



**MEETING of the Executive Committee of the
Clean Power Alliance of Southern California
Wednesday, November 13, 2019
1:30 p.m.**

555 West 5th Street, 35th Floor
Los Angeles, CA 90013

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact Christian Cruz at ccruz@cleanpoweralliance.org or (213) 269-5892. Notification in advance of the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

PUBLIC COMMENT POLICY: *The General Public Comment item is reserved for persons wishing to address the Committee on any Clean Power Alliance-related matters not on today's agenda. Public comments on matters on today's Consent Agenda and Regular Agenda shall be heard at the time the matter is called. Comments on items on the Consent Agenda are consolidated into one public comment period. As with all public comment, members of the public who wish to address the Committee are requested to complete a speaker's slip and provide it to Clean Power Alliance staff at the beginning of the meeting but no later than immediately prior to the time an agenda item is called.*

Each speaker is customarily limited to two (2) minutes (in whole minute increments) per agenda item with a cumulative total of five (5) minutes to be allocated between the General Public Comment, the entire Consent Agenda, or individual items in the Regular Agenda. Please refer to Clean Power Alliance Policy No. 8 – Public Comments for more information.

In addition, members of the Public are encouraged to submit written comments on any agenda item to PublicComment@cleanpoweralliance.org. To enable an opportunity for review, written comments should be submitted at least 72 hours but no later than 24 hours in advance of the noticed Committee meeting date. Any written materials submitted thereafter will be distributed to the Committee at the Committee meeting. Any written submissions must specify the Agenda Item by number, otherwise they will be considered General Public Comment.

Clean Power Alliance Executive Committee Meeting
November 13, 2019

Members of the public may also participate in this meeting remotely at the following addresses:

Beverly Hills City Hall
4th Floor, Conference Room 4B
455 N. Rexford Drive, Beverly Hills, CA 90210

Ventura County Government Center
Channel Islands Conference Room, 4th Floor Hall of Administration
800 South Victoria Avenue, Ventura, CA 93009

I. WELCOME AND ROLL CALL

II. GENERAL PUBLIC COMMENT

III. CONSENT AGENDA

1. Approve Minutes from September 18, 2019 Executive Committee Meeting

IV. CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property:

- a. 660 S. Figueroa Street, Los Angeles, CA
- b. 700 S. Flower Street, Los Angeles, CA
- c. 801 S. Grand Avenue, Los Angeles, CA
- d. 633 W. 5th Street, Los Angeles, CA
- e. 444 S. Flower Street, Los Angeles, CA
- f. 800 W. Sixth Street, Los Angeles, CA

Agency negotiator: Theodore Bardacke for all properties

Negotiating parties, respectively:

- a. JADE Enterprises, LLC
- b. National RE Advisors and Blue Vista

Clean Power Alliance Executive Committee Meeting
November 13, 2019

- c. CIM Group
- d. Overseas Union Enterprise Limited
- e. Coretrust Capital Partners, LLC
- f. Walter Kahn

Under negotiation: Price and Terms for all properties

- 2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Potential initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9: (1)
- 3. PUBLIC EMPLOYMENT
(Government Code Section 54957)
General Counsel Performance Evaluation Process

V. REGULAR AGENDA

- 2. Receive Report from the Executive Director
- 3. Review Draft Agenda for December 5, 2019 Board of Directors Meeting

VI. COMMITTEE MEMBER COMMENTS

VII. ADJOURN

Public Records: Public records that relate to any item on the open session agenda for a Committee Meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all, or a majority of, the members of the Committee. The Board has designated Clean Power Alliance, 555 W. 5th Street, 35th Floor, Los Angeles, CA 90013, as the location where those public records will be available for inspection. The documents are also available online at www.cleanpoweralliance.org.

MEETING of the Executive Committee of the
Clean Power Alliance of Southern California
Wednesday, September 18, 2019, 1:30 p.m.

MINUTES

555 West 5th Street, 35th Floor
Los Angeles, CA 90013

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I. WELCOME AND ROLL CALL

Chair Diana Mahmud called the meeting to order at 1:31 p.m. and Board Secretary Rigo Garcia conducted roll call.

Roll Call			
Beverly Hills	Julian Gold	Committee Member	Remote
Los Angeles County	Sheila Kuehl	Vice Chair	Present
Oxnard	Carmen Ramirez	Committee Member	Remote (1:36 p.m.)
Rolling Hills Estates	Steve Zuckerman	Committee Member	Present
Santa Monica	Kevin McKeown	Committee Member	Present
South Pasadena	Diana Mahmud	Chair	Present
Ventura County	Linda Parks	Vice Chair	Present (2:20 p.m.)
West Hollywood	Robyn Eason	Alternate Committee Member	Present

II. GENERAL PUBLIC COMMENT

There were no public comments.

III. CONSENT AGENDA

1. Approve Minutes from August 21, 2019 Executive Committee Meeting

Motion: Committee Member McKeown, Santa Monica

Second: Committee Member Zukerman, Rolling Hills Estates

Vote: Item 1 was approved by roll call vote 6-0-2, Vice Chair Parks and Committee Member Ramirez absent.

IV. REGULAR AGENDA

2. Receive Report from the Executive Director

Ted Bardacke, Executive Director, provided an update on recent news of San Diego, Chula Vista, La Mesa, Encinitas, and Imperial Beach's interest to form a CCA. Vice Chair Kuehl asked if the formation would provide more pressure on purchasing or have repercussions. Mr. Bardacke indicated the answer is multifaceted given the State's goal to achieve 100% renewable energy by 2035. The deadline would introduce additional renewable energy purchase opportunities but also bring in new buyers to the market. Mr. Bardacke indicated that with San Diego looking to go live by 2022 it would be beneficial to secure PPA's sooner than later. Matt Langer, Chief Operating Officer, also commented that as decarbonization regulations initiate, the competition for clean energy projects would increase. Committee Member Zukerman indicated the 2035 deadline could also incentivize projects with possible assistance from State legislation.

