



Office of the City Manager

CONSENT CALENDAR
November 27, 2007

To: PK Honorable Mayor and Members of the City Council

From: PK Phil Kamlarz, City Manager

Submitted by: Dan Marks, Planning Director,

Subject: Agreement: Build It Green

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a sole source agreement with Build It Green for the period September 15, 2007 through September 14, 2009 in the amount of \$50,040 for development of a solar energy program.

FISCAL IMPACTS OF RECOMMENDATION

The total contract amount is \$50,040. Of this, \$20,000 will come from the General Fund (010-8204-463-30-38) and \$30,040 will come from the Federal Government / Smart Solar Program Fund (096-8204-463-30-38). Funds are currently available in the General Fund budget for this program, and grant funds from the Smart Solar Program (Fund 096) will be included in the second amendment to the Annual Appropriations Ordinance pursuant to a \$200,000 grant award from the US Department of Energy.

CURRENT SITUATION AND ITS EFFECTS

In November 2007, voters charged the City of Berkeley with the task of developing a plan to reduce greenhouse gas emissions by 80% by 2050. This will require significant reductions in the use of fossil fuel energy for buildings, which causes about 53% of the community's emissions (the balance are from transportation sources). Increased use of renewable energy, including local solar electric and thermal power systems, will be an essential part of the reduction plan.

Many of the opportunities for local solar power are small-scale applications. The costs of these projects are relatively high due to the complexity of the transactions. Residents and business that wish to install solar power systems must navigate the processes of evaluating costs and benefits, selecting a designer/contractor and a system, integrating energy efficiency measures, applying for permits, rebates, tax credits and financing, monitoring performance and arranging for warranty service, if necessary. This situation has limited the market for new solar energy systems.

BACKGROUND

On September 18, 2007 Council authorized the City Manager to execute a grant agreement with the US Department of Energy to develop a solar program for the community.

This grant will develop and pilot the ***East Bay Smart Solar Program (Smart Solar)***, a turn-key program to install solar electric and solar hot water systems in the residential and small-to-medium commercial/public sectors. This project is intended to transform the market for solar technologies first in Berkeley and then throughout the East Bay, and in the process increase the role of solar power as an economic development mechanism within the City.

The City proposes executing a sole source agreement with Build It Green to provide technical and strategic support for the development of the program. The scope may be amended at a future date to include Build It Green in some operational role. Build It Green is a Berkeley-based non-profit agency that serves as an umbrella and facilitator for associate councils, guilds, and networks representing key stakeholders needed to transform the building industry in California. These include the following: Public Agency Council, Green Remodelers Guilds, Non-Profit Network, Builders Council, Green Affordable Housing Coalition, Suppliers Council, and a Real Estate Council. As such, Build It Green is uniquely qualified to convene stakeholders to participate in program development.

Build It Green will explore barriers to investments in local solar power and develop solutions with stakeholders. It will convene potential suppliers, contractors, service vendors and permitting agencies.

Build It Green will advise on products, services and financial instruments, the development of a set of technical specifications, procurement strategies, and policies and procedures.

Build It Green will address barriers by convening potential clients (and/or their trade associations), potential lenders, energy service companies and incentive agencies, including any applicable Federal, State or utility tax credits or rebates. For Build It Green's detailed scope of services see Attachment 2.

RATIONALE FOR RECOMMENDATION

This program will enable more local energy consumers to use renewable energy to power their homes and businesses. If successful it will also generate business for private solar power companies and increase the number of local jobs.

The pilot program is expected to reduce carbon dioxide emissions from gas water heaters and from electrical generating plants by 76 tons annually. The full scale program is expected to reduce over 2,500 tons annually.

This program will help the City fulfill its greenhouse gas reduction goals as established by 2007 Measure G.

Build It Green is uniquely qualified to provide program development services due to its unparalleled existing working relationships with key market players.

ALTERNATIVE ACTIONS CONSIDERED

The City could hire staff to provide program development services. However, Build It Green has existing capacity that it can use for this purpose much more efficiently than the City could.

CONTACT PERSON

Neal De Snoo, Energy Officer, Housing Department, 510.981.5434

Attachments:

1: Resolution

Ex. A

Ex. B

RESOLUTION NO. ##,###-N.S.

AGREEMENT: BUILD IT GREEN FOR SOLAR ENERGYPROGRAM

WHEREAS, Measure G on the November 2007 ballot requests the City to prepare a plan to reduce community-wide greenhouse gas emissions; and

WHEREAS, local thermal and photovoltaic solar power systems, integrated with energy efficiency, have the potential to reduce greenhouse gas emissions; and

WHEREAS, the City submitted a proposal for Federal funding to promote solar power based on the successful Smart Lights lighting program model, which was developed by the City and the Community Energy Services Corporation; and

WHEREAS, the U.S. Department of Energy has awarded the City a \$200,000 cooperative agreement to for the program; and

WHEREAS, the City Council authorized the City Manager to execute the US Department of Energy Agreement on September 18, 2007; and

WHEREAS, Build It Green is uniquely qualified to provide program development services due to its existing relationship with stakeholders in the market;

WHEREAS, funds are available in the FY 08 General Fund for this purpose and are being added to the 096 fund. The agreement has been entered into the City's contract database, CMS number MDALQ.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a sole source agreement and any amendments with Build It Green for the period September 15, 2007 through September 14, 2009 in the amount of \$50,040 for program development.

Exhibit A Scope

The City of Berkeley has obtained Department of Energy grant funding and technical assistance through the Solar America Initiative to develop and pilot the **East Bay Smart Solar Program** (*Smart Solar*), a turn-key program to install solar photovoltaic (PV) and solar hot water and air heating (SWAH) systems in the residential and small-to-medium commercial/public sectors. This turn-key program approach is based upon an existing successful energy efficiency program (the East Bay Smart Lights Program) that uses a trusted, city-sanctioned third party to represent owners in specifying, purchasing and managing energy efficiency projects. The City of Berkeley proposes to adapt this owner's agent, turn-key approach to transform the market for solar technologies first in Berkeley and then throughout the East Bay.

