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Job Order Contracting Program Feasibility Study

PREPARED FOR THE SAN MATEO COUNTY ENERGY WATCH

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Table of Contents

Acknowledgements	4
Executive Summary	5
Project Purpose	6
Project Description and Scope of Work.....	7
Overview	7
Task 1: Solicit Input from Key Stakeholders	7
Task 2: Develop EE JOC Program Strategy and Design	9
Task 3: Report on Recommendations.....	10
Defining Job Order Contracting and Cooperative Procurement	11
Overview	11
What is Job Order Contracting?.....	11
What is Cooperative Purchasing?.....	13
What is the eziQC Program Offered by Gordian and Sourcewell?	14
Where have JOCs Been Used Successfully for Energy Efficiency Projects.....	16
Summary of Stakeholder Input and Analysis Results	17
Overview	17
Summary of Responses from Cities	17
Atherton	17
Belmont	18
Brisbane.....	19
Burlingame	19
Millbrae	20
Pacifica.....	20
Redwood City	21
San Carlos	21
San Mateo	22
South San Francisco.....	23
Analysis of Results	23
Potential JOC Projects and Level of Use	23
Familiarity with JOCs, JPAs, Sourcewell and Receptivity to EE JOC Program	26
Potential for Cities in SMC to Save Time by Using JOCs	27

Main Barriers to Implementing Past Energy Retrofit Projects	27
Technical Assistance Needs for JOC Projects.....	28
Summary of Key Questions Asked During Interview Presentation	29
JOC Bidding Process, Services, Pricing, and Typical Contract Terms	29
Sourcewell’s Bidding Process, Services and Steps when Utilizing IQCC Vendors	32
The Legal Aspects for Justifying use of Gordian - Sourcewell ezIQC Contracts:	33
Energy Retrofit Needs and EE JOC Program Design Options.....	35
Overview	35
What Energy Retrofit Services would be most Beneficial?	35
Mechanical Projects	35
Lighting and Street Lighting Projects.....	36
Renewables and Power Storage	36
Electric Vehicle Charging Stations	37
Program Design Options for Cooperatively Procured JOCs.....	37
Option 1 – Cities Utilize Gordian - Sourcewell’s Existing ezIQC Contractors.....	37
Option 2 – Cities Piggyback on SMC Procurement of JOC and Gordian Contracts.....	39
Option 3 - SMC Procure New JOCs; Cities Access JOCs via Local-Agency Agreements	40
Option 4 – C/CAG contracts with SMC to Procure New JOCs; Cities Access JOCs via JPA	41
Recommended Procurement Strategies and Next Steps	43
Utilize ezIQC Contractors for Immediate Mechanical Retrofit Needs.....	43
Technical Assistance and Energy Engineering	43
Renewable Energy and Power Storage Procurement	44
Electric Vehicle Charging Stations Procurement	45
References.....	47
Attachment A – Sample Email Sent to City Representatives	
Attachment B – Power Point Presentation	
Attachment C – Legal Justifications for Using ezIQC Contractors	
Attachment D – Summary of Interview Questions and Answers	

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Executive Summary

Recognizing that traditional public procurement processes can be a key challenge that cities encounter when implementing energy projects, the San Mateo County Energy Watch was interested in exploring a new approach to streamline construction procurement and fast track energy retrofits through the use of cooperatively procured Job Order Contracts (JOCs). JOCs can accelerate the bidding process while still meeting competitive bidding requirements.

SMCEW retained 2050 Partners, Inc., to conduct a feasibility analysis of a countywide JOC program to serve the cities in San Mateo County. First, 2050 Partners conducted interviews with key stakeholders from ten out of twenty cities located in SMC to determine their energy retrofit needs and the level of receptivity to an energy efficiency (EE) JOC program. Results from the interviews were compiled and evaluated, and additional research was conducted on procurement and program design options. Finally, recommendations were developed for streamlining the procurement of energy retrofit installations. Key findings are as follows:

- The majority of cities have recently completed lighting and street lighting retrofits on all, or most, of their facilities by taking advantage of energy efficiency services provided through SMCEW and PG&E. The majority of projects that may immediately benefit from JOC services were found to be mechanical projects at four of the cities interviewed.
- All cities were receptive to the concept of an EE JOC Program, with some understandable caveats regarding the need to thoroughly vet the legal issues associated with various program options and to obtain additional organizational support.
- All cities reported that they do not have inhouse energy efficiency expertise on staff to specify energy projects. To the extent these services are no longer provided through SMCEW or PG&E, this may prevent cities from implementing future energy retrofits.
- Larger cities have more to gain from using JOCs in terms of speeding the project delivery. But even the smaller cities are anticipated to be able to save one to three months of pre-construction time when using JOCs, as compared to design-bid-build.

The key recommendations for the SMCEW are:

- Utilize existing JOCs already available in SMC through the Gordian – Sourcewell ezIQIC cooperative procurement network to meet any immediate mechanical retrofit needs.
- Consider developing contingency plans to establish alternative sources for providing technical assistance should SMCEW and/or PG&E technical assistance be discontinued.
- JOCs are not recommended as a practicable procurement option for renewable energy and power storage installation services due to the complex interrelated finance and ownership issues that must be considered. However, resources that provide guidance on public cooperative procurement of solar photovoltaics are identified, and steps SMCEW can take to help facilitate cooperative procurement are presented.
- JOCs are not currently a suitable procurement option for electric vehicle charging station installation services, but applicable resources available to cities from PG&E and Bay Area Air Quality Management District are presented.

Project Purpose

The City/County Association of Governments of San Mateo County (C/CAG) is the Local Government Partnership (LGP) to PG&E for delivering energy efficiency services to the cities and County in San Mateo County (otherwise known as the San Mateo County Energy Watch (SMCEW)). The SMCEW has been partnering with PG&E, and local agencies and service providers since 2008 to bring a range of energy efficiency services to the cities located within San Mateo County.

SMCEW recognizes that the process of identifying and finalizing the installation of energy efficiency projects for municipal buildings requires considerable chronological time. It can also be staff intensive. One of the most time-consuming tasks is the process for bidding out the construction including developing a Request for Bid (RFB), advertising, reviewing proposals and awarding the contract. This “design-bid-build” process is typical of public construction contracts including energy efficiency retrofits.

Since the typical design-bid-build process can present procurement barriers for public agencies engaged in meaningful energy projects, the SMCEW was interested in exploring a new approach to streamline construction procurement and fast track energy retrofits through the use of cooperatively procured Job Order Contracts. SMCEW wanted to explore whether cooperatively procured JOCs could help the cities in San Mateo County streamline the retrofit installation process and reduce the city staff time and the chronological time to complete projects.

Energy Efficiency JOC Programs implemented at the City of San Francisco and as a part of the Southern California Regional Energy Network (SoCalREN) have helped cities and other public agencies accelerate the construction bidding process, obtain quality contractors with energy efficiency experience, and control project costs while meeting public sector competitive bidding requirements. A similar approach in SMC may help cities move more quickly from equipment specifications to installation, thereby completing projects and realizing energy savings and Greenhouse Gas emission reductions sooner in support of the SMC energy plan.

The purpose of this project, therefore, was to conduct an analysis of the feasibility of establishing a cooperative, countywide JOC “tool” to expedite the construction of energy retrofits for multiple cities across SMC. SMCEW retained 2050 Partners to conduct the feasibility analysis. This consisted of conducting interviews with key stakeholders at cities to determine their current energy retrofit needs and the level of receptivity to such an approach, evaluating the results from the information gathered in the interviews, conducting additional research on procurement options, reporting on the findings, and recommending practical strategies for streamlining the procurement process for various types of energy retrofit installations.

Project Description and Scope of Work

Overview

This section describes the Scope of Work and process 2050 Partners undertook, with assistance and guidance from the SMCEW team, to complete the JOC Program Feasibility Analysis. The project consisted of three main tasks beginning in mid-October 2018 and being completed by December 21.

- *Task 1: Solicit Input from Key Stakeholders:* Preparations for conducting stakeholder interviews occurred during October. Interviews with key city representatives were conducted from November 7 through December 3.
- *Task 2: Develop EE JOC Program Strategy and Design:* Discussions and research on program design options were conducted from December 3 through December 6.
- *Task 3: Report on Recommended Program Design:* A draft report was completed by December 11 with the final report being delivered on December 21.

Task 1: Solicit Input from Key Stakeholders

In the first task, 2050 Partners first held a Kick-Off meeting with the SMCEW team to discuss the project schedule, and general approach and methods to be used when conducting the stakeholder interviews. With SMCEW's guidance, 2050 Partners then drafted an email to be sent to city representatives inviting them to participate in the interviews. 2050 Partners also prepared a presentation on JOCs to be shared with the interviewees as a part of the interviews. Next, interviews were conducted with ten out of twenty cities located in San Mateo County. Finally, the input gathered during the interviews was compiled and evaluated.

1.1 Kick-Off Meeting with SMCEW

The SMCEW Program Manager launched the project by making a pitch at the Regionally Integrated Climate Action Planning Suite (RICAPS) Multi-City Working Group meeting on October 23, letting the meeting attendees know that SMCEW would be reaching out to invite them to participate in the stakeholder interviews. Following the RICAPS meeting, 2050 Partners met with the SMCEW team to clarify project objectives, goals, tasks, schedule, and responsibilities of team members. The overall approach for soliciting input from key stakeholders was discussed and refined, as described below in Task 1.2.

1.2 Develop Stakeholder Input Method, Contacts and Questions

2050 Partners, with substantial input and guidance from the SMCEW Program Manager, drafted questions, a power point presentation, and script to be used when conducting the stakeholder interviews. 2050 Partners also gathered information on the legal justifications used by other cities to access JOC contracts in California in order to present this information during the interviews. A sample email that was sent to City representatives inviting them to participate in the interviews is provided in Attachment A.

1.3 Support Discussions and Coordination with The Gordian Group

2050 Partners also coordinated discussions with The Gordian Group (Gordian) for their expertise in public procurement options for JOCs within the State of California and beyond. Gordian provides JOC program management services to the County of San Mateo (SMC) Department of Public Works (DPW) to support their JOC program serving facilities owned and operated by SMC. 2050 Partners coordinated with Gordian to facilitate its review of the presentation content, participation in the stakeholder interviews, and input on the development of program design recommendations. 2050 Partners summarized key information obtained from Gordian pertaining to the feasibility and approach for establishing an SMCEW energy efficiency JOC program for inclusion in this report.

1.4 Conduct Stakeholder Interviews and Solicit Stakeholder Input

SMCEW identified key personnel to request participation in the interviews and facilitated outreach to selected contacts. SMCEW first called the contacts to inform them of the project and the importance of receiving their input. The SMCEW team then followed up with emails to all 20 cities requesting interviews. They also conducted additional follow up with those cities that did not respond to the initial request to participate.

Interviews with key personnel were conducted separately for each city using a web-based Zoom platform. During the interviews, before soliciting input, 2050 Partners presented information on Job Order Contracting and cooperative procurement models for establishing JOC services for multiple agencies through one lead procurement process and agency. 2050 Partners then asked the meeting attendees questions related to their energy retrofit project implementation process and timeline, their familiarity with JOCs, Joint Power Agreements, cooperative procurement and Sourcewell (a national cooperative procurement network), and their receptivity to a county-wide energy efficiency JOC program to implement energy retrofits on their facilities.

Interviews were conducted with ten out of twenty cities. Interview attendees typically included personnel in charge of Sustainability Management, the Public Works Director, and/or staff overseeing facility upgrades. Additional personnel included staff from purchasing and finance. The PowerPoint presentation developed by 2050 Partners to help facilitate the interviews is provided in Attachment B. Attachment C provides information presented on the Legal Justifications for Using eZIQC Contractors.

The interviews took approximately one hour to conduct. The structure and the specific questions that were asked are presented below:

- A. Background Presentation - The Use of JOCs for Energy Efficiency Projects (20 minutes)
- B. Questions on City's Energy Retrofits and Project Implementation Process (15 minutes):
 - 1. What kinds of projects are you interested in completing in the next five years? Do you have any energy projects that have already been identified but not yet implemented?
 - a. Lighting

- b. Mechanical
- c. Street Lighting
- d. Other (process, water, etc.)
- e. Renewable and Power Storage

2. What are the main barriers to completing energy projects in your agency?
3. When does your city have to go out to bid for projects? What is the typical cost limit?
4. What is the typical project delivery path your city takes to implement an energy efficiency project? What are the current design-construction timelines for facility upgrade projects?
5. What kinds of additional technical assistance might your city need to assist in implementing energy projects when using Job Order Contracts for construction?

C. Questions on Familiarity with JOCs, JPAs, and Sourcewell (15 minutes):

6. Are you familiar with JOCs? If so, what is your understanding?
7. How familiar are you with JPAs (Joint Powers Authority)?
8. What has been your experience with JPAs? Are you familiar with “piggybacking” or cooperative procurement? What has been your experience with these?
9. Are you familiar with the Sourcewell (previously the National Joint Powers Alliance)?
10. Given what we have shared today, do you think JOCs could help your city complete energy retrofits?
11. Do you believe your city could support some form of “piggybacking” on the open, competitive procurement process undertaken by another agency to help you fast track energy retrofits?

D. Conclusion (10 Minutes):

What do you think about the possibility of SMCEW establishing a county-wide Job Order Contracting Program? Any comments on how this program could benefit your city?

Next, 2050 Partners compiled the answers to each of the questions above within a Summary Matrix which is provided in Attachment D – Summary of Interview Questions and Answers. Finally, 2050 Partners evaluating the results from the information gathered in the interviews and reported on the findings within various categories, as described in the section below entitled “Summary of Stakeholder Input and Analysis Results”.

Task 2: Develop EE JOC Program Strategy and Design

Based upon the input solicited during Task 1 above, 2050 Partners worked with SMCEW and The Gordian Group to determine the range of program design options for establishing JOC services to expedite energy retrofits for cities and other public agencies in SMC. This included identifying the lead agency responsible for procuring the contracts and the recommended legal

justification(s) the cities may use to access the JOC contracts in each case. 2050 Partners and the SMCEW Program Manager also interviewed Jim Porter, SMC DPW Director to obtain his input and guidance on possible program design options involving San Mateo County DPW.

2050 Partners evaluated the technical assistance cities may require in order to utilize JOC services, and the options for meeting these needs. Finally, 2050 Partners determined the recommended EE JOC procurement strategy, program design and next steps for establishing JOC services to meet the immediate energy efficiency retrofit needs that were identified. High level recommendations and next steps for procuring Renewable Energy and Power Storage installation services and Electric Vehicle Charging Station installations were developed separately, as JOCs were not found to be an appropriate procurement vehicle for these kinds of energy retrofits.

Task 3: Report on Recommendations

2050 Partners prepared this report summarizing the findings from Task 1 and Task 2 above and presenting the recommended cooperative procurement strategy for meeting the immediate energy efficiency retrofit needs for the cities in SMC. The report also presents recommendations and next steps for procuring Renewable Energy and Power Storage installation services and Electric Vehicle Charging Station installations.

Defining Job Order Contracting and Cooperative Procurement

Overview

This section provides an explanation of JOCs and cooperative procurement in order to provide sufficient context and background for the reader. First, a definition and explanation is provided for Job Order Contracting and cooperative procurement. This is followed by a description of the Gordian - Sourcewell ezIQC program. Finally, a very brief summary of key findings in the SMC Civil Grand Jury Report on Cooperative Procurement is provided to the extent they may be relevant to this project.

What is Job Order Contracting?

A JOC is a competitively bid, firm, fixed-price, indefinite quantity contract for as-needed construction services. It functions like an “as-needed” construction contract. Rather than bidding out projects separately, as typically done for public sector construction projects, a JOC allows an agency to construct a series of projects over time, using a competitively bid contract awarded before the projects are identified. JOCs are well suited for EE retrofits since JOCs were invented as an alternative to the exhaustive design-bid-build process for repair and replace type projects – like those that make up a typical EE retrofit. Compared to the typical design-bid-build, JOCs can accelerate the bidding process and control project costs while still meeting public competitive bidding requirements.

How does Job Order Contracting work?

- A JOC contract utilizes a published robust price book or database that contains pre-set unit prices for detailed construction tasks (referred to as a “Construction Task Catalog” or CTC) and a corresponding book of specifications for each task listed.
- The pricing for each construction task is based upon local prevailing wages, materials, and equipment rates.
- Contractors bid an adjustment factor (or markup) that is applied to all construction tasks listed in the catalog. (In reality several markups are submitted to account for variables that can impact price such as time of day work will be performed.) The contractor(s) that meet minimum qualifications and bid the lowest markups are awarded contracts.
- Typically, contract terms range from one to five years depending on the agency or department rules that govern JOCs. Contract limits range from \$1M to \$3M initially and may include the option to extend it to \$5M.
- Once a master contract has been awarded to a contractor, an agency can avoid having to conduct a separate RFP for each project and move directly to the task order stage.
- Multiple task orders are issued against a contractor’s master contract amount on an as-needed basis.
- As projects are identified, an agency issues a scope of work to a contractor which they break down into the applicable tasks found within the catalog and prepare a detailed cost proposal based on the unit prices, quantities, and adjustment factor. After the agency has reviewed and accepted the cost proposal, a Task Order (or Purchase Order in some cases) is issued and construction can begin immediately.

By comparison, the conventional procurement process for public sector construction projects is to solicit a competitive bid for each project, based on an already completed design. This “design-bid-build” process, driven in part by competitive low-bidding laws, is appropriate for larger, more complex projects (primarily new construction), where extensive design is required, and project delivery timelines are much longer. But for energy efficiency projects that are relatively straightforward “repair or replace” projects, preparing detailed bid packages, completing 100% design, conducting extensive advertising, and receiving, reviewing, and evaluating bids is a very time and financial resource intensive process.

A typical energy retrofit project using design-bid-build may take four to sixteen months to complete the design-bid-build before construction commences. JOCs can cut that time by as much as half, helping facility owners move quickly from energy audits to construction. JOCs are ideally suited for energy efficiency retrofits and provide many advantages over design-bid-build, which tends to set up designers and contractors to be at odds with each other. Unfortunately, design-bid-build (unless very skillfully managed) can become a recipe for low quality construction at the highest price when one accounts for the cost of change orders necessary to complete a project.

What are the benefits from utilizing JOCs compared to design-bid-build?

- Reduces time to construction by shortening the duration for design, bid and award as compared to design-bid-build
- Reduces costs by lowering administrative and design costs
- JOCs also significantly reduce the risk of inflated costs for change orders since the construction prices are based on fixed unit prices
- Pricing in the catalog allows for volume discounts via price modifiers that can be selected as part of the cost proposal
- Increases transparency and certainty in pricing
- Encourages partnership and collaboration
- Improves quality through performance-based contracting¹
- Provides more opportunities for local, smaller contractors
- Provides greater flexibility

How can Job Order Contracting be used in California?