Mr. Bardacke provided updates on the following items: cool summer weather is leading consumers to use less energy; reported good news that the cap on Direct Access (DA) was raised but CPA would lose less than 1% in load; announced that Jones Lang LaSalle IP, Inc. (JLL) was selected as the real estate broker to provide sustainable design options for a permanent CPA office. Committee Member Ramirez suggested the new permanent

location be near a Metro stop, to which staff concurred. Mr. Bardacke discussed a recent CPUC decision on Resource Adequacy (RA) that was a result of Once-through Cooling (OTC) plants phasing out in Southern California. Mr. Bardacke indicated that the RA projections affect the entire state but the Southern California Edison (SCE) territory providers are being asked to bear the weight of producing 2,500 MW of new capacity, of which CPA would be responsible for 350 MW. Mr. Bardacke suggested that a silver lining may be that the CPUC wants CCAs to be a part of solution rather than mandating a pro-rated bill to pay. Lastly, Mr. Bardacke indicated CPA would participate in filing a response to the CPUC to address concerns.

Committee Member McKeown requested staff share information on the OTC plant information and asked what the deadline was for submitting comments. Mr. Langer responded that he would share preliminary information and get confirmation on the deadline to submit comments. Vice Chair Kuehl asked if there was sufficient data and analysis provided to warrant Southern California being singled out for procurement. Mr. Langer responded that the data was parsed out throughout the State and there was a system shortfall, and the CPUC considered either importing from out-of-state or building new capacity in-state; in line with that comment, PG&E and San Diego commented that they did not want to do any new procurement but SCE said there should be procurement and that was the reason for the proposed decision.

Chair Mahmud commented this is an area where CPA provides a benefit to its agencies by assisting the City of Oxnard and Redondo Beach in their battle against the decision.

There were no public comments made on this item.

3. Review Draft Agenda for October 3, 2019 Board of Directors Meeting

Mr. Bardacke provided an update on the upcoming Board of Directors meeting, which includes items on the Local Programs Strategic Plan, the DER pilot, and one Power Purchase Agreement. During the Local Programs stakeholder engagement process, Mr. Bardacke indicated that the number one priority from stakeholders was the desire to reduce the cost premium of 100% Green Power. Another area of interest was jobs and economic development and providing resources within the service territory. Mr. Bardacke indicated both priorities are at odds with one another because it's more costly to do procurement within the service area.

Committee Member Zuckerman asked what the payback was on residential battery storage and whether there is consideration cost sharing with batteries. Mr. Bardacke indicated there are many variables, but the only way it would benefit CPA is if the battery storage was aggregated.

Chair Mahmud asked in what areas are programs going to be made available. Mr. Bardacke responded that the three pilot programs leverage existing infrastructure, and CPA could learn and determine how to add additional value. CPA could focus on disadvantaged communities where customers may not have the means to install items such as smart thermostats. Chair Mahmud asked if CPA can piggyback on the CPUC leveraged rebates program. Mr. Bardacke affirmed that was possible. Vice Chair Parks asked if there could be a separate RFP for supplementary renewable energy for emergencies. Mr. Bardacke responded CPA could issue a Request for Information, where CPA outlines the problems and bidders would propose solutions in the wildfire areas. Vice Chair Kuehl commented that in disaster areas the issue is more related to distribution versus local procurement and needs to be tied to local distribution and customer resiliency.

On long-term power contracting status and process, Ms. Keefer provided an update regarding CPA's procurement of long-term power contracts including the start of the 2019 Clean Energy RFO. Ms. Keefer provided an overview of the 2018 RFO resulting in 1.2 million MWh with 11 shortlisted projects, seven exclusive negotiations, and two executed PPAs under negotiation. Ms. Keefer provided an overview of the 2019 RFO, specifying there would be two tracks; first, a utility-scale procurement track of 10 MW or larger; and second, a distributed procurement track less than 10 MW and located within Los Angeles and Ventura Counties. The distributed procurement track seeks to encourage new clean energy resources and economic development within CPA's service territory.

Chair Mahmud inquired, given the CPUC mandate for CPA to procure 350 MWh, will staff prioritize some negotiations over others to reach the compliance threshold. Ms. Keefer responded there is no consensus yet on the IRP mandated procurement to maintain a separate RFO process for the mandate, and added that the mandate could be reached by other means including, distributed, battery, anything with an RA value. Committee Member Zuckerman asked if CPA's consultants use linear programming models to compare aggregates and at what length. Ms. Keefer responded that CPA uses production simulation models to generate a price forecast using 10-year models.

Ms. Keefer discussed factors driving CPA's long-term procurement efforts, including compliance requirements, cost savings potential, load-resource balance and portfolio diversity considerations, and desire to invest in new renewable energy development. SB 350 requires CPA to secure at least 65% of its Renewables Portfolio Standard (RPS) obligations through long-term (10+ years) contracts over the 2021-2024 compliance period. Within this time period, it is advantageous for CPA to secure projects with earlier online dates to help reduce its procurement costs and reduce the need to "catch up" with additional procurement in later years.

Ms. Keefer reported that CPA was approached by a developer regarding a time-sensitive opportunity to secure a 20-year PPA with a 300 MW wind project located in Arizona. The PPA offered to CPA is part of a larger 350 MW wind project with a Commercial Online Date of December 31, 2020. Ms. Keefer indicated CPA would save \$8 million annually compared to short-term pricing through this project, and it offers the ability to diversify CPA's resource portfolio. Committee Member Zuckerman commented that Directors may ask about the confidentiality of pricings. Mr. Bardacke responded that certain Energy Committee members have access to the unredacted version, and the project ranks within the top quartile of value. Committee Member Ramirez commented that staff has provided and prepared reports in such a way that make market information understandable and has no reservations about the process.

