Bulb	Unit	\$37.95	\$52.71
38	Low-Flow Showerheads	Unit	\$20.00	\$20.00
39	Max Hourly Rate for Additional Work	Hour	\$95.00	\$131.94
40	Minor Home Repair - Walls + Materials	Unit	\$125.00	\$173.61
41	NGAT Testing	Unit	\$110.00	\$152.78
42	Occupancy Sensors	Unit	\$89.00	\$123.61
43	Pipe Insulation	Ln. Ft.	\$10.95	\$15.21
44	Smart T-stats (with new HVAC install)	Unit	\$395.00	\$548.61
45	Refrigerator replacement - 15CF, RHD, WHT, Westinghouse	Unit	\$1245.00	\$1,729.17
46	Refrigerator replacement - 18CF, RHD, WHT, Westinghouse	Unit	\$1395.00	\$1,937.50
47	Repair Furnace	Unit	variable NTE \$600	\$800.00
48	Repair Refrigerator	Unit	variable NTE \$300	\$415.00
49	Repair Water Heater	Unit	variable NTE \$300	\$415.00
50	Replace Water Heater (plus permits)	Unit	\$2,234.80	\$3,103.89
51	Smoke Detector Alarm	Unit	\$53.50	\$74.31
52	T8 LED 4F1L (Lamps and Ballast)	Fixture	\$64.50	\$89.58
53	T8 LED 4F2L (Lamps and Ballast)	Fixture	\$72.50	\$100.69
54	T8 LED 4F3L (Lamps and Ballast)	Fixture	\$89.50	\$124.31
55	T8 LED 4F4L (Lamps and Ballast)	Fixture	\$94.50	\$131.25
56	T8 LED 8F1L (Lamps and Ballast)	Fixture	\$86.50	\$120.14
57	T8 LED 8F2L (Lamps and Ballast)	Fixture	\$96.00	\$133.33
58	T8 Delamp - Kitchen, food preparation	Bulb	\$29.50	\$40.97
59	Thermostatic Shower Valve	Each	\$55.00	\$76.39

Table C-4 Multifamily Efficiency Common Area Eligible Measure List				
#	Multifamily Eligible Measure	Unit of Measure	Compensation for Installed Eligible Measure	Compensation for Installed Eligible Measure with Prevailing Wages
1	Attic Insulation R-12 to Standard R-38	Sq.Ft.	\$1.85	\$2.57
2	Attic Insulation R-0 to Standard R-38	Sq.Ft.	\$1.95	\$2.71
3	Occupancy Sensors	Unit	\$89.00	\$123.61
4	Tier 2 Advanced Power Strip (APS)	Unit	\$118.00	\$163.89
5	LED 10-13 W replacing 50 W halogen downlight (Exterior)	Unit	\$32.00	\$44.44
6	LED 10-13 W replacing 50 W halogen downlight (Interior)	Unit	\$32.00	\$44.44
7	LED 19-21 W replacing 90 W halogen downlight (Exterior)	Unit	\$39.50	\$54.86
8	LED 19-21 W replacing 90 W halogen downlight (Interior)	Unit	\$39.50	\$54.86
9	LED A Type 10W replacing 60W Incandescent	Unit	\$17.95	\$24.93
10	LED A Type 8W replacing 40W Incandescent	Unit	\$15.95	\$22.15
11	LED 7 W replacing 50 W MR16 (Exterior)	Unit	\$37.00	\$51.39
12	Open Sign LED - Office	Unit	\$295.00	\$409.72
13	Open Sign LED - Retail	Unit	\$295.00	\$409.72
14	LED Exit Sign - One Sided	Unit	\$64.50	\$89.58
15	LED Exit Sign - Two Sided	Unit	\$69.50	\$96.53
16	Vending machine controller	Unit	\$229.50	\$318.75
17	T8 LED 4F1L (Lamps and Ballast)	Lamp	\$64.50	\$89.58
18	T8 LED 4F2L (Lamps and Ballast)	Lamp	\$72.50	\$100.69
19	T8 LED 4F3L (Lamps and Ballast)	Lamp	\$89.50	\$124.31
20	T8 LED 4F4L (Lamps and Ballast)	Lamp	\$94.50	\$131.25
21	T8 LED 8F1L (Lamps and Ballast)	Lamp	\$86.50	\$120.14
22	T8 LED 8F2L (Lamps and Ballast)	Lamp	\$96.00	\$133.33
23	T8 Delamp 1-lamp - Corridors, stairs, etc.	Lamp	\$29.50	\$40.97
24	T8 Delamp 1-lamp - Kitchen, Food Prep	Lamp	\$29.50	\$40.97
25	T8 Delamp 1-lamp - Office space <250 sf	Lamp	\$29.50	\$40.97
26	T8 Delamp 1-lamp - Office space >250 sf	Lamp	\$29.50	\$40.97
27	T8 Delamp 1-lamp - Office space < 1,000 sf	Lamp	\$29.50	\$40.97
28	T8 Delamp 1-lamp - Tenant lease space	Lamp	\$29.50	\$40.97
29	T8 Delamp 1-lamp - Waiting area	Lamp	\$29.50	\$40.97
30	Hot Water Sensor Circulation Pump	Pump	\$2450.00	\$3,402.78
31	VFD Pool Pump Retrofit (MF Complexes)	Unit	\$2595.00	\$3,604.17
32	LED 30W Wall Pack replacing 150W fixture	Unit	\$269.50	\$374.31
33	LED 60W Wall Pack replacing 250W fixture	Unit	\$329.50	\$457.64
34	7W LED replacing 23W CFL (1.5 hrs. per day) low usage	Bulb	\$15.95	\$22.15
35	7W LED replacing 23W CFL (3.4 hrs. per day) med usage	Bulb	\$15.95	\$22.15
36	7W LED replacing 23W CFL (11.4 hrs. per day) high usage	Bulb	\$15.95	\$22.15
37	7W LED replacing 18W CFL (1.5 hrs. per day) low usage	Bulb	\$15.95	\$22.15
38	7W LED replacing 18W CFL (3.4 hrs. per day) med usage	Bulb	\$15.95	\$22.15

Table C-4 Multifamily Efficiency Common Area Eligible Measure List				
#	Multifamily Eligible Measure	Unit of Measure	Compensation for Installed Eligible Measure	Compensation for Installed Eligible Measure with Prevailing Wages
39	7W LED replacing 18W CFL (11.4 hrs. per day) high usage	Bulb	\$15.95	\$22.15
40	9W LED replacing 23W CFL (1.5 hrs. per day) low usage	Bulb	\$17.95	\$24.93
41	9W LED replacing 23W CFL (3.4 hrs. per day) med usage	Bulb	\$17.95	\$24.93
42	9W LED replacing 23W CFL (11.4 hrs. per day) high usage	Bulb	\$17.95	\$24.93
43	11W LED replacing 23W R30 CFL (11.4 hrs. per day) high usage	Bulb	\$29.50	\$40.97
44	T8 to LED 1- bulb (11.4 hrs. per day) high usage	Fixture	\$58.00	\$80.56
45	T8 to LED 2- bulb (11.4 hrs. per day) high usage	Fixture	\$74.00	\$102.78
46	T8 to LED 3- bulb (11.4 hrs. per day) high usage	Fixture	\$92.00	\$127.78
47	T8 to LED 4 - bulb (11.4 hrs. per day) high usage	Fixture	\$109.00	\$151.39
48	T8 to LED 1- bulb (5.2 hrs. per day) med usage	Fixture	\$58.00	\$80.56
49	T8 to LED 2- bulb (5.2 hrs. per day) med usage	Fixture	\$74.00	\$102.78
50	T8 to LED 3- bulb (5.2 hrs. per day) med usage	Fixture	\$92.00	\$127.78
51	T8 to LED 4 - bulb (5.2 hrs. per day) med usage	Fixture	\$109.00	\$151.39
52	T8 to LED 1- bulb with ballast switch out (11.4 hrs. per day) high usage	Fixture	\$89.00	\$123.61
53	T8 to LED 2- bulb with ballast switch out (11.4 hrs. per day) high usage	Fixture	\$99.00	\$137.50
54	T8 to LED 3- bulb with ballast switch out (11.4 hrs. per day) high usage	Fixture	\$109.00	\$151.39
55	T8 to LED 4 - bulb with ballast switch out (11.4 hrs. per day) high usage	Fixture	\$119.00	\$165.28
56	T8 to LED 1- bulb with ballast switch out (5.2 hrs. per day) med usage	Fixture	\$89.00	\$123.61
57	T8 to LED 2- bulb with ballast switch out (5.2 hrs. per day) med usage	Fixture	\$99.00	\$137.50
58	T8 to LED 3- bulb with ballast switch out (5.2 hrs. per day) med usage	Fixture	\$109.00	\$151.39
59	T8 to LED 4 - bulb with ballast switch out (5.2 hrs. per day) med usage	Fixture	\$119.00	\$165.28
60	T12 to LED 1- bulb with ballast (11.4 hrs. per day) high usage	Fixture	\$89.00	\$123.61
61	T12 to LED 2- bulb with ballast (11.4 hrs. per day) high usage	Fixture	\$99.00	\$137.50
62	T12 to LED 3- bulb with ballast (11.4 hrs. per day) high usage	Fixture	\$109.00	\$151.39
63	LED 4- bulb with ballast (11.4 hrs. per day) high usage	Fixture	\$119.00	\$165.28
64	T12 to LED 1- bulb with ballast (5.2 hrs. per day) med usage	Fixture	\$89.00	\$123.61
65	T12 to LED 2- bulb with ballast (5.2 hrs. per day) med usage	Fixture	\$99.00	\$137.50
66	T12 to LED 3- bulb with ballast (5.2 hrs. per day) med usage	Fixture	\$109.00	\$151.39
67	T12 to LED 4- bulb with ballast (5.2 hrs. per day) med usage	Fixture	\$119.00	\$165.28
68	Multifamily Common Area Pipe Insulation - 1" insulation, pipe, outdoor, hot water, <1" pipe diameter, CZ04	Len-Ft	\$13.95	\$19.38
69	Multifamily Common Area Pipe Insulation - 1" insulation, pipe, outdoor, hot water, >4" pipe diameter, CZ04	Len-Ft	\$13.95	\$19.38
70	2" tank insulation, medium temp, high usage, indoor, any CZ	Area-ft2	\$18.95	\$26.32
71	2" tank insulation, medium temp, high usage, outdoor, CZ04	Area-ft2	\$18.95	\$26.32

Table C-5 Single-Family Electrification Eligible Measure List				
#	Single-Family Electrification Measure	Unit of Measure	Compensation for Installed Eligible Measure	Extended Parts and Labor Warranty Potential Compensation¹
1	3 ton heat pump space heater/cooler-package-14 SEER	Unit	\$ 9,133.00	\$ 465.27
2	4 ton heat pump space heater/cooler-package-14 SEER	Unit	\$ 9,613.00	\$ 466.92
3	5 ton heat pump space heater/cooler-package-14 SEER	Unit	\$ 9,998.50	\$ 483.05
4	3 ton heat pump space heater/cooler-split system-14 SEER	Unit	\$ 9,697.00	\$ 415.40
5	4 ton heat pump space heater/cooler-split system-14 SEER	Unit	\$ 9,208.00	\$ 430.18
6	5 ton heat pump space heater/cooler-split system-14 SEER	Unit	\$ 10,596.00	\$ 431.14
7	Heat Pump Mini-Split System (Ductless)-16-17 SEER 9-10 HSPF,18-24 KBTU-dual zone	Unit	\$ 11,999.50	\$ 447.73
8	Heat Pump Mini-Split System (Ductless)-16-17 SEER 9-10 HSPF,25-36 KBTU-dual zone	Unit	\$ 13,197.00	\$ 447.73
9	Heat Pump Mini-Split System (Ductless)-16-17 SEER 9-10 HSPF,18-24 KBTU-tri zone	Unit	\$ 14,419.00	\$ 475.23
10	Heat Pump Mini-Split System (Ductless)-16-17 SEER 9-10 HSPF,25-36 KBTU-Tri zone	Unit	\$ 14,998.50	\$ 475.23
11	Heat Pump Mini-Split System (Ductless)-16-17 SEER 9-10 HSPF,18-24 KBTU-quad zone	Unit	\$ 15,534.00	\$ 518.23
12	Heat Pump Mini-Split System (Ductless)-16-17 SEER 9-10 HSPF,25-36 KBTU-quad zone	Unit	\$ 15,534.00	\$ 518.23
13	Electric cooktops induction ranges.ovens, cooktops	Unit	\$ 1,899.50	\$ 100.00
14	Heat pump clothes dryers	Unit	\$ 1,498.50	\$ 100.00
15	High efficiency electric clothes dryers	Unit	\$ 1,998.50	\$ 100.00
16	Onsite assessment and recommendations	Household	\$ 150.00	N/A
17	Heat Pump Water Heater - 50 Gallon ²	Unit	\$ 5,650.00	\$ 389.52
18	Heat Pump Water Heater - 65 Gallon ²	Unit	\$ 6,250.00	\$ 405.94
19	Heat Pump Water Heater - 80 Gallon ²	Unit	\$ 6,720.00	\$ 420.67
20	Add circuit breaker to electrical panel/run a circuit	Unit	\$ 1,065.00	N/A
21	HPWH Permit Costs (Electrical & Plumbing) related to HPWH installation work ²	Unit	Pass-through	N/A
22	Carbon Monoxide Detectors	Unit	\$ 59.50	N/A
23	Smoke alarms	Unit	\$ 53.50	N/A
24	HERs testing/permits fee	Each	\$ 600.00	N/A
25	Duct test and seal	Unit	\$ 595.00	N/A
Electrification Remediation Services³				
26	Electrical panel replacement	Unit	\$ 1,940.00	N/A
27	Sub panel replacement	Unit	\$ 1,940.00	N/A
28	Permit fees associated with Remediation Services	Unit	At cost	N/A
Electrification Remediation Labor Rates				
29	Carpenter Apprentice	Hourly	\$ 110.00	N/A
30	Carpenter Journeyman	Hourly	\$ 134.00	N/A

Table C-5 Single-Family Electrification Eligible Measure List				
#	Single-Family Electrification Measure	Unit of Measure	Compensation for Installed Eligible Measure	Extended Parts and Labor Warranty Potential Compensation¹
31	Electrician Apprentice	Hourly	\$ 129.00	N/A
32	Electrician Journeyman	Hourly	\$ 159.00	N/A
33	HVAC Apprentice	Hourly	\$ 129.00	N/A
34	HVAC Journeyman	Hourly	\$ 149.00	N/A
35	Laborer	Hourly	\$ 104.00	N/A
36	Plumber Apprentice	Hourly	\$ 129.00	N/A
37	Plumber Journeyman	Hourly	\$ 149.00	N/A
38	Roofer Apprentice	Hourly	\$ 109.00	N/A
39	Roofer Journeyman	Hourly	\$ 129.00	N/A
40	Weatherization Specialist	Hourly	\$ 125.00	N/A

¹ Compensation to CONSULTANT for Extended Parts and Labor Warranties is not guaranteed because it is solely dependent on the participating customer's voluntary decision on whether to purchase an Extended Parts and Labor Warranty, the terms and conditions for which will be included in the Program Participation Agreement if applicable.

² Work includes: remove existing gas water heater, properly dispose of the old water heater, cap the gas line, install an appliance circuit and disconnect (as required per manufacturer's instruction), install the drain pan, install the heat pump water heater per manufacturer's instruction based on location, install new safety straps, install venting per manufacturer's instructions, install expansion tank, complete the job closure paperwork, photos & signatures, standard one (1) year labor warranty, and manufacturer's product warranty.

³ There may be additional remediation work required to complete the electrification project. CONSULTANT will calculate the cost of remediation based on the service needed and using the labor rates provided. CONSULTANT must receive approval from CITY to proceed with any remediation work. Examples of remediation work include, but are not limited to relocating the water heater, building an outdoor water heater closet.