The California Public Contract Code (PCC) has specified the use of JOCs in great detail for Local Agencies including Counties, the California State Universities, and the Los Angeles Unified School District for some time. Most recently the PCC was expanded to allow JOCs to be used by School Districts and Community College Districts. Each Article in the PCC, pursuant to each of these local agency subsectors, lists specific rules and prohibitions that only pertain to that subsector. For example, use of JOCs for minor new construction is prohibited for Counties, but

¹ Contractors are guaranteed only a minimum amount of work and thus have an incentive to perform high quality work in order to continue receiving projects.

it is not prohibited for the California State Universities, School Districts, or Community College Districts.

The PCC does not specify use of JOCs by cities. In some states, this absence in the PCC would be interpreted as it being allowed - so long as the provisions for conducting the bid process are otherwise followed as applicable (for example, how to advertise or allowing 30 days to receive bids, etc.). In California, when the PCC is silent on the use of an alternative public contracting option, this is generally interpreted as being prohibited.

However, there is now considerable precedent for cities utilizing JOCs in California (or more specifically IQCCs) and justifying their use by citing California Government Code sections 6502 (Joint Powers Agreements Act) or 4217 (Single Source Supplier) (California Energy Code 6502 and Code 4217, respectively) in those cases when the JOCs are being used to implement energy retrofits. These legal justifications have been used successfully by both Charter cities² (without the need to change their Charter) and General Law cities to allow the use of IQCCs procured by Sourcewell specifically. It is also true that some larger Charter Cities (for example, the City of San Francisco) have changed their charters to allow JOCs while stipulating provisions that govern specifically how they intend to use them (specifying term limits and such).

What is Cooperative Purchasing?

In simple terms, cooperative purchasing involves sharing procurement tasks and/or contracts between governments for good and services. The American Bar Association (ABA) definition is more expansive: “Cooperative Purchasing means procurement conducted by, or on behalf of, one or more Public Procurement Units, as defined in this Code.” (ABA, Model Procurement Code for State and Local Governments, 2000). This could include two or more governments sharing procurement contracts and resources or participating in procurement programs.

Cooperative purchasing allows public agencies to do more with less and utilize taxpayer dollars more effectively. Cooperative procurement networks offer resource-challenged agencies a viable alternative to conventional, independent procurement processes to gain speed, efficiencies, and cost savings by aggregating volume, and reducing administrative overhead. It is common for public agencies to utilize cooperative procurement to purchase office supplies and new equipment. Regional cooperative procurement of energy services can overcome the inefficiencies of duplicative procurement processes by multiple local agencies engaged in similar projects. Finally, cooperative purchasing offers local governments the opportunity to work together to scale up their energy savings and climate benefits. Initiatives that can effectively leverage these benefits for greater collective impact can help local governments make greater contributions more quickly toward the State’s GHG emission reduction goals.

² California state law dictates that cities may be organized under either the general laws of the State or under a charter adopted by the local voters.

Summary of SMC Civil Grand Jury Report on Cooperative Procurement

The 2017-2018 San Mateo County Civil Grand Jury conducted a study to explore “How can cities in San Mateo County save taxpayer money by adopting cooperative procurement practices?”. The Grand Jury report provided a number of recommendations some of which may be relevant to this project. The Grand Jury recommended that each city undertake the following by no later than February 1, 2019:

R1. Increase the use of cooperative purchasing practices, including piggyback contracts and joint procurement agreements.

R2. Share with other Cities and the County Procurement Division their procurement needs in order to identify opportunities for cooperative procurements between the Cities and the County.

R3. Increase the use of cooperative purchasing practices, including the development and insertion of piggyback language into County contracts, with the Cities.

R4. Share with the Cities the County’s procurement needs to identify opportunities for further cooperative purchasing.

What is the ezIQC Program Offered by Gordian and Sourcewell?

Gordian provides innovative construction procurement solutions such as Job Order Contracting consulting services. The ezIQC is a service developed by Gordian to make competitively awarded Job Order Contracts easily available to public agencies through a cooperative purchasing network. This ezIQC program allows a public agency to procure construction services in the same way an agency may procure other cooperatively procured goods and services because the bidding has already been done locally in accordance with applicable bidding laws. This eliminates the need to bid each project out separately. Instead of having to go through a lengthy qualification and bidding process for every project, agencies have easy access to a pool of pre-qualified, high performing local contractors whose services have already been procured on their behalf through an open competitive bidding process that meets the requirements in the applicable state and region.

Sourcewell is a national public service agency governed by a board of locally elected directors. It has the legal authority to facilitate cooperative procurement for a variety of services and equipment on behalf of public sector agencies across the country through the joint powers authority law within each state.

In 2008, Sourcewell and The Gordian Group began cooperatively procuring Job Order Contracts across the country. Sourcewell awarded a competitively bid contract to Gordian to establish and provide JOC services to Sourcewell members in regions throughout the United States. Sourcewell membership is free and only requires signature on a one-page form, typically with approval from an agency’s board or council. Invitations For Bids (IFBs) are advertised to contractors throughout a county or region, and pre-bid conferences are held in various locations to provide an equal opportunity for local contractors to participate. Instead of having to go through a lengthy qualification and bidding process for every project, agencies can have

access to a pool of pre-qualified high performing local contractors whose services have already been procured on their behalf, through an open, public qualification and bidding process.

When an agency issues a Purchase Order to a contractor through Sourcewell, it serves as a stand-alone, unique contract and Joint Powers Agreement (between Sourcewell, the local agency and the contractor) which is bound by the pre-set pricing and specifications found in the construction task catalog and Spec book. Moreover, the issuing agency can include additional requirements in the Purchase Order as necessary that pertain specifically to the local agency and the project, as allowed and in accordance with the joint powers authority law within California.

How is an ezIQC project initiated and what are the steps for working with a Contractor?

First, assuming an agency is a member of Sourcewell, the agency would initiate the process by providing some project information online, or by contacting the Contractor directly or the Sourcewell contact provided. (Contact information is provided on Sourcewell's website for each ezIQC contract awarded.) The steps for working with an ezIQC contractor to get the work done are as follows:

1. Joint Scope Meeting
2. Detailed Scope of Work
3. Price Proposal by Contractor (with appropriate tasks from Construction Task Catalog listed including quantities and unit price, times the appropriate markup for the contractor)
4. Price Proposal Review by Owner
5. Purchase Order approved by Owner and Issued to Contractor
6. Construction begins.

What services does Gordian and Sourcewell provide and how are they paid?

Sourcewell's analysts streamline the procurement process by developing RFPs and IFBs for competitive solicitations that meet or exceed local requirements. Sourcewell then performs the Public Notice and Advertisement, RFP Opening and Evaluation, and the Contract Award and management. Gordian's services include: preparing and updating the Construction Task Catalog and pricing, supporting the online software used by contractors to produce cost proposals, and owners and Gordian to review and process task orders, and providing significant staff assistance to help manage the process from start to finish including scope review, attending the Joint Scope Meeting, reviewing cost proposals for accuracy, and providing general support to ensure a good result.

Gordian and Sourcewell are paid through a small administrative fee collected by the Contractor. The fee is a flat percentage that does not change throughout the contract term (it is 7% at the time of this report). The fee is added to the Contractor's markup and applied to construction costs of project. The charge for a particular task order is equal to this percentage times the cost for construction. The owner pays the contractor for the work performed per the terms of the P.O. and the contractor then pays Sourcewell and Gordian from the fee they have collected from the owner.

Where have JOCs Been Used Successfully for Energy Efficiency Projects

While standard JOCs have been used occasionally for energy efficiency retrofit projects, it is a much newer market trend to develop JOC contracts and a CTC specially for the purpose of implementing energy efficiency projects. In 2009, the New York City Department of Environment began customizing its General Contractor CTC for municipal retrofits. In 2010, the US Postal Services used a JOC-specific Energy Conservation Program that incorporated energy engineering services to complete retrofits across more than 30,000 facilities with very limited staff saving an estimated \$188 Million annually.

City of San Francisco EE JOC Program

In 2009, City of San Francisco completed a program design that combined the use of HVAC and Lighting JOCs in conjunction with local energy engineering teams.³ The program completed over \$20 million in comprehensive energy retrofit projects in more than 110 municipal buildings over four years, significantly increasing the throughput of EE projects as compared to utilizing design-bid-build to deliver energy projects previously. A large variety of sizes and types of EE projects were completed in a wide range of facilities demonstrating the program model's broad applicability. Projects ranged from simple lighting retrofits to mechanical upgrades and retrocommissioning at jails, fine arts buildings, and Davies Symphony Hall. The program design made a dramatic difference in the quality, speed, flexibility, and value of EE projects delivered. The design-bid-award-through-construction project cycle was shortened down to five to seven months for lighting projects, and seven to twelve months for large HVAC projects compared to sixteen to thirty months when using design-bid-build.

Southern California Regional Energy Network (The Energy Network) Public Agency Program

In 2013, as part of The Energy Network, the Energy Coalition developed a regional EE JOC program to help multiple public agencies expedite deeper energy savings through whole building, street lighting, and water and wastewater facility retrofits.⁴ Participating agencies received access to on-call turnkey project management, engineering, construction, and financing services delivered through a single, comprehensive effort designed to leverage all utility offerings and maximize impact. The program expanded the SF program model to a regional setting by utilizing the Gordian-Sourcewell eziQC program to competitively bid EE specialty lighting and HVAC IQC construction services across thirteen counties. Public agencies gained instant access to services via Government Code section 6500, *et seq.*, known as the Joint Exercise of Powers Act. Essentially this law allows public agencies to benefit from another public agency's procurement process, thereby avoiding the need to procure the services directly.

³ The City of San Francisco EE JOC program is described within two papers published as part of the 2010 and 2012 American Council for Energy Efficient Economy Summer Study on Energy Efficiency in Buildings and listed in the references section.

⁴ The Energy Network program is described in more detail in 2014 American Council for Energy Efficient Economy Summer Study on Energy Efficiency in Buildings and listed in the references section.

Summary of Stakeholder Input and Analysis Results

Overview

2050 Partners conducted interviews with ten out of the twenty cities in San Mateo County, including Atherton, Belmont, Brisbane, Burlingame, Millbrae, Pacifica, Redwood City, San Carlos, San Mateo, and South San Francisco. A summary of the responses received from City representatives for each interview is provided, including:

- Potential Projects that May Benefit from JOCs
- Familiarity with JOCs, JPAs and Sourcewell; and
- Receptivity to Countywide EE JOC Program

Next, an analysis of the collective results and general conclusions that could be drawn as a whole from the interviews is presented within the following categories:

- Potential JOC Projects and Level of Use
- Familiarity with JOCs, JPAs, Sourcewell and Receptivity to EE JOC Program
- Main Barriers to Implementing Past Energy Retrofit Projects
- Technical Assistance Needs for JOC Projects

Finally, a summary of key questions that were asked during the presentation portion of the interviews is presented to provide insight on those aspects of Job Order Contracting and Cooperative Procurement that required more clarification. The questions and answers are organized within the following categories:

- JOC bidding process, services, pricing, and typical contract terms
- Sourcewell's bidding process, services and steps when utilizing IQCC Vendors
- The legal aspects for justifying use of JOCs and Sourcewell services

Summary of Responses from Cities

Atherton

Attendee:

Robert Ovadia, Department of Public Works (DPW) Director

Potential Projects that May Benefit from JOCs:

We are in the process of replacing a new town center that involves all of our major facilities (including a new Library, City Hall, Police Station, and associate facilities). The project originally included photovoltaic and microgrid, but recently removed this to reduce project costs. The City is now looking at an RFP for renewable photovoltaics and energy storage via Power Purchase Agreement (PPA) structure in order to capture tax incentives available to a private developer and to be able to amortize project costs over the life of the project. If the SMCEW JOC program included renewable and power storage via a PPA that would be great. We are also interested in installing EV charging station at the Civic Center at some point. We have retrofitted the majority

of our street lighting, but we have one more project left that includes converting electrical distribution from series and parallel system with more normal voltage.

Familiarity with JOCs, JPAs and Sourcewell:

Yes, we have heard of JOCs but have not used them yet. We are going to be trying out our first project through Sourcewell soon. We met with Gordian recently two weeks ago for a bathroom remodel on Pavilion Building in our park. The city is a member of Sourcewell. We will be siting the 6500 JPA section. Robert noted that he used a NJPA contact before at another city where he worked previously for an equipment vendor to replace some playground equipment.

Receptivity to Countywide EE JOC Program:

If it is done in a manner such that cities can use the contracts. If contacts were put out by C/CAG, we would likely be able to use it as a JPA. If there is an open bid process, we should be able to at least piggyback. If SMCEW is exploring a program in which SMC would procure JOC services on behalf of cities in SMC, then I recommend exploring possible partnership arrangement between SMC and C/CAG. If County accepts money from other cities for JOC services, this may trigger the need for a JPA which involves a lot to to put together. It would be much easier to use Sourcewell or have C/CAG contract with County to perform procurement, and have cities leverage the existing JPA with C/CAG. He also suggests exploring a PPA solicitation via cooperative procurement for renewable energy and power storage installation.

Belmont

Attendees:

Afshin Oskoui, DPW Director, Brigitte Shearer, Director of Parks and Rec (oversees City Facilities – City Hall, Fire stations, Community Centers, Libraries, and associated parking structures)

Potential Projects that May Benefit from JOCs:

Belmont has recently completed comprehensive (lighting and HVAC) retrofits of all major facilities (City Hall, Library, and all major facilities) through a contract with PG&E for program management while bidding out construction for some measures per City Attorney direction. Street lighting has been converted to LEDs. Parking lots have been done. Next steps for Belmont include additional solar – perhaps on the Library. We may have some one-off mechanical maintenance type repair in future, but nothing like that is planned for immediately.

Familiarity with JOCs, JPAs and Sourcewell:

Afshin noted that he previously oversaw a JOC program for the City of San Diego when he worked with Gordian. Bridgette reported having recently met with Gordian to explore the use of JOCs for the City of Belmont. Both were familiar with JPAs. Belmont already uses Sourcewell which required Council approval for joining as a member.

Receptivity to Countywide EE JOC Program:

Afshin was supportive with one caveat: it will require legal analysis by each city. He added “If the resources are available for the SMCEW to pursue this kind of program for the cities, I think it could be a good thing for the region. Typically, we are a region that has done well working together.”

Brisbane

Attendees:

Adrienne Etherton, Sustainability Management Analyst; Karen Kinser, Deputy Director, DPW; Randy Breault, Director, DPW.

Potential Projects that May Benefit from JOCs:

We are small, but we may have a couple projects in each category (lighting, mechanical, street lighting, and renewable) over next five years. We are also interested in EV charging stations.

Familiarity with JOCs, JPAs and Sourcewell:

Yes, we are familiar with JOC and JPAs. Yes, we have worked with NJPA (Sourcewell) before.

Receptivity to Countywide EE JOC Program:

We are generally receptive to the concept in theory. It would depend upon additional understanding of the details of how it works. (Brisbane requested an example price book be sent to help with their assessment. Links to Sourcewell eziQC documents were provided along with a recent *General Contractor* price book used for SMC DPW's recent JOC solicitation.)

Burlingame

Attendees:

Andrea Pappajohn, City Managers Office Sustainability Manager; Johnson Woo, DPW Facilities Leadworker

Potential Projects that May Benefit from JOCs:

We have an immediate need to replace a boiler at City Hall that is well beyond its useful life. We need to replace the energy management system for the main Library and for the Public Works Maintenance Yard. In general, we have a lot of deferred maintenance needs.

As far as street lighting, the City has retrofitted about 90% with LEDs already. They may be some interest in renewable energy and power storage. There may also be some interest in EV charging stations. We have EV charging station projects right now for public use. But not much interest in regard to City fleets, since we don't have any EVs right now.

Familiarity with JOCs, JPAs and Sourcewell:

We are not familiar with JOCs. We have a little familiarity with JPAs. The City uses Sourcewell for purchasing some material. Sourcewell is mentioned in our Municipal code as an allowable source for purchasing good and services with no need to go out to bid. Not sure about construction services specifically.

Receptivity to Countywide EE JOC Program:

Yes, that would be great to have a more efficient process for getting work done. This approach would need approval from our finance director who has been working on updating our City's procurement policy.

Millbrae

Attendees:

Shelly Reider, Environmental Programs Manager; Rose Amelia, Public Administrative Analyst, DPW; Craig Centis, Utilities and Operations Superintendent, DPW

Potential Projects that May Benefit from JOCs:

Our Wastewater treatment plant has operated with Cogen at different times, but it is not operating at this time.

Familiarity with JOCs, JPAs and Sourcewell:

Yes, Millbrae has contracted with Sourcewell and is familiar with JOCs conceptually but have not used them. As this plan develops, we may be able to identify more projects. Potentially interested in power storage systems such as STEM.

Receptivity to Countywide EE JOC Program:

This is something we are really interested in and our Director is very favorable. We think this will be beneficial.

Pacifica

Attendee:

Raymund Donguines, P.E., Senior Civil Engineer

Potential Projects that May Benefit from JOCs:

We have completed many lighting projects. A couple years ago, we upgraded most interior lighting to LED (not through DI program but did take advantage of rebates). Recently, we did one building lighting retrofit through DI program. We also replaced a few boilers recently as part of larger energy retrofit process. We have converted all street lighting to LED as well.

We may still have some mechanical repair and upgrade needs eventually, but nothing needed in near term. We need painting and new windows first prior to mechanical systems. We are interested in EV charging stations. We are looking for a site now.

Familiarity with JOCs, JPAs and Sourcewell:

We have not used JPA for construction services, but I am familiar with JPAs with C/CAG. We haven't done much piggybacking, but if there is a procurement process undertaken by another city, we are able to use their bidding process and contract directly with vendor. I am familiar with cooperative procurement of vehicles. I have not heard of Sourcewell (or NJPA).

Receptivity to Countywide EE JOC Program:

We don't have many projects right now that would benefit, but if you could streamline the process for everybody, and if someone else has already done the process for us that we can use, that would be helpful. For us, being so small, if we can procure with other cities to save time, that would be good for us. Our legal council is outsourced and generally conservative. One caveat is that for a certain number of contracts, we have to use Department of Industrial

Relations to monitor prevailing wages and the contractor needs to be registered with DIR. JOC contracts would need to comply with this.

Redwood City

Attendees:

Redwood: Vicki Sherman, Environmental Initiatives Coordinator; Dan Barrows - Field and Facilities Supervisor, DPW

Potential Projects that May Benefit from JOCs:

Dan: We don't have anything burning in our queue right now that needs to be done. We did facilities assessment last year and identified things that need to be replaced in the next five-ten years. We've done some lighting projects already. Four major facilities are being retrofitted now. A main boiler in one of our main facilities is being replaced. We already have a pretty good jump on things but as more projects come to fruition, I can see is looking to a procurement process like this to help.