Vice Chair Kuehl asked if the Arizona Wind Project went through the RFO process. Ms. Keefer responded that the Arizona Wind Project did not go through the RFO process, that CPA received eight wind project proposals for the 2018 RFO, four in-state and four out-of-state, however CPA was not able to get into negotiations with the one in-state wind project selected because it had been contracted out by the time CPA was ready to start negotiations. Mr. Bardacke further responded that there are two processes whereby projects can turn into agreements, one is the RFO process, and the second is presenting unique bi-lateral opportunities to the Board. Mr. Langer added that this project is unique because of the 2020 online date, and there is no time for this project to bid into the 2019 RFO process. Committee Member McKeown asked if this project was one of the 230 projects submitted. Ms. Keefer responded that the project had bid in, but was not a conforming offer at the time. The project is now a conforming offer and it was presented to CPA for consideration. David McNeil, Chief Financial Officer, added that among CCAs, this type of offer is a normal part

of operating procedures. Committee Members discussed the merits of receiving opportunities outside the designated RFO process.

On the non-energy procurement policy, Nancy Whang, General Counsel, reported that the limits of CPA's procurement authority are set forth in Section 3.4 of the Agreement and modeled after CPA has been following LA County policies until it adopts its own and the same is true for CPA's procurement approach. Staff is now proposing a Non-Energy Procurement Policy within the parameters set forth in the Government Code and the JPA. In addition to legal compliance, staff is proposing to adopt a non-energy procurement practice that advances the goals of facilitating efficient CPA business operations, offering fair compensation, enhancing transparency and accountability, and providing local workforce opportunities within a framework of high quality, competitive offerings whenever practical. Ms. Whang sought direction on the delegation of authority as purchasing agent; Committee Members provided no further comment outside staff's recommendation. On services and cost levels requiring competitive bidding, staff recommended \$50,000 for competitive procurement; Chair Mahmud asked if there was a consensus among CCAs; Ms. Whang responded it ranged but did not see anything above \$50,000. For specialized services staff proposed any specialized services with an aggregated contract value of over \$50,000 be competitively secured; Committee Members provided no further comment outside staff's recommendation. For goods, staff proposed establishing a purchase account for general supplies and materials in an amount of \$150,000 each fiscal year and maintaining documented needs; Committee Member McKeown commented that if the proposal is based on Los Angeles County, \$150,000 may be unnecessary given the scale of both organizations. Committee Members asked staff to re-evaluate this service category and authority amounts. For informal bids for goods, staff proposed using the Executive Directors signing authority (\$125,000) as the limit for informal goods that can be purchased without a competitive solicitation; Committee Members suggested simplifying the

process and consider using blanket purchase orders for this category and not have goods be separated. Committee Members suggested staff consider budget line items and procurement/bid policies that mirror what Cities use. Ms. Whang responded that staff would incorporate comments and provide an updated non-energy procurement policy that includes parameters for who designated designee would be an under what circumstances.

V. COMMITTEE MEMBER COMMENTS

Committee Member McKeown reported that the City of Santa Monica moved toward electrifying new construction. Committee Chair Mahmud reported that CPA met with Chair Batjer and Commissioner Randolph of CPUC, along with Director Horvath for a discussion on CPA. Mr. Bardacke thanked the Committee for their commitment to help establish strong policies that help CPA have a good start.

VI. ADJOURN

Chair Mahmud adjourned the meeting 3:40 p.m.



Staff Report – Agenda Item 2

To: Clean Power Alliance (CPA) Executive Committee
From: Ted Bardacke, Executive Director
Subject: Report from the Executive Director
Date: November 13, 2019

The Executive Director will provide an oral report on current CPA operations.



Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Executive Committee

From: Ted Bardacke, Executive Director

Subject: Review Draft Agenda for December 5, 2019 Board of Directors Meeting

Date: November 13, 2019

Staff will provide an overview of the proposed agenda items for the December 5, 2019 Board of Directors (Board) meeting for review and feedback from the Executive Committee. The Draft Board agenda is attached to this staff report. A discussion of pertinent items for Board consideration is provided below.

REGULAR AGENDA

Presentation on Fiscal Year (FY) 2018-19 Audit

David McNeil, Chief Financial Officer, will provide a short presentation on the results of CPA's annual independent fiscal audit, as presented to the Finance Committee on October 23. The Auditors' Report includes its opinion that CPA's FY 2018-19 Financial Statements "present fairly, in all material respects, the financial position of Clean Power Alliance as of June 30, 2019." The Auditors' Report contains what is generally regarded as an unqualified or "clean" audit opinion.

Financial highlights from the Audit include the following:

- Operating revenues increased from \$3.4 million in FY 2017-18 to \$254 million in FY 2018-19 reflecting the full year impact of Phase 1 and 2 enrollments that occurred in 2018 and Phase 3 and 4 enrollments that occurred in February and May 2019 respectively.

- The net position increased by \$18.6 million resulting in overall \$16 million net position at the close of the year. The increase in net position is consistent with CPA's Board approved Reserve Policy.
- As of June 30, 2019, debt consisted of the \$10 million loan payable to the County of Los Angeles due for repayment on September 30, 2020 and a \$19 million note payable to River City Bank. River City Bank was repaid in September 2019.
- The financial results comply with CPA's credit covenants.

Presentation on CPA FY 2019-20 Financial Performance and Outlook

The Chief Financial Officer will provide a summary of fiscal year to date financial results and outlook for the agency. The purpose of this presentation is to provide an update regarding CPA's progress during the current fiscal year, a comparison of actual vs budget results and expectations of financial performance for the balance of the fiscal year.

Discuss Member Agency and Regional Delivery Mechanisms for Local Programs

At the October 3 Board meeting, Vice Chair Sheila Kuehl requested that staff develop some specific mechanisms that could allow individual member agencies, or a consortium of member agencies, to implement their own programs or projects with CPA as a funding partner. These mechanisms could then be incorporated into CPA's Local Programs Strategic Plan, currently under development.

