



**DATE:** November 16, 2010

**TO:** Mayor and City Council

**FROM:** Development Services Director

**SUBJECT:** Authorize the City Manager to Negotiate and Execute a Contract Extension with Quantum Energy Services & Technologies, Inc. to Provide Sustainability Coordinator Services for Calendar Years 2011 and 2012

### **RECOMMENDATION**

That Council adopts the attached resolution (Attachment I) authorizing the City Manager to negotiate and execute a contract extension with Quantum Energy Services & Technologies, Inc. (QuEST) for the provision of services as Hayward's Sustainability Coordinator for 2011 and 2012 in an amount not to exceed \$300,000 over the two-year contract period.

### **BACKGROUND**

The Climate Action Plan (CAP) adopted by the Council on July 28, 2009, calls for a Sustainability Coordinator to implement the CAP related to the City Council priority under *Land Use and Sustainability*. On January 5, 2010, the Council adopted a resolution<sup>1</sup> authorizing a one-year contract with QuEST. The contract is being funded by the City's \$1,361,900 Federal Energy Efficiency and Conservation Block Grant (EECBG) funds. EECBG funds must be spent within three years from the date grant funds were awarded, which occurred on December 29, 2009.

When the Council authorized the initial one-year contract in January of this year, staff had received permission from the Department of Energy (DOE) to use only \$231,561 of the total funds, which included \$150,000 for the first year of the envisioned three-year Sustainability Coordinator position. The DOE recently approved the City's Energy Efficiency and Conservation Strategy and use of the remaining \$1,130,399, to include \$300,000 for the second and third years of the contract.

### **DISCUSSION AND STAFF ANALYSIS**

In addition to the implementation of the CAP, the Sustainability Coordinator has been and will continue to be responsible for the management of programs funded by EECBG funds. Services provided by the Sustainability Coordinator will include the development of Residential and Commercial Energy Conservation Ordinances (RECO and CECO), which are prioritized City-wide

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<sup>1</sup> Report available at <http://www.hayward-ca.gov/citygov/meetings/cca/rp/2010/rp010510-04.pdf>

Actions 3.1, 3.2 and 3.3 in the CAP, oversight of financing programs, coordinating the Climate Action Management Team, and tracking greenhouse gas emissions and completing updates to the City's emissions inventory. The attached Scope of Work, Attachment II, includes a comprehensive list of the responsibilities of the Sustainability Coordinator.

QuEST's project manager, Amelia Schmale, is working in City Hall two days per week and is typically available by phone and e-mail five days per week. She also attends most of the monthly Council Sustainability Committee meetings. Ms. Schmale and QuEST's subconsultant, Gable and Associates, have made significant progress on the development of a Residential Energy Conservation Ordinance (RECO). A complete report on the progress of CAP implementation and an update of the City's greenhouse gas emissions inventory will be presented to the Council Sustainability Committee and to City Council in early 2011.

One of Ms. Schmale's other responsibilities at QuEST is managing the Municipal Implementation Team (MIT) program, which provides free energy assessments of municipal buildings, implementation assistance of recommended energy efficiency measures, and financial incentives to PG&E municipal customers.

City staff has been very pleased with QuEST's performance related to the current contract. Extension of the QuEST contract will allow a continuation of the momentum established this year, continued implementation of the CAP, and implementation of the EECBG funded projects.

### **ECONOMIC IMPACT**

The work to be completed by the Sustainability Coordinator, including implementation of the CAP, is expected to generate a positive economic impact on the community. Energy efficiency and renewable energy improvements that will be generated as a result of this work will generate jobs as well as savings on energy and water bills for residents and businesses.

### **FISCAL IMPACT**

As noted above, funding for the City's Sustainability Coordinator contract comes from EECBG funds. The City has been allotted \$1,361,900 in formula-based grant funds from the American Recovery and Reinvestment Act, to be administered by the Department of Energy (DOE). In total, the DOE has approved \$450,000 of the grant funds for the Sustainability Coordinator position.

While the EECBG programs will expire at the end of 2012, the implementation of the CAP is a long term effort and will require appropriate staffing levels. The Sustainability Coordinator will be developing a funding plan to fund the position well into the future. One possible source of funds may be the energy savings resulting from implementation of the MIT program, which is discussed above.

### **PUBLIC CONTACT**

The Sustainability Coordinator position has not been discussed in a public meeting since the Council adopted the first year of the contract on January 5, 2010.

## **NEXT STEPS**

The City Manager will execute a contract amendment with QuEST before the end of 2010 so that there is no interruption of services from the City's Sustainability Coordinator.