Familiarity with JOCs, JPAs and Sourcewell:

Dan: I am familiar with the concept. I am not familiar with Sourcewell.

Vicki: We are already a member agency of a number of JPAs. I have not heard of Sourcewell before contacted about this interview. We have piggybacked on contracts before. For construction, they need to have been bid out within the last 6 months, otherwise the pricing may not be considered to be competitive.

Receptivity to Countywide EE JOC Program:

Dan: Absolutely interested in further discussion, but this will need support of our administration.

San Carlos

Attendees:

Nicole Scott, City Manager Office; Lou Duran, DPW Superintendent; Tamara Shapero, Management Analyst, DPW (Manages Contracts); Carrie Tam, Financial Services Manager; Jenny Liu, Risk Management

Potential Projects that May Benefit from JOCs:

We have completed street lighting projects. We have converted all lighting to LED and have completed all HVAC. We may explore more renewable. We currently have solar at City Yard facility but looking at whether it is feasible elsewhere.

Familiarity with JOCs, JPAs and Sourcewell:

Attendees were not familiar with JOCs, Sourcewell/NJPA. Lou reported that the City had purchased equipment via other cooperative procurement groups. Jenny reported that the City has entered into a contract with Office Depot via JPA procurement arrangement.

Receptivity to Countywide EE JOC Program:

Yes, open to it but would just have to come up with what projects we could do since we have already done so much. We will have to see how it goes and reassess.

San Mateo

Attendees:

Andrea Chow, Sustainability Analyst, City Manager Office; Dave Fink, Facilities and Fleet Manager, DPW; Steve Wu, Project Manager II, DPW (facilities)

Potential Projects that May Benefit from JOCs:

Andrea: City of San Mateo is already done a ton of work and are actively participating in PG&E's Sustainable Solutions Turkey (SST) program right now on a \$3.4 million energy efficiency upgrade to many of our facilities. We are also doing some lighting upgrades through the SMCEW direct install with Ecology Action. And we have worked with PG&E to upgrade our street lights.

Steve: We anticipate at least two major HVAC projects in next couple of years. We are in design/build for Fire Station 23 right now, and Senior Center HVAC is over-due. We have lots of mechanical issues throughout the city.

Dave: We've completed much of the lighting and HVAC through PG&E's SST program. We have touched almost every large occupied building with this program. We have also completed lighting retrofits on smaller buildings through SMCEW program (Direct Install program); Softball fields and tennis courts are being upgraded already. We have not done anything relative to our waste water treatment plant. These were not included in SST because we are creating all new wet side at that plant. Renewable and power storage are options, but we have nothing on immediate forefront right now. City of San Mateo has strong focus on renewables from city council. Vehicle charging opportunities may exist as well.

Familiarity with JOCs, JPAs and Sourcewell:

Yes, we are already familiar and doing projects via JOC. We are familiar with JPAs. Yes, we have heard of Sourcewell/NJPA.

Receptivity to Countywide EE JOC Program:

Given the little amount of remaining work we have, it may not be much of an interest to convince our legal that it is in our best interest to do this. It will require a lot of energy to convince legal. There needs to be more carrots in addition to saving staff time. It could be a tough sell. As far as saving on reduced change order costs, it depends on how well you scope your projects. We don't have a history of unjust change orders to argue as a selling point.

Our legal department is very cautious. While we do have provisions in our code that allow us to go outside bidding requirements, frequently we are instructed by legal department to proceed with a normal bid process (advertising, etc.).

We are still receptive and would be interested in such a program. Our need is minimal at this time, but always open to new opportunities

South San Francisco

Attendees:

Justin Lovell, DPW Administrator; Danielle Sanderson, Business Manager for Parks and Recreation; Brian Crume, Facilities Manager

Potential Projects that May Benefit from JOCs:

Justin: We had an RFP for energy audit with Engie, but that project ended last summer. We know there are a handful of projects we will want to do in the future: internal lighting retrofits, street light retrofits, park and pathway lighting; adding solar panels.

Brian: We have several projects that have been identified but are on hold because we are not clear whether we will continue to own the building.

Justin: Another interest is peak load shaving at water treatment control plant. We have applied for PG&E program for electric vehicle chargers. PG&E would own and install chargers. We are in design phase with PG&E. We will install 54 level-2 chargers at three different sites. We are also installing high-powered chargers in our parking garage (with another company). There are other things we would like to do but we have another large project at water treatment plant right now so timing is not good right now.

Familiarity with JOCs, JPAs and Sourcewell:

Yes, familiar with JOCs, JPAs and Sourcewell. We are a member of Sourcewell.

Receptivity to Countywide EE JOC Program:

Justin: We are open to it and have been talking about it in the more general sense. JOCs won't work for certain projects (new construction) but it makes a lot of sense for a lot of our projects. We have done a lot of audits, now it is just an issue of scoping and prioritizing. We are open to trying out anything that makes the process easier including Sourcewell procures contracts.

Analysis of Results

Potential JOC Projects and Level of Use

The aggregate demand for lighting or mechanical energy retrofit construction services among the cities interviewed was not that large with six out of the ten cities either having recently completed comprehensive retrofits on most of their major facilities, or in the process of replacing or retrofitting them (including Atherton, Belmont, Pacifica, Redwood City, San Carlos, and San Mateo.) Nevertheless, San Mateo along with four other cities had some mechanical projects planned in the near term, and some of these cities expressed interest in renewable energy, power storage and EV charging stations. Responses from the cities are compiled below within two categories: “*Cities with No Immediate Lighting or Mechanical Project Needs*” and “*Cities with Immediate Mechanical (and some Lighting) Project Needs*”.

Cities with No Immediate Lighting or Mechanical Project Needs

Atherton is in the process of replacing all of its major facilities, but it expressed interest in a PPA procurement for renewable and power storage in the near term, and mild interest in EV charging stations in the long term.

Belmont recently completed comprehensive lighting and HVAC retrofits on all of its major facilities and converted its street lighting and parking lots to LEDs. The next work to go after would include additional solar, perhaps on the Library. In the long term, there may be some one-off mechanical maintenance type repair but nothing like that planned for immediately.

Pacifica has completed many facility lighting and boiler replacement projects and converted all street lighting to LEDs, but it is interested in EV charging stations and looking for a site now. It may also have more mechanical needs in the long term.

Redwood City has recently completed a number of facility retrofits with more in process, converted most of the street lighting to LEDs, and installed some EV stations. As more projects come to fruition, it could see looking to using EE JOCs if available.

San Carlos has completed all lighting and HVAC and converted street lighting to LEDs; but they may explore more renewable.

Cities with Immediate Mechanical (and some Lighting) Project Needs

The cities that have the greatest number of potential projects and therefore may benefit from JOC construction services the most are listed below, with a description of their specific needs.

Brisbane may have a couple projects in each category (lighting, mechanical, street lighting, and renewable) over the next five years (but it does not have any specific projects identified). It is also interested in EV charging stations.

Burlingame has an immediate need to replace a boiler at City Hall, and other projects scheduled in the near term to replace the energy management system for the main Library and for the Public Works Maintenance Yard. In general, Burlingame has a lot of deferred maintenance mechanical projects. The City has retrofitted about 90% with LEDs already. There may be some interest in renewable energy and power storage. There may also be some interest in EV charging stations.

Millbrae has a Wastewater treatment plant that has operated with Cogen at different times but is not operational and that needs attention in the near term.

San Mateo has completed or is in the process of completing lighting and mechanical efficiency projects on the vast majority of their facilities, as well as upgrades to their street lighting. They have not, however, addressed its waste water treatment plant. San Mateo also has some other mechanical needs. The City anticipates at least two major HVAC projects in next couple of years. Renewable and power storage may be of interest but there is nothing planned for in the immediate future. Vehicle charging opportunities may exist as well.

South San Francisco has identified a few projects that it may want to pursue: internal lighting retrofits, street light retrofits, park and pathway lighting, and adding solar panels. The City is also interested in peak load shaving at water treatment control plant. It is already working with PG&E on electric vehicle chargers.

A summary of project construction needs for each City is presented below in Table 1.

Table 1 – Summary of Project Construction Needs

CITY	Project Construction Needs						Comments
	Lighting	HVAC	Street Lighting	Solar	Power Storage	EV Charging	
Atherton	NO	NO	NO	YES If PPA - Near Term	YES If PPA - Near Term	Maybe	In process of replacing all major facilities in Town Center
Belmont	NO	NO	NO	YES - mid term	Maybe	Maybe	May have one-off mechanical needs in future
Brisbane	Maybe	Maybe	Maybe	Maybe	Maybe	Maybe	May have 2 projects in each category next 5 yrs (Lighting, HVAC, Street lighting, renewable)
Burlingame	NO	YES - Near Term	NO	Maybe	Maybe	Maybe	Projects include boiler at City Hall and EMS at Library and Yard
Millbrae	NO	YES - Near Term	NO	NO	NO	NO	Wastewater treatment plant with non-operating Cogen
Pacifica	NO	NO	NO	Maybe	NO	YES	May have one-off mechanical needs in future
Redwood City	NO	NO	NO	NO	NO	NO	Open to concept of JOCs for future projects as identified
San Carlos	NO	NO	NO	Maybe	NO	NO	May explore solar
San Mateo	NO	YES - Near Term	NO	Maybe	Maybe	Maybe	Anticipates 2 major HVAC projects in next couple of years; Senior Center Mechanical and Waste Water Treatment Plant over due.
South San Francisco	YES - near term	YES - near term	YES - near term	YES - near term	YES - near term	NO	Many projects identified with ESCO audit but project fell through; also Interested in PS peak load shaving at water treatment control plant

Familiarity with JOCs, JPAs, Sourcewell and Receptivity to EE JOC Program

All ten cities interviewed were familiar with JPAs and some form of cooperative procurement. Six cities reported that they are familiar with JOCs: Atherton, Belmont, Brisbane, Millbrae, San Mateo, and South San Francisco. Most cities are members of Sourcewell (with Pacifica and San Carlos being the only exceptions). All of the cities were supportive conceptually of some form of cooperative procured EE JOCs to expedite construction of energy projects; although some support came with caveats such as needing to fully vet the legal issues, obtaining approval from finance and other city administrators, or recommending the technical assistance is provided separately from the JOCs. A summary of results is presented in the Table 2 below.

Table 2 – Summary of Familiarity with JOCs, JPAs, Sourcewell and Receptivity to EE JOC Program

CITY	Familiarity with Jocs, JPAs and Sourcewell					RECEPTIVE TO EE JOC PROGRAM	
	JOCs	JPAs	Sourcewell	Sourcewell Member	General Law or Charter	YES/NO	Comments
Atherton	YES	YES	YES	YES	General Law	YES with caveats	Interested in PPA for Solar/PS in near term. Recommended technical assistance be provided via separate contract than JOC
Belmont	YES	YES	YES	YES	General Law	YES with caveats	If resources available, could be a good thing for the region. Recommended fully vetting legal issues first; and technical assistance be provided via separate contract than JOC
Brisbane	YES	YES	YES	YES	General Law	YES with caveats	Receptive to concept in theory but depends on details; would need to evaluate price books and learn more about process.
Burlingame	NO	YES	YES	YES	General Law	YES with caveats	Yes, that would be great to have a more efficient process for getting work done; would need approval from our finance director
Millbrae	YES	YES	YES	YES	General Law	YES	This is something we are really interested in and our Director is very favorable. We think this will be beneficial.
Pacifica	NO	YES	NO	NO	General Law	YES	We don't have many projects right now but if you could streamline the process for everybody, that would be helpful.
Redwood City	NO	YES	NO	YES	Charter	YES with caveats	Absolutely interested in further discussion, but program will need support from City administration.
San Carlos	NO	YES	NO	NO	General Law	YES	Yes, open to it but we have no projects at this time.
San Mateo	YES	YES	YES	YES	General Law	YES with caveats	Our need is minimal; but always open to new opportunities it will require a lot of energy to convince legal (they are cautious). There needs to be more carrots in addition to saving staff time; it would be a tough sell.
South San Francisco	YES	YES	YES	YES	General Law	YES	Open to trying out anything that makes the process easier. City has received approval from City Attorneys to use iuse eziQC with Sourcewell/Gordian Group, so we are okay with this option.

Potential for Cities in SMC to Save Time by Using JOCs

When 2050 Partners asked cities what their “business-as-usual” timeframes were to complete design, bid and award for a typical \$100 – 200K energy retrofit project using the design-bid-build; three cities reported timeframes similar to that observed at the City of San Francisco: Redwood City, South San Francisco, and San Mateo. This is not too surprising as it suggests that larger cities with more bureaucracy will likely have the most to gain from using JOCs in terms of speeding the project delivery, as compared to design-bid-build. Millbrae, San Carlos, and Atherton have the next most to gain reporting six to nine months to complete design, bid, and award. Pacifica, Brisbane, Belmont, and Burlington reported the shortest times for combined design, bid, and award, ranging from two to seven months. While these cities complete the design, bid, and award more quickly than larger cities, it would still appear that they would likely be able to cut this time in half, saving one to three months of pre-construction time when using JOCs, as compared to design-bid-build.

Main Barriers to Implementing Past Energy Retrofit Projects

Among the ten cities interviewed, San Carlos was the only city that did not report any barriers associated with implementing past energy retrofit projects, stating that: *“With technical assistance provided from SMCEW and PG&E, the City has been successful in implementing EE projects.”* The barriers reported by the other cities during the interviews are described below.

Slow and Time-Consuming Procurement Process: Brisbane, Burlingame, Millbrae, and Pacifica conveyed that the procurement process can be time consuming for any facility upgrade and presents a barrier (especially in the case when project design needs exceed the City’s in-house engineering design capabilities, thereby adding the time to procure engineering services on top of bidding out the construction.)

Energy Efficiency must Compete with Higher Priorities for Funding: San Mateo indicated that one its biggest barriers is getting energy efficiency projects high enough on the city’s priority list for funding in order to go after them. There are many competing needs for the city’s limited capital. Anything that defers the project costs helps with consideration of energy efficiency projects (such as financing through energy savings, grants, etc.). On-bill financing has helped. It was also reported that its City Council is very open to out of the box thinking in this regard.

Challenges Working with ESCOs: Robert Ovadia, DPW Director for Atherton, reported that he has only worked for the City of Atherton for a year but relayed his experience at a past agency where he worked where they had contracted with an ESCO to implement a package of projects. The main issue was there were so many projects lumped into one contract that it became too difficult to attribute the energy savings. He also added that most barriers encountered when upgrading facilities will be the same for EE projects versus other kinds of projects.

South San Francisco recently cited Government Code section 4217 to procure the services of an ESCO to develop a large multi-facility project. With section 4217, the biggest hurdle was with obtaining City Council approval, since “this is not your typical design-bid-build project.” After selecting an ESCO and completing the audit and proposal stage, the challenge the City faced

was discovering that the audit and proposal did not meet the City's expectations in terms of the level of detail and quality. The City reported that the initial RFP was not strong enough in specifying the City's level of requirements. The City did not know what it needed at the time, so it did not specify all requirements in the contract. Some council members also noted that some of the technology proposed by the ESCO has been around for a long time. The City added that reviewing design and construction drawings in ESCO projects is also very challenging. Another challenge was that Council members needed to get comfortable with what was being purchased (warranties, as-builts). Some SSF council members are expected to oppose a project if the payback exceeds seven years. Finally, cost was an issue and the City did not want to pay for "anything that we don't own."

Legal Challenges When Citing 4217 for ESCO Turnkey Projects: Belmont encountered legal challenges when citing Government Code section 4217 for a large project with PG&E's ESCO services through their Sustainable Solutions Turnkey (SST) group. Because PG&E was not following the Public Contracting Code (PCC) when hiring contractors, the City Attorney required that portions of the project be bid out separately according to PCC regulations. It took Belmont about nine months to figure it out how to do this while still maintaining PG&E as the program manager with project oversight responsibility. Afshin Oskoui, DPW Director, expressed concerns that other General Law cities could face similar challenges if citing 4217 to utilize JOCs that have been cooperatively procured for energy retrofits. His recommendation was to thoroughly vet the legal challenges with each city's City Attorney before pursuing the concept further.

Legal Challenges when Using Direct Install Program: Redwood City encountered problems when utilizing direct install programs because its City Attorneys required separate bids for construction and would not accept the Energy Watch vendor responsible for installation, claiming it was not really competitively bid. Now that direct install projects are not fully funded and require some up-front capital, the City Attorney required that a formal bid process be followed. Additionally, Redwood City tried to use on-bill financing, but it was considered to be debt financing. Since the City did not want this liability to show up as debt on its balance sheet, it did not allow use of this funding source. The representatives interviewed pointed out that Redwood City is a Charter city so its attorneys may be more conservative and may have different standards than the other cities in SMC. As a city representative noted, "It has been frustrating to see other cities be able to utilize these energy programs more easily than us."

Technical Assistance Needs for JOC Projects

All of the cities interviewed reported that they do not have the type of technical energy efficiency experts on staff that are needed to conduct energy audits, scope, and specify energy projects. Some cities mentioned that these services have been provided by the SMCEW and PG&E, but that another source for this type of technical assistance would be needed if these services were not continued. Those representatives interviewed were also open to the JOC program having these services as optional service as part of the JOC contact, although Atherton and Belmont both raised concerns about conflict of interest in this case and recommended that any technical assistance be provided through a separate contract or source that is distinct from the JOC contracts when considering JOC program design options.

Summary of Key Questions Asked During Interview Presentation

In order for the SMCEW and other stakeholders and recipients of this report to benefit from the questions that were asked by the city representatives during the interviews a list of questions is presented below followed by answers within the following categories:

- The JOC bidding process, pricing and typical contract terms
- Sourcewell's bidding process, services and steps when working with IQCC Vendors
- The legal aspects for justifying use of JOCs and Sourcewell services

JOC Bidding Process, Services, Pricing, and Typical Contract Terms

How does it work to bid out construction work when we don't have any details on the projects?

ANSWER: The catalog contains all of the various components or tasks that can be selected appropriately to make up virtually any project you can conceive of (in aggregate). Each task in the project has a preset unit price with detailed specifications that were determined prior to any projects being identified. Once a project is specified, the contractor selects just those tasks that together are equivalent to the scope (per the specifications associated with each task and the quantities specified); and when added together equal the full price for the construction. The contractor's markup is then applied to the cost of construction to get the full price for the project.