At the December 5 Board meeting, staff intends to present three local delivery mechanism concepts for comment and feedback. These would be in addition to programs delivered via a traditional "mass-market" delivery mechanisms, whereby CPA would administer programs with broad customer appeal and be available across the entire service territory.

1. **Innovation Fund** – CPA could make available a percentage of its local program budget to member agencies, or a consortium of member agencies, on a competitive basis based on an annual or bi-annual call for projects/programs. This would be similar to the "call-for-projects" mechanism used by a number of large regional entities in Southern California or that are included in tax measures that

fund infrastructure projects. The projects would have to fall within one of the four program verticals CPA is establishing (Resiliency and Grid Management, Electrification, Local Procurement, Education and Technical Assistance) and could be used as matching funds or for total program/project costs. The Community Advisory Committee could be involved in application reviews.

2. **Public Agency Set-Asides** – Within any mass-market program aimed at non-residential customers, CPA could carve out a specific percentage of program funding for public agencies. This would ensure that members have access to funds for projects without having to compete with CPA's private sector customers. These set-asides could include funding boosts and/or alternative implementation criteria customized for public agencies as appropriate.
3. **Direct Install** – CPA could fund the direct installation of clean energy options in facilities owned by our member agencies. Under this delivery mechanism, both master contracting and bulk purchasing would lower project implementation costs, reduce the administrative burden on existing member agency staff, and cost-effectively introduce new technologies and approaches into facilities owned and operated by member agencies. With sufficient scale, these types of programs could create deeper partnerships between CPA and its member agencies particularly in the area of local clean energy procurement.

In the immediate term, it is likely that the bulk of local program spending for direct member agency benefit will be in this third category, where any above-market costs can be amortized over the long-term through CPA's overall energy procurement budget. Staff intends to discuss with the Executive Committee how this mechanism can be used as early as Q1 2020 to respond to current reliability, wildfire and climate change challenges by installing solar + storage systems for resiliency purposes in critical facilities owned by our member agencies.

Meanwhile, the first two options require CPA to directly spend out of financial reserves, so any investments will have to be highly strategic over the next few years.

CONSENT AGENDA**Bylaws Amendment – Closed Session Revision**

On September 5, 2019, Governor Newsom signed SB 355 into law, which authorizes CPA to adopt a bylaw to allow a non-elected Alternate Director to attend a properly noticed closed session when attending in place of a Regular Director. The law takes effect on January 1, 2020.

On October 3, the Board approved a Bylaws amendment authorizing non-elected Alternate Directors to participate in closed session and directed the General Counsel to return with an implementing resolution. The Resolution to be presented to the Board on December 5, will implement and adopt the revisions to the Bylaws as authorized under SB 355 effective January 1, 2020.

Ascend Analytics Contract Amendment for 2019 Reliability RFO

On September 5, 2019, the Board authorized Task Order No. 6 with Ascend Analytics for Long-Term Request for Offers (RFO) support services for a not-to-exceed amount of \$145,000 to support the 2019 Clean Energy RFO. On September 12, the CPUC issued a proposed decision in the Integrated Resources Plan proceeding that requires load serving entities, including CPA, to procure incremental capacity. In order to respond to the short timeframe under which this procurement must be conducted, CPA released its 2019 Reliability RFO in October to address the incremental capacity procurement required in the proposed decision. Because CPA was already working with Ascend Analytics on the 2019 Clean Energy RFO, which is running concurrently to the 2019 Reliability RFO, CPA is amending its Long-Term RFO support services to include incremental support services for the 2019 Reliability RFO. This additional cost is expected to be approximately \$50,000.

MRW Associates Task Order Amendment

In August 2018, the Board approved Task Order No. 1 with MRW and Associates to perform rate setting work and cost of service analysis associated with CPA's 2019 rate setting process. In February 2019, the Board authorized execution of MRW's Amended Task Order No. 1 to perform additional rate setting work resulting from SCE's

undercollection and Trigger Application. In July 2019, the Board approved the Second Amended Task Order No. 1 to increase the budget and extend the term of the agreement to October 31, 2019 in order to cover additional rate setting work as a result of the unusual number of SCE rate changes during 2019. Staff proposes to extend the term and increase the budget of the agreement so that MRW can help CPA develop rates and perform cost of service analysis for the 2020 rate setting cycle. MRW has already built rate setting tools for CPA and is prepared to support the needed analysis to inform the Board's decisions related to 2020 rates.

Maher Accounting Transition Contract

In June 2018, CPA entered into a one-year contract with Maher Accountancy to provide accounting and financial audit support services. In June 2019 the Maher Accountancy contract was renewed for six months ending December 31, 2019. Staff proposes to renew the Maher contract for an additional nine months ending September 30, 2020, with a revised scope of work and at a reduced rate. The scope of work will facilitate the transition of the accounting function in-house over the next six months and allow Maher Accountancy to provide support during the financial audit of CPA's FY 2019-20 Financial Statements. CPA plans to bring the accounting function in-house beginning in January 2020 and complete that process by June 30, 2020. Maher Accountancy would provide FY 2019-20 audit support services from July to September 2020.

Non-Energy Public Contracting Policy

At the September 18 Executive Committee, staff presented a summary of its intended approach in developing the Non-Energy Public Contracting Policy. Since staff's presentation of the summary, staff has sought additional input from senior CPA staff, outside legal counsel as well as LA County staff. The attached policy reflects that input.

Based on this review, staff is proposing to maintain some of CPA's current procurement practices while changing or adding others. A highlight of those current or additional practices is provided below.

Maintain Current Practices

1. The Request for Qualification (RFQ), Preferred Qualified Provider (PQP), Master Agreement, and Task Order solicitation process but include additional areas of specialization. This would be an expansion of the existing RFQ process adopted by the Board on May 7, 2018.
2. The Request for Proposal (RFP) process and provide increased information concerning the RFP's typical purpose, contents, and the contracting vehicle.
3. The "best value" standard for award of contracts that are competitively bid.
4. CPA's authority to contract with legal counsel and other specialized services without a competitive solicitation.