*Prepared by:* Erik J. Pearson, AICP, Senior Planner

*Recommended by:* David Rizk, AICP, Development Services Director

Approved by:



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Fran David, City Manager

Attachments:

Attachment I	Resolution (Authorizing a Contract Extension with QuEST)
Attachment II	QuEST Scope of Work

HAYWARD CITY COUNCIL

RESOLUTION NO. 10-

Introduced by Council Member \_\_\_\_\_

RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH QUANTUM ENERGY SERVICES & TECHNOLOGIES, INCORPORATED, TO PROVIDE SUSTAINABILITY COORDINATOR SERVICES FOR CALENDARARY YEARS 2011 AND 2012

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to negotiate and execute a professional services agreement with Quantum Energy Services & Technologies, Incorporated (QuEST) to provide Sustainability Coordinator services for two years for 2011 and 2012, in an amount not to exceed \$300,000, in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2010

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

City of Hayward Scope of Work – Sustainability Coordinator

## SCOPE OF WORK

The scope of work and summary of services to be provided by the Sustainability Coordinator for the City of Hayward are presented below. The services focus on two general areas. QuEST will coordinate the development and administration of programs identified in the Hayward Climate Action Plan (CAP) in the timeframes indicated on the CAP timeline (Appendix E) as well as the programs identified in the Strategy document for the City's Energy Efficiency and Conservation Block Grant (EECBG) application. QuEST will coordinate with appropriate City staff to implement the projects and programs identified by the EECBG Strategy document.

QuEST will provide one staff person to physically perform Sustainability Coordinator duties from the Hayward City Hall twice a week during the contract period. This person will be accessible by phone and email during normal business hours the remainder of the week. The schedule will be flexible to allow for attendance of important committee, community, and regional meetings.

### Task 1 – Implementation of EECBG Funded Programs

QuEST will manage and implement EECBG funded programs. QuEST will prepare reports/tracking as required by the Department of Energy. QuEST will maintain and use its program management database tool to track all relevant activity as well as identified energy projects. The database will track individual conservation measures including, energy savings, water consumption reduction, and solid waste reductions associated with each. GHG reductions will be calculated based on locally appropriate conversion factors of kWh, therms, gallons of water, and tons of solid waste to lbs of CO<sub>2</sub>. QuEST will work with ICLEI and others involved in local greenhouse gas inventories and action planning to ensure that calculation methods are as transparent and congruent as possible.

QuEST will develop and manage program and project budgets. Annual and final program reporting will include summary and evaluation of program successes and challenges, including cost effectiveness and community benefits. QuEST will employ Gabel Associates as necessary to assist the City in the development of municipal ordinances pertaining to building energy use codes and standards.

#### Task 1.1 – EECBG Tracking and Reporting

Deliverable 1.1: Preparation of quarterly progress reports as required by DOE.

Due Date for 1.1: Quarterly, beginning Second Quarter of 2010.

#### Task 1.2 – Large Energy Users Program

Develop and implement the Energy Efficiency Program for Large Energy Users. QuEST will develop and administer a pilot program targeting large energy users for energy efficiency upgrades. This program will leverage resources for energy audit services and incentives in coordination with PG&E, the California Energy Commission, and others as

available. This program will involve financial incentives from EECBG funds as necessary to help motivate customers.

QuEST will coordinate with PG&E and other existing programs' marketing and outreach efforts to these targeted customers. QuEST will help the customer move from one step of the program to the next (audit to implementation to financing/rebate) to ensure the installation of the most energy efficiency upgrades possible.

Deliverable 1.2: Launch and implement large energy users program.

Due Date for 1.2: First Quarter of 2011

### **Task 1.3 – Residential and Commercial Energy Audits**

Develop and administer program using EECBG funds to incentivize residential energy audits. Coordinate the BEST program for commercial audits.

Deliverable 1.3: Develop and implement residential and commercial audits program.

Due Date for 1.3: Launch Program by Second Quarter of 2011

### **Task 1.4 – Grants for Energy Efficiency Retrofits for Nonprofit and Governmental Agencies**

Develop and administer program using EECBG funds to provide grants to Nonprofit and Governmental agencies.

Deliverable 1.4: Develop and implement grant program.

Due Date for 1.4: Launch Program by Second Quarter of 2011

### **Task 2 – Identify and Secure External Funding Opportunities.**

QuEST will act as liaison for the City of Hayward to PG&E for local government partnership and other energy program resources and participation opportunities within PG&E.

QuEST will also draw from utility; state, local, and federal government; to identify additional technical and financial resources in support of Hayward's CAP. We will identify possible rebates and incentives available through the Department of Energy, PG&E energy efficiency programs, and others. QuEST will determine eligibility and comply with program requirements in order to leverage third party, local government partnership, and utility rebate programs currently available to Hayward residents and property owners.

