



Memorandum

TO: RULES AND OPEN GOVERNMENT
COMMITTEE

FROM: Ed Shikada

SUBJECT: SEE BELOW

DATE: 02-10-10

Approved

Date

2/10/10

COUNCIL DISTRICT: City-Wide

SUBJECT: STATUS UPDATE ON GREEN VISION RELATED PARTNERSHIPS AND SOLICITATION OF PROPOSALS FOR FUTURE PARTNERSHIPS

RECOMMENDATION

Accept status update on Green Vision related Partnerships

OUTCOME

This report provides information to the Committee on the partnerships specifically related to advancing the goals of the Green Vision that are currently under consideration. This report also provides the Committee with an update on the Administration's plan to enhance outreach on the City's interest in future partnerships through the City's procurement system.

BACKGROUND

In October 2007, the City Council adopted San José's Green Vision, an ambitious 15 year plan for economic growth and environmental sustainability, with the objective of improving the quality of life for San José residents and businesses. The Green Vision outlines goals in the areas of **clean tech jobs, energy efficiency, renewable energy, green buildings, waste reduction, recycled water, sustainable growth, streetlights, trees, and trails**. Since technology in several of these areas is still very dynamic, emerging companies are continually developing new and innovative solutions that can help address some of the significant challenges related to the depletion of natural resources, use of fossil fuels, and carbon emission levels. To advance the Green Vision, the City wishes to facilitate demonstration pilots and strategic partnerships to test innovative technology and to also encourage emerging clean tech companies to locate in San José.

On June 12, 2007, Council directed staff to proceed with the implementation of a proposed framework for advancing and encouraging public-private partnerships. In June 2008, Council approved the City's Demonstration Partnership Policy, providing a key tool to assist staff in

taking advantage of private sector innovation, technology, and entrepreneurial spirit. The policy established a framework for engaging and evaluating partnerships with the goal of developing, testing, and demonstrating emerging technologies, products and service innovations in the market place. Such innovations are critical to achieve the Green Vision and have the potential to reduce City operating costs, provide environmental benefits, and improve City service delivery. With the adoption of the policy, staff was directed to provide periodic updates to appropriate City Council Committees and to solicit City Council feedback to prioritize specific partnership proposals for advancement as needed.

In order to facilitate the on-going evaluation of partnership opportunities, I have been designated as the City's public-private partnership coordinator. The coordinator serves as the point of contact for partnership opportunities, helps identify partnership priorities and needs, and assists in the development of partnership agreements.

The confluence of the Green Vision and the City's Demonstration Partnership Policy has become even more significant in light of the American Recovery and Reinvestment Act (Recovery Act), a bill signed by President Barack Obama in February 2009, to stimulate the faltering economy and to create or save 3.5 million jobs over the next two years. This \$787 billion stimulus package provides \$288 billion in tax relief, \$144 billion in state and local fiscal relief, and \$355 billion for federal social and spending programs.

ANALYSIS

A significant amount of Recovery Act grants are being structured to encourage the formation of strategic partnerships which can then be used as sustainable models in the long term. Several such Recovery Act grant opportunities, combined with the City's Demonstration Policy, have made it possible for staff to pursue many partnerships that will help advance the City's Green Vision. This report provides an update on these partnership efforts.

Partnerships – Completed or In Progress

1. *Coulomb*

The City entered into a demonstration partnership agreement with Coulomb Technologies, a Silicon Valley-based start up, in July 2008 to test, evaluate, and demonstrate a networked plug-in electric vehicle (PEV) charging system. This was San José's first demonstration agreement under the new policy and Coulomb's first field test of their new PEV charger. With Coulomb's guidance, the City installed five of the devices around the City—three in a public parking garage, one on a streetlight pole opposite City Hall, and one on the sidewalk in front of a eastside San Jose elementary school. The partnership enabled San Jose and Coulomb to evaluate how the system worked in a real-world setting, including the ease of installation and operation. It allowed the City to test a product that could help advance its Green Vision goals and Coulomb to gather data to help improve their product. Both the company and the City received positive media coverage for their partnership and the product which helped both advance their individual and common goals.

2. *GoodWill of Silicon Valley*

In June 2009, the City entered into an agreement with Goodwill of Silicon Valley for mattress recycling, job creation and training at their San Jose facility. Utilizing the City's demonstration partnership policy and leveraging a significant grant provided by the Federal Department of Labor, Goodwill has established one of only four full-scale mattress recycling programs in the country. The City is providing up to \$85,000 in financial support for start-up equipment and to offset the costs of operations during the start up phases of the program.

This operation has cumulatively diverted 5,863 mattresses (163 tons of material) from landfill. Additionally, the program has provided job training to seven local homeless veterans and participants have worked a cumulative 2,711 hours recycling mattresses. Two homeless veterans have completed this 'green' job training program and one has been placed into follow-on employment. As the program expands, this partnership will help advance the Green Vision goal of diversion of 100% waste from our landfills as well as further create entry level 'green' jobs and provide a vulnerable population some experience in the recycling field.