How are contractors selected? What is the process? You mentioned a markup? ANSWER: When establishing a pool of contractors, there are two selection processes. First the initial master contracts are established via competitive bid where those contractors that meet the minimum qualifications and bid the lowest markups are awarded contracts. Once the pool of contractors is established, you may have a choice of two or three contractors each with different markups. When selecting a contractor from the pool, you may consider the markup, but you will probably want to also consider other criteria as well, such as the contractor's experience with the specific project you have in mind. As an example, for the Davies Symphony Hall project, San Francisco selected EMCOR Mesa, even though it had a higher markup, because it had installed about 90% of the SMART chillers (that were specified) within the state of California.

When do contractors decide what markup they charge: after they make the list (selected and awarded a contract) or before? ANSWER: During the bidding process, the contractors will propose or bid a markup (or in reality several markups for various times work will be performed and other variables that can impact price) that covers their overhead, administration, profit, and any risk they perceive in the pricing specified in the Construction Task Catalog provided as part of the bidding documents. The contractor (or contractors as in the case when establishing a pool of contractors) with the lowest markups is awarded a contract.

Do we end up with a range of markups from different contractors awarded contracts from the same Request for Bid? Do we negotiate afterwards to come up with one markup for all or how is that done? ANSWER: At City of San Francisco and for the SoCalREN program, when a pool of two or three contractors was established, the contractors that met the minimum qualifications with responsive bids, that also bid the lowest markups were awarded contracts. This resulted in

different markups for each contractor. This difference gets factored into which contractor you select from the pool for a given project. Some contractors may have higher markups, but they may have more capabilities and experience that you are willing to pay for. Gordian recommends using a few different criteria to choose the best contractor for each project when there is a pool of contractors.

You mentioned that the bidding selection process is qualifications-based as well. How is this done in the procurement process? ANSWER: Depending on the agency performing the procurement and its rules and legal counsel, you may have more ability to include qualifications, especially when using specialty contractors that need specific knowledge and expertise – as in the case for energy efficiency (EE) – that go beyond the typical minimum qualifications you see in design-bid-build (i.e. contractor’s license, financial and bonding capacity, etc.). For example, for the San Francisco’s Public Utility Commission’s Energy Efficiency Program, the selection process required the contractor to submit information on its previous EE experience over the last five years including descriptions of example projects and associated contacts. It is important to note that some attorneys are more comfortable than others with this approach as public agencies are more apt or may be under scrutiny to not limit the potential field of competitors.

Since the contractor is not providing the price for each task (as Gordian provides unit prices for each task in the Catalog), how do we compare and know that the tasks the contractor selected from the catalog are similar to what we want? ANSWER: The contractor will select tasks/equipment based upon what is in your specification. If there is more than one choice in the book, the contractor will make a selection. There is also a Spec Book that provides detailed specifications for every task in the Construction Task Catalog. You may have to refer to the specifications for the task to know precisely if the task selected meets your spec and needs. In any case, the owner, along with assistance from Gordian, reviews the tasks selected and can make comments or request the contractor make a different selection as part of the process of finalizing the scope and price. Generally, the task description along with specification will determine the specifics of what they were selecting. Gordian also provides a detailed review on behalf of the owner to insure the tasks selected are responsive to the SOW, accurate (with no overcharging), and reasonable.

Would JOCs be applicable for small projects? We are a small City and do not often have large repair/replace projects. ANSWER: The volume of anticipated use of a JOC contract at a small city would not likely justify working with Gordian to set up their own JOC program. That is precisely one of the key reasons Gordian and Sourcewell created the ezIQC program – to provide the same benefits larger agencies can enjoy from having their own JOC program. JOCs can accommodate a wide range of smaller projects very easily. There is typically no minimum task limit in the ezIQC contracts. While most task orders are well over \$25,000, if a contractor believes a small task order may will lead to more work, it may accept the task order at its discretion.

When San Francisco had the mechanical contractor complete full design from performance specs, how was this paid for? ANSWER: Chris Vance clarified that the City of San Francisco PUC

did this in a couple of ways. In the beginning the SFPUC worked with Gordian to include design services in the contract with the intent that the contractor's markup cover this cost. Not all projects took the same level of design so sometimes we would over pay for design on smaller projects. Then the SFPUC started to include Engineering Design Services and Hourly Rate into the JOC contract as an optional service applied in only in those cases when the level of design exceeded the minimum level of design covered by the markup (which we would define). In these cases, the contractor would propose the number of hours to complete the design for each specific project SOW, and there is some negotiation at that point on the quantity (hours) for the design required as part of the JOC cost proposal prior to the task order being approved. Our City Attorney approved this approach, although our use of JOCs was defined by our City Charter.

If we just want to add air conditioning, does it have to be EE work to be eligible? Is there some percentage of the project that must qualify as an EE project? ANSWER: No, it is not a requirement that the work be strictly EE. These JOC contracts and price books – otherwise known as Construction Task Catalogs (CTCs) - can accommodate a broad range of facility upgrade needs. Even if the purpose of the contract was for energy retrofits, as was the case for the San Francisco and the SoCALREN programs, there is no inherent division in terms of EE work versus non-EE work. In fact, the vast majority of JOCs used by public agencies are General Contractors with GC CTCs that can be used for all kinds of facility and non-facility repair and replacement work. It is only more recently that agencies like San Francisco, New York and USPS began working with Gordian to establish JOCs that are primarily aimed at implementing energy efficiency retrofits. But even in those cases, the CTCs for these specialty contracts can still accommodate a wide range of non-energy work. In fact, at San Francisco, the Capital Planning Committee began to dedicate most of the available capital funds annually to supplement its EE work at facilities so that all non-EE needs at those facilities could be taken care of alongside the EE work. This provided cost savings and overall efficiencies on the delivery of these projects.

Does Job Order Contracting cover the whole construction project including design and construction management, etc.? ANSWER: Typically, JOCs just cover construction, but there are various ways that engineering services have been incorporated into some JOC contracts. It depends what an organization needs. Some additional services may also be included in the contract, but this would need to be designed into the procurement from the beginning and comply with any restrictions that may apply. For example, counties have very specific rules governing what they can and cannot use JOCs for. Design services is prohibited. Gordian can also provide independent project management and/or construction management services as part of the eziQC program. The cost is a fee-based formula based upon the JOC project cost. (Also refer to answer above regarding SFPUC's strategy for incorporating design services into a mechanical JOC contract.)

Has SMC used JOCs? If so what has been its experience? ANSWER: San Mateo County has been using JOCs for some time and seems to be very positive about JOCs when used appropriately. Jim Porter, SMC DPW Director, describes JOCs as “another tool in the tool belt.”

Sourcewell's Bidding Process, Services and Steps when Utilizing IQCC Vendors

Are you saying that Sourcewell is the same as Job Order Contracting? ANSWER: No. cities, counties and states can set up a Job Order Contracting procurement and program individually. Sourcewell is a national cooperative procurement agency that procures all kinds of good and services that relatively recently (about 2008) began offering JOC or Indefinite Quantity Construction services on behalf of their members typically within a region or state through its cooperative procurement model.

How does Sourcewell ensure that when it bids out the JOC contracts, it is done in such a way that will satisfy the bidding and other requirements of the agencies in a region that could potentially use the ezIQC services? ANSWER: Sourcewell and Gordian are procurement specialists that take a conservative approach in this regard. At a minimum, they will follow the competitive bidding laws specified in the California Public Contract Code (PCC), but they will also take the extra step of researching the specific requirements among the cities in the region to make sure they meet their specific needs. For example, a city may require that the bid be advertised in its local paper in addition to the major paper in the region. Additionally, labor and contract compliance in a JOC/IDIQ contract is easily accomplished. The process is very transparent allowing all parties to know when jobs are being developed, constructed, and closed out.

What is the process for working with an ezIQC contractor through Sourcewell? ANSWER: First, assuming your City is already a member of Sourcewell, you would initiate the process by filling in some project information online or contacting the Contractor directly (contact information is provided for ezIQC on Sourcewell's website). The steps for working with an ezIQC contractor to get the work done are: 1. Joint Scope Meeting, 2. Detailed Scope of Work, 3. Price Proposal by Contractor, 4. Price Proposal Review 5. Purchase Order Issued to Contractor, and 6. Construction.

How are Gordian and Sourcewell paid for their services? ANSWER: Gordian and Sourcewell are paid through a small administrative fee that is a flat percentage that remains constant throughout the contract term. At this time, the fee is 7% of the project cost. This covers both Gordian's services (preparing and updating the Construction Task Catalog and pricing, maintaining software used by contractors to produce cost proposals, providing proposal review, and processing task orders), and Sourcewell's services (RFP development, advertising, bid and award, and contract management). The fee for a particular task order is equal to the percentage times the construction costs in the task order. This total is added to the contractor's markup. The owner pays the contractor for the work and the contractor then pays Gordian and Sourcewell from the fees it collected.

Is there a minimum JOC Task Order (or Purchase Order) when utilizing Sourcewell ezIQC contractors? ANSWER: There is no formal minimum amount for a task order in the ezIQC program. However, a contractor is not obligated to respond to very small task orders if it believe it is not worth its time. The contractor needs to assess and make a business decision; is it worth it to respond to a very small task order amount? If it appears likely that it will lead to

more work in the long run, a contractor may make the decision to respond to and complete work on a small task order in the hopes that it may lead to more work and a long-term relationship with the agency.

Our City has piggybacked on other publicly bid contracts before, but only if the contract was Bid and Awarded within the last 6 months. Otherwise the pricing is no longer considered to be competitive. How does Gordian-Sourcewell ensure that pricing in the ezIQC books remains competitive for multi-year contracts? ANSWER: Typically updates to the pricing in the Construction Task Catalogs are done annually by Gordian in one of two ways, depending on how dynamic the pricing is for the particular Construction book in question: 1) It was more common in the past that Gordian would update the entire book uniformly on an annual basis based upon Consumer Price Index or Latest Cost-Of-Living Adjustment (COLA); 2) More recently when Gordian has found pricing fluctuating more for portions of the book, instead of adjusting all of the pricing uniformly using an index, it will update the pricing in the book individually according to the specific price changes for representative task items. This results in some pricing being adjusted at different percentage rates. In either case, there is a provision in the contract to accommodate price fluctuations during the year in between annual adjustments. If prices are found to spike or fall, or a contractor or owner raises the issue, Gordian will research and validate the price change. If warranted, Gordian will also update the pricing in the catalog and notify the contractors and owner of the change.

Could we work with an ezIQC contractor to assist with project scoping and cost estimates for the purpose of proposing the project in next year's capital budget request? ANSWER: JOC is not intended to be a price estimating service, Nevertheless, a contractor may choose to help in this regard if it is perceived to be a good business decision possibly leading to more work later. You would initiate the process by filling in some project information online or contacting the contractor directly (contact information is provided for each Sourcewell ezIQC contract). At its discretion, the contractor may choose to help you scope the project, consider options and provide cost estimates. Once funding is in place, the steps for working with an ezIQC contractor to get the work done are: 1. Joint Scope Meeting, 2. Detailed Scope of Work, 3. Price Proposal by Contractor (with appropriate tasks from Construction Task Catalog listed with quantity and set unit price), 4. Price Proposal Review by Owner, 5. Purchase Order approved by Owner and Issued to Contractor (this acts as the Notice to Proceed), and 6. Begin Construction.

The Legal Aspects for Justifying use of Gordian - Sourcewell ezIQC Contracts:

Can General Law cities use Job Order Contracting in California? ANSWER: This is ultimately a question for each city's City Attorney or legal counsel to answer. Many cities in California have leveraged Sourcewell's Indefinite Quantity Construction Contracts (IQCC) by citing California Government Code sections 6502 (Joint Powers Agreements) or 4217 (Single Source Supplier) (California Energy Code 6502 and Code 4217).

The California Public Contract Code specified the use of JOCs in great detail for Counties, the CSU system, and the LA Unified School District for some time. Most recently, the code was expanded to include school districts and community colleges. The code does not specify use of

JOCs by cities. This may lead one to conclude that General Law cities (as opposed to Charter cities that can change their Charter to specifically allow use of JOCs), are prohibited from using JOCs. However, there is now considerable precedent for cities using JOCs (or more specifically IQCCs) in California and justifying their use by citing California Government Code section 6502 (Joint Powers Agreements) or section 4217 (Single Source Supplier) (California Energy Code 6502 and Code 4217). Cities in California first began to leverage IQCCs in about 2010 through a cooperative procurement model delivered through a partnership between The Gordian Group and Sourcewell (then NJPA) called the “eziQC” program. Cities must be a Sourcewell member to utilize the contracts. The first eziQC GC contracts were established in the Central Valley. Then in 2013, IQCCs specifically adapted for lighting, mechanical, and street lighting retrofits were established by Sourcewell across 12 counties as part of the SoCalREN public agency program. This information was provided in the presentation portion of the interviews. Also see Attachment C that contains a brochure from the SoCalREN program that describes the legal justifications used by cities to leverage the eziQC contracts.

The legal precedents you are referring to are in the Government Code sections and not the Public Contracting Code sections? ANSWER: This is true. The PCC specifies regulations for JOCs used by Counties, California State University, Counties, School Districts and Community Colleges, but it does not mention cities. There is considerable precedent that has been set by cities citing California Government Code sections 6502 or 4217 (California Energy Code 6502 and Code 4217) to justify use of eziQC contracts established by Sourcewell. However, this does not guarantee that the legal counsel at another city would be inclined to follow this precedent.

How do we rely on Government Code section 6500 if our City has not entered into a Joint Powers Agreement? Our attorneys may be more reluctant to use section 4217 for justification. ANSWER: If your city is not a member of Sourcewell, you can become a member for free. The application process includes having a one-page resolution which serves as a JPA between your agency and Sourcewell. It must be approved by your Council or Board and then signed. This allows your City to then access any of the many contracts for goods and services offered by Sourcewell, including eziQC Contractors. Sourcewell will first evaluate the bidding requirements for the agencies in the region in which they plan to bid and award construction contracts. Then it will perform the RFP, advertise, and bid and award in such a way as to meet these requirements.

Does using Sourcewell’s eziQC contractors require that my city change its municipal code? ANSWER: Typically, no. Although that ultimately depends on review by your legal counsel. None of the Cities that utilized these types of services as part of the SoCalREN program changed their municipal code or their Charter (in the case of Charter cities). To date, 22 cities have used the eziQC contracts as part of the SoCalREN program and in each case their legal counsel was comfortable with citing either Government Code section 6500, or in some cases section 4217 given that the work performed involved energy efficiency retrofits.

Energy Retrofit Needs and EE JOC Program Design Options

Overview

This section discusses what energy retrofit services would be most beneficial for the cities in SMC and presents program design options for cooperatively procuring JOCs to meet the most immediate energy retrofit needs. First, a review and discussion of the relative collective demand for energy retrofit construction services is presented within the following categories:

- Mechanical Projects
- Lighting and Street Lighting Projects
- Renewable and Power Storage
- Electric Vehicle Charging Stations

This is followed by a discussion on the following program design options for cooperatively procuring JOCs, presented in order of least costly to the most complex:

- Option 1 - Cities Utilize Gordian - Sourcewell's Existing ezIQC Vendors
- Option 2 - Cities Piggyback on SMC Procurement of Gordian Services and JOC Contracts
- Option 3 - SMC Procure New JOCs; Cities Access JOCs via Local-Agency Agreements
- Option 4 - C/CAG contracts with SMC to Procure New JOCs; Cities Access JOCs via JPA

What Energy Retrofit Services would be most Beneficial?

Based upon the interviews conducted with ten out of twenty cities in San Mateo County, the needs for construction services are described below within four categories: Mechanical Projects, Lighting and Street Lighting Projects, Renewable and Power Storage, and Electric Vehicle Charging Stations. In summary, the largest and most immediate need for construction services was found in the area of mechanical retrofits. Some cities were also interested in Renewable and Power Storage and Electric Vehicle Charging Stations. Though, cooperatively procured JOCs was not found to be the most suitable procurement strategy for these services.

Mechanical Projects

Four cities identified immediate mechanical retrofit needs and one city state they may pursue some mechanical retrofits, as described below:

1. *Burlingame* needs to replace a boiler at City Hall and replace the energy management systems at the main Library and the Public Works Maintenance Yard. In general, Burlingame has a lot of deferred maintenance mechanical projects.
2. *Brisbane* may have a couple projects in this category over the next five years.
3. *Millbrae* has a wastewater treatment plant that has operated with Cogen at different times but is not operational at this time and needs attention in the near term.
4. *San Mateo* has not addressed its wastewater treatment plant and anticipates at least two major HVAC projects in next couple of years.
5. *South San Francisco* recently worked with an ESCO to complete an energy audit that identified some mechanical retrofits that it wants to pursue. It is not planning on using the ESCO that performed the audit to complete those projects.

Mechanical projects represent the greatest need that could be met through some form of cooperatively procured JOC contracts. Program design options to meet this need are discussed below in the section entitled “Program Design Options for Cooperatively Procured JOCs”.

Lighting and Street Lighting Projects

The majority of the cities interviewed have already completed recent lighting retrofits on their major facilities and converted street lighting to LEDs. This is in part due to the Direct Install services available through the SMCEW. Two cities also reported completing lighting and street lighting projects as part of an ESCO project with PG&E’s Sustainable Solutions Turnkey services. This speaks to how well lighting has been addressed through SMCEW and PG&E services, and points to mechanical projects being the next pathway to energy savings for cities in SMC.

The only exceptions to this are the following:

1. *South San Francisco* recently worked with an ESCO to complete an energy audit that identified lighting and street lighting retrofits, but it is no longer planning on working with the ESCO to complete those projects.
2. *Brisbane* did not have any immediate projects identified but speculated that it may have a couple of lighting retrofit projects within the next five years.
3. *Atherton* has retrofitted the majoring of its street lighting but has one more project left that involves converting the electrical distribution from series to parallel.

Given that the direct install services available through the SMCEW and delivered by Ecology Action have grown in depth and sophistication over the years, it would appear to make the most sense for the SMCEW to refer South San Francisco and Brisbane to the direct install program. In any case, there is not enough demand to warrant a specific effort to accommodate these needs via cooperatively procuring a new Electrical JOC contract (in some way) that was specialized in lighting or street lighting retrofits.

Renewables and Power Storage

Two cities have immediate plans to procure and install photovoltaics and power storage in the near term.

1. *Atherton* is replacing PV on its town center (including the Library, City Hall, Police Station, and associate facilities). Photovoltaic and a microgrid was included in the project originally but removed to reduce costs. The city anticipates performing an RFP for renewable and power storage via a PPA structure as early as January 2019.
2. *South San Francisco* also identified some renewable energy retrofits as part of the ESCO project mentioned above. It is also interested in power storage peak load shaving at its water treatment control plant.

Four additional cities expressed interest in solar photovoltaics (PVs) and power storage, including Belmont, Brisbane, Burlingame, and San Mateo. Gordian’s General Contractor CTC (price book) includes photovoltaic collectors (in Section 2631). However, procurement of renewable energy and power storage installation services is a complex topic with a number of interrelated issues to consider such as: how to utilize public dollars and property, how to

leverage tax incentives and rebates to obtain solar PVs, and how best to finance projects with various ownership options. For example, a PPA is a third-party financing model where customers pay for generated power rather than purchasing a system outright.

