

Master City of San José Consultant Agreement

(Non-Capital Projects)

Amendment to Approved Service Order - Cover Page

1a. Intentionally Omitted.

1b. Master Agreement AC No.: 663456

2. First Second Third Amendment to Approved Service Order No. 7

3. Consultant's Name: Flynn Resource Consultants, Inc.

4. The above-referenced Approved Service Order is amended as follows:

4a. **Budget/Fiscal:** The original Budget/Fiscal information in Section 7 of the Approved Service Order First Revised Budget/Fiscal Attachment Second Revised Budget/Fiscal Attachment is amended to read as set forth in the attached First Second Third Revised Budget/Fiscal Attachment.

4b. **Tasks - Attachment A:** The original First Revised Second Revised Attachment A is amended to read as set forth in the attached First Second Third Revised Attachment A.

4c. **Compensation Table - Attachment C:** The original First Revised Second Revised Attachment C is amended to read as set forth in the attached First Second Third Revised Attachment C.

5. Each of the attachments to this amendment is incorporated herein by reference.

6. Consultant Approval:

x Douglas A. Boccignone
dougboce@flynnrci.com (8/14/2021)
Email: dougboce@flynnrci.com

Date: _____

7. Approval as to Form (City Attorney):

Form Approved by the Office of the City Attorney

(The Maximum Service Order Compensation of the Approved Service Order, as amended, is \$100,000 or less, and the provisions of the form are not altered.)

Approved as to Form:

Luisa Elkins

Date: _____

(Sr.) Deputy City Attorney:

Luisa Elkins (8/14/2021)
Email: luisa.elkins@sanjoseca.gov

8. City Director Approval:

x Sarah Zarate
Sarah Zarate (8/18/2021)
Email: sarah.zarate@sanjoseca.gov

Date: _____

First **Second** **Third** **Revised Budget/Fiscal Attachment**

1. This Revised Budget/Fiscal Attachment is attached to the First Second Third amendment to Approved Service Order No. 7 issued pursuant to the Master Agreement.
2. The Maximum Service Order Compensation set forth on Line 7.b. of Section 7 of the Approved Service Order cover page is:

Decreased from \$ _____ to \$ _____.

Increased from \$440,000.00 to \$520,000 and

Appropriation Certification: I certify that an unexpended appropriation in the amount of the increased compensation is available in the following fund(s) and that such fund(s) will be encumbered to pay for this Approved Service Order.			
Fund: 501	Appn: 0782	RC: 300189	Amount: \$520,000
Fund: _____	Appn: _____	RC: _____	Amount: \$ _____
Fund: _____	Appn: _____	RC: _____	Amount: \$ _____
Fund: _____	Appn: _____	RC: _____	Amount: \$ _____
Authorized Signature: <u>Allen Fong</u>		Date: 08/06/21	

3. If the Maximum Service Order Compensation is being increased, the unencumbered amount in the Master Agreement is sufficient as follows:

a.	Current unencumbered amount in Master Agreement:	\$	1,040,000.00
b.	Increase in the Maximum Service Order Compensation:	\$	80,000.00
c.	New unencumbered balance in Master Agreement	\$	960,000.00

First **Second** **Third** **Revised Attachment A: Tasks**

This Revised Attachment A is attached to the First Second Third amendment to Approved Service Order No. 7 issued pursuant to the Master Agreement.

The tasks set forth in the original Attachment A, or in any previous amendment to the original Attachment A, are amended as set forth herein. All other tasks shall remain unchanged.

[Standard Provision No. 2]

Task No.1, entitled “PG&E system Studies Agreements,” is amended as follows:

- A. Services:** The Consultant shall assist and advise the City in coordinating with PG&E and Google on the PG&E System Impact Study and Facilities Study including:
- 1) Assisting the City to negotiate the System Impact Study and Facilities Study agreements with PG&E;
 - 2) Monitoring and reviewing the progress of the System Impact Study and Facilities Study;
 - 3) Assisting the City to provide responses to inquiries from PG&E and/or provide additional information and/or direction as needed to PG&E during the System Impact Study and Facilities Study;
 - 4) Analyzing and assisting the City to provide comments to PG&E on the draft System Impact Study and the draft Facility Study; and
 - 5) Analyzing findings and information from the PG&E System Impact Study and Facilities Study.
- B. Deliverable:** Information and language provided in emails or via email in word documents, spreadsheets, engineering drawings, emails, and/or power point presentations as requested and to be used by the City for responses, negotiated agreements, comments, direction and other correspondence to PG&E. Power Point presentations or other visual presentation documents delivered via email as requested by the City summarizing the progress, findings, information, and the Consultant’s analysis of the PG&E System Impact and Facilities Studies.
- C. Completion Time:** Consultant must complete the services and deliverable for this task in accordance with whichever one of the following time is marked:
- On or before the following date: November 30, 2021
- On or before TBD Business Days from the execution of this service order.

Task No. 2. Entitled “Electric Infrastructure and Service Agreements,” is amended as follows:

Task No. 2. Electric Infrastructure, Term Sheet, and Service Agreements

A. Services: The Consultant shall assist with the following:

- 1) Working with Google to define and agree upon the principles and key components ("Heads of Terms") to be used as the framework for a future Infrastructure Agreement and a Service Agreement with Google for the provision of electric service by the City to the Google Project.
- 2) following the framework defined in Task No. 2.A.1 and informed by the findings of Task No. 3, the Consultant shall assist the City in negotiating the specific terms of the Infrastructure Agreement and Service Agreement with Google.