3. *Pacific Gas & Electric*

A partnership was established with PG&E to provide \$300,000 worth of energy audits for City facilities. Staff is in discussions with PG&E to continue this partnership for future audits. This collaboration will advance the Green Vision goal of 50% reduction in per capita energy consumption.

4. *Various Partners - Fat Spaniel, IBEW, Mariah Power, Nanosolar, Real Goods/Regrid, San Jose Redevelopment Agency, Santa Clara University, StableSolar, Stion, SunPower, Underwriters' Laboratory*

Partnerships with various public and private entities for DOE's Solar Market Transformation grant, through the Recovery Act, for a Green Vision Education and Demonstration Center. These partnerships could potentially advance the Green Vision goal of 100% electrical power from clean renewable resources.

Partnerships Currently Under Consideration

1. *Electronic Transportation Development Center (ETDC) Partnership Opportunities*

- ELV Motors for 2 wheel electric bikes - This emerging company is part of the ETDC and offers an electric bike. Staff will engage in further research and discussion to evaluate as a potential demonstration project.
- BAF / Clean Energy – This company provides compressed natural gas (CNG) fueling solutions. The City is interested in discussing a partnership to maximize the utilization of the CNG station at the Airport.
- Clean Tech Incubator - Partnership with Clean Tech Incubator to help attract, assist and retain companies poised to develop innovative technologies. The City has submitted an application for Economic Development Authority (EDA) and Department of Energy grants to further this effort.

These partnerships will help advance the Green Vision goals of 25,000 Clean Tech jobs and 100% alternative fuel public fleet.

2. *LED Indoor Lighting*

LED Indoor Light Fixtures Demonstration Project - Staff met with several LED indoor fixture vendors. The technology has continued to evolve and may make economic sense at this time. The most recent meeting was with Lunera Lighting, whose product appears viable. Staff is working towards further evaluation and locations for a pilot deployment. An LED Indoor Lighting partnership could potentially advance the Green Vision goal of 50% reduction in per capita energy consumption.

3. *Pacific Energy Center*

Staff is exploring a partnership with Pacific Energy Center (PEC) to help finance and develop a "PEC South" in San Jose to help train workers in the energy efficiency field. This partnership could potentially advance the Green Vision goal of 50% reduction in per capita energy consumption.

4. *Zero Waste Energy, Bulk Handling Systems, and Additional Technology Partners*

Zero Waste Energy is partnering with Bulk Handling Systems to develop a proposal to build, own, and operate a dry fermentation anaerobic digestion facility at a site adjacent to the Water Pollution Control Plant. Capital funding could include venture capital, as well as federal grants and loan guarantees procured by Zero Waste Energy. In addition, in January 2009, Council authorized staff to apply for a California Energy Commission grant to build additional biogas and fueling infrastructure within the Water Pollution Control Plant; staff is currently soliciting interest for private sector partners to collaborate on this opportunity. Partnerships with Zero Waste Energy and other potential vendors would advance the Green Vision goals of 100% electrical power from clean renewable resources, diversion of 100% of waste from landfills, and conversion of waste to energy.

Future Partnerships Opportunities

In order to enhance the City's outreach on Green Vision partnership opportunities and maximize the number and quality of proposals that the City receives, staff will release a Request for Interest (see Attachment A) through the City's bid notification system, BidSync, at www.bidsync.com. Utilization of this system will serve as an effective outreach tool to notify potential partners of the City's interest in these projects as well as information about how to respond to the City's public-private partnership coordinator. Recognizing the fact that new technologies will continue to emerge in many of these dynamic and innovative Green Vision goal areas, staff is proposing to release a Requests for Interest at six month intervals to provide multiple opportunities for partnership opportunities.

EVALUATION AND FOLLOW-UP

Updates on partnership opportunities will be incorporated into periodic reports to the appropriate City Council Committees or communicated through quarterly information memoranda to Council. Council feedback will be solicited to prioritize specific partnership proposals for advancement, as needed.

As the City continues its efforts to engage and attract companies with emerging technologies, it may be beneficial to re-evaluate the Demonstration Partnerships Policy to ensure that it still provides flexibility in forming strategic partnerships. For example, cutting edge technologies that advance Green Vision goals, may at times, require a longer term than acceptable within the current policy framework, to recoup the initial capital investment or to adequately pilot the technology. Staff will explore this further and bring forward a recommendation to Council if appropriate.

PUBLIC OUTREACH/INTEREST

This memorandum will be posted on www.bidsync.com

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

COORDINATION

This memorandum has been coordinated with the Departments of Environmental Services, General Services, Finance, Transportation, Office of Economic Development, the Attorney's Office and the Budget Office.