Table C-6 Multifamily Electrification Eligible Measure List					
#	Multifamily Electrification Eligible Measure	Unit of Measure	Compensation for Installed Eligible Measure	Compensation for Installed Eligible Measure with Prevailing Wages	Extended Parts and Labor Warranty Potential Compensation¹
1	2 ton heat pump space heater/ cooler-package-14 SEER	Unit	\$ 8,667.00	\$10,442.17	\$447.49
2	2 ton heat pump space heater/cooler-split system-14 SEER	Unit	\$ 9,254.00	\$11,149.40	\$407.42
3	Heat Pump Mini-Split System (Ductless)-16-17 SEER 9-10 HSPF,18-24 KBTU-dual zone	Unit	\$ 11,999.50	\$14,457.23	\$ 447.73
4	Heat Pump Mini-Split System (Ductless)-16-17 SEER 9-10 HSPF,25-36 KBTU-dual zone	Unit	\$ 13,197.00	\$15,900.00	\$ 447.73
5	Heat Pump Mini-Split System (Ductless)-16-17 SEER 9-10 HSPF,18-24 KBTU-tri zone	Unit	\$ 14,419.00	\$17,372.29	\$ 475.23
6	Heat Pump Mini-Split System (Ductless)-16-17 SEER 9-10 HSPF,25-36 KBTU-Tri zone	Unit	\$ 14,998.50	\$18,070.48	\$ 475.23
7	Heat Pump Mini-Split System (Ductless)-16-17 SEER 9-10 HSPF,18-24 KBTU-quad zone	Unit	\$ 15,534.00	\$18,715.66	\$ 518.23
8	Heat Pump Mini-Split System (Ductless)-16-17 SEER 9-10 HSPF,25-36 KBTU-quad zone	Unit	\$ 15,534.00	\$18,715.66	\$ 518.23
9	Electric cooktops induction ranges.ovens, cooktops	Unit	\$ 1,899.50	\$2,288.55	\$ 100.00
10	Heat pump clothes dryers	Unit	\$ 1,498.50	\$1,805.42	\$ 100.00
11	High efficiency electric clothes dryers	Unit	\$ 1,998.50	\$2,407.83	\$ 100.00
12	Onsite assessment and recommendations	Household	\$ 150.00	\$180.72	N/A
13	Heat Pump Water Heater - 50 Gallon ²	Unit	\$ 5,650.00	\$6,807.23	\$ 389.52
14	Heat Pump Water Heater - 65 Gallon ²	Unit	\$ 6,250.00	\$7,530.12	\$ 405.94
15	Heat Pump Water Heater - 80 Gallon ²	Unit	\$ 6,720.00	\$8,096.39	\$ 420.67
16	Add circuit breaker to electrical panel/run a circuit	Unit	\$ 1,065.00	\$1,283.13	N/A
17	HPWH Permit Costs (Electrical & Plumbing) related to HPWH installation work ²	Unit	Pass-through	Pass-through	N/A
18	Carbon Monoxide Detectors	Unit	\$ 59.50	\$71.69	N/A
19	Smoke alarms	Unit	\$ 53.50	\$64.46	N/A
20	HERs testing/permits fee	Each	\$ 600.00	\$722.89	N/A
21	Duct test and seal	Unit	\$ 595.00	\$716.87	N/A
Electrification Remediation Services³					
22	Electrical panel replacement	Unit	\$ 1,940.00	\$2,337.35	N/A
23	Sub panel replacement	Unit	\$ 1,940.00	\$2,337.35	N/A
24	Permit fees associated with Remediation Services	Unit	At cost	At cost	N/A
Electrification Remediation Labor Rates³					
25	Carpenter Apprentice	Hourly	\$ 110.00	\$132.53	N/A
26	Carpenter Journeyman	Hourly	\$ 134.00	\$161.45	N/A
27	Electrician Apprentice	Hourly	\$ 129.00	\$155.42	N/A
28	Electrician Journeyman	Hourly	\$ 159.00	\$191.57	N/A

Table C-6 Multifamily Electrification Eligible Measure List					
#	Multifamily Electrification Eligible Measure	Unit of Measure	Compensation for Installed Eligible Measure	Compensation for Installed Eligible Measure with Prevailing Wages	Extended Parts and Labor Warranty Potential Compensation¹
29	HVAC Apprentice	Hourly	\$ 129.00	\$155.42	N/A
30	HVAC Journeyman	Hourly	\$ 149.00	\$179.52	N/A
31	Laborer	Hourly	\$ 104.00	\$125.30	N/A
32	Plumber Apprentice	Hourly	\$ 129.00	\$155.42	N/A
33	Plumber Journeyman	Hourly	\$ 149.00	\$179.52	N/A
34	Roofer Apprentice	Hourly	\$ 109.00	\$131.33	N/A
35	Roofer Journeyman	Hourly	\$ 129.00	\$155.42	N/A
36	Weatherization Specialist	Hourly	\$ 125.00	\$150.60	N/A

¹ Compensation to CONSULTANT for Extended Parts and Labor Warranties is not guaranteed because it is solely dependent on the participating customer's voluntary decision on whether to purchase an Extended Parts and Labor Warranty, the terms and conditions for which will be included in the Program Participation Agreement if applicable.

² Work includes: remove existing gas water heater, properly dispose of the old water heater, cap the gas line, install an appliance circuit and disconnect (as required per manufacturer's instruction), install the drain pan, install the heat pump water heater per manufacturer's instruction based on location, install new safety straps, install venting per manufacturer's instructions, install expansion tank, complete the job closure paperwork, photos & signatures, standard one (1) year labor warranty, and manufacturer's product warranty.

³ There may be additional remediation work required to complete the electrification project. CONSULTANT will calculate the cost of remediation based on the service needed and using the labor rates provided. CONSULTANT must receive approval from CITY to proceed with any remediation work. Examples of remediation work include, but are not limited to relocating the water heater, building an outdoor water heater closet.

Table C-7 Turnkey Installation Program Eligible Measure List					
#	Eligible Measure	Market Segment	Unit of Measure	Compensation for Installed Eligible Measure	Extended Parts and Labor Warranty Potential Compensation¹
Turnkey Installation Program Eligible Measures					
1	Onsite assessment and recommendations	SFm/MFm	Household	\$ 150.00	N/A
2	Heat Pump Water Heater - 50 Gallon ²	SFm/MFm	Unit	\$ 5,650.00	\$ 389.52
3	Heat Pump Water Heater - 65 Gallon ²	SFm/MFm	Unit	\$ 6,250.00	\$ 405.94
4	Heat Pump Water Heater - 80 Gallon ²	SFm/MFm	Unit	\$ 6,720.00	\$ 420.67
5	Add circuit breaker to electrical panel/run a circuit	SFm/MFm	Unit	\$ 1,065.00	N/A
6	HPWH Permit Costs (Electrical & Plumbing) related to HPWH installation work ²	SFm/MFm	Unit	Pass-through	N/A
Electrification Remediation Services (if requested by customer)³					
7	Electrical panel replacement	SFm/MFm	Unit	\$ 1,940.00	N/A
8	Sub panel replacement	SFm/MFm	Unit	\$ 1,940.00	N/A
9	Permit fees associated with Remediation Services	SFm/MFm	Unit	At cost	N/A
Electrification Remediation Labor Rates (if Electrification Remediation Services are requested by customer)³					
10	Carpenter Apprentice	SFm/MFm	Hourly	\$ 110.00	N/A
11	Carpenter Journeyman	SFm/MFm	Hourly	\$ 134.00	N/A
12	Electrician Apprentice	SFm/MFm	Hourly	\$ 129.00	N/A
13	Electrician Journeyman	SFm/MFm	Hourly	\$ 159.00	N/A
14	HVAC Apprentice	SFm/MFm	Hourly	\$ 129.00	N/A
15	HVAC Journeyman	SFm/MFm	Hourly	\$ 149.00	N/A
16	Laborer	SFm/MFm	Hourly	\$ 104.00	N/A
17	Plumber Apprentice	SFm/MFm	Hourly	\$ 129.00	N/A
18	Plumber Journeyman	SFm/MFm	Hourly	\$ 149.00	N/A
19	Roofer Apprentice	SFm/MFm	Hourly	\$ 109.00	N/A
20	Roofer Journeyman	SFm/MFm	Hourly	\$ 129.00	N/A
21	Weatherization Specialist	SFm/MFm	Hourly	\$ 125.00	N/A

¹ Compensation to CONSULTANT for Extended Parts and Labor Warranties is not guaranteed because it is solely dependent on the participating customer's voluntary decision on whether to purchase an Extended Parts and Labor Warranty, the terms and conditions for which will be included in the Program Participation Agreement if applicable.

² Work includes: remove existing gas water heater, properly dispose of the old water heater, cap the gas line, install an appliance circuit and disconnect (as required per manufacturer's instruction), install the drain pan, install the heat pump water heater per manufacturer's instruction based on location, install new safety straps, install venting per manufacturer's instructions, install expansion tank, complete the job closure paperwork, photos & signatures, standard one (1) year labor warranty, and manufacturer's product warranty.

³ Table C-7 of Exhibit "C" also includes "Electrification Remediation Services" and "Electrification Labor Rates" in Rows 7-21. These sections of Table C-7 describe compensation, including applicable labor rates, that *may* be paid by participating customers to CONSULTANT for Electrification Remediation Services, *if* customers elect to request these services from CONSULTANT. The CITY bears no responsibility for any of CONSULTANT's costs and/or compensation associated with CONSULTANT's performance of any of the Electrification Remediation Services, including Electrification Labor Rates; all such compensation will remain the sole responsibility of customers who may elect to request Electrification Remediation Services.

EXHIBIT D INSURANCE REQUIREMENTS

CONSULTANTS TO THE CITY OF PALO ALTO (CITY), AT THEIR SOLE EXPENSE, SHALL FOR THE TERM OF THE CONTRACT OBTAIN AND MAINTAIN INSURANCE IN THE AMOUNTS FOR THE COVERAGE SPECIFIED BELOW, **AFFORDED BY COMPANIES WITH AM BEST'S KEY RATING OF A-VII, OR HIGHER, LICENSED OR AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN THE STATE OF CALIFORNIA.**

AWARD IS CONTINGENT ON COMPLIANCE WITH CITY'S INSURANCE REQUIREMENTS AS SPECIFIED HEREIN.

AWARD IS CONTINGENT ON COMPLIANCE WITH CITY'S INSURANCE REQUIREMENTS AS SPECIFIED HEREIN.				
REQUIRED	TYPE OF COVERAGE	REQUIREMENT	MINIMUM LIMITS	
			EACH OCCURRENCE	AGGREGATE
YES YES	WORKER'S COMPENSATION EMPLOYER'S LIABILITY	STATUTORY STATUTORY	STATUTORY	STATUTORY
YES	GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL, AND FIRE LEGAL LIABILITY	BODILY INJURY	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY & PROPERTY DAMAGE COMBINED.	\$1,000,000	\$1,000,000
YES	AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED	BODILY INJURY	\$1,000,000	\$1,000,000
		- EACH PERSON	\$1,000,000	\$1,000,000
		- EACH OCCURRENCE	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY AND PROPERTY DAMAGE, COMBINED	\$1,000,000	\$1,000,000
YES	PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE	ALL DAMAGES	\$1,000,000	
YES	THE CITY OF PALO ALTO IS TO BE NAMED AS AN ADDITIONAL INSURED: CONSULTANT, AT ITS SOLE COST AND EXPENSE, SHALL OBTAIN AND MAINTAIN, IN FULL FORCE AND EFFECT THROUGHOUT THE ENTIRE TERM OF ANY RESULTANT AGREEMENT, THE INSURANCE COVERAGE HEREIN DESCRIBED, INSURING NOT ONLY CONSULTANT AND ITS SUBCONSULTANTS, IF ANY, BUT ALSO, WITH THE EXCEPTION OF WORKERS' COMPENSATION, EMPLOYER'S LIABILITY AND PROFESSIONAL INSURANCE, NAMING AS ADDITIONAL INSUREDS CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES.			

I. INSURANCE COVERAGE MUST INCLUDE:

- A. A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONSULTANT'S AGREEMENT TO INDEMNIFY CITY.

II. THE CONSULTANT MUST SUBMIT CERTIFICATES(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE AT THE FOLLOWING URL: [HTTPS://WWW.PLANETBIDS.COM/PORTAL/PORTAL.CFM?COMPANYID=25569](https://www.planetbids.com/portal/portal.cfm?companyid=25569)

III. ENDORSEMENT PROVISIONS WITH RESPECT TO THE INSURANCE AFFORDED TO ADDITIONAL INSUREDS:

A. PRIMARY COVERAGE

WITH RESPECT TO CLAIMS ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, INSURANCE AS AFFORDED BY THIS POLICY IS PRIMARY AND IS NOT ADDITIONAL TO OR CONTRIBUTING WITH ANY OTHER INSURANCE CARRIED BY OR FOR THE BENEFIT OF THE ADDITIONAL INSUREDS.

B. CROSS LIABILITY

THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSUREDS UNDER THE POLICY SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER, BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSUREDS, SHALL NOT INCREASE THE TOTAL LIABILITY OF THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.
2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

EVIDENCE OF INSURANCE AND OTHER RELATED NOTICES ARE REQUIRED TO BE FILED WITH THE CITY OF PALO ALTO AT THE FOLLOWING URL:

<HTTPS://WWW.PLANETBIDS.COM/PORTAL/PORTAL.CFM?COMPANYID=25569>

OR

HTTP://WWW.CITYOFPALOALTO.ORG/GOV/DEPTS/ASD/PLANET_BIDS_HOW_TO.ASP

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**ATTACHMENT E****INFORMATION PRIVACY POLICY****POLICY STATEMENT**

The City of Palo Alto (the “City”) strives to promote and sustain a superior quality of life for persons in Palo Alto. In promoting the quality of life of these persons, it is the policy of the City, consistent with the provisions of the California Public Records Act, California Government Code §§ 6250 – 6270, to take appropriate measures to safeguard the security and privacy of the personal (including, without limitation, financial) information of persons, collected in the ordinary course and scope of conducting the City’s business as a local government agency. These measures are generally observed by federal, state and local authorities and reflected in federal and California laws, the City’s rules and regulations, and industry best practices, including, without limitation, the provisions of California Civil Code §§ 1798.3(a), 1798.24, 1798.79.8(b), 1798.80(e), 1798.81.5, 1798.82(e), 1798.83(e)(7), and 1798.92(c). Though some of these provisions do not apply to local government agencies like the City, the City will conduct business in a manner which promotes the privacy of personal information, as reflected in federal and California laws. The objective of this Policy is to describe the City’s data security goals and objectives, to ensure the ongoing protection of the Personal Information, Personally Identifiable Information, Protected Critical Infrastructure Information and Personally Identifying Information of persons doing business with the City and receiving services from the City or a third party under contract to the City to provide services. The terms “Personal Information,” “Protected Critical Infrastructure Information”, “Personally Identifiable Information” and “Personally Identifying Information” (collectively, the “Information”) are defined in the California Civil Code sections, referred to above, and are incorporated in this Policy by reference.

PURPOSE

The City, acting in its governmental and proprietary capacities, collects the Information pertaining to persons who do business with or receive services from the City. The Information is collected by a variety of means, including, without limitation, from persons applying to receive services provided by the City, persons accessing the City’s website, and persons who access other information portals maintained by the City’s staff and/or authorized third-party contractors. The City is committed to protecting the privacy and security of the Information collected by the City. The City acknowledges federal and California laws, policies, regulations and procedures,

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and industry best practices are dedicated to ensuring the Information is collected, stored and utilized in compliance with applicable laws.

The goals and objectives of the Policy are: (a) a safe, productive, and inoffensive work environment for all users having access to the City's applications and databases; (b) the appropriate maintenance and security of database information assets owned by, or entrusted to, the City; (c) the controlled access and security of the Information provided to the City's staff and third party contractors; and (d) faithful compliance with legal and regulatory requirements.

SCOPE

The Policy will guide the City's staff and, indirectly, third party contractors, which are by contract required to protect the confidentiality and privacy of the Information of the persons whose personal information data are intended to be covered by the Policy and which will be advised by City staff to conform their performances to the Policy should they enjoy conditional access to that information.

CONSEQUENCES

The City's employees shall comply with the Policy in the execution of their official duties to the extent their work implicates access to the Information referred to in this Policy. A failure to comply may result in employment and/or legal consequences.

EXCEPTIONS

In the event that a City employee cannot fully comply with one or more element(s) described in this Policy, the employee may request an exception by submitting Security Exception Request. The exception request will be reviewed and administered by the City's Information Security Manager (the "ISM"). The employee, with the approval of his or her supervisor, will provide any additional information as may be requested by the ISM. The ISM will conduct a risk assessment of the requested exception in accordance with guidelines approved by the City's Chief Information Officer ("CIO") and approved as to form by the City Attorney. The Policy's guidelines will include at a minimum: purpose, source, collection, storage, access, retention, usage, and protection of the Information identified in the request. The ISM will consult with the CIO to approve or deny the exception request. After due consideration is given to the request, the exception request disposition will be communicated, in writing, to the City employee and his or her supervisor. The approval of any request may be subject to countermeasures established by the CIO, acting by the ISM.

MUNICIPAL ORDINANCE

This Policy will supersede any City policy, rule, regulation or procedure regarding information privacy.

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RESPONSIBILITIES OF CITY STAFF**A. RESPONSIBILITY OF CIO AND ISM**

The CIO, acting by the ISM, will establish an information security management framework to initiate and coordinate the implementation of information security measures by the City's government.

The City's employees, in particular, software application users and database users, and, indirectly, third party contractors under contract to the City to provide services, shall be guided by this Policy in the performance of their job responsibilities.

The ISM will be responsible for: (a) developing and updating the Policy; (b) enforcing compliance with and the effectiveness of the Policy; (c) the development of privacy standards that will manifest the Policy in detailed, auditable technical requirements, which will be designed and maintained by the persons responsible for the City's IT environments; (d) assisting the City's staff in evaluating security and privacy incidents that arise in regard to potential violations of the Policy; (e) reviewing and approving department-specific policies and procedures which fall under the purview of this Policy; and (f) reviewing Non-Disclosure Agreements (NDAs) signed by third party contractors, which will provide services, including, without limitation, local or 'cloud-based' software services to the City.