For this reason, use of JOCs for direct purchase and installation of renewable energy and power storage cannot be recommended as a practicable procurement strategy. There are, however, some excellent cooperative procurement models for solar PVs installations that have taken place in the Bay Area. These are briefly discussed in the section below entitled “Recommended Program Design and Procurement Strategies.”

Electric Vehicle Charging Stations

Electric vehicle charging stations were not originally included as one of the energy project categories when stakeholders were asked, “*What kinds of projects are you interested in completing in the next five years.*” Nevertheless, as cities noted their interest in these services, 2050 Partners started to ask about this service in subsequent interviews.

Six cities expressed interest in electric vehicle charging stations including Atherton, Belmont, Brisbane, Burlingame, Pacifica (actively looking for a site now), and San Mateo. While there may be an opportunity to cooperatively procure electric vehicle charging station installation services, Job Order Contracting would not appear to be a good fit. Installation of electric vehicle charging stations is a specialized service requiring specific knowledge and expertise that goes beyond the construction services that could be provided by a General Contractor JOC. While JOCs have been slowly evolving and expanding to include more specialized needs and trades, EV charging station installations have yet to be developed. Recommendations to assist cities with these kinds of projects are presented for SMCEW’s consideration in the section below entitled “Recommended Program Design and Procurement Strategies”.

Program Design Options for Cooperatively Procured JOCs

Four main options were identified that would allow the cities in San Mateo County to access cooperatively procured JOCs to expedite energy retrofit projects. These are presented below in order of least costly to most complex, including a description and discussion of the option. This is followed by a list of the option’s key advantages and disadvantages.

Option 1 – Cities Utilize Gordian - Sourcewell’s Existing ezIQC Contractors

Description:

Cities utilize the existing Gordian - Sourcewell ezIQC Contractors already available in SMC through the Gordian – Sourcewell ezIQIC cooperative procurement network to meet any immediate mechanical retrofit needs. This includes Mechanical and General Contractors as described below.

Discussion:

All of those cities interviewed that reported immediate energy retrofit needs are members of Sourcewell. Sourcewell members can cite Government Code sections 6500 or 4217 to provide legal justification for utilizing these ezIQC contracts, *subject to legal review and approval within*

each city. A city would initiate the process by filling in some project information online or contacting the Contractor directly (contact information is provided for ezIQC on Sourcewell's website). The steps for working with an ezIQC contractor are: 1. Joint Scope Meeting, 2. Detailed Scope of Work, 3. Price Proposal by Contractor, 4. Price Proposal Review 5. Purchase Order Issued to Contractor, 6. Construction. The Purchase Order serves as a stand-alone, unique contract and Joint Powers Agreement between Sourcewell, the local agency, and the contractor. This agreement is bound by the pre-set pricing and specifications, but otherwise can include additional requirements as necessary that pertain specifically to the local agency and the project, as allowed and in accordance with the Joint Exercise of Powers Act, section 6500 of the Government Code.

For those cities that have mechanical retrofit needs, Sourcewell has already competitively bid and established an Indefinite Quantity Contract with ACCO Engineering Systems for the Bay Area. This contract can accommodate a wide range of energy and non-energy mechanical upgrade needs. It is worth noting that Gordian has made recent updates in energy efficiency technologies and pricing listed in its General Contractor and Mechanical Contractor Construction Task Catalogs and Specifications Book (Specs) to accommodate recent bids for the SoCalREN program and other clients within northern California.

The link to the contact information and documents associated with this contract is provided below.

ACCO Engineered Systems, Inc. (CA - Region 4 - Bay Area - Mechanical):

<https://www.sourcewell-mn.gov/cooperative-purchasing/ca04bacma-030618-aes>

Sourcewell has also established a General Construction Contract with Mark Scott Construction for the Bay Area. This contract can accommodate a wide range of energy and non-energy upgrade needs at water/wastewater treatment plants that typically involve multiple trades. The link to the contact information and documents associated with this contract is provided below.

Mark Scott Construction (CA - Region 4-Bay Area - General Building):

<https://www.sourcewell-mn.gov/cooperative-purchasing/ca04baba-030618-msc>

Advantages:

1. This is the easiest and most direct option with the least amount of additional work and cost required for cities to access JOC contracts.
2. ezIQC Mechanical and General JOC Contractors are available within the Bay Area now.
3. The Joint Exercise of Powers Act (Government Code section 6500) allows for considerable flexibility. Agencies can include additional requirements as necessary in the Purchase Order that are unique to their respective cities.
4. Cities would not be tied to requirements specific to counties in the Public Contracting Code as they would when piggybacking or leveraging JOC contracts procured by SMC (as is the case in Options 2 and 3).

5. Cities issue Purchase Orders to utilize services with payments only made to the contractor alone.
6. This option is more expandable and scalable beyond its use by just those cities located within SMC. (While this is not an advantage to the SMCEW and the cities located in SMC specifically, it does support a wider regional approach to cooperatively procured JOC services.)

Disadvantages:

1. Sourcewell is not a local entity. (We note that the City representatives interviewed did not express a strong preference that the lead purchasing agency necessarily be a local entity.)
2. Cities will need to obtain approval from legal counsel and most likely administrative support from purchasing, finance and other decision makers as required within each city.

Option 2 – Cities Piggyback on SMC Procurement of JOC and Gordian Contracts

Description:

SMC would introduce language into its JOC contracts that allows other public agencies to piggyback on its JOC procurement process (thereby avoiding the need to go through the JOC bidding process themselves) and to contract directly with Contractors that have been awarded JOC contracts by SMC. This option would only be available the next time SMC DPW will be bidding out its JOC contracts (could be as late as November 2019). Cities would piggyback only on those SMC JOC contracts that are determined to meet their needs (Mechanical, Electrical and/or General Construction).

Cities would also need to piggyback on SMC's contract with Gordian in order to receive Gordian's JOC program services including preparing and managing the Construction Task Catalogs (unit price book) and related on line software and price book database, as well as technical assistance throughout the process. The Contractor must be willing to offer the same contract terms, JOC pricing and proposed markups associated with the SMC contract. Finally, the SMC's procurement process must satisfy the requirements for those cities that intend to piggyback on the SMC JOC contracts.

Discussion:

SMC Department of Public Works has the in-house staff, experience and authority necessary to procure and manage JOC contracts and they have been doing this for some time. SMC DPW currently manages and oversees the work performed by ten JOC contractors. (Porter, 2018). SMC DPW also has a competitively bid contract with Gordian to provide JOC program assistance.⁵ *Currently, SMC DPW's JOC contracts, as well as its contract with Gordian, do not contain language that allows piggybacking.* At the time this study was underway, SMC was in the process of bidding out new JOC contracts. Therefore, the point at which changes could be

⁵ SMC utilizes a lower level of program assistance from Gordian than typically provided. Though, the full scope of Gordian services is still available as an option in the contract SMC has with Gordian. (Asire, 2018.)

made to the SMC contract or procurement process (to possibly accommodate those cities interested in piggybacking) had already passed and will not come around again for some while.

It is also important to note that the Public Contacting Code describes specific provisions for counties when procuring and utilizing JOCs that they must follow but it is silent with regard to cities. As such, if SMC were to act as the lead procurement agency for the purpose of having cities piggyback on SMC's JOC contracts, the cities would be restricted to the same legal requirements and provisions laid out in the PCC for counties. For example, counties are uniquely prohibited in the PCC from using JOCs for new construction. New construction in this case is defined as including installation of new photovoltaic collectors on a roof. It should be noted that counties are also prohibited from including any engineering design services in their JOC contracts.⁶

Advantages:

1. Local entity takes on role of lead procurement agency.
2. Less work for SMC DPW and less complex compared to Options 3 and 4 described below.
3. May be more acceptable legally compared to Option 1 (that involves citing Government Code section 6500 or 4217 as precedent), especially given the recommendations regarding piggybacking made in the recent SMC Civil Grand Jury Report on Cooperative Procurement.

Disadvantages:

1. Cannot address immediate retrofit needs given that SMC DPW's JOC contracts do not contain language that allow piggybacking and they will not be renewed for some time.
2. SMC DPW would need to add language in its JOC contracts to allow piggybacking.
3. SMC DPW would need to add language in its Gordian contract to allow piggybacking.
4. SMC would need to determine if any aspects of its JOC contracts or its procurement process would need to be changed in order to accommodate cities that want to piggyback on SMC DPW JOC contracts.
5. Cities will need to approve and manage their own contracts with the JOC Contractor.
6. Cities will need to contract directly with Gordian and manage that contract.
7. Cities may end up with two payments, depending on piggyback arrangement: one to Gordian and one to the Contractor.
8. Cities would be restricted by provisions in the Public Contacting Code that only pertain to counties when utilizing JOCs procured by SMC. (This is not the case for Option 1.)

Option 3 - SMC Procure New JOCs; Cities Access JOCs via Local-Agency Agreements

Description:

SMC acts as the lead agency that procures and manages the JOC contracts (and the Gordian contract) on behalf of the cities in SMC. SMC and participating cities would develop and

⁶ This is prohibited due to concerns that the qualifications-based procurement process intended for professional services contracts would in essence be avoided. (Asire, 2018.)

approve Local-Agency Agreements or Memorandums of Understandings that describe the services that SMC DPW will perform and how participating cities will repay SMC for its services.

Discussion:

Gordian has supported state and county agencies with this kind of arrangement previously, although not in California. (Horn. 2018) Essentially, SMC DPW would take on the same role as provided by Sourcewell when procuring construction services for their members. Cities would work directly with JOC contractors and Gordian to scope projects and approve Purchase Orders for JOC projects that would be charged against the JOC contract capacity. The cities would pay the Contractor for services, including a fee for the services provided by SMC DPW and Gordian. The Contractor would then repay SMC DPW and Gordian. This arrangement avoids money changing hands directly between the cities and SMC DPW (which would be more complex and require more administrative set up).

Advantages:

1. Local entity takes on role of lead procurement agency.
2. Cities issue Purchase Orders to utilize selected JOC contracts with just payments made to the contractor.
3. Cities do not have to set up their own JOC contracts; nor do they have to set up a contract with Gordian (as compared to Option 2).
4. Cities would only make payments to the Contractor.

Disadvantages:

1. More complex with more steps involved for set up (as compared to Options 1 and 2).
2. SMC would need to procure additional JOC contracts for use by cities only.
3. SMC would need to dedicate more staff resources to manage the JOC contracts and monitor contract capacity on behalf of cities.
4. Will need to determine best mechanism for reimbursing SMC for services.

Option 4 – C/CAG contracts with SMC to Procure New JOCs; Cities Access JOCs via JPA

Description: C/CAG would contract with SMC DPW to procure JOCs on behalf of cities and oversee the contracts, C/CAG would also procure Gordian’s services to provide equivalent services Gordian provides to agencies utilizing the ezIQ program. Cities could legally access JOCs via the JPA that is already in place with C/CAG.

Discussion:

C/CAG operates as a Joint Powers Authority and has membership that includes each of the 20 cities and the County in San Mateo County. C/CAG works on issues that affect the quality of life in San Mateo County, including climate planning, energy, and water resource strategies. It does not, however, have the in-house expertise or capacity to take on construction procurement services on behalf of its members. Therefore, in order to leverage C/CAG Joint Powers Authority to facilitate cooperative procurement of JOCs, C/CAG could contract with SMC DPW to perform these services on behalf of its members.

Cities would work directly with JOC contractors and Gordian to scope projects and approve Purchase Orders for JOC projects that would be charged against the JOC contracts. The cities would pay the Contractor for services, including a fee to cover the services provided by SMC DPW, Gordian and C/CAG administrative burden. The Contractor would then repay SMC DPW, Gordian and C/CAG from the payments received from participating cities. This option would be a heavy lift for both C/CAG and SMC DPW to set up without enough apparent demand to justify the potential cost and time involved.

Advantages:

1. Allows well known and trusted local entity to take on the role of lead procurement agency.
2. Can leverage JPA membership with C/CAG.
3. Allows for separate contracts designated for use by cities (and presumably other public agencies) in San Mateo.
4. Presumably cities would only make payments to Contractor.

Disadvantages:

1. This is by far the most complex option requiring the most set up with the most risks.
2. This option would not be available for some time and therefore would not be suitable to meet any immediate energy retrofit needs.
3. The collective demand for energy retrofit services among the cities that were interviewed does not appear to justify this level of work.

Recommended Procurement Strategies and Next Steps

This section presents and discusses recommendations within four main areas:

1. Utilize ezIQC Contractors for Immediate Mechanical Retrofit Needs
2. Technical Assistance and Energy Engineering
3. Renewable Energy and Power Storage Procurement
4. Electric Vehicle Charging Stations Procurement

Utilize ezIQC Contractors for Immediate Mechanical Retrofit Needs

Utilizing the existing ezIQC contractors (as described in Option 1, above) is the recommended JOC program option for meeting mechanical retrofit projects identified with immediate needs. There are several reasons for this recommendation:

- This is the easiest, most direct and least costly option. There are no anticipated incremental costs that cities would need to incur in order to utilize the ezIQC contracts. Moreover, they would likely save administrative staff time and chronological time, as compared to design-bid-build when implementing energy retrofits.
- This option is available now and can address the mechanical projects identified as having the most immediate needs. Each city can elect to use the ezIQC services now or in the future at their own pace depending on their needs. The other options would require various levels of set up and time to establish before services were available.
- This option will require some legal review and approval. However, the other identified options (piggybacking, local - agency agreements or C/CAG JPA) present similar legal review challenges. Moreover, use of Sourcewell ezIQC contracts by cities in California to implement energy retrofits have now provided ample precedent for citing Government Code sections 6500 or 4217 as the legal justification. This is not to say that legal counsel at each of the cities in SMC with immediate needs will necessarily follow this precedent and approve its use; only that it is now more possible than ever given that it is a path that numerous cities in California have previously chosen.

The recommended next steps that SMCEW can take to support this option are:

1. Follow up with those cities that have immediate needs. If they are not already in contact with Gordian or Sourcewell, encourage them to explore the ezIQC option and the Mechanical and General Contractors available in the Bay Area.
2. Facilitate a presentation by Gordian to help educate the cities in SMC about the ezIQC program.

Technical Assistance and Energy Engineering

As reported previously, all of the cities interviewed reported that they do not have the type of technical energy efficiency experts on staff that are needed to scope and specify energy projects. This is a step that is required to initiate the services of an ezIQC contractor. To the

extent these services can no longer be provided to the cities in SMC either through the SMCEW or through PG&E, *the main barrier that may prevent cities from implementing the projects identified for immediate action will be the lack of technical assistance available.*

Moreover, the eziQC Contractors do not offer these kinds of services. Therefore, one of the best ways SMCEW can support cities implement EE projects in the near term would be to promote the continuation of these critical services. Additionally, SMCEW could begin considering alternative sources for this type of technical assistance should technical assistance from SMCEW and/or PG&E no longer be available. For example, SMCEW could consider Pre-Qualifying energy engineering firms that cities could then select to contract with directly. This would both leverage the SMCEW's energy efficiency expertise to evaluate firms' capabilities and may help cities procure these services more quickly. Another option would be to help facilitate use of the technical assistance available through the California Energy Commission's Local Government Program. (<https://www.energy.ca.gov/localgovernment/>)

Renewable Energy and Power Storage Procurement

As discussed previously, there are a number of finance and ownership issues and options to consider when procuring renewable energy and power storage installation services that are not currently incorporated into JOC contracts. For these reasons, procuring solar photovoltaics through JOCs cannot be recommended as a practicable procurement strategy in this case.

Robert Ovadia, DPW Director for Atherton, is planning on moving forward in January 2019 with an RFP for renewable photovoltaics and energy storage via a PPA structure in order to amortize project costs over the life of the project and to capture tax incentives available to a private developer. This provides an opportunity to consider how to leverage or perhaps piggyback on Atherton's RFP process. Additionally, if there are other cities like South San Francisco that have identified sites and projects they want to implement in the near term, it may be advantageous to consider some form of group procurement for these projects. This may increase the size of the project sufficiently to reduce the price compared to what Atherton may receive when bidding separately. The downside of this approach, of course, is the risk of delay to Atherton's RFP process resulting from taking time to coordinate with other cities.

A full analysis of options for procuring renewable energy and power storage installation services is well beyond the scope of this project, especially given the complexity surrounding the decision making on financing and ownership options, the introduction of Community Choice Aggregation, and the onset of local renewable power supplier options.

There are, however, some excellent resources that describe cooperative procurement models for renewable energy that have taken place within the Bay Area and beyond. These are listed below:

1. *Purchasing Power Best Practices Guide to Collaborative Solar Procurement.* <https://jointventure.org/initiatives/completed-initiatives/solar-procurement/purchasing-power-guide> This guide describes one form of collaborative

solar purchasing that involves aggregating solar installation sites. By putting together a group of potential sites out for bid, the aggregated purchase can attract more competition, accomplish community goals faster, and reduce transaction costs. This is especially useful for rooftop and on-site (as opposed to large utility-scale) solar installations. The guide includes a description of the Silicon Valley Collaborative Renewable Energy Procurement (SV-REP) Project that took place between July 2007 and March 2011 with a total installed capacity of 14.4 kW. Public agencies that participated include Cupertino, Milpitas, Morgan Hill, Mountain View, Pacifica, County of Santa Clara, Santa Clara County Transportation Authority, South Bayside Waste Management Authority, and the Town of Los Gatos.

2. *Solar Powering Your Community: A Guide for Local Governments* has been developed by the U.S. Department of Energy as a comprehensive resource to assist local governments and stakeholders in designing and implementing a strategic local solar plan. The guide presents helpful information on a wide array of topics that are of particular interest to cities and local communities.

https://www.energy.gov/sites/prod/files/2014/01/f7/local_guide_fact_sheet_final.pdf

Potential next steps for consideration by SMCEW are:

1. Follow up with those cities that expressed interest in renewable energy and power storage procurement to assess the following:
 - a. What projects have they already identified for solar PVs and power storage?
 - b. When do they plan on implementing their projects?
 - c. Have they considered what procurement structure they want (such as a PPA)?
2. Follow up with Atherton to see if it would be willing to add language into its Renewable Energy PPA RFP and contract that would allow other cities to piggyback on its RFP process and/or contract?
3. Consider exploring and facilitating cooperative procurement options for those cities that are interested, assuming there is enough alignment on what they all desire and how soon they want it.
4. Review the resources available on cooperative procurement of renewable energy to see what steps SMCEW may be able to help facilitate on behalf of cities in SMC.

