



Legislation Details (With Text)

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Title: Approve a consultant agreement with Baker Tilly US, LLP in the amount of \$256,443, plus a not-to-exceed contingency amount of \$10,000, to provide consulting services on development of an assessment - along with recommendations for options - to improve the services and affordability of electricity in the City of Fresno; authorize the City Manager or designee to execute all related documents. (Citywide)

Sponsors: Office of Mayor & City Manager, Public Works Department, Tyler Maxwell, Luis Chavez, Garry Bredefeld

Indexes:

Code sections:

Attachments: 1. 23-709 Agreement for consultant services - Baker Tilly US, LLP

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REPORT TO THE CITY COUNCIL

FROM: GEORGEANNE A. WHITE, City Manager
Office of Mayor & City Manager

THROUGH: SCOTT L. MOZIER, PE, Director
Public Works Department

BY: ANN D. KLOOSE, Sustainability Division Manager
Public Works Department, Sustainability Division

JOHN ELLIS, Governmental Affairs Manager
Office of the Mayor & City Manager

SUBJECT

Approve a consultant agreement with Baker Tilly US, LLP in the amount of \$256,443, plus a not-to-exceed contingency amount of \$10,000, to provide consulting services on development of an assessment - along with recommendations for options - to improve the services and affordability of electricity in the City of Fresno; authorize the City Manager or designee to execute all related documents. (Citywide)

RECOMMENDATIONS

Staff recommends the City Council approve a consultant agreement with Baker Tilly US, LLP in the amount of \$256,443, plus a not-to-exceed contingency amount of \$10,000, to provide consulting

services to develop an assessment, and recommendations for options, to improve services and affordability of electricity in the City of Fresno and authorize the City Manager or designee to execute all related documents.

EXECUTIVE SUMMARY

On September 2, 2021, the Council unanimously adopted Resolution 2021-240, a Resolution of the Mayor and Council in opposition to Pacific Gas & Electric Company's June 2021 filing to the CA Public Utilities Commission (CPUC) requesting substantial rate increases. The resolution called on the CPUC and Pacific Gas and Electric (PG&E) to freeze rates and implement electricity rate reform. Since 2021, electricity rates have increased more than 26% through 2022, and are projected by PG&E to increase up to an additional 36% this year. Taken together, this represents a 62% increase in just two years. In addition to these unsustainable rate increases, PG&E has failed to provide new utility connections and service in a timely or reasonable manner. The ongoing costs of these connection delays is extreme and difficult to quantify, but there is abundant evidence it is hurting both business owners and homebuyers. For these reasons, the Mayor and City Council discussed hiring a consultant to develop an assessment and offer recommendations and potential options to improve the services and affordability of electricity in the City of Fresno. The proposed consultant services agreement with Baker Tilly US, LLP, will accomplish the stated objectives.

BACKGROUND

This request for Council approval is the next step in addressing serious concerns over PG&E's electricity prices and connection delays. The recommended action follows up on initial public concerns voiced by the Mayor and Councilmembers, which were consistent with the 2021 Council resolution to the CPUC, expressing serious concerns over the excessive electricity rate increases. Furthermore, the significant delays in providing new service connections has resulted in project impacts and added costs, as demonstrated by both the Fresno/Madera Building Industry Association (BIA) and State Center Community College District (SCCCD) in separate CPUC complaints filed last year.

On November 3, 2022, the Mayor and Council discussed providing direction to staff to hire a consultant to explore options for alternative services. The issue was tabled with a request for the Administration to return with additional information. Since that time, staff formed a committee to include industry experts and issued a Request for Qualifications (RFQ) to acquire additional information. The RFQ Committee included Ann Kloose, Sustainability Division Manager, City of Fresno Public Works, John Ellis, Government Affairs Manager, City of Fresno, Office of the Mayor, Courtney Blore Kalashian, Executive Director, SJV Clean Energy Organization, and Kevin Flanagan, Program Manager, Joint Power Authority (JPA) at SPURR. The RFQ's purpose was to provide an option to hire a consultant to develop an assessment and recommendations for potential alternatives to improve the services and affordability of electricity in the City of Fresno.

The above stated RFQ was released on December 21, 2022, and closed on February 8, 2023. The RFQ notice was published in the Fresno Business Journal, released on Planet Bids and was also directly sent to additional firms that had previously expressed interest. Four firms responded, submitting Statements of Qualifications (SOQs). Of those, three of the firms met the standard qualifications and were selected for interviews. Each firm had some level of experience among the potential options identified for consideration on the City's RFQ. These included renegotiations of the existing Electricity Franchise Agreement initiated in 1938, creation of a Community Choice

Aggregation (CCA), formation of a Joint Power Authority (JPA), establishment of a Customer-Owned Utility or Municipal Utility District, and developing new legislation to provide more favorable options for Fresno.

Following the review and interviews, Baker Tilly US, LLP was ranked by each committee member as the top recommended firm, and staff determined this consultant as best suited to perform this work based upon project requirements, available capacity, prior experience in all areas as well as cost. For these reasons, staff recommends awarding a contract to Baker Tilly, US, LLP for LLP in the amount of \$256,443 plus a not-to-exceed contingency amount of \$10,000 to develop an assessment and recommendations for potential alternatives to improve the services and affordability of electricity in the City of Fresno.

The City Attorney's Office has reviewed and approved all associated items as to form.

ENVIRONMENTAL FINDINGS

Approval of the consultant service agreement is not a "project" within the meaning of Public Resources Code Section 21803 (CEQA Guidelines Section 15378) because the administrative activities as identified in the consultant agreement will not result in direct or indirect physical changes in the environment.

LOCAL PREFERENCE

Local preference is not applicable for this item and an RFQ was issued seeking unique and specialized industry expertise and was based on a qualitative analysis not based solely on price.

FISCAL IMPACT

Sufficient funds are currently appropriated in the FY2023 Adopted Budget under General Fund - General City Purpose department.

Attachment(s):

Agreement for consultant services - Baker Tilly US, LLP