QuEST will identify and adapt promising sustainability and climate action programs implemented elsewhere to Hayward.

Deliverable 2.1: QuEST will continually search and apply for (i.e., StopWaste.org, ICLEI, ABAG) resources and funding opportunities.

Due Date for 2.1: Ongoing.

**Task 3 – Attend Meetings of and Coordinate Reports/Presentations to the City Council Sustainability Committee.**

The QuEST Program Manager assigned to this program will be available for the City Council Sustainability Committee the first Wednesday of each month from 4:30 to 6:00 p.m. QuEST will coordinate relevant reports and presentations to the City Council Sustainability Committee.

Deliverable 3.1: Attend Committee Meetings.

Due Date for 3.1: Monthly.

Deliverable 3.2: Coordinate reports and presentations to Committee Meetings.

Due Date for 3.2: Monthly as needed, 10 days prior to the first Wednesday.

**Task 4 – Monitoring and Reporting CAP Progress and Updating Emissions Inventory.**

QuEST will monitor and report GHG reductions associated with CAP programs. Monitoring and reporting the results of energy savings and other program activities will be handled through QuEST's on-line, web-based, program tracking database. Conversions to GHG reductions from program activity (e.g. energy efficiency, renewables, etc.) will be performed automatically. Stakeholders will be able to access GHG reduction status in real time. By making this data available, the City, QuEST, and stakeholders will be able to evaluate program effectiveness and shift resources as needed to improve outcomes.

QuEST will work with the Development Services Department to agree upon a method for, and, then, facilitate annual inventory updates that will allow meaningful comparisons with the established baseline emissions inventory.

Deliverable 4.1: Monitoring and Reporting.

Due Date for 4.1: Ongoing (monthly).

Deliverable 4.2: Complete annual inventory report.

Due Date for 4.2: Annually on a regular basis, TBD

Deliverable 4.3: Launch Web-based reporting tool.

Due Date for 4.3: Launch by First Quarter of 2011.

**Task 5 – Oversee Property Assessed Clean Energy (PACE) Financing Programs.**

The QuEST team will help facilitate the implementation of the CaliforniaFirst (a PACE pilot program) with Alameda County. QuEST will act as point of contact to the pilot implementation team (including the County of Alameda, Renewable Funding, and the California Statewide Communities Development Authority) and coordinating with appropriate City staff. Specific CAP related activities that will be addressed and managed in this task are:

**CAP Action 3.7 Develop a residential energy efficiency retrofit financing program for single unit homes.**

CAP Action 3.8 Develop a residential energy efficiency retrofit financing program for multiple unit homes.

- CAP Action 3.9 Develop a commercial energy efficiency retrofit financing program.
- CAP Action 5.1 Develop a program for the financing and installation of renewable energy systems on residential buildings including single and multiple family residential buildings and mobile homes.
- CAP Action 5.2 Develop a program for the financing and installation of renewable energy improvements on commercial buildings.

Deliverable 5.1: QuEST will monitor progress of regional pilot and coordinate with Stopwaste.org and CaliforniaFIRST.

Due Date for 5.1: Ongoing.

**Task 6 – Development and Implementation of a Residential Energy Conservation Ordinance (RECO) and a Commercial Energy Conservation Ordinance (CECO).**

QuEST will coordinate the resources of Gabel Associates to assist Hayward in drafting a Residential Energy Conservation Ordinance (RECO) and a Commercial Energy Conservation Ordinance (CECO). QuEST and Gabel Associates will coordinate with PG&E and other state and local entities to leverage available technical resources including PG&E Codes and Standards division and the California Energy Commission.

QuEST will assist with community outreach and stakeholder engagement, possibly utilizing CirclePoint, throughout the preparation of the RECO and CECO. QuEST and City staff will make good faith efforts to adhere to the following schedule, subject to direction and necessary approvals from the City Council and the City Council Sustainability Committee.

**RECO Single Family**

Deliverable 6.1 Phase 3 RECO: Final draft policy; administrative draft for staff review.

Due Date for 6.1: First Quarter of 2011

Deliverable 6.2: Phase 4 RECO: Preparation for Final draft of ordinance.

Due Date for 6.2: First/Second Quarter 2011

Deliverable 6.3: Phase 5 RECO: Assist with Implementation of RECO.