B. RESPONSIBILITY OF INFORMATION SECURITY STEERING COMMITTEE

The Information Security Steering Committee (the "ISSC"), which is comprised of the City's employees, drawn from the various City departments, will provide the primary direction, prioritization and approval for all information security efforts, including key information security and privacy risks, programs, initiatives and activities. The ISSC will provide input to the information security and privacy strategic planning processes to ensure that information security risks are adequately considered, assessed and addressed at the appropriate City department level.

C. RESPONSIBILITY OF USERS

All authorized users of the Information will be responsible for complying with information privacy processes and technologies within the scope of responsibility of each user.

D. RESPONSIBILITY OF INFORMATION TECHNOLOGY (IT) MANAGERS

The City's IT Managers, who are responsible for internal, external, direct and indirect connections to the City's networks, will be responsible for configuring, maintaining and securing the City's IT networks in compliance with the City's information security and privacy

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policies. They are also responsible for timely internal reporting of events that may have compromised network, system or data security.

E. RESPONSIBILITY OF AUTHORIZATION COORDINATION

The ISM will ensure that the City's employees secure the execution of Non-Disclosure Agreements (NDA), whenever access to the Information will be granted to third party contractors, in conjunction with the Software as a Service (SaaS) Security and Privacy Terms and Conditions. An NDA must be executed prior to the sharing of the Information of persons covered by this Policy with third party contractors. The City's approach to managing information security and its implementation (i.e. objectives, policies, processes, and procedures for information security) will be reviewed independently by the ISM at planned intervals, or whenever significant changes to security implementation have occurred.

The CIO, acting by the ISM, will review and recommend changes to the Policy annually, or as appropriate, commencing from the date of its adoption.

GENERAL PROCEDURE FOR INFORMATION PRIVACY**A. OVERVIEW**

The Policy applies to activities that involve the use of the City's information assets, namely, the Information of persons doing business with the City or receiving services from the City, which are owned by, or entrusted to, the City and will be made available to the City's employees and third party contractors under contract to the City to provide Software as a Service consulting services. These activities include, without limitation, accessing the Internet, using e-mail, accessing the City's intranet or other networks, systems, or devices.

The term "information assets" also includes the personal information of the City's employees and any other related organizations while those assets are under the City's control. Security measures will be designed, implemented, and maintained to ensure that only authorized persons will enjoy access to the information assets. The City's staff will act to protect its information assets from theft, damage, loss, compromise, and inappropriate disclosure or alteration. The City will plan, design, implement and maintain information management systems, networks and processes in order to assure the appropriate confidentiality, integrity, and availability of its information assets to the City's employees and authorized third parties.

B. PERSONAL INFORMATION AND CHOICE

Except as permitted or provided by applicable laws, the City will not share the Information of any person doing business with the City, or receiving services from the City, in violation of this Policy, unless that person has consented to the City's sharing of such information during

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the conduct of the City's business as a local government agency with third parties under contract to the City to provide services.

C. METHODS OF COLLECTION OF PERSONAL INFORMATION

The City may gather the Information from a variety of sources and resources, provided that the collection of such information is both necessary and appropriate in order for the City to conduct business as a local government agency in its governmental and proprietary capacities. That information may be gathered at service windows and contact centers as well as at web sites, by mobile applications, and with other technologies, wherever the City may interact with persons who need to share such formation in order to secure the City's services.

The City's staff will inform the persons whose Information are covered by this Policy that the City's web site may use "cookies" to customize the browsing experience with the City of Palo Alto web site. The City will note that a cookie contains unique information that a web site can use to track, among others, the Internet Protocol address of the computer used to access the City's web sites, the identification of the browser software and operating systems used, the date and time a user accessed the site, and the Internet address of the website from which the user linked to the City's web sites. Cookies created on the user's computer by using the City's web site do not contain the Information, and thus do not compromise the user's privacy or security. Users can refuse the cookies or delete the cookie files from their computers by using any of the widely available methods. If the user chooses not to accept a cookie on his or her computer, it will not prevent or prohibit the user from gaining access to or using the City's sites.

D. UTILITIES SERVICE

In the provision of utility services to persons located within Palo Alto, the City of Palo Alto Utilities Department ("CPAU") will collect the Information in order to initiate and manage utility services to customers. To the extent the management of that information is not specifically addressed in the Utilities Rules and Regulations or other ordinances, rules, regulations or procedures, this Policy will apply; provided, however, any such Rules and Regulations must conform to this Policy, unless otherwise directed or approved by the Council. This includes the sharing of CPAU-collected Information with other City departments except as may be required by law.

Businesses and residents with standard utility meters and/or having non-metered monthly services will have secure access through a CPAU website to their Information, including, without limitation, their monthly utility usage and billing data. In addition to their regular monthly utilities billing, businesses and residents with non-standard or experimental electric, water or natural gas meters may have their usage and/or billing data provided to them through non-City electronic portals at different intervals than with the standard monthly billing.

POLICY AND PROCEDURES 1-XX/ITD

Revised: July 2017

Businesses and residents with such non-standard or experimental metering will have their Information covered by the same privacy protections and personal information exchange rules applicable to Information under applicable federal and California laws.

E. PUBLIC DISCLOSURE

The Information that is collected by the City in the ordinary course and scope of conducting its business could be incorporated in a public record that may be subject to inspection and copying by the public, unless such information is exempt from disclosure to the public by California law.

F. ACCESS TO PERSONAL INFORMATION

The City will take reasonable steps to verify a person's identity before the City will grant anyone online access to that person's Information. Each City department that collects Information will afford access to affected persons who can review and update that information at reasonable times.

G. SECURITY, CONFIDENTIALITY AND NON-DISCLOSURE

Except as otherwise provided by applicable law or this Policy, the City will treat the Information of persons covered by this Policy as confidential and will not disclose it, or permit it to be disclosed, to third parties without the express written consent of the person affected. The City will develop and maintain reasonable controls that are designed to protect the confidentiality and security of the Information of persons covered by this Policy.

The City may authorize the City's employee and or third party contractors to access and/or use the Information of persons who do business with the City or receive services from the City. In those instances, the City will require the City's employee and/or the third party contractors to agree to use such Information only in furtherance of City-related business and in accordance with the Policy.

If the City becomes aware of a breach, or has reasonable grounds to believe that a security breach has occurred, with respect to the Information of a person, the City will notify the affected person of such breach in accordance with applicable laws. The notice of breach will include the date(s) or estimated date(s) of the known or suspected breach, the nature of the Information that is the subject of the breach, and the proposed action to be taken or the responsive action taken by the City.

H. DATA RETENTION / INFORMATION RETENTION

POLICY AND PROCEDURES 1-XX/ITD

Revised: July 2017

The City will store and secure all Information for a period of time as may be required by law, or if no period is established by law, for seven (7) years, and thereafter such information will be scheduled for destruction.

I. SOFTWARE AS A SERVICE (SAAS) OVERSIGHT

The City may engage third party contractors and vendors to provide software application and database services, commonly known as Software-as-a-Service (SaaS).

In order to assure the privacy and security of the Information of those who do business with the City and those who received services from the City, as a condition of selling goods and/or services to the City, the SaaS services provider and its subcontractors, if any, including any IT infrastructure services provider, shall design, install, provide, and maintain a secure IT environment, while it performs such services and/or furnishes goods to the City, to the extent any scope of work or services implicates the confidentiality and privacy of the Information.

These requirements include information security directives pertaining to: (a) the IT infrastructure, by which the services are provided to the City, including connection to the City's IT systems; (b) the SaaS services provider's operations and maintenance processes needed to support the IT environment, including disaster recovery and business continuity planning; and (c) the IT infrastructure performance monitoring services to ensure a secure and reliable environment and service availability to the City. The term "IT infrastructure" refers to the integrated framework, including, without limitation, data centers, computers, and database management devices, upon which digital networks operate.

Prior to entering into an agreement to provide services to the City, the City's staff will require the SaaS services provider to complete and submit an Information Security and Privacy Questionnaire. In the event that the SaaS services provider reasonably determines that it cannot fulfill the information security requirements during the course of providing services, the City will require the SaaS services provider to promptly inform the ISM.

J. FAIR AND ACCURATE CREDIT TRANSACTION ACT OF 2003

CPAU will require utility customers to provide their Information in order for the City to initiate and manage utility services to them.

Federal regulations, implementing the Fair and Accurate Credit Transactions Act of 2003 (Public Law 108-159), including the Red Flag Rules, require that CPAU, as a "covered financial institution or creditor" which provides services in advance of payment and which can affect consumer credit, develop and implement procedures for an identity theft program for new and existing accounts to detect, prevent, respond and mitigate potential identity theft of its customers' Information.

POLICY AND PROCEDURES 1-XX/ITD

Revised: July 2017

CPAU procedures for potential identity theft will be reviewed independently by the ISM annually or whenever significant changes to security implementation have occurred. The ISM will recommend changes to CPAU identity theft procedures, or as appropriate, so as to conform to this Policy.

There are California laws which are applicable to identity theft; they are set forth in California Civil Code § 1798.92.

NOTE: Questions regarding this policy should be referred to the Information Technology Department, as appropriate.



ATTACHMENT F

CYBERSECURITY TERMS AND CONDITIONS

In order to assure the privacy and security of the personal information of the City's customers and people who do business with the City, including, without limitation, vendors, utility customers, library patrons, and other individuals and companies, who are required to share such information with the City, as a condition of receiving services from the City or selling goods and services to the City, including, without limitation, the Software as a Service services provider (the "Consultant") and its subcontractors, if any, including, without limitation, any Information Technology ("IT") infrastructure services provider, shall design, install, provide, and maintain a secure IT environment, described below, while it renders and performs the Services and furnishes goods, if any, described in the Statement of Work, Exhibit B, to the extent any scope of work implicates the confidentiality and privacy of the personal information of the City's customers. The Consultant shall fulfill the data and information security requirements (the "Requirements") set forth in Part A below.

A "secure IT environment" includes (a) the IT infrastructure, by which the Services are provided to the City, including connection to the City's IT systems; (b) the Consultant's operations and maintenance processes needed to support the environment, including disaster recovery and business continuity planning; and (c) the IT infrastructure performance monitoring services to ensure a secure and reliable environment and service availability to the City. "IT infrastructure" refers to the integrated framework, including, without limitation, data centers, computers, and database management devices, upon which digital networks operate.

In the event that, after the Effective Date, the Consultant reasonably determines that it cannot fulfill the Requirements, the Consultant shall promptly inform the City of its determination and submit, in writing, one or more alternate countermeasure options to the Requirements (the "Alternate Requirements" as set forth in Part B), which may be accepted or rejected in the reasonable satisfaction of the Information Security Manager (the "ISM").

Part A. Requirements:

The Consultant shall at all times during the term of any contract between the City and the Consultant:

- (a) Appoint or designate an employee, preferably an executive officer, as the security liaison to the City with respect to the Services to be performed under this Agreement.
- (b) Comply with the City's Information Privacy Policy:
- (c) Have adopted and implemented information security and privacy policies that are documented, are accessible to the City, and conform to ISO 27001/2 – Information Security Management Systems (ISMS) Standards. See the following:
http://www.iso.org/iso/home/store/catalogue_tc/catalogue_detail.htm?csnumber=42103
http://www.iso.org/iso/catalogue/catalogue_tc/catalogue_detail.htm?csnumber=50297
- (d) Conduct routine data and information security compliance training of its personnel that is appropriate to their role.
- (e) Develop and maintain detailed documentation of the IT infrastructure, including software versions and patch levels.
- (f) Develop an independently verifiable process, consistent with industry standards, for performing professional and criminal background checks of its employees that (1) would permit verification of employees' personal identity and employment status, and (2) would enable the immediate denial of access to the City's confidential data and information by any of its employees who no



longer would require access to that information or who are terminated.

- (g) Provide a list of IT infrastructure components in order to verify whether the Consultant has met or has failed to meet any objective terms and conditions.
- (h) Implement access accountability (identification and authentication) architecture and support role-based access control ("RBAC") and segregation of duties ("SoD") mechanisms for all personnel, systems, and Software used to provide the Services. "RBAC" refers to a computer systems security approach to restricting access only to authorized users. "SoD" is an approach that would require more than one individual to complete a security task in order to promote the detection and prevention of fraud and errors.
- (i) Assist the City in undertaking annually an assessment to assure that: (1) all elements of the Services' environment design and deployment are known to the City, and (2) it has implemented measures in accordance with industry best practices applicable to secure coding and secure IT architecture.
- (j) Provide and maintain secure intersystem communication paths that would ensure the confidentiality, integrity, and availability of the City's information.
- (k) Deploy and maintain IT system upgrades, patches and configurations conforming to current patch and/or release levels by not later than one (1) week after its date of release. Emergency security patches must be installed within 24 hours after its date of release.
- (l) Provide for the timely detection of, response to, and the reporting of security incidents, including on-going incident monitoring with logging.
- (m) Notify the City within one (1) hour of detecting a security incident that results in the unauthorized access to or the misuse of the City's confidential data and information.
- (n) Inform the City that any third party service provider(s) meet(s) all of the Requirements.
- (o) Perform security self-audits on a regular basis and not less frequently than on a quarterly basis, and provide the required summary reports of those self-audits to the ISM on the annual anniversary date or any other date agreed to by the Parties.
- (p) Accommodate, as practicable, and upon reasonable prior notice by the City, the City's performance of random site security audits at the Consultant's site(s), including the site(s) of a third-party service provider(s), as applicable. The scope of these audits will extend to the Consultant's and its third-party service provider(s)' awareness of security policies and practices, systems configurations, access authentication and authorization, and incident detection and response.
- (q) Cooperate with the City to ensure that to the extent required by applicable laws, rules and regulations, and the Confidential Information will be accessible only by the Consultant and any authorized third-party service provider's personnel.
- (r) Perform regular, reliable secured backups of all data needed to maximize the availability of the Services. Adequately encrypt the City of Palo Alto's data, during the operational process, hosted at rest, and the backup stage at the Vendors' environment (including Vendor's contracting organization's environment).
- (s) Maintain records relating to the Services for a period of three (3) years after the expiration or earlier termination of this Agreement and in a mutually agreeable storage medium. Within thirty (30) days after the effective date of expiration or earlier termination of this Agreement, all of those records relating to the performance of the Services shall be provided to the ISM.
- (t) Maintain the Confidential Information in accordance with applicable federal, state, and local data and information privacy laws, rules, and regulations.
- (u) Encrypt the Confidential Information before delivering the same by electronic mail to the City and or any authorized recipient.
- (v) Provide Network Layer IP filtering services to allow access only from the City of Palo Alto's IP address to the Vendor environment (primarily hosted for the City of Palo Alto).
- (w) Offer a robust disaster recovery and business continuity (DR-BCP) solutions to the City for the systems and services the Vendor provides to the City.



- (x) Provide and support Single Sign-on (SSO) and Multifactor Authentication (MFA) solutions for authentication and authorization services from the "City's environment to the Vendor's environment," and Vendor's environment to the Vendor's cloud services/hosted environment." The Vendor shall allow two employees of the City to have superuser and super-admin access to the Vendor's IT environment, and a cloud-hosted IT environment belongs to the City.
- (y) Unless otherwise addressed in the Agreement, shall not hold the City liable for any direct, indirect or punitive damages whatsoever including, without limitation, damages for loss of use, data or profits, arising out of or in any way connected with the City's IT environment, including, without limitation, IT infrastructure communications.
- (z) The Vendor must provide evidence of valid cyber liability insurance policy per the City's **EXHIBIT "D" INSURANCE REQUIREMENTS.**

Part B. Alternate Requirements:

Certificate Of Completion

Envelope Id: 2DE55127B0A64409AC920C8BE63BC6D6

Status: Completed

Subject: Please DocuSign: S23181953A Synergy contract complete final vendor only signature.pdf

Source Envelope:

Document Pages: 83

Signatures: 2

Envelope Originator:

Certificate Pages: 2

Initials: 0

Annmarie Romero

AutoNav: Enabled

250 Hamilton Ave

Envelopeld Stamping: Enabled

Palo Alto , CA 94301

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

annmarie.romero@cityofpaloalto.org

IP Address: 199.33.32.254

Record Tracking

Status: Original

Holder: Annmarie Romero

Location: DocuSign

9/15/2022 2:20:10 PM

annmarie.romero@cityofpaloalto.org

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: City of Palo Alto

Location: DocuSign

Signer Events

Matthew Clark

matt.clark@synergycompanies.org

Vice President, Business Development

Security Level: Email, Account Authentication
(None)**Signature**

DocuSigned by:



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Signature Adoption: Pre-selected Style

Using IP Address: 47.144.232.88

Timestamp

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Viewed: 9/15/2022 6:29:18 PM

Signed: 9/15/2022 6:29:38 PM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Andrew Clark

andrew.clark@synergycompanies.org

CFO

Security Level: Email, Account Authentication
(None)

DocuSigned by:



32FE6957825A489...