Additional Practices

1. Cooperative / Piggyback / Joint procurements. Establish the authority for CPA to take advantage of leveraged, prior (Piggyback), or joint procurements when CPA would benefit from, for example, volume purchases, reduction of administrative time and expenses, delivery or supply chain advantages, or some combination of these factors.¹
2. Designate the Executive Director or the Executive Director's designee as the purchasing agent for CPA.
3. Authorize the Executive Director to directly contract for services when those services and any related material costs have an aggregate not to exceed cost of \$50,000 in a 12-month period. Anything above \$50,000 would need to be competitively procured.
4. Authorize the Executive Director to directly contract for goods, including furnishings, IT hardware, or office supplies, when those services and any related material costs have an aggregate not to exceed cost of \$50,000 in a fiscal year. Any goods with an aggregate total amount between \$50,001-\$125,000 can be procured through an informal process.

A draft copy of the policy is attached.

¹ LA County Procurement Policy currently allows for "Cooperative" and "Piggyback" procurements.

2020 Meeting Schedule

CPA's 2020 Schedule of Meetings for the Board and standing Committees will be presented to the Board on December 5. The proposed 2020 Schedule, which follows CPA's standard meeting cadence currently in place, is attached.

- Attachments:**
- 1) Draft December 5, 2019 Board Agenda
 - 2) Draft Non-Energy Public Contracting Policy
 - 3) 2020 Schedule of Meetings



**REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California**

Thursday, December 5, 2019

2:00 p.m.

DRAFT

Wallis Annenberg Building at Exposition Park

Muses Room

700 Exposition Park Drive

Los Angeles, CA 90037

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100 Civic Center Way, Calabasas, CA 91301

Ventura County Government Center
Channel Islands Conference Room, 4th Floor Hall of Administration
800 South Victoria Avenue, Ventura, CA 93009

Whittier City Hall – Admin Conference Room
13230 Penn Street, Whittier, CA 90602

I. WELCOME AND ROLL CALL

II. GENERAL PUBLIC COMMENT

III. CONSENT AGENDA

1. Approve Minutes from October 3, 2019 Board of Directors Meeting
2. Adopt Resolution No. XX amending CPA Bylaws regarding non-elected alternate directors attending closed session
3. Approve Amendment to Ascend Analytics Task Order # XXX
4. Approve Amendment to MRW Associates Task Order # XXX
5. Approve Contact with Maher Accounting for Transitional Accounting Services
6. Approve Policy No. 12 for Non-Energy Public Contracting
7. Receive and file Community Advisory Committee summary from October & November 2019 meetings
8. Receive and file Board of Director and Standing Committee meeting schedule for 2020

IV. REGULAR AGENDA

9. Presentation on Fiscal Year 2018-2019 Audit
10. Presentation on Current CPA Financial Performance
11. Discuss Member Agency and Regional Delivery Mechanisms for Local Programs

V. MANAGEMENT UPDATE

VI. CLOSED SESSION

VII. COMMITTEE CHAIR UPDATES

Director Lindsey Horvath, Chair, Legislative & Regulatory Committee

Director Julian Gold, Chair, Finance Committee

Director Carmen Ramirez, Chair, Energy Planning & Resources Committee

VIII. BOARD MEMBER COMMENTS

IX. REPORT FROM THE CHAIR

X. ADJOURN – TO REGULAR MEETING January 9, 2019

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Policy Title	Non-Energy Public Contracting		
Policy Number	CPA2019-12	Effective Date	DRAFT

Non-Energy Public Contracting Policy

I.

PURPOSE

It is in the interest of the Clean Power Alliance of Southern California (“CPA”) to establish non-energy competitive solicitation and procurement practices that facilitate efficient business operations, offer fair compensation, transparency, accountability, and provide local workforce opportunities within a framework of high quality, competitive offerings whenever practical.

This policy shall not apply to any energy procurements or transactions governed by the Energy Risk Management Policy, Resolutions Nos. 18-006 and 18-009, or any amendments or successors thereto.

II.

DEFINITIONS

1. **“Architectural and Engineering Services”** include Services provided by architectural, landscape architectural, engineering, environmental, land surveying, and construction project management firms, or services incidental thereto that members of these professions and those in their employ may logically or justifiably perform, which are subject to Article XXII of the California Constitution and Government Code Section 4529.10 et seq.
2. **“Architectural and Engineering Agreement”** is an agreement between CPA and a Proposer for Architectural and Engineering Services.
3. A **“Best Value”** award is based on factors in addition to price that provide the best overall value to CPA, except as applied to Public Works Contracts over \$1,000,000, which are subject to the “best value” definition set forth in Public Contract Code Section 20155.1(a).
4. **“Board”** means the Board of Directors of CPA.
5. **“Competitive Solicitation”** is a competitive process in which CPA procures Goods, Services, or a combination thereof from Proposers, including the procurement of Architectural and Engineering Services, in order for CPA to secure the Best Value for CPA and its customers.
6. **“Cooperative Procurement”** refers to the combining of requirements of two or more Public Entities to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices, the reduction of administrative time and expenses, or some combination thereof.
7. **“Fiscal Year”** or **“FY”** refers to CPA’s fiscal year as specified in Section 7.1 of CPA’s Joint Powers Agreement or as changed by CPA Board resolution.

