



### **Staff Report Item 7**

**TO:** East Bay Community Energy Board of Directors

**FROM:** Nick Chaset, Chief Executive Officer  
Inder Khalsa, EBCE General Counsel

**SUBJECT:** **Approve Administrative and Operational Policies**

**DATE:** February 7, 2018

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#### **Recommendation**

- A. Adopt a Resolution regarding Administrative Procurement Practices, which includes
  - a. The delegation of the CEO's signing authority to EBCE staff for certain types of contracts.
  - b. The award of professional services agreements.
  - c. Issuance of RFPs for non-professional services contracts.
  - d. Evaluation of bids and proposals.
  - e. Local, union labor and other preferences.
  - f. Ethical vendor standards.
  - g. Reporting & public access to contracts.
  
- B. Approve by motion Delinquent Accounts and Collections
  - a. Process for returning accounts to PG&E for non-payment
  - b. Late-payment notification
  - c. Collections

#### **Background**

As EBCE approaches launch, the adoption of administrative and operational policies will help ensure smooth operations consistent with Board direction. Staff proposed two policies for Board consideration at the January 17<sup>th</sup> Board meeting and now requests adoption of those policies. Each of the policies, and resolutions where applicable, are attached to this staff report.

## **Analysis & Discussion**

### **A. Administrative Procurement Practices**

The Board directed staff to propose agency procurement practices to facilitate efficient business operations and provide fair compensation and local workforce opportunities whenever possible within a framework of high quality, competitive service offerings. The attached Administrative Procurement Practices policy provides for the following:

- a. The delegation of the CEO's signing authority to EBCE staff for certain types of contracts.
- b. The award of professional services agreements
- c. Issuance of RFPs for non-professional services contracts
- d. Evaluation of bids and proposals
- e. Local, union labor and other preferences
- f. Ethical vendor standards
- g. Reporting & public access to contracts

Please note that policies related to power procurement and wholesale energy services will be included in an energy risk management policy coming to the Board for consideration in February.

### **B. Delinquent Accounts and Collections Policy**

Pacific Gas & Electric (PG&E) issues bills to customers. This policy identifies the process by which PG&E determines when an account is delinquent and the actions both PG&E and EBCE will take to address the delinquency. The attached Delinquent Accounts and Collections Policy provides for the following:

- a. Process for returning accounts to PG&E for non-payment
- b. Late-payment notification
- c. Collections

### **Attachments:**

- A. Resolution adopting Administrative Procurement Practices
- B. Policy: Administrative Procurement Practices
- C. Policy: Delinquent Accounts and Collections Policy

**RESOLUTION EBCE R-2018-**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY ADOPTING  
ADMINISTRATIVE PROCUREMENT PRACTICES**

**WHEREAS**, it is in the interest of East Bay Community Energy Authority (“EBCE”) to establish administrative procurement practices that facilitate efficient business operations and provide fair compensation and local workforce opportunities whenever possible within a framework of high quality, competitive service offerings; and

**WHEREAS**, the EBCE desires to facilitate smooth internal operations within the agency by allowing the CEO to delegate his or her signing authority to EBCE staff where appropriate; and

**WHEREAS**, the EBCE desires to support Alameda County businesses, the use of union labor where available, diversity among its contractors and vendors, and ethical/sustainable business practices and to provide preferences to such businesses; and

**WHEREAS**, the Board of Directors of the EBCE desires to adopt the attached Administrative Procurement Practices to govern the issuance of requests for proposals and the award of contracts.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The Board hereby adopts Policy # [REDACTED], “Administrative Procurement Practices,” attached hereto as Exhibit A, and resolves that the award and execution of contracts by the EBCE shall be governed by this policy.

**SECTION 2.** This resolution shall become effective immediately upon its passage and adoption.

**ADOPTED AND APPROVED this \_\_\_\_ day of February, 2018.**

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Scott Haggerty, Chair

**ATTEST:**

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Stephanie Cabrera, Secretary



POLICY # \_\_\_\_\_

## Administrative Procurement Practices

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**Purpose:** It is in the interest of East Bay Community Energy to establish administrative procurement practices that facilitate efficient business operations and provide fair compensation and local workforce opportunities whenever possible within a framework of high quality, competitive service offerings.

### Policy:

#### 1. Executive Management Signing Authority:

- a. On August 2, 2017, the EBCE Board of Directors authorized the Chief Executive Officer to enter into contracts of \$100,000 or less without prior Board approval with the stipulation that all new contracts must be reported at the next scheduled Board meeting. This policy does not include power supply or wholesale energy services and shall remain in place unless and until amended by the EBCE Board of Directors.
- b. EBCE executive level staff, at the discretion and approval of the CEO, may sign professional service agreements and vendor contracts up to \$100,000 as an authorized designee of the CEO subject to Board reporting requirements outlined above. In addition, the following authorities shall apply except where in conflict with the Joint Powers Agreement, state or federal law:
  - Non-Disclosure Agreements – Director level and above;
  - Banking and Treasury Administration – Chief Operating Officer level and above.
- c. Invoices and vendor payments shall be approved by the contract signee, his/her executive level manager and/or the COO.

2. **Professional Services Agreements:** EBCE may contract for professional services, including but not limited to consultant, legal, or design services, in its sole discretion. Contracts valued at greater than \$100,000 in a contract year shall require Board approval, and staff shall obtain at least three bids if feasible. Contracts valued at less than \$100,000 may be signed at the discretion of the CEO and subject to Board reporting requirements outlined in section 8.