Signature Adoption: Pre-selected Style

Using IP Address: 68.107.11.225

Sent: 9/15/2022 6:29:42 PM

Viewed: 9/16/2022 9:47:54 AM

Signed: 9/16/2022 9:59:31 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

Leanna Huynh

Leanna.Huynh@CityofPaloAlto.org

Security Level: Email, Account Authentication
(None)**COPIED**

Sent: 9/16/2022 9:59:35 AM

Viewed: 9/16/2022 10:42:15 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Carbon Copy Events	Status	Timestamp
Lisa Bentar Lisa.Benatar@CityofPaloAlto.org City of Palo Alto Utilities Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 9/16/2022 9:59:36 AM
Tabatha Boatwright Tabatha.Boatwright@CityofPaloAlto.org Utilities Administrative Assistant City of Palo Alto Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 9/16/2022 9:59:37 AM Viewed: 9/16/2022 4:05:54 PM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	9/15/2022 2:22:51 PM
Certified Delivered	Security Checked	9/16/2022 9:47:54 AM
Signing Complete	Security Checked	9/16/2022 9:59:31 AM
Completed	Security Checked	9/16/2022 9:59:37 AM
Payment Events	Status	Timestamps



City of Palo Alto City Council Staff Report

(ID # 14681)

Meeting Date: 10/3/2022

Report Type: Consent Calendar

Title: Approval of Construction Contract Number C23184924 with Ron Paris Construction Company, Inc. in the Amount of \$990,733; Authorization for the City Manager to Negotiate and Execute Change Orders up to a Not-to-Exceed Amount of \$99,073 for the Water, Gas, Wastewater Office Remodel Project, Capital Improvement Program Project PE-19001; and Approval of Budget Amendments in the Capital Improvement Fund, Water Fund, Gas Fund and Wastewater Collection Fund

From: City Manager

Lead Department: Public Works

Recommendation

Staff recommends that Council:

1. Approve and authorize the City Manager or their designee to execute a construction contract with Ron Paris Construction Company Inc. ([Contract No. C23184924](#)) in an amount of \$990,733 for the Capital Improvement Program Water, Gas, Wastewater Office Remodel project (PE-19001);
2. Authorize the City Manager or their designee to negotiate and execute one or more change orders to Construction Contract No. C23184924 with Ron Paris Construction Company Inc. for related additional but unforeseen work which may develop during the project, the total value of which shall not exceed \$99,073;
3. Amend the Fiscal Year 2023 Budget Appropriation for the following (requires a 2/3 majority vote):
 - a. Capital Improvement Fund
 - i. Increase the appropriation for the Water, Gas and Wastewater Office project (PE-19001) by \$920,700;
 - ii. Increase estimate for Transfers In for the Water, Gas and Wastewater Office project (PE-19001) as follows:
 1. \$297,066 from the Water Fund;
 2. \$297,067 from the Gas Fund;
 3. \$297,067 from the Wastewater Collection Fund;
 - iii. Decrease the appropriation for Americans with Disabilities Act Compliance project (PF-93009) by \$29,500;
 - b. Water Fund

- i. Increase the Transfer To the Capital Improvement Fund appropriation by \$297,066;
 - ii. Decrease the Ending Fund Balance by \$297,066;
- c. Gas Fund
 - i. Increase the Transfer To the Capital Improvement Fund appropriation by \$297,067;
 - ii. Decrease the Ending Fund Balance by \$297,067; and
- d. Wastewater Collection Fund
 - i. Increase the Transfer To the Capital Improvement Fund appropriation by \$297,067; and
 - ii. Decrease the Ending Fund Balance by \$297,067.

Background

Office space at the Municipal Service Center (MSC) has been occupied by Utilities Water Gas Wastewater (WGW) Operations for over 20 years in its current state and no longer meets the operational needs of the department. This space provides the interface between administrative and field operations, and as such experiences greater wear over extended hours than typical office space. This renovation project will reconfigure the space so that it is more efficient for the department, allowing staff from the same work groups to be located together for a more functional work environment. Additionally, the renovation will replace existing finishes such as flooring, cabinetry/furniture, paint, lighting, and add a small reception area for visitors.

Discussion

The renovation will improve the office function of the WGW Operations group. The renovation scope of work for the attached construction contract includes:

- 1) Removing existing interiors
- 2) Constructing seven new offices
- 3) Constructing new open office area
- 4) Constructing new visitor reception area
- 5) Reconfiguring the kitchenette and copy area
- 6) Constructing new Lead Worker open office area
- 7) Installing new finishes
- 8) Installing new fire/life safety, mechanical, and electrical systems for the renovated area
- 9) Addressing accessibility issues per the Americans with Disabilities Act (ADA) Transition Plan for general building access and in the women's restroom

Summary of Bid Process

An Invitation for Bids for the Water, Gas, Wastewater (WGW) Office Remodel Project was posted on Planet Bids, the City's eProcurement platform. The bidding period was 26 calendar days. Bids were received from four contractors on July 19, 2022.

Table 1: Summary of Invitation for Bids

Project Bid Name/Number	Water, Gas, Wastewater (WGW) Office Remodel Project/IFB #184924
<i>Proposed Length of Project</i>	153 Calendar Days
<i>Number of Bid Packages Downloaded by Contractors</i>	17
<i>Number of Bid Packages Downloaded by Builder's Exchanges</i>	4
<i>Total Days to Respond to Bid</i>	26
<i>Mandatory Pre-Bid Meeting</i>	July 6, 2022
<i>Number of Companies at Pre-Bid Meeting</i>	9
<i>Number of Bids Received</i>	4
<i>Base Bid Price Range</i>	\$990,733 - \$1,249,000
<i>Public Link to Solicitation</i>	https://pbsystem.planetbids.com/portal/25569/bo/bo-detail/95505

Staff reviewed the four bids and found all four of them responsive. The bids ranged from a low of \$990,733 to a high of \$1,249,000. The bid summary is included as Attachment A. Two of the four bids are within 5% of the engineer's estimate of \$990,000. Staff reviewed all bids submitted and recommends the lump sum base bid of \$990,733 submitted by Ron Paris Construction be accepted and Ron Paris Construction be declared the lowest responsible bidder. A change order amount of \$99,073 equal to 10% of the total construction contract is requested for related additional, unforeseen work which may develop during construction. Staff confirmed with the Contractor's State License Board that the contractor has an active license on file.

Timeline

Construction is expected to start in October 2022 and be completed by March 2023.

Resource Impact

Due to multiple factors, the latest estimated cost of the construction exceeds the budget for the Water, Gas and Wastewater Office project (PE-19001) as adopted in the Fiscal Year 2023 Capital Budget. Primarily due to COVID-19 disruptions, the design took longer than expected and construction costs have escalated significantly since 2017 when the original budget estimate was created.

Prior expenses in this project have been for the design phase during which the original project scope has changed and expanded. WGW office requirements changed substantially since 2017 including but not limited to changes in staffing levels and operations and the need for more enclosed offices among the WGW supervisors and managers to adapt to new working methods including varied modes of communication and engagement with their teams. The original estimate did not account for all of the changes that were needed and designed into the final project. One other significant factor relates to existing heating and cooling deficiencies that

were identified during design and will be addressed by the project. These costs were not anticipated when the project budget was developed in late 2017. Additionally, a salary and benefits administrative adjustment (to account for unallocated expenses) to the project decreased available budget, impacting the amount of additional funding for appropriation.

Table 2: Project Budget

PRIOR EXPENSES	FY23 MODIFIED BUDGET*	CURRENT TOTAL PROJECT BUDGET	REMAINING WORK**	FUNDING NEED	REVISED TOTAL PROJECT BUDGET
\$475,829	\$461,823	\$937,652	\$1,382,500	\$920,700	\$1,858,352

*Includes FY 2022 Year-End Reappropriations, scheduled for Council Review on October 24, 2022

**Shown in Expense Description table below

As shown in the table above, the overall project budget shortfall is \$920,700. Of this amount, \$891,200 is recommended to be split equally and transferred from the Water Fund, Gas Fund, and Wastewater Collection Fund into the Capital Improvement Fund. The remaining \$29,500 is recommended to be shifted from the Americans with Disabilities Act (ADA) compliance project (PF-93009) to PF-19001 to fund ADA required upgrades such as removal of general accessibility barriers in MSC Building C that were incorporated into the Building Permit and adopted as part of the City's ADA Transition Plan. There is no impact to the Infrastructure Reserve (Ending Fund Balance) in the Capital Improvement Fund as a result of these changes to the project, because the increased expenses in PE-19001 are funded through transfers from the various Utilities Funds and funding previously allocated to PF-93009.

Table 3: Pending Project Expenses

Expense Description	Required Appropriation
Construction Contract with Ron Paris Construction	\$990,733
Construction Contract with Ron Paris Construction 10% contingency	\$99,073
Salary & Benefits	\$62,900
Ethernet Network modifications for temporary staff space	\$6,500
Moving expenses to and from temporary space	\$3,000
Asbestos Abatement Monitoring and Clearance Consultant	\$3,100
CJW Architects Construction Administration Contract	\$55,353
Staff systems furniture (cubicles, desks, and workstations)	\$147,630
General project contingency	\$14,211
TOTAL	\$1,382,500

Policy Implications

The project is consistent with the City's Comprehensive Plan goals, policies and programs.

Stakeholder Engagement

The project has been carefully coordinated directly with management staff in WGW Operations, the Chief Building Official, and Public Works Facilities Management.

Environmental Review

This project is categorically exempt from the California Environmental Quality Act (CEQA) under Section 15301c of the CEQA Guidelines as repair, maintenance and/or minor alteration of the existing facilities and no further environmental review is necessary.

Attachments:

- **Attachment5.a:** Attachment A - Bid Summary

BID SUMMARY

IFB #184924

MSC Building C - Water, Gas and Wastewater Office Remodel

Engineer's Estimate \$990,000

Bidder	Base Bid	Bid Amount	% above/below Eng. Est.
Ron Paris Construction Co., Inc.	\$ 990,733.00	\$ 990,733.00	0.1% above
Beals Martin Inc.	\$ 1,009,799.00	\$ 1,009,799.00	2.0% above
Tochi	\$ 1,048,888.00	\$ 1,048,888.00	5.9% above
Southwest Construction & Property Management	\$ 1,249,000.00	\$ 1,249,000.00	26.2% above



City of Palo Alto
Office of the City Clerk
City Council CAO Report

(ID # 14435)

Meeting Date: 10/3/2022

Report Type: Consent Calendar

Title: Adoption of a Resolution Authorizing Use of Teleconferencing for Council Meetings During Covid-19 State of Emergency

From: Lesley Milton, City Clerk

Recommendation

Adopt a Resolution (**Attachment A**) authorizing the use of teleconferencing under Government Code Section 54953(e) for meetings of the Council and its committees due to the Covid-19 declared state of emergency.

Background

In February and March 2020, the state and the County declared a state of emergency due to the Covid-19 pandemic. Both emergency declarations remain in effect.

On September 16, 2021, the Governor signed AB 361, a bill that amends the Brown Act, effective October 1, 2021, to allow local policy bodies to continue to meet by teleconferencing during a state of emergency without complying with restrictions in State law that would otherwise apply, provided that the policy bodies make certain findings at least once every 30 days.

AB 361, codified at California Government Code Section 54953(e), empowers local policy bodies to convene by teleconferencing technology during a proclaimed state of emergency under the State Emergency Services Act in any of the following circumstances:

- (A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- (B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B) (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees. (Gov. Code § 54953(e)(1).)

In addition, Section 54953(e)(3) requires that policy bodies using teleconferencing reconsider the state of emergency within 30 days of the first teleconferenced meeting after October 1, 2021, and at least every 30 days thereafter, and find that one of the following circumstances exists:

1. The state of emergency continues to directly impact the ability of the members to meet safely in person.
2. State or local officials continue to impose or recommend measures to promote social distancing.

Discussion

At this time, the circumstances in Section 54953(e)(1)(A) exist. The Santa Clara County Health Officer continues to recommend measures to promote outdoor activity, physical distancing and other social distancing measures, such as masking, in certain contexts. (See August 2, 2021 [Order](#).) In addition, the California Department of Industrial Relations Division of Occupational Safety and Health (Cal/OSHA) has promulgated Section 3205 of Title 8 of the California Code of Regulations, which requires most employers in California, including in the City, to train and instruct employees about measures that can decrease the spread of COVID-19, including physical distancing and other social distancing measures.

Accordingly, Section 54953(e)(1)(A) authorizes the City to continue using teleconferencing for public meetings of its policy bodies, provided that any and all members of the public who wish to address the body or its committees have an opportunity to do so, and that the statutory and constitutional rights of parties and the members of the public attending the meeting via teleconferencing are protected.

To comply with public health directives and promote public safety, Palo Alto policy bodies have been meeting via teleconference since March 2020. On September 27, 2021, Council considered the format for future Council, committee, and Board and Commission meetings. Council determined that beginning November 1, 2021, Council meetings would be conducted using a hybrid format that allows Council Members and the public to decide whether to attend in person, following masking and distancing protocols, or participate via teleconference. Council directed that Council standing and ad-hoc committees and Boards and Commissions would continue meeting via teleconference through January 2022.

Adoption of the Resolution at **Attachment A** will make the findings required by Section 54953(e)(3) to allow the continued use of teleconferencing for Council meetings (for those Council Members who elect to participate remotely) and for Council standing and ad hoc committees. Each Board and Commission will consider and make similar findings.

ATTACHMENTS:

- **Attachment6.a:** Attachment A: Resolution Allowing Hybrid In-Person and Teleconferenced Meetings under Section 54953(e) (PDF)

NOT YET APPROVED

Resolution No. _____

Resolution Making Findings to Allow Teleconferenced Meetings Under California Government
Code Section 54953(e)

R E C I T A L S

A. California Government Code Section 54953(e) empowers local policy bodies to convene by teleconferencing technology during a proclaimed state of emergency under the State Emergency Services Act so long as certain conditions are met; and

B. In March 2020, the Governor of the State of California proclaimed a state of emergency in California in connection with the Coronavirus Disease 2019 (“COVID-19”) pandemic, and that state of emergency remains in effect; and

C. In February 2020, the Santa Clara County Director of Emergency Services and the Santa Clara County Health Officer declared a local emergency, which declarations were subsequently ratified and extended by the Santa Clara County Board of Supervisors, and those declarations also remain in effect; and

D. On September 16, 2021, the Governor signed AB 361, a bill that amends the Brown Act to allow local policy bodies to continue to meet by teleconferencing during a state of emergency without complying with restrictions in State law that would otherwise apply, provided that the policy bodies make certain findings at least once every 30 days; and

E. While federal, State, and local health officials emphasize the critical importance of vaccination and consistent mask-wearing to prevent the spread of COVID-19, the Santa Clara County Health Officer has issued at least one order, on August 2, 2021 (available online at [here](#)), that continues to recommend measures to promote outdoor activity, physical distancing and other social distancing measures, such as masking, in certain contexts; and

F. The California Department of Industrial Relations Division of Occupational Safety and Health (“Cal/OSHA”) has promulgated Section 3205 of Title 8 of the California Code of Regulations, which requires most employers in California, including in the City, to train and instruct employees about measures that can decrease the spread of COVID-19, including physical distancing and other social distancing measures; and

G. The Palo Alto City Council has met remotely during the COVID-19 pandemic and can continue to do so in a manner that allows public participation and transparency while minimizing health risks to members, staff, and the public that would be present with in-person meetings while this emergency continues; now, therefore,

The Council of the City of Palo Alto RESOLVES as follows:

1. As described above, the State of California remains in a state of emergency due to the COVID-19 pandemic. At this meeting, the Palo Alto City Council has considered the circumstances of the state of emergency.
2. As described above, State and County officials continue to recommend measures to promote physical distancing and other social distancing measures, in some settings.

AND BE IT FURTHER RESOLVED, That for at least the next 30 days, meetings of the Palo Alto City Council and its committees will occur in a hybrid format, where both members of the policy body and members of the public may elect to be present in person, utilizing appropriate distancing and masking practices, or participate by teleconferencing technology. Such meetings of the Palo Alto City Council and its committees that occur using teleconferencing technology will provide an opportunity for any and all members of the public who wish to address the body its committees and will otherwise occur in a manner that protects the statutory and constitutional rights of parties and the members of the public attending the meeting via teleconferencing; and, be it

FURTHER RESOLVED, That the City Clerk is directed to place a resolution substantially similar to this resolution on the agenda of a future meeting of the Palo Alto City Council within the next 30 days. If the Palo Alto City Council does not meet within the next 30 days, the City Clerk is directed to place a such resolution on the agenda of the immediately following meeting of Palo Alto City Council.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

City Attorney

City Manager



City of Palo Alto City Council Staff Report

(ID # 14805)

Meeting Date: 10/3/2022

Report Type: Consent Calendar

Title: Adopt a Resolution Authorizing the City Manager to Purchase a Portion of the City's Natural Gas Requirements From Certain Prequalified Natural Gas Suppliers Under Specified Terms and Conditions for Delivery During Calendar Years 2023 Through 2028, Inclusive, With a \$150 Million Maximum Aggregate Transaction Limit

From: City Manager

Lead Department: Utilities

Recommendation

Staff recommends that the City Council:

1. Adopt the attached resolution (Attachment A) authorizing the City Manager or their designee to purchase a portion of the City's natural gas requirements from certain prequalified natural gas suppliers under specified terms and conditions ("Master Agreements") for delivery during calendar years 2023 through 2028, inclusive, subject to the following limitations:
 - a. The date for natural gas delivery for each transaction shall not exceed 36 months from the date the transaction is executed;
 - b. The delivery date for any transaction shall not extend beyond December 2028;
 - c. The maximum aggregate transaction limit under each Master Agreement shall be \$150 million.

