



Staff Report Item 21

TO: East Bay Community Energy Board of Directors

FROM: Annie Henderson, VP of Marketing and Account Services

SUBJECT: Data Management and Call Center Services Contract Renewal with Sacramento Municipal Utilities District (SMUD)

DATE: July 15, 2020

Recommendation

- A. Receive an update on the renewal of the contract for Data Management and Call Center Services with Sacramento Municipal Utilities District (SMUD) and;
- B. Adopt a Resolution authorizing the Chief Executive Officer to negotiate and execute a contract extension with SMUD for a term of two years at the same cost per meter as the current Data Management and Call Center Agreement.

Background and Discussion

Background

In November 2017, the Board authorized the Chief Executive Officer to negotiate and execute a contract with Sacramento Municipal Utilities District (SMUD) for Data Management and Call Center Services. The contract with SMUD was executed in February 2018.

The term of the agreement is for two years from “Full Implementation”, defined as “the date upon which EBCE launches services for all customers, including municipal, commercial, and residential customers”. Staff interprets the end of the term to be December 1, 2020 based on the mass enrollment of municipal and commercial customers in June 2018 and residential customers throughout November 2018.

The term definition in the contract also requires a 90-day advance notice to SMUD regarding whether we will extend or terminate the agreement. Therefore, with a December 1 termination, notice is due to SMUD on September 1.

Contract Extension Negotiations

EBCE staff began negotiating a contract extension with SMUD in January 2020. Over the last several months, EBCE and SMUD staff have discussed our technology roadmap, system functionality, pricing, and term. Staff anticipates that while the overall budget for SMUD services will increase due to the expansion to new territories, we will maintain the same cost per meter and scope of services. The main contract terms are included in the attached Term Sheet.

Future Considerations

Staff is currently proposing a 2-year extension agreement. This duration will provide consistency of service during the enrollment of new communities (April 2021) and transition to time-of-use rates (May 2021), while giving us flexibility to transition to more in-house services by 2023. Specifically, staff has worked with SMUD to ensure an integration of an EBCE CRM during this next contract term - a first step towards greater in-house services.

Additionally, there has been a long-held desire to have an in-service territory call center. The approved budget for fiscal year 2020/2021 does not include staffing or other costs for an EBCE call center. After this fiscal year, EBCE will continue to pay SMUD a per meter cost that includes call center support, but we will have the option to bring one or more EBCE staff on-board as call center representatives that work within the SMUD backend systems. In this way, we will build in-house capacity and experience to support a potential full transition to a local call center in 2023 at the end of the SMUD contract extension. A potential timeline is as follows:

- July 2020 - June 2021: Full SMUD Call Center
- July 2021 - December 2022: EBCE staff working within SMUD Call Center system
- January 2022: Issue RFP for Call Center Services/Support
- June 2022: Select and Approve Call Center Services vendors
- Q4 2022: Transition and set-up of new call center
- January 2023: Launch new call center

Fiscal Impact

The cost was approved as part of the 2020/2021 fiscal year budget at \$7.7M for our base service territory and another approximately \$300k for new communities (total of \$8M) based on our initial cost estimate. Through negotiations the cost has come down and we now anticipate an annual cost of approximately \$7.4M for both existing and new territory. The main terms of the agreement are included in the attached Term Sheet.

Attachments

- A. Resolution to Negotiate and Execute a Contract Extension with Sacramento Municipal Utilities District
- B. SMUD Contract Extension Term Sheet

RESOLUTION NO. __

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY TO AUTHORIZE THE CHIEF
EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE A CONTRACT EXTENSION WITH
SACRAMENTO MUNICIPAL UTILITIES DISTRICT**

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 In November 2017, the Board authorized the Chief Executive Officer to negotiate and execute a contract with Sacramento Municipal Utilities District (SMUD) for Data Management and Call Center Services.

WHEREAS, The contract agreement with SMUD was executed in February 2018.

WHEREAS The term of the agreement is for two years from “Full Implementation”, defined as “the date upon which EBCE launches services for all customers, including municipal, commercial, and residential customers, which is interpreted to be December 1, 2020 based on the mass enrollment of municipal and commercial customers in June 2018 and residential customers throughout November 2018.

WHEREAS The term definition in the contract also requires a 90-day advance notice to SMUD regarding whether we will extend or terminate the agreement. Therefore, notice is due to SMUD on September 1.

WHEREAS It is in the best interest of the Agency to continue services with Sacramento Municipal Utilities District and provide notice of intention to extend by September 1 and finalize a contract extension prior to December 1.

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

Section 1. The Board hereby authorizes the Chief Executive Officer to enter into negotiations and execute a contract, subject to the approval of General Counsel, with SMUD for Data Management and Call Center Services for a term of two years at the same cost per meter as the current agreement in substantial conformance with the term sheet attached to the staff report associated with this resolution.

ADOPTED AND APPROVED this 15th day of July, 2020.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board

Data Management and Call Center Services

Contract Extension Term Sheet with Sacramento Municipal Utilities District (SMUD)

Term	Approximately two years (December 2020 through December 2022)
Cost	\$1.05/customer meter/month
Fees	Monthly - \$5,000 for Share My Data
	One Time - \$60,000 for Data Integration with new CRM
Services	<p>Scope remains consistent with current services, plus</p> <ul style="list-style-type: none"> • Mass Enrollment of new customers in Pleasanton, Newark, and Tracy, and • Transition of applicable customers to new Time-of-Use (TOU) rates <p>Option to reduce call center support hours to 9 AM to 5 PM weekdays beginning in October 2021 (post new community enrollment and transition to TOU rates)</p>
Amendments	Task Order Amendments to reflect changes in the scope will be managed the same as under current agreement. Budget has been allocated and approved for such change orders in the current fiscal year budget and any amendments will not exceed the approved amount.