8. **“Goods”** means all types of tangible personal property, including materials, supplies, furnishings, or equipment.
9. **“Legal Services”** is legal representation, advocacy, advice, counsel, or other similar legal services provided by an attorney, or a law firm, company or partnership with attorneys duly licensed by the California State Bar or authorized to practice in the state of California.
10. **“Master Agreement”** is an agreement between CPA and a Proposer for any Goods, Services, or combination thereof, except for Legal Services Agreement.
11. **“Office Equipment”** includes furnishings, computers, information technology (IT) hardware or software, or other personal property.
12. **“Piggyback Solicitation”** refers to the use of a prior solicitation, competitively bid by a Public Entity for the same Goods and/or Services currently requested or needed by CPA; or may be a form of intergovernmental cooperative purchasing in which CPA will be extended the same pricing and terms of a contract entered into by another Public Entity. Generally, the originating entity can competitively award a contract that will include language allowing for other entities to utilize the contract, or, CPA may join in a single competitive procurement with another Public Entity. The Piggyback Solicitation provides an advantage in terms of pricing, thereby gaining economies of scale that CPA or an individual Public Entity would otherwise not receive if each competed on its own.
13. **“Pre-Qualified Providers”** or **“PQP”** is a Proposer who is available and willing to perform work on an as-needed basis under the Request for Qualifications process.
14. **“Proposer”** is a person or business entity who seeks to do business with CPA by responding to a Competitive Solicitation of any kind, a Cooperative Procurement or Piggyback Solicitation, or seeking to enter into a contract with CPA through an exception or alternative to the Competitive Solicitation requirements.
15. **“Proposal”** is a response by a Proposer to a request by CPA.
16. **“Public Entity”** means the state, county, city, city and county, district, public authority, public agency, municipal corporation, or any other political subdivision or public corporation in the state, including a community choice aggregator as defined in Public Utilities Code Section 331.1.
17. **“Public Works Contract”** means an agreement for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind, pursuant to California Public Contract Code Section 1101.
18. **“Services”** is the performance of labor by an outside company or individual for and/or on behalf of CPA. It can be rendered to CPA by a company or individual, with or without the furnishing of Goods.
19. **“Specialized Services”** are special services with persons specially trained, experienced, expert, and competent to perform the special services. The special services consist of services, advice, education or training for CPA. The special services include but is not limited to financial, economic, accounting (including the preparation and issuance of payroll checks or warrants), legal, administrative, or building security matters. The special services may include maintenance or custodial matters if the Board finds that CPA’s resources and economic interests are served by such a contract.

20. A “**Task Order Solicitation**” or “**TO**” is issued in the Request for Qualifications procurement process to solicit bids from providers who have been pre-qualified under the Request for Qualifications process. If CPA awards the bid, the TO will be appended to a Master Agreement once the Task Order is awarded to a Pre-Qualified Provider.

III.

DELEGATION OF PROCUREMENT OR PURCHASING AUTHORITY TO EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR’S DESIGNEE

1. The Board designates the Executive Director as CPA’s purchasing agent. As the purchasing agent for CPA, the Executive Director is hereby authorized on behalf of CPA to (i) purchase Goods; (ii) rent furnishings and equipment; or (iii) contract for Services, Specialized Services, or Legal Services, as provided herein.
2. The Executive Director may designate a CPA employee as the Executive Director’s designee for procurement under this Policy. Any designation must be in writing and must specify the name of the designated CPA employee, and the scope and length of time of the designation. Any designation shall be reported to the Board on a monthly basis. The Executive Director or the Executive Director’s designee is referred to hereinafter as “ED.”
3. Delegation of ED’s authority under this Policy is in addition to and must be consistent with Resolution 19-05-009 and its successors.

IV.

RULES REGARDING COMPETITIVE SOLICITATION OF GOODS OR SERVICES EXCEPT ARCHITECTURAL AND ENGINEERING SERVICES AND PUBLIC WORKS

1. **Services or a Combination of Goods and Services.** A Competitive Solicitation for Services or a Combination of Goods and Services shall be required if the aggregate anticipated value of a contract exceeds \$50,000 in any 12-month period or if, irrespective of the contract value, the ED determines in the ED’s discretion that a Competitive Solicitation is in the best interest of CPA. For any contracts valued at \$50,000 or less, the ED shall seek to receive quotes, whether written or verbal, from at least three (3) vendors and the ED will purchase from the vendor offering the Best Value.

When a Competitive Solicitation is required, one of the following processes may be used.

- a. **Request for Proposal (RFP):**

- i. **Description:** An RFP is typically used to procure complex or unique Services in which CPA’s requirements are defined but expertise and methods may vary; when creative or innovative approaches are needed; and/or, where performance of services is anticipated to be ongoing in nature.
- ii. **Content:** An RFP will include, at a minimum, a requirements statement or statement of work; experience, expertise, or qualification criteria; and evaluation criteria for which a Proposal will be evaluated. An RFP also typically states CPA’s goals, objectives, project summary, major tasks, or

timelines. An RFP may include a budget for the work being procured. CPA would require proposals to offer a detailed explanation of Proposer's approach, detailed work plans, solutions, or methods, and price/budget, as applicable.

- iii. Contracting: CPA will contract with a Proposer through a written Agreement, a copy of which should be attached to the RFP. CPA may engage in negotiations on the terms and conditions of the Agreement with the selected Proposer(s), including but not limited to the scope of services or price/budget.

b. Request for Qualifications ("RFQ"):

- i. Description: An RFQ is typically used to procure Services or a combination of Goods and Services when CPA needs to establish a pool of Pre-Qualified Providers. The RFQ process is typically used to procure distinct, stand-alone, or discrete projects having a specific deadline; or for services ordered or used by CPA on a routine basis.
- ii. Content: The RFQ will specify the areas of expertise, experience, or knowledge that CPA seeks, and, if applicable, the process for a Proposer to become PQP in those specified areas. CPA will maintain a list of PQPs for each specified area. The RFQ should attach a copy of the proposed form of agreement.
- iii. Task Order Solicitation: PQPs will be awarded work through a Task Order Solicitation that CPA may issue from time to time. The TOs will contain CPA's objectives; a statement of work, including any deliverables, tasks, or milestones; estimated time of completion; or pricing, cost, or budget. The TOs will designate the areas of expertise, experience, or knowledge that CPA seeks or anticipates needing and the TO will be sent to PQPs in those specified area(s). Interested PQPs are expected to submit a bid in response to the TO and that bid should offer, at a minimum, Proposer's acknowledgement of CPA's objectives; approach to the identified statement of work, including any deliverables, tasks, or milestones; pricing, cost or budget; and other relevant information, solutions or methods as specified in the TO.
- iv. Contracting: A Proposer is expected to sign a Master Agreement no later than five (5) business days after CPA issues the relevant TO. **A signed Master Agreement does not guarantee a Proposer any minimum amount of work.** The Master Agreement is not effective unless and until a TO has been awarded by CPA and the Master Agreement has been countersigned by CPA.