Electric Vehicle Charging Stations Procurement

As stated earlier, JOCs were not found to be suitable for procurement of electric vehicle charging station installation services. A full analysis of options for procuring these services is beyond the scope of this project. A brief internet search, however, revealed some resources that are worth mentioning:

1. The City of South San Francisco is already working with PG&E on installing electric vehicle chargers. PG&E's EV Charge Network program is helping to accelerate California's transition to a clean transportation future by offering electric vehicle charger installation at select locations in PG&E's service territory. Website:

https://www.pge.com/en_US/business/solar-and-vehicles/your-options/clean-vehicles/charging-stations/ev-charge-network.page

2. The City of San Mateo conducted a RFP for qualified firms to design, furnish, and install up to eight publicly accessible Level-2 electric vehicle charging stations. RFP available at: <https://www.cityofsanmateo.org/DocumentCenter/View/44308/Public-Electric-Vehicle-Charging-Stations---RFP?bidId=>
3. EV Safe Charge provides comprehensive planning and consulting services, and EV charging station installations by EV Safe Charge Certified Contractors. Website: <https://evsafecharge.com/contractor-bak/>
4. The Bay Area Air Quality Management District Charge! Program is open and accepting applications for FY2019. The Air District's Charge! Program offers grant funding to offset the cost of purchasing and installing new publicly available electric vehicle charging stations within the Bay Area. The goal of the Charge! Program is to rapidly expand access to EV charging stations to help achieve the Bay Area's EV-adoption goals of 90% of the overall vehicle fleet by 2050. As of June 2018, there are approximately 125,000 EVs registered to Bay Area drivers. Website: <http://www.baaqmd.gov/funding-and-incentives/businesses-and-fleets/charge>

Given that SMC's Office of Sustainability operates the EV CHARGE UP! Electric Vehicle Charging station program, the SMCEW likely has access to knowledgeable staff that is aware of the full range of resources available to assist with cities with electrical vehicle installations. Nevertheless, recommendations related to cooperative procurement are provided below.

Potential next steps for consideration by SMCEW:

1. Follow up with those cities that expressed interest in electric vehicle charging station installation services to assess the following:
 - a. What services do they need? Are they just looking for EV charging station installation or do they need more comprehensive planning and consulting services as well?
 - b. How soon do they need them?
 - c. If their city were planning to procure services related to EV charging stations in the near term, would they be willing to add language into their RFP and contract that would allow other cities to piggyback on their RFP process and/or contract?
2. Interview appropriate contacts at South San Francisco to enquire as to its experience with the PG&E program and if they recommend it to other cities?
3. Interview appropriate contacts at the City of San Mateo to find out how successful its RFP was for installing electric vehicle charging station. Would they recommend their approach to other cities? Is there anything they would recommend changing?
4. Consider if one of the agencies that may be planning on procuring these services in the near term would be willing to be a lead agency for:
 - a. Piggybacking; or
 - b. Procuring services jointly with other cities.

References

American Bar Association. *2000 Model Procurement Code*, pg. 79

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California Public Contracting Code. Division 2. General Provisions [1100 - 22355] (Division 2 enacted by Stats. 1981, Ch. 306.) Part 3. Contracting by Local Agencies [20100 - 22178]

Horn, Randy (Gordian). 2018. Conversation with author. November 29.

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San Mateo County Civil Grand Jury. 2017 - 2018. *“Cooperative Purchasing – A roadmap to More Effective City Procurement”*. Superior Court of California San Mateo County.

Vance, Christine, Perkins, Craig. 2014. *“Scaling Up Fast and Transforming Markets with Regional Energy Networks”*. ACEEE Summer Study on Energy Efficiency in Buildings.

Vance, Christine, O’Sullivan, Terry and Rao, Abhijit. 2012. *“Picking Up the Pace with San Francisco’s EECBG Building Retrofit Program: How to Retrofit Buildings at Lightning Speed while Stretching Funding.”* ACEEE Summer Study on Energy Efficiency in Buildings.

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Attachment A – Sample Email Sent to City Representatives

Subject: Job Order Contracting Feasibility Study
Date: Friday, November 2, 2018 at 10:36:26 AM Pacific Daylight Time
From: John Allan
To: donguinesr@ci.pacific.ca.us
CC: Kim Springer, Chris Vance
Attachments: image001.jpg, JOC Background and Questions_11-1-18.docx

Hello Raymond,

The San Mateo County Energy Watch (SMCEW), Local Government Partnership with PG&E, which provides a range of energy efficiency programs to cities across San Mateo County, is interested in your input on the feasibility of a new countywide procurement approach we are exploring on behalf of the cities in San Mateo County.

The approach has the potential to streamline the construction procurement process, helping reduce valuable staff time, and expediting the time line for implementing energy efficiency and renewable projects. The approach leverages cooperatively procured Job Order Contracting or (JOCs). JOCs can accelerate the bidding process and control project costs while still meeting state competitive bidding requirements. 2050 Partners, Inc., a consultant we've hired with considerable expertise in JOC, is the consulting firm that is supporting SMCEW in assessing the feasibility of this approach. To be clear, this is not about implementing JOC at your city at this time, it's about assessing the feasibility for your city.

As a first step, 2050 Partners will conduct interviews with key energy/sustainability, facility, and purchasing/legal staff at each of the cities in San Mateo County to present the program benefits and gauge your level of interest in establishing a county-wide streamlined construction procurement process. We expect the interview to take about 50 minutes. After gathering your input, we will schedule a follow up call if necessary, to clarify remaining questions and receive and final input from your city.

Please reply-all to this email with specific dates and times among those shown below, that work for your city staff to provide input for this study. Because this project is on such a tight timeline, we ask that you book some hold times in your staff calendars.

- Monday November 5 through Thursday November 8: 9 am - 12 pm and 1 - 4 pm
- Monday November 19 through Wednesday November 21: 9 am - 12 pm and 1 - 4 pm
- Monday November 26 through Thursday November 29: 9 am - 12 pm and 1 - 4 pm

After you reply all to this email, Chris Vance, Senior Consultant at 2050 Partners, Inc. will contact you to confirm and schedule your interview time.

During the interview process, we would like to accomplish the following:

- Examine barriers you may encounter when implementing energy retrofit projects
- Understand typical construction and project timelines for your agency
- Learn what kinds of future energy projects your city may intend to implement
- Provide insight into the JOC process and how it may benefit your agency
- Determine the level of familiarity your city has with JOCs and cooperative procurement
- Gauge your level of receptivity and interest in JOC; and learn how SMCEW may assist you by bringing this new tool to public agencies in SMC

- Gather input to help SMCEW assess and design a program that is responsive to your needs

We have attached a handout that provides background on Job Order Contracting and two organizations the county may work with to deliver these services including The Gordian Group (a JOC Consulting firm) and Sourcewell (a national cooperative procurement agency). The handout also includes the list of expected interview questions which will hopefully give you an opportunity to consider your response as well as help you identify others you may want to invite to participate in the discussion.

We thank you for your time participating in this interview. We value your input and appreciate your guidance on assessing the feasibility of this approach to streamlining the construction procurement process for energy retrofits across San Mateo County.

We look forward to your valuable input,

John Allan

Sustainability Coordinator

County of San Mateo

Office of Sustainability

455 County Center, 4th Floor

Redwood City, CA 94063

650-363-4071

jallan@smcgov.org

<http://sustainability.smcgov.org>



BACKGROUND ON JOB ORDER CONTRACTING OR INDEFINATE QUANTITY CONSTRUCTION CONTRACTS

San Mateo County Energy Watch is exploring a new approach to streamline construction procurement services and fast track energy retrofits by utilizing cooperatively procured Job Order Contracts (JOCs), otherwise known as *Indefinite Quantity Construction Contract (IQCCs)*. *IQCCs* can accelerate the bidding process and control project costs while still meeting state competitive bidding requirements.

A typical energy retrofit project may take 6 to 16 months to complete the design and Bid & Award before construction commences. A simplified procurement process using cooperatively procured *Indefinite Quantity Construction Contracts* can cut the time by as much as half, helping you move quickly from energy audits to construction. Instead of your agency going through a lengthy qualification and bidding process for every project, you would have easy access to a pool of pre-qualified high performing local contractors whose services have already been procured on your behalf, through a public qualification and bidding process.

Explanation of Job Order Contracting (JOC) / Indefinite Quantity Construction Contracts:

Compared to the typical design-bid-build procurement process, Job Order Contracting can accelerate the bidding process and control project costs while still meeting state competitive bidding requirements.

- A JOC allows a public agency to construct a series of projects over time, using an on-call contract that can be awarded before any projects are identified.
- A JOC contract utilizes a published catalog that contains pre-set unit prices for detailed construction tasks and specifications, the pricing of which is based upon local prevailing wages and materials.
- Contractors bid an adjustment factor that is applied to all construction tasks listed in the catalog. The contractor(s) that meet minimum qualification and bid the lowest mark-ups are awarded contracts.
- Multiple task orders are issued against a contractor's master contract amount as needed.
- Once a master contract has been awarded to a contractor, an agency can skip the RFP process for each project and move directly to the task order/purchase order stage.
- As projects are identified, an agency issues a scope of work to a contractor which they break down into the applicable tasks found within the catalog and prepare a detailed cost proposal based on the unit prices, quantities and adjustment factor. After an agency has reviewed and accepted the cost proposal, a Purchase Order (i.e. Task Order) is issued and construction can begin immediately.

Benefits from Utilizing JOCs Compared to Typical Design-Bid-Build Procurement Process:

- Saves time since a JOC can shorten the duration of a project compared to design-bid-build.
- Reduces costs by lowering administrative and design costs. JOCs also significantly reduce the risk of inflated costs for change orders since the construction prices are based on fixed unit prices.
- Increases transparency and certainty in pricing
- Encourages partnership and collaboration
- Improves quality through performance-based contracting
- Provides more opportunities for local, smaller contractors
- Provides greater flexibility

Sourcewell and The Gordian Group:

- Sourcewell is a national public service agency governed by a board of locally elected directors that has the legal authority to facilitate cooperative procurement for a variety of services and equipment

on behalf of public sector agencies across the country through the joint powers authority law within each state.

- The Gordian Group provides innovative construction procurement solutions such as Job Order Contracting consulting services.
- In 2008, Sourcewell and The Gordian Group began cooperatively procuring Job Order Contracts across the country. The Sourcewell awarded a competitively bid contract to The Gordian Group to establish and provide JOC services to Sourcewell members in regions throughout the United States. Sourcewell membership is free and only requires signature on a one-page form. Invitations For Bids (IFBs) are advertised to contractors throughout a county or region and pre-bid conferences held in various locations to provide an equal opportunity for local contractors to participate. One possibility for the program envisioned SMCEW, is to have Sourcewell select and prequalify multiple contractors (that have energy efficiency experience and present the lowest bids) to provide on-call lighting, mechanical, and other energy retrofit services to cities located within San Mateo.
- When an agency issues a Purchase Order to a contractor through Sourcewell, it serves as a stand-alone, unique contract and Joint Powers Agreement (between Sourcewell, the local agency and the contractor) which is bound by the pre-set pricing and specifications found in the construction task catalog, but otherwise can include additional requirements as necessary that pertain specifically to the local agency and the project, as allowed and in accordance with the joint powers authority law within California.

INTERVIEW STRUCTURE AND QUESTIONS (50 Minutes)

Background Presentation - The Use of JOCs for Energy Efficiency Projects (15 minutes)

Energy Retrofits and Project Implementation Process (15 minutes):

1. What kinds of projects are you interested in completing in the next five years? Do you have any energy projects that have already been identified but not yet implemented?
 - a. Lighting
 - b. Mechanical
 - c. Street Lighting
 - d. Other (process, water, etc.)
 - e. Renewable and Power Storage
2. What are the main barriers to completing energy projects in your agency?
3. When does your city have to go out to bid for projects? What is the typical cost limit?
4. What is the typical project delivery path your city takes to implement an energy efficiency project? What are the current design-construction timelines for facility upgrade projects?
5. What kinds of additional technical assistance might your City need to assist in implementing energy projects when using Job Order Contracts for construction?

JOCs and JPAs (15 minutes):

6. Are you familiar with JOCs? If so what's your understanding?

7. How familiar are you with JPAs (joint powers agreement, a joint powers agency, or a joint powers authority)?
8. What has been your experience with JPAs? Are you familiar with “piggy backing” or cooperative procurement? What has been your experience with these?
9. Are you familiar with the Sourcewell (previously the National Joint Powers Alliance)?
10. Given what we have shared today, do you think JOCs could help your city complete energy retrofits?
11. Do you believe your city could support some form of “piggybacking” on the open, competitive procurement process undertaken by another agency to help you fast track energy retrofits?

CONCLUSION (5 Minutes):

What do you think about the possibility of SMCEW establishing a county-wide Job Order Contracting Program? Any ideas/comments on how this program could most benefit your city?

Attachment B – Power Point Presentation

Exploring Job Order Contracting to Streamline Energy Retrofit Construction for Cities in San Mateo County

Interviews conducted on behalf of the San Mateo County Energy Watch

2050 PARTNERS

Meeting Agenda

1. INTRODUCTIONS: 5 minutes
2. PRESENTATION: 15 minutes
 - Purpose of Project and Interviews
 - What is Job Order Contracting?
 - San Francisco's Energy Efficiency JOC Program
 - JOC Advantages for Energy Efficiency Projects
 - SoCalREN EE JOC Program (Cooperative Procurement)
3. QUESTIONS: 25 minutes
4. CONCLUSION: 5 minutes

Purpose of Project

- The San Mateo County Energy Watch (SMCEW) is exploring a new resource called Job Order Contracting (JOCs) to expedite the construction of energy retrofits for multiple public agencies across San Mateo County.
- The SMCEW has hired 2050 Partners, Inc. to help determine the feasibility of a county-wide Energy Efficiency JOC program.
- We want your input to help assess the feasibility of this county wide approach to streamlining the construction procurement process for energy retrofits

Purpose of Interview

- Provide insight into the JOC process and its benefits
- Examine the barriers you may encounter when implementing energy retrofit projects
- Understand your typical construction and project timelines
- Learn what kinds of energy projects you want to implement
- Determine the level of familiarity with JOCs and cooperative procurement, “piggybacking” and JPAs (Joint Powers Agreements)
- Gauge your level of receptivity and interest in this new tool
- Gather input to help SMCEW determine the feasibility and best approach for establishing a county wide JOC program

What is Job Order Contracting or *Indefinite Quantity Construction Contracts*?

- Job Order Contracts = as-needed construction services
 - Construction Task Catalog® (CTC) of detailed construction tasks and specifications
 - Preset prices based on local prevailing wages and materials
 - “indefinite quantity” task or job orders are issued under master contract on an as-needed basis
 - Also known as *Indefinite Quantity Construction Contracts (IQCC)* Competitively bid! (*but job orders are each fully scoped and quantified*)
 - Contractor bid markup(s) that are applied to all tasks in catalog
 - Contractor(s) with lowest mark ups are awarded contract(s)
- *IQCC* s have a 25-year record of implementation within the United States Department of Defense and local governments across the US

San Francisco Municipal Building Energy Retrofit Program – Modified JOCs to expedite Energy Retrofits

- Worked with The Gordian Group to develop first customized lighting and mechanical energy-efficiency-specific JOC catalogs
- Contracted directly with mechanical and lighting Job Order Contractors
- Used engineering contracts for audit-design-CM services along with lighting and HVAC JOCs for on-call whole building retrofits
- Completed retrofits in 100+ sites over 4 years; ranging from full mechanical upgrades at Davis Symphony Hall and Jails, to lighting upgrades at libraries, police stations and Rec Centers

EXAMPLE JOC COST PROPOSAL

Gordian Software:

- Allows Contractor to easily produce Cost Proposal
- Allows Gordian and Agency to easily review and comment on Contractor's cost proposal line by line.

Comparison Report Current Proposal vs First Proposal

Construction Task Catalog®
Published by The Gordian Group



Project No: JOC-25-06.00
 Title: EECEBG-Lighting Retrofit at Ella Hill Hutch Community Center
 Current Proposal Value: \$68,005.80 August 6, 2010 1:05 am
 First Proposal Value: \$72,785.19 July 15, 2010 8:27 pm

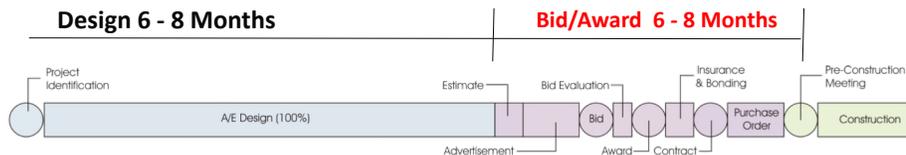
Proposal Sorted by **CSI**

Status	Rec#	Item	Mod.	UOM	Description	Value Change		
01 - General Requirements								
M	5	01560-0011		SF	Masonite For Floor Protection	\$(2,182.40)		
					Quantity	Unit Price	Factor	Total
					1600.00	x 1.24	x 1.1000	\$2,182.40
					Current Proposal Installation			
					Contractor Notes: FLOOR PROTECTION FOR GYM HARDWOOD FLOORS. INCLUDES LABOR TO MOVE MASONITE AROUND.			
					3200.00	x 1.24	x 1.1000	\$4,364.80
					Previous Proposal Installation			
					Owner's Notes: Contractor to change quantity to 1,600 and move as needed.			
16 - Electrical								
D	47	16505-0005		EA	Convert 1L F96 fixture to operate (2) F32T8 lampsNote: Includes white enameled 8' reflective fixture pan, pre-wired with lampholders and ballast. Excludes lamps.	\$(8,901.75)		
					Quantity	Unit Price	Factor	Total
					0.00	x 0.00	x 1.1000	\$0.00
					Current Proposal Installation			
					Contractor Notes: QUANTITY MODIFIERS NOT USED DUE TO THIS KIT WILL HAVE TO BE FIELD MEASURED AND CUSTOM FIT FOR SOFFIT LIGHTING IN HALLWAY.			
					50.00	x 161.85	x 1.1000	\$8,901.75
					Previous Proposal Installation			
					Owner's Notes: Contractor to remove, use 16505-0016 and modifiers.			
A	50	16505-0016		EA	Retrofit An Existing 4' (T12) Strip Style Fixture With Reflector To Operate One 4' (T8) Lamp	\$6,088.50		
					Quantity	Unit Price	Factor	Total
					50.00	x 110.70	x 1.1000	\$6,088.50
					Current Proposal Installation			
					0.00	x 0.00	x 1.1000	\$0.00
					Previous Proposal Installation			

Note: **A - Added** **D - Deleted** **M - Modified**

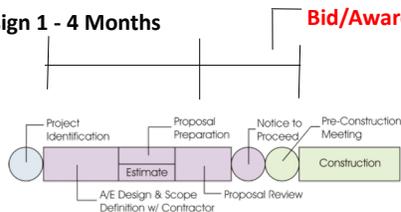
San Francisco EE JOC Program - Time Savings

Design - Bid & Award Duration: 12 to 16 Months



JOC Design - Bid & Award Duration: 3 to 6 Months

Design 1 - 4 Months | Bid/Award 2 - 6 Weeks



Other Job Order Contracting Advantages

- Transparency and certainty in pricing
- Lowers admin, design and construction costs
- Eliminates risk of inflated change-order costs
- Higher quality through performance based contracting
- More opportunities for use of local, small businesses
- Greater flexibility
- Encourages partnership and collaboration!



