

Date May 29, 2009 Item No. 7

**LOCAL AGENCY FORMATION COMMISSION**  
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**Memo from the Interim Executive Officer** \_\_\_\_\_  
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**Exceeds 20 pages; see file to review**  
**Available for review at City Hall, Room 244**

Completed by: Linda Wong Date: May 27, 2009

**\*This list reflects the explanatory documents provided**

# San Francisco Local Agency Formation Commission

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TO: LAFCo Commissioners

FROM: Nancy C. Miller, Interim Executive Officer

DATE: May 29, 2009

SUBJECT: Item 7: Consideration of a Contract with Local Power, Inc., to Provide Peer Review/Oversight Activities. (Discussion and Possible Action Item)

**Background:** The Interim Executive Officer recently met with 5 energy advocates of the community representing groups that have expressed concern the hiring of Navigant Consulting and have requested that SF LAFCo hire one consultant to prepare all documents for implementation of the Clean Energy SF Program. During these meetings, the advocates again expressed their concern over Navigant Consulting, Inc., (NCI) performing certain tasks related to Clean Power SF. Furthermore, the energy advocates pushed for the selection of Local Power, Inc., (LPI) as the consultant for all Clean Power SF tasks. As a compromise, the advocates requested that I bring before the Commission a proposal of LPI to peer review the Risk Assessment and DBOM Contract Term Sheet being prepared by NCI. The advocates also requested that LPI be available for additional oversight tasks as assigned by the Interim Executive Officer. Page 8 of LPI's proposal, attached to the Staff Report on Agenda Item 6, details LPI's proposed role. LPI is an approved contractor of SF LAFCo.

While peer review of consultant deliverables is not always necessary, it has been utilized for CCA programs. For instance, NCI has peer reviewed some of Marin Clean Energy's documents, including its business plan and feasibility study. Additionally, some of San Joaquin Valley Power Authority's documents have been peer reviewed by NCI as well.

The issue of contracting for Peer Review and Oversight are two separate roles.

## **Peer Review:**

LPI has provided a budget to conduct a peer review of NCI's Risk Assessment and DBOM Contract Term Sheet for a not-to-exceed amount of \$24,000. The Peer Review would be completed after the Navigant Study currently under contract and due August 1, 2009. The Peer Review would be due by September 1, 2009.

**Additional Oversight Tasks as Assigned:** LPI has also offered to provide additional support to the Commission by providing on call services related to any advisory or monitoring obligations of the Commission assigned to LPI by task orders.

LPI has proposed an "on-call" budget for oversight services for a not-to-exceed amount of \$140,000, or \$28,000 per month from June 2009 through October 2009.

One potential concern regarding the oversight role is that LPI would most likely not be able to serve in the future as a contractor for SFPUC because of its oversight role for SF LAFCo. Another concern relates to LPI's staffing availability for this task in addition to potential preparation of the CEC grant proposal and completion of siting and review of City agency properties and regulatory review. If the Commission approves a contract with LPI, the Interim Executive Officer would work with LPI to identify and remedy any staffing concerns and reduce the oversight budget accordingly. The role of oversight would be one of a consultant to the Commission to provide reports at each LAFCo meeting regarding monitoring the SFPUC activities related to the Clean Energy SF Program.

**RECOMMENDATION:**

The Interim Executive Officer asks that the Commission provide guidance on whether the Interim Executive Officer should contract with LPI, as proposed to provide peer review of NCI's Risk Assessment and DBOM Contract Term Sheet and additional Oversight tasks as assigned by the Commission.