Executive Summary

An active set of creditworthy counterparties is essential to ensure that the City of Palo Alto Utilities ("City") meets its obligation to meet customers' natural gas demands. In 2007, via [Ordinance 4936](#), Council authorized the City Manager to transact with a set of prequalified natural gas suppliers for the purchase and sale of natural gas via North American Energy Standards Board, Inc. Contracts ("NAESB Contracts", or "Master Agreements"). [Ordinance 4936](#) authorized the City Manager to transact with those counterparties under specified terms and conditions including a maximum expenditure of \$65 million per Master Agreement. In 2016, Council adopted [Resolution 9586](#) updating and replacing Ordinance 4936, authorizing the City Manager to enter into natural gas purchase transactions with the pre-qualified suppliers through calendar year 2022 and increasing the maximum expenditure to \$100 million per Master Agreement. An increase in the maximum expenditure limit from \$100 million to \$150

million is needed to continue to purchase natural gas for the City's retail load for delivery during calendar years 2023 through 2028.

All natural gas purchase transactions are subject to the Palo Alto Municipal Code and the City's Energy Risk Management Policy, Guidelines and Procedures. Staff will seek Council approval prior to execution of any transaction outside of the above limitations.

Background

Approved Counterparties

In 2007, Council approved a set of gas Master Agreements (via adoption of [Ordinance 4936](#)) enabling the City to transact for natural gas and gas-related products. The approved Master Agreements were with the following counterparties:

1. BP Energy Company;
2. Coral Energy Resources, L.P.;
3. Sempra Energy Trading Corporation;
4. ConocoPhillips Company;
5. J.P. Morgan Ventures Energy Corporation; and
6. Powerex Corporation.

The current set of Council-approved counterparties which accounts for changes in corporate structure or ownership since 2007 includes:

1. BP Energy Company;
2. ConocoPhillips Company;
3. EDF Trading North America, L.L.C.;
4. Powerex Corp; and
5. Shell Energy North America (US), L.P.

Expenditure Limits

On April 19, 2012, Council adopted [Resolution 9244](#) amending the Gas Utility Long-Term Plan (GULP) Objectives, Strategies, and Implementation Plan to discontinue the laddering purchase strategy and implement gas supply rates that change monthly according to market prices as noted in [Staff Report 2552](#). With the exception of a few de minimis fixed-price transactions executed in the summer months to monetize excess pipeline capacity, all transactions are priced at the short-term monthly and daily market indices. Because the City does not purchase gas via long-term contracts, there is not a need to diversify purchases across multiple counterparties to minimize credit risk.

Under [Resolution 9586](#), Council delegated authority to the City Manager to transact under Master agreements subject to certain conditions and restrictions including a \$100 million expenditure limit applied to each Master Agreement. BP Energy Company and EDF Trading North America, L.L.C. are active bidders for the City's index-based purchases, and \$36.1 million out of the \$100 million approved expenditure remains for EDF Trading North America, L.L.C. as of June 28, 2022.

Discussion

All transactions under the Master Agreements will be executed by staff in accordance with the Council-approved Energy Risk Management Policy, and internally approved Energy Risk Management Guidelines and Procedures. Council is provided with an update of all executed transactions under the Master Agreements in the quarterly Energy Risk Management reports.

The cost of natural gas purchased under the Master Agreements is a function of market prices and the City's actual gas use. The City's gas commodity cost is expected to be \$16.2 million in fiscal year (FY) 2023 alone; however, gas prices are volatile and unpredictable and actual costs incurred and passed through to ratepayers could be different.

While the City currently has 5 enabled gas suppliers, it is likely that most transactions will be executed with the 2 suppliers that have been most active over the past several years. Staff recommends a maximum transaction limit of \$150 million for each Master Agreement. This increased limit will leave enough headroom, under the most heavily used contract, for an estimated ten years of gas purchases.

There are efforts underway to expand the number of counterparties enabled under gas Master Agreements, including the adoption in 2016 (via [Resolution 9628](#)) of a standard form gas Master Agreement that new counterparties can sign on to at any time. Any new Master Agreements will be presented to Council for approval with recommended conditions and restrictions including a maximum expenditure limit for each Master Agreement.

Policy Implications

Authorizing the City Manager to buy and sell natural gas to meet load obligations under the Master Agreements conforms to existing Council-approved Energy Risk Management Policy and the Palo Alto Municipal Code. Further, the recommendation is consistent with the Council-approved GULP Objectives and Utilities Strategic Plan objective to manage supply cost by negotiating supply contracts to minimize financial risk.

Alternatives

Council could elect to approve different expenditure limits; however, lower limits could reduce staff's ability achieve the lowest cost for gas supplies if limits are reached for a given supplier.

Resource Impacts

Approval of the recommendation will not impact the FY 2023 budget.

Environmental Review

Council's authorization for the City Manager to purchase natural gas from prequalified suppliers does not meet the definition of a project for the purposes of the California Environmental Quality Act, under Public Resources Code Section 21065 and CEQA Guidelines Section

15378(b)(5), because it is an administrative governmental activity which will not cause a direct or indirect physical change in the environment.

Attachments:

- **Attachment7.a:** Attachment A: Resolution

Resolution No. ____
 Resolution of the Council of the City of Palo Alto Authorizing the City
 Manager to Purchase a Portion of the City's Natural Gas
 Requirements from Certain Prequalified Natural Gas Suppliers Under
 Specified Terms and Conditions for Delivery during Calendar Years
 2023 through 2028, Inclusive

RECITALS

A. Since April 19, 2012, the Council implemented gas supply rates that change monthly according to market prices, as described in [Staff Report #2552](#).

B. In accordance with the City's Gas Utility Long-Term Plan (GULP), last updated June 5, 2017 ([Staff Report #7967](#)) the City must purchase and, incidental to purchases, sell gas to meet the needs of its gas customers by contracting for terms varying from less than one month to one month. The City's Energy Risk Management Policies, last updated December 17, 2018 ([Staff Report #9813](#)), provide that the City will purchase only that quantity of gas meeting its load requirements at the time a transaction is executed.

C. By [Ordinance No. 4936](#), adopted March 12, 2007, Council authorized the City Manager to negotiate and sign new, amended, or restated North American Energy Standards Board, Inc. contracts (each a "NAESB Contract" or "Master Agreement") with BP Energy Company, Coral Energy Resources, L.P., Sempra Energy Trading Corporation, ConocoPhillips Company, J.P. Morgan Ventures Energy Corporation, and Powerex Corporation, and further authorized the City Manager or his designee, the Director of Utilities, to negotiate one or more individual transactions, including, but not limited to, negotiating contracts, addenda, confirmations and transactions. The authorization extended to individual transactions executed under any number of NAESB Contracts with the referenced suppliers; provided, however, (a) the maximum expenditure under any NAESB Contract shall not exceed \$65 million in the aggregate; and (b) the maximum term of any transaction shall not exceed three years, commencing on the delivery date of the transaction.

D. On May 16, 2016, Council adopted [Resolution No. 9586](#), authorizing the City Manager to enter into natural gas purchase transactions with one or more of the pre-qualified suppliers through December 31, 2022 and increasing the maximum expenditure under any NAESB contract to \$100 million.

E. The current list of Council-approved counterparties which accounts for changes in corporate structure or ownership since Council's adoption of Ordinance No. 4936 and Resolution No. 9586 includes: BP Energy Company, ConocoPhillips Company, EDF Trading North America, L.L.C., Powerex Corporation, and Shell Energy North America (U.S.), L.P.

F. The City intends to purchase natural gas from one or more of these pre-qualified suppliers for delivery during calendar years 2023 through 2028, inclusive, so long as the supplier with whom the City negotiates a specific purchase transaction continues to be qualified and otherwise eligible to transact with the City.

G. Since Council's approval of Resolution No. 9586, BP Energy Company and EDF Trading North America, L.L.C. have been active bidders for the City's index-based gas purchases, and \$36.1 million of the approved \$100 million expenditure limit remains for EDF Trading North America, L.L.C. as of June 28, 2022.

H. An increase in the maximum expenditure limit is needed to continue to purchase natural gas for the City's retail load for delivery during calendar years 2023 through 2028.

NOW, THEREFORE, the Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. The Council hereby authorizes the City Manager or his designee, the Director of Utilities, to purchase a portion of the City's natural gas requirements from the prequalified suppliers by negotiating one or more individual transactions, including, but not limited to, contracts, addenda, confirmations and transactions. The authorization shall extend to individual transactions executed under any number of NAESB Contracts or Master Agreements with the suppliers referenced in Recital E.

SECTION 2. The purchases negotiated under Section 1 shall conform to the following requirements:

- a. The maximum expenditure under any Master Agreement will be \$150 million;
- b. The maximum term of any transaction shall not exceed three years, commencing on the delivery date of the transaction. The sentence preceding notwithstanding, the City may enter into a transaction greater than three years, if the Council grants prior approval to such transaction.
- c. No transaction entered into with any of the referenced suppliers shall extend beyond December 31, 2028.

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SECTION 3. The Council hereby finds and determines that the adoption of this Resolution does not meet the definition of a project for the purposes of the California Environmental Quality Act (CEQA), under Public Resources Code Section 21065 and CEQA Guidelines Section 15378(b)(5), because it is an administrative governmental activity which will not cause a direct or indirect physical change in the environment.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

APPROVED:

City Clerk

Mayor

Assistant City Attorney

City Manager

Director of Administrative Services

Director of Utilities



City of Palo Alto City Council Staff Report

(ID # 14762)

Meeting Date: 10/3/2022

Report Type: Action Items

Title: TEFRA Hearing Regarding Conduit Financing for the Kehillah Jewish High School's for the Partial or Full Refinancing of the 2014 Loan and Financing the Development, Construction, Renovation, Improvement and Equipping of the Corporation's Campus at 3900 Fabian Way, Palo Alto; and Approving the issuance of a Tax-exempt Loan by the California Municipal Finance Authority for this Purpose and Other Matters Relating Thereto

From: City Manager

Lead Department: Administrative Services

Recommendation

Staff recommends the City Council:

- 1) Conduct a public hearing under the requirements of the Tax Equity and Fiscal Responsibility Act of 1983 (TEFRA) and the Internal Revenue Code of 1986, as amended (Code); and
- 2) Adopt a resolution (Attachment A) approving the issuance of the loan(s) by the California Municipal Finance Authority (CMFA) for the benefit of Kehillah Jewish High School (the "Borrower").

Background

Kehillah Jewish High School (the "Borrower"), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has requested that the California Municipal Finance Authority (the "Authority") participate in the issuance of one or more series of qualified 501(c)(3) tax-exempt loan(s) in an aggregate principal amount not to exceed \$10,500,000 (collectively, the "Loan(s)") in order to: (1) prepay in full or part the outstanding balance of the Authority's 2014 Tax-Exempt Loan (Kehillah Jewish High School) (the "2014 Loan"); (2) finance the costs of construction, renovation, improvement and equipping of the Corporation's campus at 3900 Fabian Way, Palo Alto, California 94303 (the "Facilities"), and (3) pay various costs of executing and delivering the Loan(s) and other related costs (collectively, the "2022 Projects"). The proposed Loan(s) will be secured under the provision of an Indenture and Loan Agreement and will be payable solely by revenues consisting primarily of Loan(s) Repayments made by the Borrower.

The proceeds of the 2014 Loan were used by the Corporation to (A) refund the outstanding principal amount of the Authority's Variable Rate Demand Revenue Bonds (Kehillah Jewish High School) Series 2009 (the "2009 Bonds"), the proceeds of which were to enable the Corporation to finance or refinance the costs of the acquisition, construction, renovation and improvement of the Facilities; and (B) pay various costs of issuance and other related costs with respect to the 2014 Loan (the "2014 Projects, and collectively with the 2022 Project, the "Projects").

In order for all or a portion of the Loan(s) to qualify as a tax-exempt loan, the City of Palo Alto, at the request of the Borrower and CMFA, is conducting a public hearing (TEFRA Hearing), providing the members of the community an opportunity to speak in favor of or against the use of tax-exempt Loan(s) for the financing of the project. Prior to the hearing, reasonable notice must be provided to the members of the community. This was done by the Borrower's (via CMFA) financing team with coordination with the City Clerk's Office. Following the close of the TEFRA hearing, an "applicable elected representative" of the governmental unit hosting the proposed project must provide its approval of the issuance of the Loan(s) for the financing of the project.

Discussion

Since the facilities to be financed with the proceeds of the CMFA's debt are located within the jurisdiction of the City of Palo Alto, the City has been asked to conduct a TEFRA hearing and adopt a resolution (Attachment A) that approves the issuance of the Loan(s) by the CMFA for the benefit of the Borrower. Again, the proposed Loan(s) will be a limited obligation of the CMFA, secured under the provision of an Indenture and Loan Agreement, and will be payable solely by revenues consisting primarily of Loan Repayments made by the Borrower.

As cited in the published notice of September 22, 2022, the public hearing is simply an opportunity for all interested persons to speak or to submit written comments concerning the proposal to issue the debt and the nature or location of the facility to be financed; however there is no formal obligation on the part of the Borrower, CMFA, or the Council to respond to any specific comments made during the hearing or submitted in writing.

The Loan(s) are intended to partially or fully refinance the 2014 Loan and finance the Project described herein for the acquisition, construction, improvement, equipping and maintenance of certain educational, support and administrative facilities owned and operated within the City by the Borrower.

The CMFA is a joint exercise of powers authority that the City became a member of on April 14, 2008. The Joint Exercise of Powers Agreement provides that the CMFA is a public entity, separate and apart from each member executing such agreement. The debts, liabilities and obligations of the CMFA do not constitute debts, liabilities or obligations of the members executing such agreement. The Loan(s) to be issued by the CMFA for the project will be the sole responsibility of the Borrower, and the City of Palo Alto will have no financial, legal, moral obligation, liability or responsibility for the project or the repayment of the Loan(s) for the financing of the project. All financing documents with respect to the issuance of the Loan(s) will contain clear disclaimers that the Loan(s) are not an obligation of the City of Palo Alto or the State of California but is to be paid for solely from funds provided by the Borrower.

The City is in no way exposed to any financial liability by reason of its membership in the CMFA. In addition, participation by the City in the CMFA does not impact the City's appropriations limits and will not constitute any type of indebtedness by the City. Outside of holding the TEFRA hearing, adopting the required resolution, no other participation or activity of the City or the City Council with respect to the issuance of the Loan(s) will be required. Based on the benefits of the project to the Palo Alto community and the lack of any financial obligations on the part of the City, staff recommends that Council approve the attached resolution.

Resource Impact

As stated, the City will incur no financial obligation from approval of the recommendations. The Borrower is requesting the issuance up to \$10,500,000 Loan(s) through CMFA. The City will receive a fee for its services when the Loan(s) are issued (est. \$7,000).

Policy Implications

Actions recommended in this report are consistent with Council's prior actions in supporting non-profit financings under the TEFRA (e.g., most recently approving tax-exempt financing through the California Municipal Finance Authority for Wilton Court on February 10, 2020 ([CMR ID # 10976](#)) and Silicon Valley International School on September 13, 2021 ([CMR ID # 13445, item # 5](#)) and again recently on April 11, 2022 ([CMR ID # 14048, item # 11](#)).

Stakeholder Engagement

City staff coordinated with representatives of CMFA to prepare for the TEFRA hearing.

Environmental Review

Action on this item does not constitute a project under Section 21065 of the Public Resources Code.