3. **Competitive Solicitations:** EBCE will run competitive solicitations through the issuance of requests for proposals (RFPs) or similar instruments for all non-professional services contracts with a contract value in excess of \$100,000 in any given contract year. These contracts are subject to Board approval before final execution. For contracts valued below \$100,000 in a given

year, staff shall obtain at least three bids if feasible; a formal RFP process for contracts under \$100,000 is not required unless otherwise directed by the CEO.

4. **Contract Amendments:** Contract amendments including changes in timeframe, scope, and value shall be at the discretion of the CEO, subject to Board approvals and signing authorities outlined in section 1.

5. **Bid Evaluation:** Bids and proposals received through a competitive solicitation shall be subject to a set of criteria and scoring system, reviewed and evaluated by relevant EBCE staff and an evaluation committee selected by the CEO, or at the discretion of the Board, members of a designated Board subcommittee or the Community Advisory Committee. Bids for contracts received through formal or informal solicitation shall be evaluated based on competency to perform scope of work, best fit, price competitiveness and compliance with sections 6-7 below.

6. **Special Procurement Preferences:** EBCE seeks to support companies and contractors that reflect its values, and has identified three vendor/contractor categories that shall be given special consideration during bid evaluation and selection. In competitive solicitations, these categories shall receive bonus percentages/points ranging from 2.5% - 5% for a maximum bonus total of 10% in a bid scoring process.

**6a. Alameda County Preference:** EBCE desires to support Alameda County businesses where possible. Businesses with office(s) located in Alameda County and including at least 25% Alameda County residents under their employment shall receive a bonus equal to 5% or 5 points out of a 100-point scoring system in competitive solicitations.

**6b. Union Labor Preference:** EBCE desires to support the use of union labor where possible. EBCE shall make its best effort to work with unionized contractors and subcontractors in the provision of goods and services to EBCE. Businesses who use union labor and/or unionized contractors shall receive a bonus equal to 2.5% or 2.5 points out of a 100-point scoring system in competitive solicitations.

**6c. Other Preferences:** EBCE desires to support diversity among its contractors and vendors by working with women, minority, disabled veteran, and lesbian, gay, bisexual, and transgender-owned businesses. Businesses owned and operated by a person representing one or more of these categories shall receive a bonus equal to 2.5% or 2.5 points out of a 100-point scoring system in competitive solicitations.

7. **Ethical Vendor Standards:** EBCE is committed to the highest standards of responsible behavior and integrity in all of its business relationships. EBCE will consider a company's business practices, environmental track record, and commitment to fair employment practices and compensation in its procurement decisions.

8. **Reporting, Public Access:** EBCE shall report on all new contracts, regardless of scope or contract value, at each Board meeting. As a public agency, the EBCE shall release all public records, including contracts as applicable, as required by the Public Records Act.



POLICY # \_\_\_\_\_

**Delinquent Accounts and Collections**

**Subject:** Delinquent Accounts and Collections Policy

**Policies:**

Delinquent Accounts:

Pursuant to Electric Rules 8 and 11, Pacific Gas & Electric (PG&E) uses the following process to determine past due accounts and the necessary action:

Residential Accounts		Non-Residential Accounts	
Day 1 - Issuance of Bill	Customer Receives Bill	Day 1 - Issuance of Bill	Customer Receives Bill
Day 22	Past Due	Day 18	Past Due
Day 27 - 33	15 Day Notice on Next Bill	Day 21	7 Day Notice Delivered
Day 41-47	48 Hour Notice via Mail	Day 29	24 Hour Phone Call or In Person Notice
Day 45 - 51	24 Hour Phone Call or In Person Notice	Day 32	Account is Eligible for Disconnection
Day 50-56	Account is Eligible for Disconnection		

Aging Accounts:

All EBCE accounts, whether Residential or Non-Residential, identified in the month aging accounts receivable report, as provided by PG&E, with outstanding balances over 90 days or more are eligible to be returned to PG&E.

EBCE Residential customer accounts exceeding \$250 in charges overdue for more than 90 days will be sent a late payment notification by EBCE. The customer will be provided 60 days to pay or make payment arrangements. If payment in full is not received within 60 days from the date of notification, or the terms of an activated payment arrangement are not fulfilled, the EBCE customer account may be closed and returned to PG&E bundled generation service on the next account meter read date.

Residential customers returned to PG&E will be charged the applicable EBCE opt-out fee.

EBCE Non-Residential customer accounts exceeding \$500 in aggregate in unpaid charges for 60 days or more will be sent a late payment notification by EBCE. The customer will be provided 30 days to pay or make payment arrangements. If payment in full is not received within 30 days of the date of notification, or the terms of an activated payment arrangement are not fulfilled, the EBCE customer account may be closed and returned to PG&E bundled generation service on the next account meter read date. Non-residential customers returned to PG&E will be charged the applicable EBCE opt-out fee.

Collections:

Closed East Bay Community Energy accounts with overdue amounts greater than \$100 may be referred to a collection agency. Amounts \$100 or less may be written off. PG&E may close customer accounts before payment delinquencies bring them to the attention of EBCE operations. When PG&E closes customer accounts, these accounts are also closed in the EBCE program. In these cases, the thresholds outlined in the preceding paragraphs apply in either referring closed accounts to collections or writing off balances.