2. Goods.

- a. Purchase of Goods. ED may purchase an aggregate total amount of \$50,000 of Goods in a single Fiscal Year without an Informal Bid Process or Request for Bid from a single vendor. The ED must affirm and approve such purchases as being necessary.
- b. Informal Bid Process. For purchase of Goods with an aggregate total amount between \$50,001 to \$125,000 for a single vendor in a single FY, the ED shall

procure the Goods through an informal bid process wherein ED seeks to receive written quotes from at least three (3) vendors (“Informal Bid Process”). ED may purchase from the vendor offering the Best Value. ED must approve any procurement of Goods, must verify compliance with the Informal Bid Process, must verify that the procurement stays within the FY budget, and affirm the purchase is necessary.

- c. **Invitation for Bid (“IFB”):**
 - i. **Description:** For any other purchase of Goods, ED shall issue a formal IFB.
 - ii. **Content:** The IFB shall specify, at a minimum, the item(s) specifications or dimensions; description of requirements; and quantities. A bid in response to an IFB must contain a Proposer’s name, address, phone number, and the proposed cost to provide the requested items. The IFB should attach a copy of the proposed form of agreement.
 - iii. **Contracting:** CPA will contract with a Proposer using an agreement.
3. **Specialized Services or Legal Services:** No competitive procurement is required for Specialized Services or Legal Services unless the ED determines in the ED’s discretion that a Competitive Solicitation is in the best interest of CPA in which case, the ED is authorized to use a RFP, RFQ, or an informal process to procure Specialized Services or Legal Services.
4. **Rent or Lease of Office Equipment or Office Space:** No Competitive Solicitation shall be required to rent or lease Office Equipment or office space provided that (a) ED affirms that the rent or lease of Office Equipment or office space is necessary; (b) ED solicits or reviews at least three quotes, whether verbal or written, from at least three (3) offerors; and (c) ED approves of the rent or lease of Office Equipment or office space.
5. **Awards of Competitive Solicitation:** Competitive Solicitations may be awarded on a Best Value basis, unless otherwise required by California law or otherwise specified in the Competitive Solicitation document.
6. **Additional Authorized Procurement Methods:** CPA may engage in the procurement of Goods, Services, or some combination thereof through any of the following procurement methods.
 - a. **Cooperative Procurement:** CPA may use a Cooperative Procurement when the use of a Cooperative Procurement enhances operational efficiencies; demonstrates potential cost savings for CPA, including transaction costs. For example, CPA may purchase Goods or Services from contracts established pursuant to Leveraged Procurement Agreements (LPAs), California Multiple Award Schedules (CMAS), or through a joint procurement with another Public Entity.
 - b. **Piggyback Procurement:** CPA may engage in Piggyback Procurement when such a procurement can be shown to enhance operational efficiencies; demonstrate potential cost savings for CPA, including transaction costs; and when the Piggyback Procurement complies with California law.

c. Sole Source Purchasing:

- i. With the exception of Public Works Contracts and Architectural and Engineering Agreements, CPA may justify procurement of Services, or a combination of Goods and Services, through a sole source when the following factors exist:
 - 1) No other vendor offers a service or employs personnel meeting the minimum requirements.
 - 2) CPA's required timeframe for project completion is critical and cannot be exceeded without extreme hardship.
 - 3) The cost to continue with the same service provider is less than the cost for any other vendor due to the time necessary to get 'up to speed' (learning curve) with the project.
 - 4) A unique and proprietary solution has been offered which is determined to be in the best interest of CPA.
- ii. CPA may justify procurement of a Good when that Good, through a sole source when the following factors exist:
 - 1) Is available from only one source (e.g., proprietary to a manufacturer, distributor, and/or reseller, etc.).
 - 2) Is the only brand that meets the qualifications or specifications needed by CPA.
 - 3) Is a brand that must match or inter-member with an existing system, and cannot be substituted without replacing the system, resulting in significant costs to CPA
 - 4) If purchased, will avoid other costs (e.g., data conversion, training, purchase of additional hardware, etc.)
- iii. The following factors shall not qualify as reasons to purchase with a sole source: personal preference for a product or Proposer; the amount of CPA staff, contractors, or consultant time needed to conduct a Competitive Solicitation; or the length of time needed to complete a Competitive Solicitation is inconvenient.
- iv. In all cases, sole source purchases must be justified in writing, with sufficient detail to explain the basis for suspending the competitive procurement process, and the ED shall review the justification and approve the use of sole source purchasing. The sole source justification shall be retained with the Proposer's contract documentation. ED may develop a justification form or checklist for sole source purchases. The ED shall report any sole source contracts on a monthly basis.

7. Additional Procedures

- a. ED may, at its discretion, shortlist Proposers; phase its evaluation of a Proposal; interview Proposers; or, require site inspections, demonstrations, or a pilot of proposed Goods or Services.

- b. ED shall use the ED's best efforts to secure at least three Proposals from Proposers when using a Competitive Solicitation.

V.

RULES REGARDING COMPETITIVE SOLICITATIONS OF ARCHITECTURAL AND ENGINEERING SERVICES:

The selection for Architectural and Engineering Services shall be based on the Proposer's demonstrated competence and the professional qualifications necessary for the satisfactory performance of Services required at fair and reasonable prices.

