



## Consent Item 8

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

**FROM:** JP Ross, Senior Director Local Development, Electrification, and Innovation

**SUBJECT:** Approve a Resolution Limiting Overhead Costs and/or Indirect Expenses in Contracts and Grants with Universities

**DATE:** September 16, 2020

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### **Recommendation**

Approve a Resolution limiting overhead costs and/or indirect expenses in contracts and grants with universities to 15 % of the contract or grant value.

### **Background and Discussion**

EBCE values collaboration with local partners and educational institutions as we work to deliver value to our customers. This includes grants and service agreements with universities for research and other work. Some universities charge standard overhead rates that are an impediment to collaboration and limit EBCE's ability to partner with local institutions. Where an organization has adopted a policy limiting overhead charges, however, universities will generally allow a lower rate.

EBCE staff recommends the Board limit allowable overhead costs and/or indirect expenses with universities to 15% of the contract or grant value.

### **Fiscal Impact**

This resolution has a positive fiscal impact by limiting overhead expenses and indirect costs when collaborating with Universities.

**Attachments**

- A. Resolution Limiting Overhead Costs and/or Indirect Expenses in Contracts and Grants with Universities

**RESOLUTION NO. \_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY LIMITING OVERHEAD COSTS AND/OR INDIRECT EXPENSES IN CONTRACTS AND GRANTS WITH UNIVERSITIES**

**WHEREAS** The East Bay Community Energy Authority (“EBCE”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, Under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of EBCE and parties to the JPA in March of 2020.

**WHEREAS** EBCE plans to collaborate with local universities to deliver value to its customers.

**WHEREAS**, as a public agency EBCE needs to be cost efficient with its budgets.

**WHEREAS**, in the absence of an adopted policy limiting overhead charges, many universities charge high standard overhead rates on all contracts and grants.

**WHEREAS**, overhead costs and indirect expenses can limit EBCE’s ability to contract with, or make grants to, universities or make such grants or contracts less cost effective and beneficial to EBCE customers.

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

Section 1. Overhead costs and/or indirect expenses associated with grants to or contracts with universities are hereby limited to 15% of the contract or grant value.

ADOPTED AND APPROVED this 16 day of September, 2020.

Dan Kalb, Chair

ATTEST:

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Stephanie Cabrera, Clerk of the Board