The Southern California Regional Energy Network (SoCalREN) - Cooperative Procurement

- Partnered with The Gordian Group and Sourcewell , a large national cooperative purchasing agency
- Awarded competitively bid indefinite quantity construction contracts (IQCCs) to 13 contractors across 12 counties
- Each county ended up having 2 to 3 contractors to choose from in three categories (HVAC, Lighting and Street Lighting)
- Projects identified by energy engineers on contract with SoCalREN
- IQCCs Adapted for Energy Efficiency:
 - Conform to the California Government Code
 - Leading edge technologies
 - Transparent pricing and review by Gordian on every proposal

Legal Justification Sited for utilizing Sourcewell's Indefinite Quantity Contracts for Energy Retrofits

- *California Government Code Section 6500 et seq (Joint Powers of Exercise of Powers Act) provides legal authority for two or more public agencies to enter into a joint powers agreement and jointly exercise any power common to the contracting parties, even though one or more of the contracting agencies may be located outside of California*
- *California Government Code Section 4217.10 et se (Single Source Supplier) (California Energy Codes Code 6502 and Code 4217) authorizing a public agency to use any procurement process that its governing body determines is in the best interest of the agency to procure facility energy efficiency improvements provided the governing body determines that the project savings outweigh the costs*

Examples of CA Agencies Using ezIQC Contractors Procured by Sourcewell (SoCalREN)

- SoCalREN (Site 6500 and 4217 for Legal Justification)
 - Number of Agencies that have used ezIQC Contractors = 32
 - Number of Cities Using ezIQC Contractors = 23

Leading by Example: Public Agency Projects

Agency Name	Project Type(s)	Agency Rationale for Turnkey Approach	Section 4217.10 et. seq.	Section 6500 et. seq.
City of Covina (General Law)	Mechanical, Street Lighting, Lighting (EMS, LED conversion & various upgrades)	City used Section 4217.10 et. seq. of the Government Code to justify utilizing competitively bid NJPA contractors.	✓	
City of Pomona (Charter)	Mechanical and Street Lighting (VFD on pool pumps and LED conversions)	City successfully used Section 6500 et seq. of the Government Code to justify using NJPA with two different projects.		✓
City of Arcadia (Charter)	Street Lighting (various upgrades)	City used Section 6500 et seq. of the Government Code to justify using NJPA to save time and money.		✓

Example Agencies in CA That Have Used Contractors Procured by Sourcwell via Gordian's ezIQC Program

1. Port of Hueneme, Oxnard Port District
2. County of Orange
3. City of Culver City
4. Western Riverside County Regional Wastewater Authority (WMWD)
5. Western Municipal Water District
6. City of Newport Beach
7. City of Covina
8. Eastern Municipal Water District
9. City of Moreno Valley
10. City of Visalia
11. City of Pomona
12. City of Whittier
13. City of Orange
14. Yucaipa Valley Water District (SBVWD Retailer)
15. City of Rancho Mirage
16. City of Downey
17. City of Mission Viejo
18. City of Claremont
19. Cucamonga Valley Water District
20. Inland Empire Utilities Agency
21. City of Murrieta
22. City of Arcadia
23. Goleta Sanitary District
24. City of Palmdale
25. City of West Hollywood
26. City of Santa Paula
27. City of La Palma
28. City of Costa Mesa
29. Coachella Valley Water District
30. City of Buena Park
31. City of Fullerton
32. City of Beverly Hills

Legislation: Using Joint Powers Agreements in California

- No Provisions for Co-Operative Purchasing in the Public Contract Code
- [Government code section 6500](#) et seq. is known as the Joint Exercise of Powers Act (Gov. Code §6501) and is the legal authority for the establishment of what are commonly known as Joint Powers Agencies (JPA's)
- [Section 6500](#) defines "public agency" for purposes of the act, and expressly includes "the federal government or any federal department or agency, this state, another state or any state department" as well as any local agency
 - Sourcwell qualifies as a "public agency"
- [Section 6502](#) thus stands for the proposition that any two or more public agencies, regardless of geography or jurisdiction, can enter into an agreement to jointly exercise their common powers.

Legislation: Using Joint Powers Agreements in California

- **Section 6503** prescribes the contents of the agreement between the public agencies:
 - **Section 6503** contemplates that the “power” that is common to the agencies in question may be exercised in different ways.
- **Sections 6508 & 6509** make clear that the JPA established by the agreement has only those powers specified in the agreement, and may only exercise the power in the manner provided by the agreement
 - **Section 6509** allows the agreement to specify which agency’s restrictions shall be applicable to the exercise of the power by the JPA.
 - Legislature left it to the parties to the agreement to decide which set of restrictions would apply to the power being exercised by the JPA.

Questions - Energy Retrofit Implementation

1. What kinds of projects (and approximately, how many and how large) are you interested in completing in the next five years? Any projects that you’ve identified but not yet implemented?
 - Lighting
 - Mechanical
 - Street Lighting
 - Other (process, water, etc.)
 - Renewable and Power Storage
2. What are the main barriers to completing energy projects in your agency?
3. When does your city have to go out to bid for construction projects? What is the typical cost limit?
4. What is the typical project delivery path your city takes to implement an energy efficiency project? What are the current design-construction timelines for facility upgrade projects?
5. What kinds of additional technical assistance might your city need to implement energy projects using Job Order Contracts for construction?

Questions - JOCs and JPAs

6. Are you familiar with JOCs? If so what's your understanding?
7. How familiar are you with JPAs (joint powers agreement, a joint powers agency, or a joint powers authority)?
8. What has been your experience with JPAs? Are you familiar with "piggy backing" or cooperative procurement? What has been your experience with these?
9. Are you familiar with the Sourcewell (previously the National Joint Powers Alliance)?
10. Given what we have shared today, do you think JOCs could help your city complete energy retrofits?
11. Do you believe your city could support some form of "piggybacking" on the open, competitive procurement process undertaken by another agency to help you fast track energy retrofits?

Conclusion

- What do you think about the possibility of SMCEW establishing a county-wide Job Order Contracting Program?
- Any last thoughts how this program could benefit your city?

Attachment C – Legal Justifications for Using ezIQC Contractors

Turnkey Project Delivery Completes Energy Efficiency Projects Faster!

www.theenergynetwork.com

Why are Agencies Choosing The Energy Network's Turnkey Project Delivery for Their Energy Efficiency Projects?

Put simply, using the turnkey project delivery approach considerably reduces the time it takes to get to construction by eliminating the need to bid projects, which enables your agency to realize energy cost savings faster and reduce the cost of delay.

How Have Other Public Agencies Found This Approach Helpful?

The turnkey approach provides a defensible, legally sound way to overcome common barriers associated with procurement for energy efficiency projects.

Benefits of Turnkey Project Delivery

✓ Reduce time to construction

Access competitively bid contractors, bypassing the time it takes to release an RFP/RFQ and select a contractor.

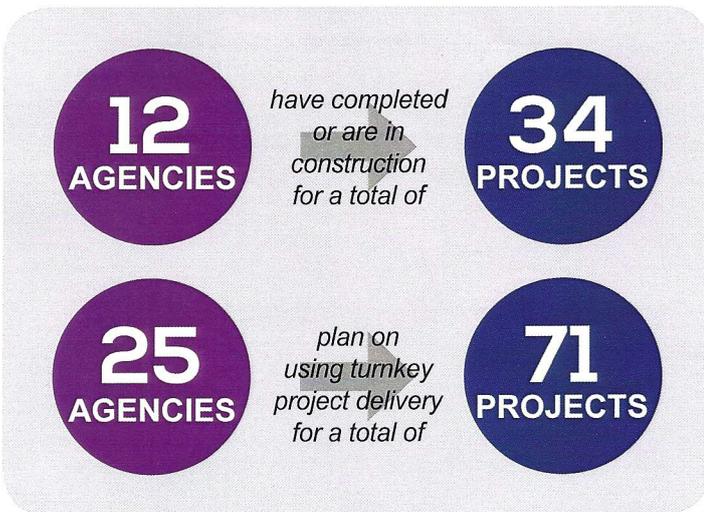
✓ Minimize staff labor

The approach is much less labor intensive for staff since competitive bidding has already been conducted on behalf of public agencies.

✓ Contractor proposal verification

Receive third-party review of contractor proposals by unbiased technical experts, ensuring alignment with the proposed scope of work.

As of February 2016



Projects by County

County	Current or Completed	Pipeline
Los Angeles	18	24
Orange	4	22
Riverside	3	15
Ventura	1	7
San Bernardino	-	1
Tulare	1	-
Santa Barbara	-	2

Leading by Example: Public Agency Projects

Agency Name	Project Type(s)	Agency Rationale for Turnkey Approach	Section 4217.10 et. seq.	Section 6500 et. seq.
City of Covina (General Law)	Mechanical, Street Lighting, Lighting (EMS, LED conversion & various upgrades)	City used Section 4217.10 et. seq. of the Government Code to justify utilizing competitively bid NJPA contractors.	✓	
City of Pomona (Charter)	Mechanical and Street Lighting (VFD on pool pumps and LED conversions)	City successfully used Section 6500 et seq. of the Government Code to justify using NJPA with two different projects.		✓
City of Arcadia (Charter)	Street Lighting (various upgrades)	City used Section 6500 et seq. of the Government Code to justify using NJPA to save time and money.		✓

Legal Justifications for Turnkey Project Delivery Through NJPA

How Does it Work?

By leveraging National Joint Powers Alliance's (NJPA) free membership, public agencies have access to pre-qualified mechanical, lighting and street lighting contractors that have already been competitively bid according to California Government Code.

While The Energy Network's Turnkey Project Delivery provides support from start to finish, your agency may need additional oversight during construction. If this is the case, The Gordian Group can provide construction management as part of a separate scope of work. The addition of an experienced and knowledgeable construction manager will streamline the construction process and can result in cost savings, increased construction quality and a significant reduction in claims and changes, all while minimizing the administrative burden of the facility owner.

What Legal Justifications are Used by Agencies for Choosing NJPA Contractors?

The pool of NJPA contractors can be accessed by public agencies by either using Section 4217.10 et seq. or 6500 et. seq of the Government Code.

Section 4217.10 et seq of the Government Code authorizes a public agency to use any procurement process that its governing body determines is in the best interest of the agency to procure an energy efficiency improvement project, providing the governing body determines that

project costs are outweighed by the energy savings. The spirit of Section 4217.10 et seq. is to implement conservation measures in an expedited manner.

Section 6500 et seq of the Government Code is known as the Joint Exercise of Powers Act (Gov. Code §6501) and provides the legal authority for the establishment of what are commonly known as Joint Powers Agencies (JPAs). Section 6500 et seq. defines "public agency" for purposes of the act, and expressly includes "the federal government or any federal department or agency, this state, another state or any state department" as well as any local agency. NJPA qualifies as a public agency, which a public agency may become a member of, at no cost, in order to access the pool of competitively bid contracts for energy efficiency projects. Section 6502 et seq. thus stands for the proposition that any two or more public agencies, regardless of geography or jurisdiction, can enter into an agreement to jointly exercise their common powers. The spirit of 6502 et seq. is to help public agencies develop a joint approach to a common problem.

What is NJPA and What is Its Role?

NJPA is a public agency with legal authority to serve as a contracting agency for municipalities and other public agencies in all states. NJPA conducted an open, transparent and competitive bidding process in accordance with the California Government Code for contractors to work on Energy Network supported projects.

Contact your Project Manager to learn more about The Energy Network's Turnkey Project Delivery approach.



This program is administered by the County of Los Angeles and funded by California utility ratepayers under the auspices of the California Public Utilities Commission.

Attachment D – Summary of Interview Questions and Answers

CITY	Interview Date	Charter or General Law	1. Energy projects interested in completing	2. Barriers to Completing EE Projects
<p>Atherton Robert Osoiko, DPW Director</p>	<p>INTERVIEW ON 11/28 AT 2:30 PM</p>	<p>General Law</p>	<p>We are building our new town center. We have torn down the library already and in demolition process now but will eventually be building a new Library, City Hall, Police Station, and associate facilities. They were designed initially designed to include photovoltaic and microgrid – but when we put it out to bid but prices too high. So we are making adjustments now and will be going out to bid in January. One of the cost savings is that photovoltaic and microgrid have been removed from project. Now looking at PPA, so that our costs are reduced (developer is eligible for tax incentives and rebates that public agencies are not) and so that those costs can be amortized over time.</p> <p>If your program included renewable and power storage via a PPA that would be great. Otherwise, our Council would like it to do an RFP go out to bid to make sure we are getting the best scenario for the town. Most of our buildings are going to be replaced with this project.</p> <p>We have done some street lighting projects recently and may do more where we are converting form series and parallel system with more normal voltage.</p> <p>City Center – we will be installing EV charging station at some point.</p> <p>Robert – Don't know if Electric Generator would qualify for JOC? (Chris – typically not used just for equipment purchase alone, but Solar well would may have another non-JOC vendor for equipment purchase for this. Robert – we will need to adapt our building to accept power from a generator – the electrical – and would like for this not to be sitting outside but also to be portable, so that we can wheel it out, providing power to the building in case of emergency. So biggest immediate need is to add photovoltaic, power storage and microgrid once the construction for the new buildings is complete – via a PPA arrangement.</p>	<p>Only been with Atherton for a year and have not done any projects when I have been here, but last town I worked at – they were in contract with an ESCO and they were doing a lot of solar. So I know what the barriers are. It became difficult to see where energy savings was coming from. Barriers – most barriers will be same for EE versus other kind of project.</p>
<p>Belmont Afshin Oskoui, DPW Director Brigitte Shearer, Director of Red and Parks (owns City Facilities)</p>	<p>INTERVIEW ON 11/28 AT 1PM</p>	<p>General Law</p>	<p>Albion – have already done a lot of work on facilities, everything with PG&E project. We have retrofitted City Hall and library, and all major facilities (lighting and HVAC), so next step will be additional solar. Everything else has been done. Street lighting has been converted to LEDs, parking lots have been done. May have some maintenance type work that comes up – one up jobs.</p> <p>Brigitte – We are upgrading one of our athletic fields including lighting. Design is underway now. Nothing significant right now. Maybe Solar on Library. Looking at EV parking stations now. Longer term when rebuild our community center, we will build in lots of energy efficiency and sustainable features.</p> <p>Albion, what about fire stations? Afshin answer – one is going to be rebuilt and the other is fairly new.</p>	<p>When using 4277 with PG&E services we still ended up having to bifurcate out to get the services we needed. We had to go back to the City Public Contracting Code as required by our City Attorney.</p> <p>Basically PG&E was not following the public contracting code when hiring contractors. So we had to reask it up and bid out – so even though other cities may have been fine with this arrangement, we have a very detailed City Attorney and he was not comfortable with the PG&E work not being bid out. It was about the big solar project that we had to go through the public procurement oversight when still holding points out. County Council never put forth some kind of structure – PPA or something so that it will pass muster with all of the City Attorneys.</p>
<p>Brisbane Adrienne Etheron, Management Analyst Karen Kiner, Deputy Director of DPW Randy Bressalt, Director of DPW</p>	<p>INTERVIEW ON 11/7 AT 3PM</p>	<p>General Law</p>	<p>Karen: We are small, but probably have a couple projects in each category (lighting, Mechanical, Street lighting, and renewable.) Adrian: we are also interested in EV charging. This may come up more with more agencies.</p>	<p>Karen: Procurement can take time and be a barrier. Barriers to JOC may be understanding what the costs are, and City Council approval.</p>
<p>Burlingame Andra Pappajohn, Sustainability Manager Johnson Woo, DPW Facilities Manager</p>	<p>INTERVIEW ON 11/20 AT 1PM</p>	<p>General Law</p>	<p>We have an immediate need to replace a boiler at City Hall that is well beyond its useful life. We have another on books for replacing energy management system for the main Library and for the Public Works Maintenance Yard. In general lots of deferred maintenance mechanical projects needed.</p> <p>Street lighting – have about 800 with about 90% LED already. Renewable and power storage – could be some interest there.</p> <p>There may also be some interest in EV charging stations; we have EV charging station projects right now. But not much interest in City fleets, since we don't have any EV's right now.</p>	<p>Procurement process can definitely be time consuming for any facility upgrade.</p>
<p>Milbrae Shelly Reider, Environmental Programs Manager Rose Amelia, DPW Facilities Manager Analyse Cole, DPW Utilities and Operations Superintendent</p>	<p>INTERVIEW ON 11/7 AT 1:00PM</p>	<p>General Law</p>	<p>We are at the beginning of facilities master plan so can't say right now but probably average for a smaller city</p> <p>We have treatment plant that has operated at Co-gen at different times; it has been down for some time due to equipment issues – is that something we could get help with? Imagine any retrofit/mechanical upgrade that we couldn't help with. Feasibility study would need to be done independently by engineer. Contractor needs specification level – not design. We could explore if we can provide those services at some time in the procurement process.</p> <p>City: This could be really helpful for us. It is a Chevron designed, bio-gas to energy at waste-water treatment plant</p> <p>It may be that as master plan is developed, we may be able to identify more projects – or recommendations from last audit.</p> <p>We took a tour yesterday of local business called "STEAM" (local storage company) – that might be an area we could also potentially be interested in. This is something we are really interested in and our Director is very favorable – We think this will be beneficial.</p>	<p>Yes, procurement can take time and be a barrier.</p>