Due Date for 6.3: Third Quarter 2011

**CECO**

Deliverable 6.4: Phase 1 CECO: preliminary research; present findings to Committee

Due Date for 6.4: First Quarter of 2011

Deliverable 6.5: Phase 2 CECO: Continued Research present final findings to Committee

Due Date for 6.5: Target Third Quarter 2011

- Deliverable 6.6: Additional research or meetings as directed.
- Due Date 6.6: Fourth Quarter 2011
- Deliverable 6.7: Phase 3 CECO: Final draft policy; administrative draft for staff review.
- Due Date for 6.7: Target First Quarter 2012
- Deliverable 6.8: Phase 4 CECO: Preparation for Final draft of ordinance.
- Due Date for 6.8: Target Second Quarter 2012
- Deliverable 6.9: Phase 5 CECO: Assist with Implementation of CECO.
- Due Date for 6.9: Target Third Quarter 2012

**RECO Multi-Family**

- Deliverable 6.10: Follow state and regional progress on multi-family residential energy efficiency research and program development.
- Due Date for 6.10: Ongoing through Quarter 3 2011.
- Deliverable 6.11: Phase 1 RECO MF: preliminary research; present findings to Committee.
- Due Date for 6.11: Fourth Quarter of 2011.
- Deliverable 6.12: Phase 2 RECO MF: Continued Research present final findings to Committee.
- Due Date for 6.12: Target RECO MF First Quarter 2012.
- Deliverable 6.13: Additional research or meetings as directed.
- Due Date 6.13: Second Quarter 2012
- Deliverable 6.14: Phase 3 RECO MF: Final draft policy; administrative draft for staff review.
- Due Date for 6.14: Target Second Quarter 2012.
- Deliverable 6.15: Phase 4 RECO MF: Preparation for Final draft of ordinance.
- Due Date for 6.15: Target Third Quarter 2012.

**Task 7 – Coordinate the Climate Action Management Team.**

QuEST will convene regular meetings of the Climate Action Management Team to develop programs, advise on potential barriers to implementation, and will coordinate and implement the Climate Action Management Team's activities and recommendations. QuEST will facilitate planning sessions with the City departments to refine the CAM Team's vision, goals, and purpose and develop the team's charter. QuEST will work with the CAM Team to develop a community-wide coalition, including key community leaders.

QuEST will work with the CAM Team, Development Services, and other departments to coordinate long-term program and strategic planning efforts for GHG and energy programs.

Deliverable 7.1: Convene regular CAM Team meetings.

Due Date for 7.1: Ongoing

**Task 8 – Coordinate Education and Outreach Planning.**

QuEST will work with the CAM Team to coordinate and implement education and outreach planning related to GHG emissions reduction and the CAP, energy efficiency and renewable energy programs, in coordination with other jurisdictions and entities, such as Stopwaste.org and PG&E.

The QuEST team may employ the expertise of CirclePoint in developing community outreach programs. QuEST will develop a tailored strategy that ensures coordination of all programs and integrates and supports programs of organizations such as Stopwaste.org and PG&E. The resulting CAP outreach programs will address diverse audiences, including City staff, elected officials, environmental groups, the business community, and non-English speakers, and will therefore call upon a variety of tactics for successfully engaging them in the implementation of the Climate Action Plan.

QuEST will develop and maintain partnerships with residential groups, business organizations, energy efficiency and renewable energy contractors, and local, state, and federal government agencies involved in energy efficiency and renewable energy. Through the CAM Team, QuEST will develop and begin deployment of a coalition-building approach to outreach and engagement in order to promote the variety of stakeholder buy-in and widespread participation necessary for the successful implementation of the following actions identified in the Climate Action Plan:

- CAP Action 9.1 Create a stand-alone Green Portal, or website, that would serve as the City's hub for all things green.
- CAP Action 9.2 Develop and implement a plan that aims to engage residents in the Citywide effort to reduce emissions.
- CAP Action 9.3 Develop and implement an outreach plan to engage local businesses in climate-related programs.

Deliverable 8.1: Work with CAM Team Communications sub-committee to prepare a community outreach work plan and schedule.

Due Date for 8.1: First and Second Quarter, 2011

Deliverable 8.2: Coordinate the creation of the green-portal website.

Due Date for 8.1: TBD by schedule created during Deliverable 8.1.

Deliverable 8.3: Coordinate the implementation of the community outreach work plan.

Due Date for 8.3: TBD by schedule created during Deliverable 8.1.

**Task 9 – Coordinate Communications.**

QuEST will prepare internal and external communication materials regarding programs and initiatives and work closely with the Director of Development Services for media responses and website updates.

Deliverable 9.1: QuEST will oversee the preparation of communication materials, media responses, and website updates as needed.

Due Date for 9.1: Ongoing.

**Task 10 – Contribute to Other Projects of the Development Services Department, as needed.**

The QuEST team acknowledges that the services listed here are not inclusive and that other reasonably related projects may be considered the responsibility of the Sustainability Coordinator. QuEST may employ the services of additional experts as needed.