If CPA is required to procure Architectural and Engineering Services, pursuant to Article XXII of the California Constitution and Government Code Section 4529.10 et seq., the following process, at a minimum, shall be employed:

1. ED shall issue a RFP or RFQ specifying the qualifications, competence, minimum standards, and other qualification-based criteria appropriate for the scope of work being sought by CPA, and attaching a copy of the proposed Architectural and Engineering Agreement;
2. ED shall appoint a selection team consisting of at least two employees who are most knowledgeable about the desired Services and scope of work;
3. The selection team shall rank the firms based upon professional experience, qualifications in the work to be performed, including relative project experience, demonstrated design excellence, capability and involvement of key personnel, excellence in cost control and scheduling, relative location of firm to project location, ability to perform the work within the established timeframe and any other criteria appropriate to the scope of work being considered. The selection team may conduct interviews of qualified firms, if deemed appropriate.

CPA will enter into an Architectural and Engineering Agreement with the Proposer that CPA determines, acting in its sole discretion, offers the Best Value.

VI.

COMPETITIVE SOLICITATION ADVERTISEMENT AND PROPOSER LIST

1. All Competitive Solicitations shall be posted on CPA's website. CPA does not formally publish its Competitive Solicitations in a newspaper or similar publication.
2. Notwithstanding the RFQ process and the PQP list, CPA may maintain a list of Proposers for any Competitive Solicitation. To be added to the list of Proposers, interested Proposers must provide the ED with Proposer's contact information, including address, phone number, and a current email address. It is the Proposer's obligation to keep its contact information current with CPA. CPA will use its best effort to send any Competitive Solicitations to all Proposers who request to be placed on the list of Proposers.
3. CPA does not guarantee any Proposer placed on the list of Proposers any work.

VII.

RESERVATION OF CPA'S RIGHTS

1. ED may, at its sole discretion, take any of the following actions:
 - a. ED may reject any or all Proposals, for any reason without explanation to the Proposer(s);
 - b. ED may elect in its Competitive Solicitation to select any part of a Proposal, or sub-divide, or combine a Proposal;
 - c. ED may cancel a Competitive Solicitation, in its entirety;
 - d. ED may elect to proceed with a contract for only some of the Services included in the Proposal.
2. ED shall have the right to amend a Competitive Solicitation by written addendum. CPA is responsible only for that which is expressly stated in the Competitive Solicitation document and any authorized written addenda. Should such addendum require additional information not previously requested, failure to address the requirements of such addendum may result in the Proposal being found non-responsive and not being considered, as determined in the sole discretion of CPA.
3. ED is not responsible for and shall not be bound by any representations, statements, or explanations made by any individual acting or purporting to act on its behalf, other than the CPA Staff member identified on the Competitive Solicitation document, provided the representations, statements, or explanations by the identified CPA Staff member are in writing.
4. ED reserves the right to waive inconsequential irregularities in a submitted Proposal.
5. ED reserves the right to submit supplementary follow-up questions or inquiries to request clarification of information submitted and to request additional information from any one or more of the Proposers.
6. CPA shall not be liable for any costs incurred by any Proposer in connection with the preparation or submission of any Proposal or any action taken by Proposer in its effort to do business with CPA. Any and all such costs whatsoever shall remain the sole responsibility of the Proposer.
7. CPA shall not be liable to any Proposer in law or equity for any reason whatsoever for any acts or omissions arising out of or in conjunction with this Policy.
8. CPA may require Proposers to provide certain performance assurances including but not limited to performance security or payment and performance bonds for Public Works Contracts.
9. Proposers are expected to complete all of their due diligence activities prior to entering into any final contract negotiations with CPA, including a review of CPA's policies, requirements, forms, or other guidance documents that CPA may issue from time to time. CPA Policies, including CPA's Vendor Communications Policy, are available on CPA's website at: www.cleanpoweralliance.org/key-documents.

VII.

SEVERABILITY

If any section, subsection, sentence, or clause of this Policy is determined to be illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect the legality, validity, or enforceability of this Policy as a whole or of any section, subsection, sentence, or clause herein that is not so determined.



CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA 2020 MEETING SCHEDULE

Adopted: December 5, 2019

This schedule is updated regularly. Please check our website at www.cleanpoweralliance.org to view the most up to date version.

STANDING MEETINGS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Board of Directors 2:00 PM, 1 st Thursday	2 9	6	5	2	7	4	2	DARK	3	1	5	3
Board Locations	In Person: Varies, please refer to Meeting Agendas for locations.											
	Remote: Ventura County Hall of Administration, City of Calabasas, City of Whittier											
Executive Committee 1:30 PM, 3 rd Wednesday	15	19	18	15	20	17	15	19	16	21	18	16
Executive Committee Locations	In Person: Clean Power Alliance Office - Downtown LA											
	Remote: Ventura County Hall of Administration, City of Beverly Hills											
Legislative & Regulatory Committee 10:00 AM, 4 th Wednesday	22	26	25	22	27	24	22	26	23	28	TBD	TBD
Finance Committee 11:00 AM, 4 th Wednesday	22	26	25	22	27	24	22	26	23	28	TBD	TBD
Energy Planning & Resources Committee 12:15 PM, 4 th Wednesday	22	26	25	22	27	24	22	26	23	28	TBD	TBD
Standing Committee Locations	In Person: Clean Power Alliance Office - Downtown LA											
	Remote: Varies, please refer to Meeting Agendas for locations.											
Community Advisory Committee 1:00 PM, 2 nd Thursday	9 16	13	12	9	14	11	9	13	10	8	12	10
Community Advisory Committee Locations	In Person: Clean Power Alliance Office - Downtown LA											
	Remote: Ventura County Hall of Administration, City of Whittier											

Red-Strikeout indicates cancelled meeting, and **Red Font** indicates new meeting date. Agendas are available at www.cleanpoweralliance.org at least 72 hours prior to the meeting. For questions, contact Jennifer Ward at jward@cleanpoweralliance.org or 213-269-5889.