B. Deliverable: Information and language provided in emails or via email in word documents, spreadsheets, emails, and/or power point presentation as requested and to be used by the City to define, negotiate and develop the Infrastructure Agreement and Service Agreement with Google for the provision of electric service by the City to the Google Project.

C. Completion Time: Consultant must complete the services and deliverable for this task in accordance with whichever one of the following time is marked:

- On or before the following date: November 30, 2021
- On or before ___ Business Days from _____

Task No.3. entitled "Electric Service Analysis and Recommendations," is amended as follows:

The Consultant shall perform an analysis and assist with preparing and presenting recommendations for City Council.

Subtask No. 3.1 Electric Service Analysis

A. Services: The Consultant shall coordinate with the City and Google to perform an electric service analysis for the City to establish and provide electric distribution service to the Google Project as follows:

- 1) Consultant shall develop a full list of costs required to establish and provide electric distribution service to the project; including but not limited to infrastructure construction (e.g. transformers, switchgear, wiring, meters, and distributed energy resources such as on site solar and batteries and any other infrastructure needed to operate the grid), land purchases and leases, operating (e.g. management, staffing, administration, supplies and materials, insurance, legal, regulatory, PG&E/California Independent System Operator ("CAISO"), charges, technical consulting, data and information management, billing and metering, customer service, and marketing), capital improvements, ongoing maintenance (preventive, repairs, equipment and supplies), funding reserves to repair and replace aging infrastructure, and uncollectible costs. City shall provide a forecast of power supply costs and rates. The full list of costs shall be based on a range of assumptions identified and applied by the Consultant as needed about the City providing distribution service to the project, including assumptions and costs related to the City providing distribution service to the project using the Utilidor model and the assumptions and costs of a conventional service model with standard distribution infrastructure to serve the project. Consultant should work with the City and Google to identify the assumptions and costs for the construction of the infrastructure and other costs related to the Utilidor. Consultant shall provide a documented description of all assumptions used in developing the full list of costs for both the Utilidor model and the conventional service model. Consultant shall also provide a description of any foreseen problems other issues with the Utilidor model that

would be of concern for the City in providing distribution service to the project including operations and maintenance issues such as equipment access and replacement of aging infrastructure.

- 2) Consultant shall develop an estimated distribution electric service rate structure to achieve full cost recovery for providing distribution services to the project under both the Utilidor model and the conventional service model. The proposed rate structure shall describe the allocation of costs into appropriate cost centers, possibly including regulatory charges and required payments to PG&E and CAISO, operations, and other costs centers deemed appropriate by the City and the Consultant. The proposed rate structure shall include a 5-year estimate and identify how rates may escalate over the next 20 years. Proposed rates shall include annual forecasts of the revenues to be generated by the City and identify any financing needs.
- 3) Consultant shall compare estimated distribution rates for both the Utilidor model and a conventional service model to PG&E's bundled service rates. City shall provide Consultant with an estimate of generation rates from San Jose Clean Energy and a forecast of PG&E bundled service rates. Consultant should also identify the pros and cons, risks, requirements and other important information and considerations. An important consideration should be whether the City can provide the service more cost effectively than PG&E retail service and whether the distribution system can be constructed and operated in a way that achieves a more resilient cleaner distribution grid with more on-site distributed resources than PG&E retail service.

B. Deliverable: A comprehensive report written in Microsoft Word delivered via email with attached supporting documents, such as spreadsheets, drawings, reports, power point presentations, and other information fully detailing and documenting the analysis.

C. Completion Time: Consultant must complete the services and deliverable for this task in accordance with whichever one of the following time is marked:

On or before the following date: November 30, 2021

On or before ____ Business Days from _____

Subtask No. 3.2 Recommendations to the City Council:

A. Services: The Consultant shall assist the City in preparing and presenting recommendations for City Council consideration regarding the City establishing and providing electric service to the Google Project.

B. Deliverable: A report written in Microsoft Word delivered via email with attached supporting documents to be used by the City for a City Council report regarding the City establishing and providing electric service to the Google Project.

C. Completion Time: Consultant must complete the services and deliverable for this task in accordance with whichever one of the following time is marked:

On or before the following date: November 30, 2021

On or before ____ Business Days from _____

First **Second** **Third** **Revised Attachment C: Compensation Table**

This Revised Attachment C is an attachment to the First Second Third amendment to Approved Service Order No. 7 issued pursuant to the Master Agreement.

Part 1 – Compensation for Services			
Column 1	Column 2	Column 3	Column 4
Task Nos.	Basis of Compensation	Invoice Period	Compensation
1	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$190,000.00
2	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$180,000.00
3	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$150,000.00
Part 2 – Reimbursable Expenses			
<input checked="" type="checkbox"/> No expenses are separately reimbursable. The amount(s) in Column 4 of Part 1 include(s) payment for all expenses.		<input type="checkbox"/> Expenses are separately reimbursable in the maximum amount of:	\$0
Part 3 – Subconsultant Costs			
<input checked="" type="checkbox"/> Subconsultant costs are not separately compensable. The amount(s) in Column 4 of Part 1 include(s) sub-consultant costs.		<input type="checkbox"/> Subconsultant costs are separately compensable in the maximum amount of:	\$
Maximum Service Order Compensation (sum of Parts 1 through 3):			\$520,000.00