Attachments:

- **Attachment8.a:** Attachment A: TEFRA Resolution- Kehillah Jewish High School

NOT YET APPROVED

Resolution No. ____

TEFRA Hearing Regarding Conduit Financing for Kehillah Jewish High School for the Purpose of Prepaying in Full or Part the California Municipal Finance Authority's 2014 Tax-Exempt Loan (Kehillah Jewish High School) and the Financing and Refinancing of Construction, Improvement, Renovation, Furnishing and/or Equipping of Certain Facilities of Kehillah Jewish High School; and Approving the Issuance of a Tax-Exempt Loan by the California Municipal Finance Authority for this Purpose and Other Matters Relating Thereto

R E C I T A L S

A. Kehillah Jewish High School (the "Corporation"), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has requested that the California Municipal Finance Authority (the "Authority") participate in the issuance of one or more series of qualified 501(c)(3) tax-exempt loans in an aggregate principal amount not to exceed \$10,500,000 (collectively, the "Loan") in order to: (1) prepay in full or part the outstanding balance of the Authority's 2014 Tax-Exempt Loan (Kehillah Jewish High School) (the "2014 Loan"); (2) finance or refinance the costs of construction, improvement, renovation, furnishing and equipping of the Corporation's campus at 3900 Fabian Way, Palo Alto, California 94303 (the "Facilities"); and (3) pay various costs of executing and delivering the Loan and other related costs (collectively, the "2022 Projects"). The proceeds of the 2014 Loan were used by the Corporation to (A) refund the outstanding principal amount of the Authority's Variable Rate Demand Revenue Bonds (Kehillah Jewish High School) Series 2009, the proceeds of which were loaned to the Corporation to enable the Corporation to finance or refinance the costs of the acquisition, construction, renovation and improvement of the Facilities; and (B) pay various costs of issuance and other related costs with respect to the 2014 Loan (the "2014 Projects," and collectively with the 2022 Project, the "Projects"); and

B. Pursuant to Section 147(f) of the Code, the issuance of the Loan by the Authority must be approved by the City of Palo Alto (the "City") because the Projects are to be located within the territorial limits of the City; and

C. The City Council of the City (the "City Council") is the elected legislative body of the City and is one of the "applicable elected representatives" required to approve the issuance of the Loan under Section 147(f) of the Code; and

D. The Authority has requested that the City Council approve the issuance of the Loan by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating

to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement"), among certain local agencies, including the City; and

E. Pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the issuance of the Loan, and now desires to approve the issuance of the Loan by the Authority;

The Council of the City of Palo Alto RESOLVES as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The City Council, as the "applicable elected representative" of the governmental unit on behalf of which the Loan will be issued and having jurisdiction over the territorial limits in which the Projects are to be located, hereby approves the issuance of the Loan by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Loan by the Authority for the purposes of: (a) Section 147(f) of the Code, by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Projects are to be located, in accordance with said Section 147(f), and (b) Section 4 of the Agreement.

Section 3. The issuance of the Loan shall be subject to approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to repayment or administration of the Loan.

Section 4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing with respect to the Projects; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary with respect to the Projects; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

Section 5. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

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Section 6. This resolution shall take effect immediately upon its adoption.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

City Attorney

City Manager



City of Palo Alto City Council Staff Report

(ID # 14720)

Meeting Date: 10/3/2022

Report Type: Action Items

Title: Acceptance of Sustainability and Climate Action Plan (S/CAP) Goals and Key Actions; Review of Proposed Reach Code Changes; Adoption of Resolutions Adopting Advanced Heat Pump Water Heater Program Guidelines, Creating and Funding Electrification Reserves, Amending the City's Policy on the Use of Cap and Trade Allowance Revenues, and Adopting a Carbon Neutrality Goal; Approval of Budget Amendments in the Electric Fund, Gas Fund, and General Fund; and Direction to Staff to Amend the 2022 Utilities Legislative Guidelines

Council Priority: Climate Change: Protection & Adaption

From: City Manager

Lead Department: Public Works

Recommendation

This item was initially heard during the September 27, 2022 Council meeting and was continued for further discussion. You can access the report [here](#).



City of Palo Alto City Council Staff Report

(ID # 14787)

Meeting Date: 10/3/2022

Report Type: Action Items

Title: Adoption of Support or Oppose Positions on State and Local Measures Presented to Palo Alto Voters on the November 8, 2022 Ballot

From: City Manager

Lead Department: City Clerk

Recommendation

Staff recommends that Council review the November 8, 2022 state and local ballot measures and provide staff direction on any support or oppose positions as relevant to Palo Alto.

Background

The Secretary of State has qualified 7 measures for the November 2022 statewide ballot. The City of Palo Alto has two measures on the ballot. This year, there are no other measures (such as County, PAUSD, VTA or Valley Water measures) that will be presented to Palo Alto voters. Below, staff provides a brief description of the measures, as well as the potential impact on cities, if any. Staff also recommends positions for Council to consider taking on some measures, using the Council-approved 2022 [legislative guidelines](#) (guidelines) as a basis for the recommendations.

The City Council legislative guidelines encourage the City to strategically weigh in on issues of interest to the City. These guidelines enhance and add content to the City Council's overarching priorities; they do not supplant them. The below Foundational Principles represent the ideals that form the core of the City's policy agenda. The 2022 Adopted legislative guidelines all rise from and strengthen four foundational principles:

1. Protect local revenue sources and prevent unfunded mandates.
2. Protect, seek, and increase funding for programs, projects, and services; pursue grants.
3. Protect and increase local government discretion. Oppose items that preempt or reduce the authority or ability of local government to determine how to effectively operate local programs, services, activities, and governance.
4. Protect the health and safety of the community.

On September 14, 2020, the City Council reviewed the ballot measures on the November 2020 ballot to decide whether to support, oppose, or take no position. That report, [CMR #11550](#) and the [Minutes](#) are both online.

Discussion

A listing of all State and Local (County of Santa Clara & Santa Clara County Cities) Ballot measures under consideration for the November 8, 2022 general election are listed below. There are no proposed ballot measures for the Palo Alto Unified School District or any other local agencies or authorities that would impact the City of Palo Alto.

SUMMARIES OF STATE BALLOT MEASURES THAT COULD IMPACT PALO ALTO

Proposition 1

[Constitutional Right to Reproductive Freedom. Legislative Constitutional Amendment. \(PDF\)](#)

Proposition 1 would amend the California Constitution to establish a right to reproductive freedom, which is defined as a right to an abortion and to choose or refuse contraceptives. The amendment states, "The state shall not deny or interfere with an individual's reproductive freedom in their most intimate decisions, which includes their fundamental right to choose to have an abortion and their fundamental right to choose or refuse contraceptives."

Staff Recommended Position:

Support. Consistent with the Colleagues Memo and adopted [Resolution 10059](#) that supports women's reproductive rights. Applicable legislative guidelines include:

- Protect the health and safety of the community.
- Provides for the equal treatment of all individuals

Proposition 26

[Allows In-Person Roulette, Dice Games, Sports Wagering on Tribal Lands. Initiative Constitutional Amendment and Statute. \(PDF\)](#)

Proposition 26 would legalize sports betting at American Indian gaming casinos and licensed racetracks in California.^[1]

The ballot measure would define *sports betting* as wagering on the results of professional, college, or amateur sport and athletic events, with the exception of high school sports and events featuring a California college team. Individuals would need to be 21 years of age to engage in legal sports betting.^[1]

The ballot measure would enact a tax of 10 percent on profits derived from sports betting at racetracks. The state government would be required to distribute the revenue as follows: (a) 15 percent to the California

Department of Health for researching, developing, and implementing programs for problem gambling prevention and mental health and providing grants to local governments to address problem gambling and mental health; (b) 15 percent to the Bureau of Gambling Control for enforcing and implementing sports wagering and other forms of gaming within the state; and (c) 70 percent to the General Fund.^[1]

Staff Recommended Position:

No recommended position. No direct impact and there is no Council-approved guideline in place regarding gambling on Tribal lands.

Proposition 27

[Allows Online and Mobile Sports Wagering Outside Tribal Lands. Initiative Constitutional Amendment and Statute. \(PDF\)](#)

Proposition 27 proposes a constitutional amendment and statute to authorize a gaming tribe, an online sports betting platform with an operating agreement with a gaming tribe, or a qualified gaming company with a market access agreement with a gaming tribe may operate online sports betting for individuals 21 years of age or older in the state but outside of Indian lands. The amendment would prohibit online sports betting on youth sports. The proposed law would create the Division of Online Sports Betting Control within the Department of Justice. The initiative would give the division authority to regulate the online sports betting industry and investigate illegal sports betting activities. The amendment would take effect on January 1, 2023.^[1]

The proposed law would establish the California Online Sports Betting Trust Fund. The revenue from licensing fees, renewals, and the sports wagering tax would be deposited into the fund. After deducting regulatory costs, 85% of the fund's revenues would be allocated to California Solutions to Homelessness and Mental Health Support Account for permanent and interim housing and 15% of revenues to the Tribal Economic Development Account, which would be established by the initiative to provide funds to Indian tribes for expanding tribal government, public health, education, infrastructure, and economic development.^[1]

Currently, mobile and in-person sports betting is illegal in California.

Staff Recommended Position:

No recommended position. No direct impact and there is no Council-approved guideline in place regarding gambling.

Proposition 28 [Provides Additional Funding for Arts and Music Education in Public Schools. Initiative Statute. \(PDF\)](#)

Proposition 28 would require a minimum source of annual funding for K-12 public schools, including charter schools, to fund arts education programs. The annual minimum amount established by the law would be equal to, at minimum, 1% of the total state and local revenues that local education agencies received under [Proposition 98](#) (1988) during the prior fiscal year. The minimum under the proposed law would be in addition to the funding required by Proposition 98. According to the Legislative Analyst's Office, the ballot initiative would likely result in increased spending of \$800 million to \$1 billion each fiscal year.^[2]

Staff Recommended Position:

No recommended position. This measure does not directly impact the City of Palo Alto organization and there is no direct guideline related to arts funding in local schools.

Proposition 29 [Requires On-Site Licensed Medical Professional at Kidney Dialysis Clinics and Establishes Other State Requirements. Initiative Statute. \(PDF\)](#)

Proposition 29 would enact staffing requirements, reporting requirements, ownership disclosure, and closing requirements for chronic dialysis clinics, including:^[1]

- requiring clinics to have at least one physician, nurse practitioner, or physician assistant – with at least six months of experience with end-stage renal disease care – onsite during patient treatments;
- requiring clinics to report dialysis-related infections to the California Department of Public Health (CDPH);
- requiring clinics to provide patients with a list of physicians with an ownership interest of 5% or more in the clinic;
- requiring clinics to provide the CDPH with a list of persons with ownership interest of 5% or more in the clinic; and
- requiring clinics to obtain the CDPH's written consent before closing or substantially reducing services to patients.

The ballot initiative would also prohibit clinics from refusing to care for a patient based on the patient's form of payment, whether the patient is an individual payer, the patient's health insurer, Medi-Cal, Medicaid, or Medicare.^[1]

Staff Recommended Position:

No recommended position. While this measure could impact potential individual voters, the measure does not directly impact the City operationally or financially. There are no guidelines regarding dialysis clinics.

Proposition 30

[Provides Funding for Programs to Reduce Air Pollution and Prevent Wildfires by Increasing Tax on Personal Income Over \\$2 Million. Initiative Statute. \(PDF\)](#)

Proposition 30 would increase the income tax by an additional 1.75% on income above \$2 million for individuals. Currently, income above \$2 million for individuals is taxed at a rate of [13.3% in California](#). The additional tax would take effect on January 1, 2023. The initiative provides that the tax would end on the earliest of the following dates:^[1]

- January 1, 2043, or
- January 1 after three consecutive calendar years after January 1, 2030, of statewide emissions reduced by 80% of 1990 levels.

Revenue from the increased income tax would be appropriated into the Clean Cars and Clean Air Trust Fund (CCCATF). It would then be allocated to the following three sub-funds: Zero-Emission Vehicle Infrastructure Investment Plan Sub-Fund (35% of revenue), Zero-Emission Vehicle and Clean Mobility Sub-Fund (45% of revenue), and Wildfire Green House Gas Emissions Reduction Sub-Fund (20% of revenue). The sub-funds would fund zero-emission vehicles, charging stations, and infrastructure, as well as hiring and training firefighters.^[1]

Staff Recommended Position:

Support. The City's legislative guidelines state that the City supports governmental action that will reduce greenhouse gas emissions and promotes vehicle electrification and other benefits that will support local communities from the effects of climate change.

Proposition 31

[Referendum On 2020 Law That Would Prohibit the Retail Sale of Certain Flavored Tobacco Products. \(PDF\)](#)

This proposition would affect In-person stores and vending machines in terms of what they could or could not sell related to most flavored tobacco

products and tobacco product flavor enhancers. It is a referendum on SB 793. If Proposition 31 passes, then SB 793 would go into effect. If it does not pass, then SB 793 would not go into effect. SB 793 is described in more detail here:

Main Provisions of Proposition 31 (SB 793)

Bans Most Sales of Flavored Tobacco Products and Tobacco Product Flavor Enhancers. Proposition 31 (SB 793) prohibits in-person stores and vending machines from selling most flavored tobacco products or tobacco product flavor enhancers. The proposition does not ban shisha (hookah) tobacco sold and used at the store, certain cigars, or loose-leaf tobacco.

Defines Flavored Tobacco Products. Proposition 31 defines flavored tobacco products as those that have a flavor, apart from the regular tobacco flavor. For example, the flavor could include fruit, mint, menthol, honey, chocolate, or vanilla. The proposition defines a tobacco product flavor enhancer as a product that creates a flavor when added to a tobacco product.

Charges a \$250 Penalty for Each Violation. Proposition 31 charges a \$250 penalty against stores and vending machine owners for each violation of the requirements described previously.¹

Staff Recommended Position:

Support. The City supports government actions that protect the health and safety of the community. This protects the health of a vulnerable population of our community, the youth. This Proposition aligns with previous City Council action prohibiting the sale of flavored tobacco products in Palo Alto (Municipal Code §4.64.030(i)).

SUMMARIES OF LOCAL MEASURES RELEVANT TO PALO ALTO

Each of the below is a tax measure and requires a majority vote to pass.

¹ <https://lao.ca.gov/BallotAnalysis/Proposition?number=31&year=2022>

MEASURE K
City of Palo Alto

Shall the measure to raise funds for public safety, affordable housing, rail crossing safety, homeless services, and general city services, by levying a tax on businesses in the City of Palo Alto at a monthly rate of 7.5 cents per square foot occupied by a business, up to \$500,000 per business, with annual 2.5% adjustments for inflation and exemptions for grocery stores and businesses under 10,000 square feet, raising approximately \$9.6 million annually for 35 years, be adopted?

Staff Recommended Position: Support. This measure aligns with City fiscal sustainability goals.

Shall the measure affirming the City of Palo Alto's existing and decades-old practice of annually transferring no more than 18% of the gross revenues from the City's natural gas utility (generated by the City's retail natural gas rates) to its general fund to support general city services such as roads; parks; libraries; climate change reduction; police, fire, emergency medical, and 9-1-1 response; providing approximately \$7 million annually in existing revenues until ended by voters, be adopted?

MEASURE L
City of Palo Alto

Staff Recommended Position: Support. This measure aligns with City fiscal sustainability goals.

Environmental Review

This report is not a project for the purposes of the California Environmental Quality Act; an environmental review is not required.

Attachments:

Attachment A: 2022 Legislative Guidelines

Attachments:

- **Attachment10.a:** 2022 Ballot Measures State Local

Jurisdiction	Proposition/Measure	Title
State	Proposition 1	Constitutional Right to Reproductive Freedom. Legislative Constitutional Amendment. (PDF)
State	Proposition 26	Allows In-Person Roulette, Dice Games, Sports Wagering on Tribal Lands. Initiative Constitutional Amendment and Statute. (PDF)
State	Proposition 27	Allows Online and Mobile Sports Wagering Outside Tribal Lands. Initiative Constitutional Amendment and Statute. (PDF)
State	Proposition 28	Provides Additional Funding for Arts and Music Education in Public Schools. Initiative Statute. (PDF)
State	Proposition 29	Requires On-Site Licensed Medical Professional at Kidney Dialysis Clinics and Establishes Other State Requirements. Initiative Statute. (PDF)
State	Proposition 30	Provides Funding for Programs to Reduce Air Pollution and Prevent Wildfires by Increasing Tax on Personal Income Over \$2 Million. Initiative Statute. (PDF)
State	Proposition 31	Referendum On 2020 Law That Would Prohibit the Retail Sale of Certain Flavored Tobacco Products. (PDF)
City of Morgan Hill	MEASURE A	Shall the ordinance, changing zoning regulations throughout the City of Morgan Hill to prohibit buildings with characteristics that could be used for new storage and distribution uses in all areas of the City be adopted?
City of Morgan Hill	MEASURE B	Shall the measure, amending the City's General Plan to require voter approval of any future Monterey Road lane reduction be adopted?
City of Saratoga	MEASURE C	Shall the City of Saratoga adopt an ordinance establishing term limits for members of the Saratoga City Council, limiting individuals to serving two terms and specifying the duration of various types of partial terms that are considered a term for the purposes of term limits?
City of Gilroy	MEASURE D	Construction Contract Procurement and Public Noticing Modernization. Shall the City of Gilroy Charter be amended to: Modify the bidding threshold from \$35,000 to the amount authorized by California Public Contract Code Section 22032; Establish authority to procure for Design-Build and Best Value contracts; Allow modernization of public noticing?
Patterson Joint Unified School District	MEASURE E	To expand vocational career and technical education facilities; increase labs and training sites to prepare students for college and future jobs; and build new classrooms to relieve overcrowding; shall Patterson Joint Unified School District's bond authorizing \$74 million be approved with legal rates, projected levies below \$57/ \$100,000 of assessed valuation (generating \$3.9 million/ year while bonds are outstanding), annual audits, independent oversight and all funds spent locally with no money taken by the State and spent elsewhere?