CITY	3. Bid Process and Cost Limits	4. Typical Design- Construction Timelines	5. Technical assistance needs to complete projects using JOCs	6. JOC Familiarity	7. JPA Familiarity
<p>Atherton Robert Ouedia, DPW Director</p>	<p>Depends on level of design, but typically need to outsource design – takes about 4 months, then actual design would take to for example replace a couple of units – could take 3 months, and then 2 more months to advertise and award. If it is a simple replacement with not much design, we could may just solicit for the replacement, and get three bids.</p>	<p>That would definitely be helpful having the technical expertise assistance available. I don't know yet if we can use JOCs yet through a JPA with Sourcewell, or through some new consortium such as through C/CAAG where C/CAAG bids something out – that would be different. Chris – considering program design of including optional engineering technical assistance in JOC contracts. Robert – only concern is conflict of interest. Engineer under contractor's contract could spec something that is more expensive that contract benefits from. If you had more engineering in the contract, I think this is the separate from the JOCs – this would eliminate conflict and also the mark up on these services.</p>	<p>We don't have the type of technical EE experts that are needed on staff, so we would typically need to procure those services. For our projects we have contracted with PG&E for implementation. Aflshin - I would be good to always have another option. I see that Bridgette - would we not be required to use them. Chris - no, they would just be there if you needed them. Aflshin - the only caution if you were to provide those services through JOCs would be that you would have to have some degree of technical independence from contractor and technical advisor. For Design Build – you would typically have your programming consultant for technical review and oversight. You want to have some degree of independence.</p>	<p>Yes, we also have used JOCs previously when I worked with San Diego – I managed with JOC contracts with Gordian. Aflshin – yes, I would say in terms of short circuiting the full procurement process for each repair or replace type project, savings in design costs and time, and duration. For San Diego, it may take 6 or 9 months to award contract – and JOC we could do it in 60 days. The bigger City you are with more bureaucracy, the more it advantages. And we did have some restrictions when they could be used. When I started task orders could not be over \$250k and we eventually went up to \$750k. Really for retrofits and not new construction.</p>	<p>Yes, we also have used JOCs previously when I worked with San Diego – I managed with JOC contracts with Gordian. Aflshin – yes, I would say in terms of short circuiting the full procurement process for each repair or replace type project, savings in design costs and time, and duration. For San Diego, it may take 6 or 9 months to award contract – and JOC we could do it in 60 days. The bigger City you are with more bureaucracy, the more it advantages. And we did have some restrictions when they could be used. When I started task orders could not be over \$250k and we eventually went up to \$750k. Really for retrofits and not new construction.</p>
<p>Belmont Aflshin Okouli, DPW Director Brigitte Shearer, Director of Red and Park (for the Redwood City Facility)</p>	<p>We follow public contract code. Over \$5K – info req bid. Formal bid - I think now it is going up to \$200K with city council approval. (True for all General Law Cities)</p>	<p>It all depends. Design – depends on facility needs. Not long if you just need spec and request shop drawings, but if you need formal drawings, it will take longer – a few months. B&A – Not that long – 2 months.</p>	<p>To the extent LSP can continue with technical assistance services, contractors. To the extent these services can't be captured, we would need another source for these services. Having them as an option in the JOC contract would be great, especially in case LSP these services are not continued. We also have the ability to contract directly for energy engineering services and could acquire them that way as well.</p>	<p>Yes – we are familiar with JOC</p>	<p>Yes – we are familiar with JPAs</p>
<p>Brisbane Adrienne Ebertron, Management Analyst Karen Krieger, Deputy Director of DPW Randy Breaugh, Director of DPW</p>	<p>Needs to be in budget. Even in budget need approval from City Council We do the whole process and then we get the lowest bidder and then we have delay, and change orders. Always takes longer than you expect. We follow Public Contract Code as far as limits.</p>	<p>Depends on the project but typically, Design, bid and construction. Design – 4-6 months Bidding process – 3 months</p>	<p>Design, specification</p>	<p>None</p>	<p>Not much.</p>
<p>Burlingame Andrea Pappalohn, Sustainability Manager Johnson Woo, DPW Facilities Manager</p>	<p>Over \$100K need council approval for public works; under more informal.</p>	<p>For \$200-\$300K lighting project, for example: Design – 4-6 months Bidding process – 3 months</p>	<p>In some cases, they have it covered for some projects through SMCCEW and PG&E. But might also be advantageous to have option for technical assistance and engineering to quote up later projects as an option.</p>	<p>Yes – we are familiar with JOC and JPA</p>	<p>City has been involved in JPA projects (clean air projects)</p>
<p>Milbrae Shelly Reider, Environmental Programs Manager Rose Amelia, DPW Analyst Craig Centis, DPW Utilities and Operations Superintendent</p>	<p>Needs to be in budget. Even in budget need approval from City Council We do the whole process and then we get the lowest bidder and then we have delay, and change orders. Always takes longer than you expect. We follow Public Contract Code as far as limits.</p>	<p>For \$200-\$300K lighting project, for example: Design – 4-6 months Bidding process – 3 months</p>	<p>None</p>	<p>Yes – we are familiar with JOC and JPA</p>	<p>City has been involved in JPA projects (clean air projects)</p>

SAN MATEO COUNTY ENERGY WATCH - JOC FEASIBILITY STUDY INTERVIEWS

12/11/18

CITY	Interview Date	Charter or General Law	1. Energy projects interested in completing	2. Barriers to Completing EE Projects
<p>Pacific</p> <p>Raymond Domingues P.E. Senior Civil Engineer</p>	<p>INTERVIEW ON 11/29 AT 10AM</p>	<p>General Law</p>	<p>We have completed many lighting projects. Couple years ago, we upgraded most interior lighting to LED (not through DI program but did take advantage of rebates); recently did one building lighting retrofit through DI program.) We also replaced a few boilers recently as part of larger energy retrofit process. Have converted all street lighting to LED as well.</p> <p>May still have some mechanical repair and upgrades eventually - but nothing needed in near term. We need painting and new windows first prior to mechanical systems.</p> <p>We are interested in EV charging stations. Looking for a site now.</p>	<p>We did need to do internal drawings and go out to bid for our previous energy efficiency projects, so the procurement process does take a long time.</p>
<p>Redwood City</p> <p>Vicki Sherman, Environmental Engineering Manager Dan Barrows - Field and Facilities Supervisor, Department of Public Works</p>	<p>INTERVIEW ON 11/26 AT 1pm</p>	<p>Charter</p>	<p><i>Don:</i> We don't have anything burning in our queue right now that needs to be done. We did facilities assessment last year and identified things that need to be replaced in next 5-10 years. We've done some lighting projects already. 4 major facilities are being retrofitted. A main boiler in one of our main facilities is being replaced. Already have a pretty good jump on things but as more projects come to fruition, I can see it looking to a procurement process like this to help.</p>	<p><i>Vicki:</i> We do have problems with direct install because attorneys require separate bids - won't accept EnergyWatch vendor. Claim its not really competitively bid.</p> <p><i>Don:</i> In order for us to receive funding from Ecology Action we have had to pay for the design and engineering. We had to go through the process as if we were hiring a contractor from the outside.</p> <p><i>Vicki:</i> We have also tried to use on-bill financing. Response has been "no" - basically debt financing and they don't want it. To show up in City books as debt. EnergyWatch program needs to put a presentation together and persuade attorneys together to pitch the idea and explain it - convince them ...</p> <p><i>Don:</i> Redwood City is a charter city - may have a different standard. Our <i>Vicki:</i> We are considering it.</p> <p><i>Don:</i> We are considering it. We have been able to use these programs and it has been frustrating to us that we can't use them as well.</p> <p><i>Don:</i> At public works, we are mostly maintenance, not new building. Might want to present to engineering department as well.</p>
<p>San Carlos</p> <p>Nicole Scott, City Manager Office Lou Duran, DPW Superintendent Tamara Shapiro, DPW (Manager Contracts) Carrie Tam, Financial Services Manager Jenny Liu, Risk Management</p>	<p>INTERVIEW ON 11/19 AT 2PM</p>	<p>General Law</p>	<p>We have completed street lighting projects; we have completed all lighting to LED and all HVAC. We may explore more renewable. We currently have solar at City yard facility, but looking at whether it is feasible elsewhere.</p>	<p>With technical assistance provided from SMCEW and PG&E, City has been successful in implementing EE projects.</p>
<p>San Mateo</p> <p>Andrea Chow, Sustainability Analyst (City Manager Office) Dave Rink, Facilities and Fleet Manager, DPW; Steve Wu, Project Manager II, DPW (Facilities)</p>	<p>Sent e-mail 11/1 INTERVIEW ON 11/8 AT 2PM</p>	<p>General Law</p>	<p>Andrea: City of San Mateo is already done a ton of work and are actively participating in PG&E's Sustainable Solutions Turkey (SST) program right now on a \$3.4 million energy efficiency upgrade to many of our facilities. We are also doing some lighting upgrades through the SMCEW direct install with Ecology Action. And we have worked with PG&E to upgrade our street lights.</p> <p>Steve: We anticipate at least 2 major HVAC projects in next couple of years. We are in design/build for Fire Station 23 right now and Senior Center HVAC is over-due; we have lots of mechanical issues throughout the city.</p> <p>Dave: We've completed much of the lighting and HVAC through PG&E's Sustainable Solutions Turkey (SST) program; we have touched almost every large occupied building with this program. We have also complete lighting retrofits on smaller buildings through SMCEW program (Direct Install program). Softball fields and tennis courts are being upgraded already. Haven't done anything relative to waste water treatment plant. These were not included in SST because we are creating all new wet side at that plant. Renewable and power storage are options; but nothing on immediate forefront right now. City of San Mateo has strong focus on renewables from city council. Vehicle charging opportunities may exist as well.</p>	<p>Getting them to a high enough level to go after. Onbill financing has helped. Anything that defers costs helps with consideration of projects (financing through energy savings, grants, etc.); City council very open to out of the box thinking</p>
<p>South San Francisco</p> <p>Justin Lovell DPW Administrator; Danielle Sanderson, Business Manager for Public Works Brian Cume, Facilities Manager</p>	<p>INTERVIEW ON 12/3 AT 3PM</p>	<p>General Law</p>	<p>Justin: We had an RFP for energy audit with Engle, but that project ended last summer. We know there are a handful of projects we will want to do in the future: internal lighting retrofits, street light retrofits, park and pathway lighting, adding solar panels.</p> <p>Brian: We have several project that have been identified but are on hold because we are not clear whether we will continue to own the building.</p> <p>Justin: Another interest is peak load shaving at water treatment control plant. We have applied for PG&E program for electric vehicle chargers. PG&E would own and install chargers. We are in design phase with PG&E. We will install 54 level-2 chargers at 3 different sites. Awe are also installing high-powered chargers in our parking garage (with another company). There are other things we would like to do but we have another large project at water treatment plant right now so timing not good right now.</p>	<p>Justin: With 4217, the biggest hurdle has been with City Council. Not our typical design, bid, build. Design and construction drawings are also very challenging. Also, council members need to get comfortable with what we are purchasing (warranties, as-builts). Some council members will oppose if over 7 year 4 for payback. We are getting to the end of the rope with the low hanging fruit. There could be deeper savings, but council members noted that some of the technology proposed has been around for a long time. Cost is also an issue. There is no savings in monitoring what we are saving. Also, with regard to cost, we don't want anything that we don't own.</p> <p>Doing turn-key energy savings program, our initial RFP was not strong enough. We didn't really understand what we wanted. Now we have a better idea of the things we need to ask for: Having ability to specify requirements and then having a project reviewer would be helpful to make sure we are getting what we want.</p>

CITY	3. Bid Process and Cost Limits	4. Typical Design- Construction Timelines	5. Technical assistance needs to complete projects using JOCs	6. JOC Familiarity	7. JPA Familiarity
<p>Pacifica Raymond Domingues P.E. Senior Civil Engineer</p>	<p>Less than 10K, informal – get three bids. Over 10K – City manager signs. Over 75K – more we do formal bid as per Typical for Government code - advertise for 2 weeks, 30 days for response from contractor, must go through City Council for approval.</p>	<p>Depends on complexity of design – and if we need to hire consultants. For simpler projects we design in house, but if more complex we need to outsource engineering – we have a pool of engineering consultants now to choose from, but could take 2 to 6 months, and then about 3 weeks to approve and award project. City manager signs and bonds in place – contractor can start. Design: 2 to 3 months; Bid and Award: 1 month</p>	<p>We don't have a lot of experience with mechanical or electrical system design so would benefit from expertise in this area – if we are doing boiler for example, may rely on contractor to design in some cases.</p>		<p>We have not used JPA for construction services, but familiar with JPA with C/CAG. Have not done much playbacking, but if procurement process undertaken by another city, we are able to use their bidding process and contract directly with vendor.</p>
<p>Redwood City Vicki Sherman, Environmental Infill Dan Barrows - Field and Facilities Supervisor, Department of Public Works</p>	<p>Don: anything over \$50K needs city council approval. Less than just requires City Manager approval. Vicki: Engineering does design, public works are annual maintenance. We don't typically design new construction. Vicki: took 4 years to do multi-agency procurement program (solar on buildings)</p>	<p>Don: expects it would take a year to 18months for bid and design for typical construction project. Could be 2-3 years.</p>	<p>Vicki: Speeking out projects. Projects can help with speaking because we don't know latest and greatest.</p>	<p>Don: familiar with the concept. Not familiar with these sources.</p>	<p>Vicki: We are already a member agency of a number of JPAs.</p>
<p>San Carlos Nicole Scott, City Manager Lou Duran, DPW Superintendent Tamara Shapiro, Manager DPW (Maintenance Contracts) Carrie Tam, Financial Services Manager Jenny Liu, Risk Management</p>	<p>For regular city supplies and services we need to go out to bid if it is over \$75K, and if required Council approval. For public works projects, if it is over \$175K, it requires an open bid and approval by Council. From 45K – 175K – need informal bidding with no Council approval.</p>	<p>Design 4 to 6 months, 2 to 3 months for bid and award but depends on size; bid and award could be longer for larger projects.</p>	<p>We typically use PG&E energy watch services for audits. We would need access to similar engineering services to help us to identify and spec projects.</p>	<p>Not familiar with JOCs.</p>	<p>Low - We have purchased equipment via other cooperative procurement groups. Jenny – entered into Office Depot via JPA procurement arrangement</p>
<p>San Mateo Andreas Chow, Sustainability Analyst (City Manager Office); Dave Fink, Facilities and Fleet Manager, DPW; Steve Wu, Project Manager II, DPW (Facilities)</p>	<p>For example, PG&E SSP - discussions started in 2014; got serious early 2018 – able to get project scope pulled together; started project approximately 1 month ago, moved it to high speed once they got started. From scratch concept to actual contract awarded, depends on scope and size; but 8-12 months is pretty typical; has to go through City Council; its all about finding funding Assuming funding, process could still take one year (8-12mos) for project over \$100K. Small project could move quickly</p>	<p>Most likely we'd need assistance – energy auditors</p>	<p>Yes – already familiar and doing projects (see response to Q.1)</p>	<p>Yes - familiar</p>	
<p>South San Francisco Justin Lowell DPW Administrator; Danielle Sanderson, Business Manager for Parks and Recreation Brian Crane, Facilities Manager</p>	<p>Justin: As a general law city, we have to comply with Government procurement laws. Will increase to \$200K in January 2019. If over \$75K in value, we need City Council approval. We don't have many jobs that are under \$200K. If under \$100K, may do in-house. If we have construction drawings, we will typically follow the formal bid procedure.</p>	<p>Justin: If larger project with detailed drawings, design will take the longest, mostly due to pure volume and small staff. Best case will take a year to go to construction. In most cases, it will take 24-36 months for notice to proceed with construction.</p>	<p>Justin: For energy projects, we would want large-scale expertise for design and scoping would be helpful for us.</p>	<p>Yes – already familiar</p>	<p>Yes</p>

CITY	8. Sourcewell (NIPA) / Cooperative Procurement Familiarity	9. Receptivity to JOCs to help complete energy retrofits	10. Receptivity to "piggybacking" or use of JPAs
<p>Pacifica</p> <p>Raymond Domingues Senior Civil Engineer</p>	<p>I am familiar cooperative procurement of vehicles, for example. Have not heard of Sourcewell (or NIPA)</p>	<p>Regarding value of using JOC for construction, given the little amount of remaining work we have, it may not be much of an interest to convince our legal that it is in our best interests to do this. It would require a lot of energy to require staff time, so it would be a tough sell. As far as saving on reduced change order costs, it depends on how well you scope your projects. We don't have a history of unjust change orders to argue as a selling point.</p>	<p>Legal department is very cautious. While we do have provisions in our code that allow to go outside bidding requirements, frequently we are instructed to proceed with normal bid, advertising, etc. - instruction from legal department.</p> <p>We are still receptive and would be interested in such a program nevertheless: Our need is minimal at this time, but always open to new opportunities</p>
<p>Redwood City</p> <p>Vicki Sherman, Environmental Initiatives Manager Dan Baravac- Field and Facilities Supervisor, Department of Public Works</p>	<p>Vicki: Had not heard of Sourcewell before contacted about this interview.</p>	<p>Dan: Absolutely interested in further discussion-- but needs support of administration</p>	<p>Vicki asked about relying on Government Code 6500 if they have not entered into a Joint Powers Agreement. Our attorneys may be more reluctant to use single course code for justification. Council members will question how they know they have the best price when they piggyback. Chris explained that Sourcewell has a rigorous process for pricing. Joining as a member acts as a JPA. We can piggyback on a contract but we have to do it within 6 months of actually signing the contract. Chris considered that the requirements might be met because there are multiple pricing adjustments and multi-year contract. Issue is how they maintain price competitiveness.</p>
<p>San Carlos</p> <p>Nicole Scott, City Manager Office Lou Duran, DPW Superintendent Tamara Shapiro, Management Analyst DPW (Manager Contracts) Carrie Tim, Financial Services Manager Jenny Liu, Risk Management</p>	<p>Lou--not familiar with Sourcewell (or NIPA).</p>	<p>Yes--open to it but would just have to come up with what projects we could do since we have already done so much. Would have to see how it would go.</p>	<p>Yes (same answer to 9)</p>
<p>San Mateo</p> <p>Andrea Chow, Sustainability Analyst (City Manager Office) Dave Fink, Facilities and Fleet Manager, DPW; Steve Wu, Project Manager II, DPW (Facilities)</p>	<p>Yes--heard of them before</p>	<p>Legal department is very cautious. While we do have provisions in our code that allow to go outside bidding requirements, frequently we are instructed to proceed with normal bid, advertising, etc. - instruction from legal department.</p> <p>As far as value of using JOC on construction, given the amount that we have, it may not be much of an interest to convince our legal that it is in our best interests to do this. It would require a lot of energy to convince legal. There needs to be more carrots in addition to saving staff time-- tough sell</p> <p>Reducing change order costs? Depends on how well you scope your projects. They don't have a history of change orders to argue as a selling point.</p>	<p>Yes--we would be interested;</p> <p>Our need is minimal at this time--but always open to new opportunities</p>
<p>South San Francisco</p> <p>Justin Lovell DPW Administrator; Danielle Sanderson, Business Manager for Parks and Recreation Brian Crum, Facilities Manager</p>	<p>Yes--we are a member of Sourcewell.</p>	<p>Justin: We are open to it. We've been talking about it in the more general sense. JOCs won't work for certain projects (new construction) but it makes a lot of sense for a lot of our projects. We have done a lot of audits, now it's time to start looking at JOCs. Open to trying out anything that makes the process easier.</p>	<p>Okay with us if contracts are procured through Sourcewell.</p>