Contractor will be responsible for providing technical and strategic services for the development and, possibly, the operation of the City of Berkeley Smart Solar program. To perform this work, Contractor shall collaborate with stakeholders, the City and program partners.

Contractor shall meet with the City and on a monthly basis or as needed to report on progress and plan execution of the scope of work.

Upon completion of the scope of this agreement, the City shall evaluate the findings of the stakeholder process to determine whether and how the project should continue. At this time, the City may negotiate with the contractor for additional services related to program development, support and/or implementation.

Key implementation partners include UC Berkeley/Renewable and Appropriate Energy Laboratory (UCB/RAEL) and US DOE technical assistance staff (Tiger Teams). Contractor will be involved in Phase I, Program Development. Following are the various tasks assigned to Contractor, including methods for accomplishing these tasks:

1.1 Program Development Kick-Off

- Contractor will convene a meeting of implementation partners and advisors to inform program development. Invitees include:
 - City of Berkeley
 - Build It Green
 - Sustainable Berkeley
 - UCB/RAEL
 - UCB/Haas
 - PG&E East Bay Energy Watch (EBEW)
 - California Energy Commission (CEC)
 - Department of Energy—Tiger Team
- Contractor will develop the invitation list, invite guests, work with COB to develop the agenda, take meeting minutes, and perform meeting follow up.

1.2 Pre-Design Research and Planning

- Contractor will review existing studies of technical and local market potential (e.g., 2004 Global Energy Partners report for City of Berkeley). Based on that review, Contractor will prepare a memorandum summarizing key findings and identifying critical gaps in the information that call for primary research. Contractor will work with RAEL to develop a research plan that UCB/RAEL will implement to fill those gaps.
- To develop solar specifications for up to six applications, Contractor will identify and research existing specifications for both commercial and residential applications/technologies. Possible sources include CEC, National Renewable Energy Laboratory (NREL), and American Solar Energy Society (ASES). Various experts/advisors will be interviewed for input on best practices. Local codes, permitting issues, RECO and CECO ordinances, business/economic constraints, and requirements for incentives and tax credits will also be reviewed with respect to the specifications. Functional requirements that will be included in the specifications include:
 - General requirements
 - Structural requirements
 - Flashing of penetrations in exterior envelope
 - Plumbing and electrical work
 - Performance of solar equipment
- Contractor will review and assess various business models for program implementation
- Contractor will prepare a findings memo that summarizes this work.

1.3 Stakeholder Outreach and Participation

- Contractor will convene a meeting with COB and key project partners to identify desired outcomes from the stakeholder input meetings.
- Contractor will organize and facilitate four meetings for vendors and suppliers:
 - PV contractors
 - Solar water heating contractors
 - PV and solar water heating equipment vendors
 - General contractors
- Potential topics to be discussed in the meetings include contract terms, code or permitting hurdles, the value proposition for contractors, marketing issues, bulk procurement options, issues presented in the US DOE draft Solar Implementation Plan For Solar America Cities and the draft solar specifications. Contractor will prepare a findings memo that summarizes this work.
- Contractor will identify and research existing funding mechanisms and interview various experts and advisors to identify how these mechanisms work and how they might be altered to complement this program. We will organize two meetings with lending/financing stakeholders to discuss these findings, which will inform the development of up to five negotiation proposals for financial services organizations.

1.4 Communications Plan

- Contractor will organize and facilitate two focus groups (one for commercial customers and one for residential customers) to identify the value propositions for these market targets, which will inform the marketing and outreach plan. Contractor will summarize the results in a findings memo.

**Exhibit B
Payment**

The total amount payable to Contractor shall not exceed \$50,040. The City shall reimburse Contractor for actual expenses, in accordance with progress on completion of the required tasks and deliverables. Invoices shall be accompanied by documentation supporting actual costs and performance of tasks and deliverables.

Hourly billing rates for personnel shall be as follows:

Hourly Billing Rates	
Director	\$110
Manager	\$90
Coordinator	\$75
Associate	\$75
Clerical	\$65
Intern	\$65
Consulting Associate	\$125

The City shall retain the final 10% of the contract amount until successful completion of the contract.

Contractor shall invoice the City monthly for services rendered. Invoices shall be due on the 10th of each month. Invoices shall be prepared in a format prescribed by the Project Manager.

The budget is set forth in the table below. Contractor and the City may, by mutual consent, alter the original budget so long as the total amount does not exceed the original budget.

Budget

		Task 1.1: Program Development Kick-off		Task 1.2: Pre- Design Research & Planning		Task 1.3a: Stakeholder Outreach: vendors & suppliers		Task 1.3b: Stakeholder Outreach: financiers & brokers		Task 1.4: Communications Plan		Total	
Labor Costs	Rate	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Director	\$110.00	8	\$880	40	\$4,400	16	\$1,760	82	\$9,020	16	\$1,760	162	\$17,820
Manager	\$90.00	12	\$1,080	80	\$7,200	64	\$5,760		\$0	32	\$2,880	188	\$16,920
Associate	\$75.00	8	\$600	80	\$6,000	40	\$3,000	40	\$3,000	20	\$1,500	188	\$14,100
Total Labor			\$2,560		\$17,600		\$10,520		\$12,020		\$6,140		\$48,840
Supplies							\$600		\$300		\$300		\$1,200
Net Project Cost			\$2,560		\$17,600		\$11,120		\$12,320		\$6,440		\$50,040