City of Milpitas	MEASURE F	Shall an ordinance be adopted amending the Milpitas Municipal Code to shorten Councilmember terms limits by establishing for both Councilmembers and Mayor, effective with the November 8, 2022 General Municipal Election, a ten consecutive year limit on combined Mayoral and City Councilmember service, with a six year limit on Mayoral service, followed by a two-year "cooling off" period, during which a person may not serve as Mayor or a Councilmember?
City of Santa Clara	MEASURE G	City of Santa Clara No Tax Increase/ Services Protection Measure. To protect essential services without raising taxes, such as 9-1-1 response; police patrols, fire protection; street/storm drain repair, and maintaining reliable local utility service; shall Section 1320 of the Charter continuing the annual budget transfer of funds from City utilities to the general fund at 5% of gross receipts until ended by voters, generating approximately \$30,000,000 annually, with independent audits, all funds local, be reaffirmed/adopted?
City of Santa Clara	MEASURE H	CITY OF SANTA CLARA BUSINESS LICENSE UPDATE/ TAX EQUITY MEASURE To protect Santa Clara's financial stability and maintain essential services such as 911 emergency/public safety/crime reduction services, safe/clean public areas, pothole repair, parks/libraries, shall an ordinance to increase Santa Clara's 1992 business license tax on businesses to \$45 per employee and on landlords to \$15 per rental unit, generating approximately \$6,000,000 annually, until ended by voters, with independent financial audits, all funds staying local, be adopted?
City of San Jose	MEASURE I	Shall the City Charter be amended to add the City's ethics and elections commission (Board of Fair Campaign and Political Practices) to the Charter; remove requirements that members of the Planning, Civil Service, and Salary Setting Commissions be electors and/or citizens; remove gender-specific language; and require the City Council to adopt equity values, standards, and assessments in making certain decisions?
Town of Los Gatos	MEASURE J	Shall the measure to fund critical Town needs such as public safety by amending business license taxes, unchanged since 1991 while inflation increased 117% to increase flat taxes by 30% adjusted annually for inflation, Retailing gross receipts tax by 40%, and to add E-Commerce to the Manufacturing, Wholesaling, and Jobbing gross receipts tax schedule and increase that schedule by 120%, raising about \$1,100,000 yearly for general fund purposes until ended by voters, be adopted?
City of Palo Alto	MEASURE K	Shall the measure to raise funds for public safety, affordable housing, rail crossing safety, homeless services, and general city services, by levying a tax on businesses in the City of Palo Alto at a monthly rate of 7.5 cents per square foot occupied by a business, up to \$500,000 per business, with annual 2.5% adjustments for inflation and exemptions for grocery stores and businesses under 10,000 square feet, raising approximately \$9.6 million annually for 35 years, be adopted?

City of Palo Alto	MEASURE L	Shall the measure affirming the City of Palo Alto's existing and decades-old practice of annually transferring no more than 18% of the gross revenues from the City's natural gas utility (generated by the City's retail natural gas rates) to its general fund to support general city services such as roads; parks; libraries; climate change reduction; police, fire, emergency medical, and 9-1-1 response; providing approximately \$7 million annually in existing revenues until ended by voters, be adopted?
Loma Prieta Joint Union School District	MEASURE M	To provide Loma Prieta neighborhood elementary/middle school students with stable funding for current instruction in math, science, reading, technology, arts and other core curriculum; retain/recruit highly qualified teachers, and continue to support classroom technology needs, shall Loma Prieta Joint Union Elementary School District's measure be approved establishing an annual parcel tax of \$348 for 8 years, raising approximately \$640,000 a year, with senior exemptions, independent citizen oversight, no funds for administrator's salaries, all funds staying in our local schools?
East Side Union High School District	MEASURE N	With funds that cannot be taken by the State and spent elsewhere, shall East Side Union High School District's measure to expand career/ technical education facilities, renovate science labs and upgrade technology at Andrew Hill, Calero, Evergreen Valley, Foothill, Independence, James Lick, Mt. Pleasant, Oak Grove, Piedmont Hills, Santa Teresa, Silver Creek, Verba Buena and W.C. Overfelt High Schools be adopted, authorizing \$572 million in bonds with legal rates, projected levies below 3¢/\$100 of assessed valuation (\$35.7 million/year through 2050), annual audits, independent oversight and no increase in tax rates?
Campbell Union High School District	MEASURE O	To continue funding academic/career-training programs in math, science, engineering, technology, arts and skilled trades that support college/career readiness; attract/retain qualified teachers/specialists; provide student mental health services and maintain manageable class sizes, shall the Campbell Union High School District measure renewing the expiring school parcel tax be adopted at the current rate of \$85 per parcel (no increase), continuing \$5,000,000 in annual school funding for 10 years, with senior exemptions and all money staying local?
Oak Grove School District	MEASURE P	To modernize classrooms, increase student access to technology, upgrade science labs, make school safety and security improvements at all sites, improve support facilities, and provide a local match for State grants, shall Oak Grove School District's measure to issue \$236,000,000 in bonds at legal rates, raising on average \$13 million annually, with levies projected at 3 cents/ \$100 of assessed valuation, with citizen oversight, annual audits, no funds for administrator salaries, and all for local schools, be adopted?

Union School District	MEASURE R	To improve school health and safety systems; fix deteriorating roofs, plumbing, and electrical; remove asbestos/ lead pipes; and repair, acquire, construct classrooms, sites, science labs, facilities, equipment, and instructional technology that support student achievement in math, science, engineering, reading, arts and technology, shall Union School District's measure authorizing \$128,000,000 in bonds at legal rates be adopted, levying 2¢/ \$100 assessed value (\$7,000,000 annually) while bonds are outstanding, with independent citizen oversight and all money locally controlled?
Alum Rock Union School District	MEASURE S	To improve science, technology, engineering, art, and math (STEAM) classrooms; increase student access to computers and modern classroom technology; build below-market teacher/ staff rental housing; and improve student safety/ campus security; shall Alum Rock Union Elementary School District's measure authorizing \$71.5 million of bonds be adopted (reauthorizing bonds previously approved in November 2012), with legal rates, projected levies less than 2¢/ \$100 of assessed valuation (raising \$4.4 million/ year while bonds are outstanding), annual audits and independent citizen oversight?
Campbell Union School District	MEASURE T	To repair and upgrade local elementary/ middle schools, including science, technology, math classrooms/ labs; instructional technology infrastructure; fixing leaky roofs, wiring, plumbing and fire/ security systems; improved accessibility for students with disabilities; shall Campbell Union Elementary School District authorize \$96,000,000 in bonds, levying up to \$30/ \$100,000 assessed value (projecting no increase in current tax rates), generating \$5 million annually through term of bonds, with citizen oversight, audits, no funds for administrators, all funds for local elementary/ middle schools?



City of Palo Alto City Council Staff Report

(ID # 14593)

Meeting Date: 10/3/2022

Report Type: OTHER INFORMATION

Title: Informational Report on the Annual Review of the City's Renewable Procurement Plan, Renewable Portfolio Standard Compliance, and Carbon Neutral Electric Supplies for 2021

Council Priority: Climate Change: Protection & Adaption

From: City Manager

Lead Department: Utilities

Executive Summary

All electric utilities in California are subject to the state's Renewable Portfolio Standard (RPS) mandate of 60% by 2030. The City has also adopted a Carbon Neutral Plan, which led to the achievement of a carbon neutral electric supply portfolio starting in 2013 (and which was updated by Council in August 2020). In 2011, in compliance with state RPS regulations, the Council also formally adopted an RPS Procurement Plan and an RPS Enforcement Program that recognize certain elements of the state's RPS law applicable to publicly-owned utilities. The RPS Enforcement Program requires the City Manager, or their designee, the Utilities Director, to conduct an annual review of the Electric Utility's compliance with the procurement targets set forth in the City's RPS Procurement Plan.

This staff report satisfies the reporting requirements of the City's RPS Enforcement Program, while also providing an update on the City's compliance with the Carbon Neutral Plan. The City continues to meet both its RPS and Carbon Neutral Plan objectives—even after selling over 287,000 MWh of renewable energy in 2021.

Background

The City currently has two independent procurement targets related to renewable and carbon neutral electricity:

- RPS Procurement Plan (60% by 2030): The City's official renewable electricity goal is contained in the RPS Procurement Plan that the City adopted as required by Section 399.30(a) of California's Public Utilities Code. Council first adopted the RPS Procurement Plan in December 2011 ([Staff Report 2225](#), [Resolutions 9214](#) and [9215](#)) with updates in November 2013 ([Staff Report 4168](#), [Resolution 9381](#)), December 2018 ([Staff Report 9761](#), [Resolution 9802](#)), and December 2020 ([Staff Report 11650](#), [Resolution 9929](#)). The

last update to the RPS Procurement Plan brought it into alignment with the state's 60% RPS requirement (SB 100), which was signed into law in 2018. The RPS Procurement Plan and RPS Enforcement Program complement each other: the Procurement Plan establishes official procurement targets, while the Enforcement Program specifies the reporting and monitoring that is required of the Utilities Director while working to achieve those targets.

The City's RPS Procurement Plan requires the City to acquire renewable electricity supplies equal to 60% of retail sales by 2030, which is in line with the state's current RPS mandate. The RPS Procurement Plan also contains an escalating set of targets for six interim Compliance Periods (2011-2013, 2014-2016, 2017-2020, 2021-2024, 2025-2027, and 2028-2030), as well as subsequent 3-year compliance periods beginning in 2031.

- Carbon Neutral Plan (100% Carbon Neutral Electricity by 2013): Council adopted the Carbon Neutral Plan in March 2013 ([Staff Report 3550](#), [Resolution 9322](#)) and updated it in August 2020 ([Staff Report 11556](#), [Resolution 9913](#)). Under the Carbon Neutral Plan the City has procured a carbon neutral electric supply portfolio since calendar year (CY) 2013. In general, this goal is achieved primarily through purchases made under the City's long-term renewable power purchase agreements (PPAs) and output from its hydroelectric resources. However, when the City Council approved an update to the Carbon Neutral Plan in August 2020, Council also approved a new procurement strategy whereby the City does not keep all of the output of its long-term, in-state PPAs, but instead exchanges that output for less expensive out-of-state renewable generation (with the net proceeds used to offset electric utility operational costs and fund local decarbonization programs).

Discussion

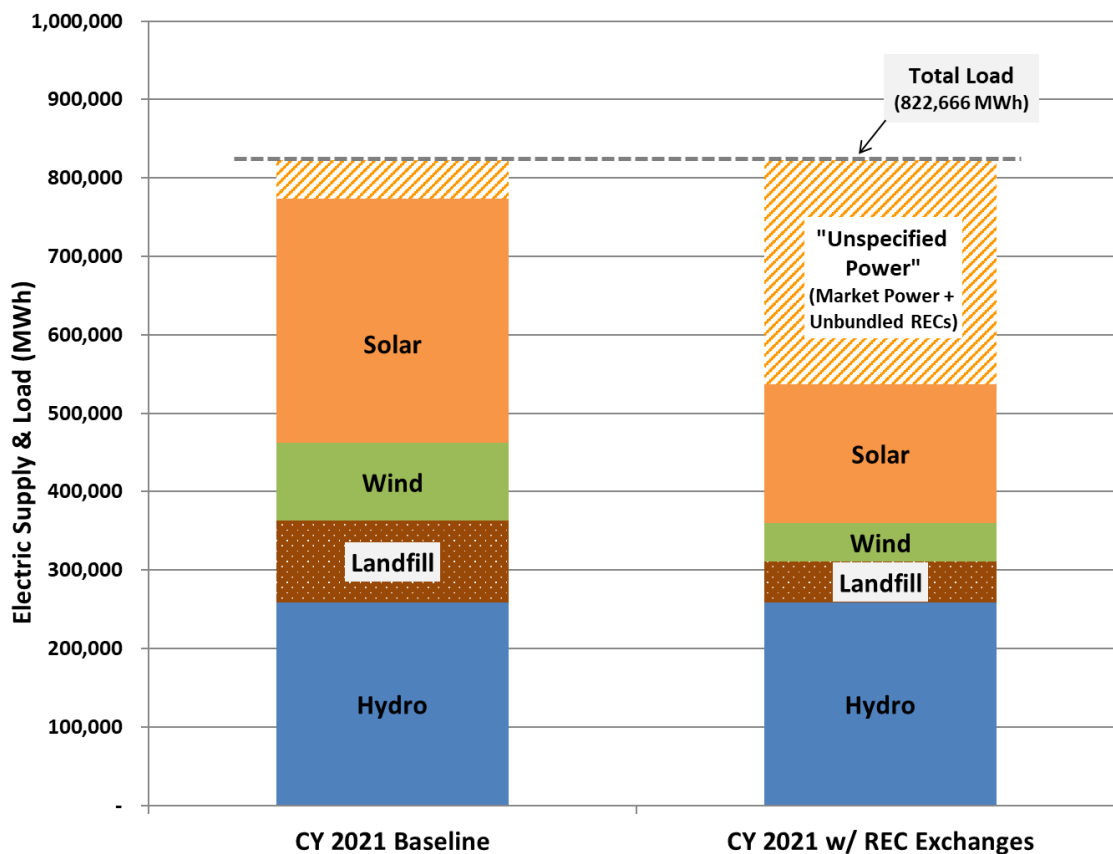
The City continues to meet its objectives under the RPS Procurement Plan and the Carbon Neutral Plan, and achieved an RPS level of 35.0% in 2021. Although this value fell just short of the state's 35.75% RPS procurement "soft target" for the year, the City remains compliant with state law because the RPS procurement mandate is evaluated over a multi-year horizon (2021-2024 in this case), and the City has enough RPS supplies under contract to far exceed the state's soft target levels in the later years of the four-year compliance period. Below is a summary of CPAU's progress toward satisfying its renewable energy and carbon neutral procurement targets. ([Linked Document](#))

RPS Procurement Plan Compliance

In CY 2021, the City initially received 544,819 MWh of renewable energy through its long-term contracts for wind, solar, landfill gas, and small hydro resources (which represents 68.1% of the City's total retail sales for that period). Additionally, the City received 247,362 MWh of large hydroelectric generation (representing 30.9% of the City's total retail sales), which is not classified as eligible renewable generation by the state. Based on the Council's decision in August 2020 to pursue the "REC Exchange Program" ([Staff Report 11556](#), [Resolution 9913](#)) the

City sold 287,210 MWh of in-state renewable energy supplies, yielding \$4.01 million in sales revenue, while purchasing 358,408 MWh of out-of-state renewable energy credits (“RECs”)¹, at a cost of \$1.79 million. Figure 1 below depicts the City’s load and supply resources for CY 2021, before and after the REC Exchanges described above. Accounting for these transactions, the City’s net renewable energy supplies totaled 616,017 MWh, which represents 77.0% of the City’s total retail sales for 2021. However, under the state’s RPS regulations the majority of the out-of-state renewable energy purchases were not able to be applied to the City’s RPS requirement, hence the City’s official RPS level was only 35.0%.

Figure 1: CY 2021 Electric Load and Supply Resources, With and Without REC Exchanges

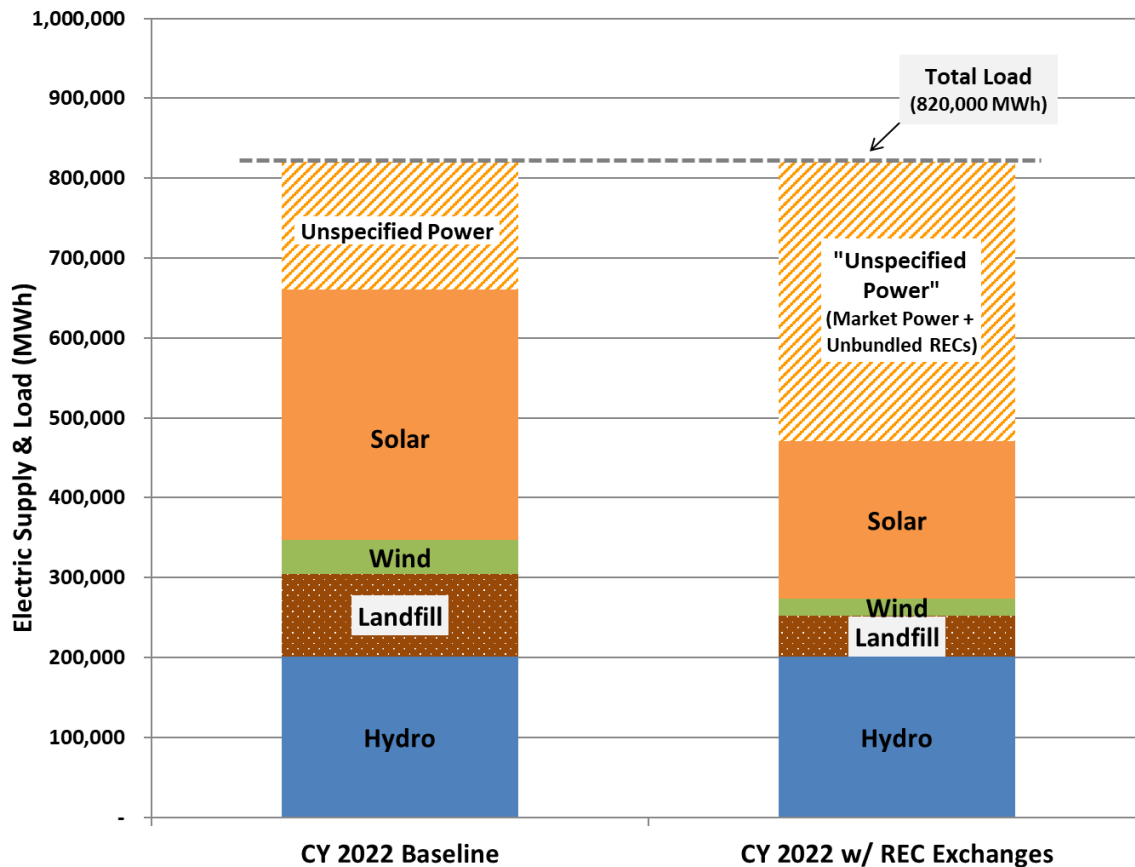


For CY 2022, staff has contracted to sell about 120,000 MWh of in-state renewable generation and has purchased about 180,000 MWh of out-of-state renewable generation. Figure 2 below depicts the City’s projected load and supply resources for CY 2022, before and after the REC Exchanges described above. (Note that much of the decrease in REC sales volume and revenue, compared to CY 2021, is due to the much lower volume of hydro generation the City expects to receive in 2022 due to the current drought.) Once these transactions are accounted for, they will yield a total of about \$0.7 million in net revenue, and an official RPS level of 38.5% (equal to the state’s RPS soft target for 2022). However, if the additional out-of-state renewable supplies

¹ Not including 25,000 MWh of RECs purchased on behalf of PaloAltoGreen customers.

that cannot be applied to the City's RPS requirements are included, the City's total renewable electricity supplies are projected to be approximately 75% of retail sales.

Figure 2: Projected CY 2022 Electric Load and Supply Resources, With and Without REC Exchanges



In accordance with the state's RPS Program requirements, CPAU's Procurement Plan develops a renewable electric supply portfolio that balances environmental goals with system reliability while maintaining stable and low retail electric rates. The state RPS program requires retail electricity suppliers like CPAU to procure progressively larger renewable electricity supplies across a series of separate multi-year Compliance Periods. CPAU's procurement targets, as well as its actual/projected procurement volumes and RPS levels, for the first four Compliance Periods are summarized in Table 1 below.²

Table 1: RPS Compliance Period Procurement Targets and Actual Procurement

RPS	Years	Retail Sales	Procurement	Actual/Projected	% of Retail
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² Note that the City's projected RPS level is lower in Compliance Period 4 than the actual RPS level in Compliance Period 3 due to the adoption of the REC Exchange Program. Under this program, the City exchanges some of its in-state renewable energy resources for lower-cost out-of-state RECs; however, not all of these out-of-state RECs are allowed to be counted towards the City's RPS level under the state's RPS regulations.

Compliance Period		(MWh)	Target (MWh)	Procurement (MWh)	Sales
1	2011-2013	2,837,773	567,555	607,740	21.4%
2	2014-2016	2,801,056	605,949	826,855	29.5%
3	2017-2020	3,487,686	1,043,424	1,619,303	46.4%
4	2021-2024	3,242,464	1,295,073	1,295,073	39.9%
TOTALS		12,368,979	3,512,001	4,348,971	35.2%

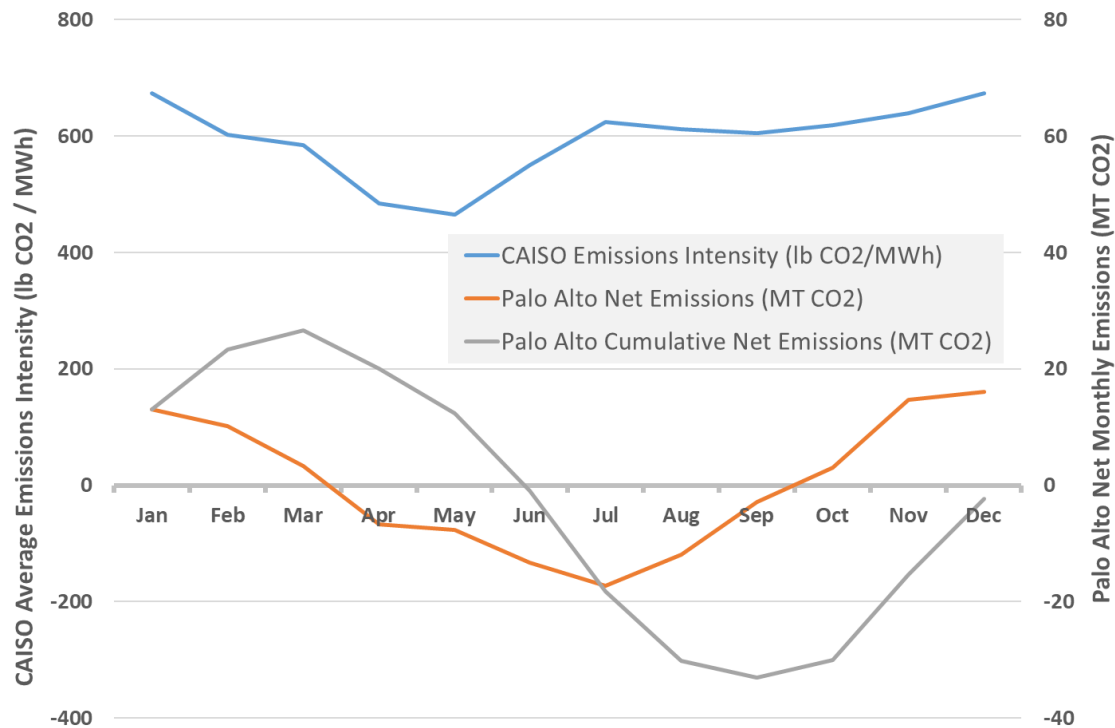
Carbon Neutral Plan

In CY 2021, CPAU achieved its goal, set forth in the Carbon Neutral Plan, of an electric supply portfolio with zero net greenhouse (GHG) emissions for the seventh consecutive year. Carbon neutrality was achieved in CY 2021 through existing hydro and renewable generation (wind, solar, and landfill gas). As discussed above, due to the Council's adoption of the REC Exchange Program in August 2020, the City sold 287,210 MWh of in-state renewable energy supplies, yielding \$4.01 million in sales revenue, while purchasing 358,408 MWh of out-of-state renewable energy, at a cost of \$1.79 million. Accounting for these transactions, the City's net renewable energy supplies totaled 616,017 MWh, which represents 77.0% of the City's total retail sales for 2021. The remainder of the City's needs were supplied by large hydroelectric resources.

When the City Council approved an update to the Carbon Neutral Plan in August 2020, the primary change was to adopt an *hourly* carbon accounting methodology as the basis for determining whether the City has met its carbon neutrality objective. Using an annual accounting approach, the City had an overall surplus of 65,827 MWh of carbon neutral generation compared to its load (equal to 8.0% total load), and thus substantially exceeded the carbon neutrality standard. Meanwhile, under the hourly carbon accounting approach,³ the City's electric supply portfolio also exceeded the carbon neutrality standard, being responsible for a net negative amount of GHG emissions: -102 metric tonnes of CO₂ equivalent. See Figure 3 below for a depiction of the City's monthly total net CO₂ emissions for 2021 (as well as the rolling year-to-date net CO₂ emissions), and the monthly average emissions intensity for the California electric grid.

³ The City's hourly carbon accounting methodology entails calculating the City's net surplus or deficit carbon neutral supply position relative to its load in every hour of the year. The grid average electricity emissions intensity for each hour is then applied to each of these hourly surpluses or deficits to yield a net emissions contribution (or reduction) that the City's electric supply portfolio is responsible for in that hour. These hourly emissions totals are then summed across the entire year to yield the City's annual emissions total for the year.

Figure 3: CY 2021 Monthly Net Electric Supply Emissions and CAISO Emissions Intensity



For CY 2022, significantly below average hydro conditions are expected to result in only about 25% of the City's electric supply needs being supplied by hydroelectric resources (compared to a long-term annual average of about 55%), with the remainder coming from non-hydro renewable energy resources (including purchases of out-of-state unbundled RECs).

Policy Implications

This report implements Sections 4 and 5 of the City's RPS Enforcement Program, which require an annual review of the Electric Utility's compliance with the CPAU RPS Procurement Plan to ensure that CPAU is making reasonable progress toward meeting the compliance obligations established in the CPAU RPS Procurement Plan.

Environmental Review

The Council's review of this report does not meet the definition of a "project" pursuant to Public Resources Code Section 21065, thus California Environmental Quality Act review is not required.

Schedule of Meetings

Published September 22, 2022

This is a courtesy notice only. Meeting dates, times, and locations are subject to change. Almost all Palo Alto Council and some Standing Committee meetings are cablecast live on Channel 26. If there happens to be concurrent meetings, one meeting will be broadcast on Channel 29.

Meetings are held in-person and virtually unless otherwise noted

THURSDAY, September 22 Historic Resources Board, 8:30 a.m.	Physical Location Council Chambers
TUESDAY, September 27 City Council, 5:00 p.m. Parks & Recreation Commission, 7:00 p.m.	Council Chambers Community Meeting Room
WEDNESDAY, September 28 Planning & Transportation Commission, 6:00 p.m.	Council Chambers
MONDAY, October 3 City Council, 5:00 p.m.	Council Chambers
TUESDAY, October 4 Finance Committee, 5:30 p.m.	CANCELLED
THURSDAY, October 6 Architectural Review Board, 8:30 a.m.	Council Chambers
MONDAY, October 10 City Council, 5:00 p.m.	CANCELLED
TUESDAY, October 11 Policy & Services Committee, 7:00 p.m.	Council Chambers
WEDNESDAY, October 12 Utilities Advisory Commission, 6:00 p.m. Planning & Transportation Commission, 6:00 p.m.	Community Meeting Room Council Chambers
THURSDAY, October 13 Historic Resources Board, 8:30 a.m. Human Relations Commission, 6:00 p.m.	Council Chambers Council Chambers
MONDAY, October 17 City Council, 5:00 p.m.	Council Chambers
TUESDAY, October 18 Finance Committee, 5:30 p.m.	Council Chambers
WEDNESDAY, October 19 Rail Committee, 1:00 p.m.	Community Meeting Room



City of Palo Alto
Office of the City Attorney
City Council CAO Report

(ID # 14821)

Meeting Date: 10/3/2022

Report Type: Consent Calendar

Title: Supplemental Memo Regarding the September 12, 2022 Health Order and AB 361 Findings

From: Molly Stump, City Attorney

Given recent changes at the State and County levels that may affect cities' ability to continue remote meetings of legislative bodies, staff is providing this supplemental information for the City Council's awareness as it considers the findings required under AB 361.

On September 12, 2022, the Santa Clara County Health Officer issued a new Health Order on COVID-19. The purpose of the Health Order is described as:

Background and Purpose. The Health Officer makes this Order in light of the current state of the COVID-19 pandemic emergency. Specifically, at this stage and time of the pandemic, including consideration of the widespread availability of testing and vaccinations and the high level of community vaccination in Santa Clara County (the "County"), the necessity for mandatory orders related to vaccination and access to testing has diminished. However, the risk of COVID-19 in Higher-Risk Settings remains significant, and so it continues to be important for Face Coverings to be used in Higher-Risk Settings. This Order therefore rescinds prior Health Orders, as described in Section 2 below, while maintaining existing Face Covering requirements in Higher-Risk Settings, as set forth in Section 3 below. This Order also sets forth a number of important recommendations by the Health Officer in response to the continued risks posed by COVID-19 in our community.

The Health Order rescinds mandatory vaccination and testing requirements that previously applied to high-risk settings such as health care facilities and jails. In addition, with respect to settings such as City Council and Board and Commission meetings, the Health Order provides:

Recommendations from the Health Officer. The Health Officer urges all businesses and governmental entities and individuals to follow the recommendations set forth below:

- a. All eligible persons are strongly urged to get vaccinated and remain up to date with the latest recommended booster against COVID-19 as soon as possible, including receiving the most recent bivalent COVID-19 booster.
- b. Businesses and governmental entities should continue to implement mandatory vaccination requirements for all personnel, subject only to the limited exemptions required by law. Business and governmental entities are encouraged to continue to set forth more stringent standards for those working in Higher-Risk Settings or similar settings that may pose a greater risk to personnel, clients, or the public.
- c. Any person, vaccinated or unvaccinated, who has any symptoms consistent with COVID-19 should get tested immediately and avoid contact with others pending test results.

Strong Recommendation to Continue Universal Use of Face Coverings Indoors.

The Health Officer continues to strongly recommend that all persons continue to wear Face Coverings when in indoor settings with shared air space with persons outside their household, consistent with the provisions of the Health Officer's prior August 2, 2021 Face Covering Order. The Health Officer further recommends that all businesses and governmental entities likewise continue to require use of Face Coverings in all indoor settings with shared airspace.

To continue proceeding under the streamlined provisions for teleconferencing authorized under AB 361, Council will need to make the follow finding, contained in today's Consent Agenda item:

State or local officials continue to impose or recommend measures to promote social distancing.

It is a judgment call for Council to make whether the current circumstances, including the Health Officer's strong recommendation to continue use of face coverings indoors, is a sufficient basis for making the AB 361 finding. We are informed that some cities in our region that have been holding fully remote meetings may decide, in light of the September 12th Health Order, to cease making the AB 361 findings.

If Council elects not to approve the AB 361 findings, this will mean that all Brown Act teleconference requirements will need to be followed in the event any Council Member is participating remotely:

- At least a quorum of the legislative body must participate from locations within the local agency's jurisdiction;
- Each teleconference location must be specifically identified in the notice and agenda of the meeting, including a full address and room number, as may be

- applicable;
- Agendas must be posted at each teleconference location, even if a hotel room or a residence;
- Each teleconference location, including a hotel room or residence, must be accessible to the public and have technology, such as a speakerphone, to enable the public to participate;
- The agenda must provide the opportunity for the public to address the legislative body directly at each teleconference location; and
- All votes must be by roll call

Note that these requirements effectively prohibit remote participation from a vehicle or other location where advance posting and concurrent public attendance is not feasible.

Also notably, on September 13, 2022, Governor Newsom signed Assembly Bill 2449 (AB 2449) into law. With an effective date of January 1, 2023, AB 2449 authorizes a local agency to use teleconferencing without requiring that each teleconference location be identified in the notice and agenda and accessible to the public if at least a quorum of the members of the legislative body participates in person. A member of the legislative body may participate remotely using the streamlined procedures only where specified circumstances that are defined in the statute are met. Members may use these procedures no more than two times per year, and approval of the legislative body is required. Staff will provide further information about how to use AB 2449 as the effective approaches.

Finally, if Council decides not to make the AB 361 findings, Council may wish to clarify whether this decision will apply only to Council or will also apply to the City's Boards and Commissions. Council can provide this direction by pulling the item from Consent hearing it this evening on the Action agenda.



City of Palo Alto

City Council Supplemental Report

Item 9

(ID # 14816)

Meeting Date: 10/3/2022

Report Type: Action Items

Title: Supplemental Information on Sustainability and Climate Action Plan Update Goals and Key Actions, Reach Code Changes, and Advanced Heat Pump Water Heater Program

From: City Manager

Lead Department: Utilities

This supplemental report to the September 27 S/CAP Update staff report ([CMR 14606, packet p. 80](#)) includes responses to several questions and information requests from the September 27, 2022 meeting. The topics and staff responses are provided below. Part II of this item will continue at the October 3, 2022 Council meeting.

1. Impact of the Inflation Reduction Act (IRA) on the heat pump water heater program: [Rewiring America](#) has a variety of resources on the IRA, including a [calculator summarizing the electrification incentives](#) and available tax credits. Residents should consult their tax advisors to assess how the provisions in the IRA and incentives may affect their personal financial situation.

2. Amount of carbon reduced per dollar invested in various types of emissions-reducing activities considered in the S/CAP:

This information can be found in the preliminary impact analysis discussed by Council on April 19, 2021, on page 3 of the [at-places memo item for Agenda Item 7](#). Staff provided a summary of the City's current transportation-related programs to the Utilities Advisory Commission at its [September 14, 2022 meeting](#) (Item 4).

3. Percentage of EV drivers who charge at work:

There is limited data on EV driver charging patterns. A 2017 City survey showed 70% of Palo Alto residents charge at home, which is comparable to the national average. A [2018 survey by Volvo Car USA](#) of 1500 EV drivers found that 16% of charging events among survey participants occurred at work.

4. Amount of carbon emitted from non-renewable energy sources by electric production at night (not counting offsets we do during the day):

The most recent report containing information on the City's compliance with its carbon neutral electric portfolio standard (which takes into account the hourly emissions of the grid) was published at the December 2021 Utilities Advisory Commission meeting as an informational item ([Staff Report 13753](#)). It provides information on a monthly basis. See page 5 for a discussion of this topic.

5. Status of the City's micromobility pilot, which is expected to include e-scooters, e-bikes, or other small electric vehicles:

The Office of Transportation does not currently have the staff capacity to proceed with this pilot, but is looking for creative ideas or partnerships that might help move the pilot forward. Micromobility vendors have changed their models throughout the pandemic and that has led to increased cost for cities. Throughout these changes, staff has also re-evaluated micromobility staffing resource demands and determined that a micromobility pilot will require more resourcing and oversight.