FISCAL/POLICY ALIGNMENT

The partnership efforts underway are consistent with the FY 09-10 Budget Balancing Strategy #7 that specifically directs staff to consider alternative service delivery mechanisms (public private partnerships) to reduce and/or share costs, and to use our resources more efficiently and effectively.

COST SUMMARY/IMPLICATIONS

Although the establishment of partnerships can be demanding in terms of staff resources, the opportunities to leverage resources, obtain grant funding and encourage new technologies, while continuing to advance the City's Green Vision, make these partnership efforts economically beneficial to the City.

BUDGET REFERENCE

Not applicable

CEQA

Not a project. Specific projects will undergo CEQA review separately.



Edward K. Shikada
Chief Deputy City Manager

For questions, please contact Ashwini Kantak, Assistant to the City Manager, at (408) 535-8147 .

Attachment A



REQUEST FOR INTEREST

DEMONSTRATION PARTNERSHIPS

Issue Date: February 24, 2010

1 PURPOSE

1.1 The purpose of this Request for Interest (RFI) is to communicate the City's Demonstration Partnership Policy to interested parties and solicit Partnership Proposals from any interested party that advance the City's "Green Vision".

2 BACKGROUND

2.1 FRAMEWORK FOR ESTABLISHING DEMONSTRATION PARTNERSHIPS POLICY

2.1.1 In June 2008, the City adopted Council Policy 0-40, Framework for Establishing Demonstration Partnerships, to create a framework for engaging and evaluating demonstration partnerships with the aim of developing, testing and demonstrating innovative solutions that support the City's Economic Development Strategy and City Operations.

2.1.2 The entire Demonstration Partnership Policy may be found at:
http://www.sanjoseca.gov/clerk/cp_manual/CPM_0_40.pdf

2.1.3 Since the Demonstration Partnership Policy was adopted, a number of projects have been implemented. A full report summarizing partnership projects may be reviewed at www.xx.com. Examples of completed partnerships include a partnership with Coulomb to demonstrate a networked plug-in electric vehicle (PEV) charging system and a partnership with Goodwill of Silicon Valley for mattress recycling, job creation and training at their San José facility to help advance the City's zero waste goal.

2.2 GREEN VISION POLICY

2.2.1 In October 2007, the City adopted the City's Green Vision which is intended to accomplish the following within 15 years:

- Create 25,000 Clean Tech jobs as the World Center of Clean Tech Innovation
- Reduce per capita energy use by 50 percent
- Receive 100 percent of our electrical power from clean renewable sources
- Build or retrofit 50 million square feet of green buildings
- Divert 100 percent of the waste from our landfill and convert waste to energy
- Recycle or beneficially reuse 100 percent of our wastewater (100 million gallons per day)
- Adopt a General Plan with measurable standards for sustainable development
- Ensure that 100 percent of public fleet vehicles run on alternative fuels
- Plant 100,000 new trees and replace 100 percent of our streetlights with smart, zero emission lighting
- Create 100 miles of interconnected trails

2.2.2 Further information on San José's Green Vision may be reviewed at

<http://www.sanjoseca.gov/greenvision/>

3 PROJECT REQUIREMENTS

3.1 Proposals must indicate how the Green Vision will be advanced if your proposed project is implemented.

4 RESPONSE INFORMATION

4.1 Please complete Attachment A, Partnership Project Proposal. Please be complete and concise. Provide supporting information as required to better enable the City to evaluate your proposal.

5 TIMELINE

February 24, 2010	RFI Released
March 10, 2010	Deadline for Questions
March 17, 2010	City responds to Questions
March 29, 2010	Proposals Due by Close of Business. Submit to contact and location listed in Section 7

6 EVALUATION CRITERIA AND EVALUATION PROCESS

6.1 The City will prioritize and evaluate all proposals based on the following criteria:

Evaluation Criteria	Weight
Impact on Green Vision	40%
Benefits to the City including economic development and local job creation	40%
Direct/Indirect Cost to City	10%
Local Preference	5%
Small Business Preference	5%

6.1.1 The evaluation may include requests for additional follow-up information as required.

6.1.2 The City may request oral interview(s) and/or /product presentation(s) as required.

6.2 Upon completion of the proposal process, the City will evaluate the proposals and make a determination to pursue proposals based on benefits to the City, impact on the Green Vision and overall feasibility of the project. Based on this evaluation, the City may choose to pursue all, some or none of the proposals.

6.3 The City will publish the evaluation results upon conclusion of the evaluation process.

7 CONTACT AND SUBMISSION INFORMATION

Please submit all questions and your proposal response via email, regular mail, or courier to:

Sheila Tucker
Senior Executive Analyst
City of San José
200 East Santa Clara St.
San Jose, CA 95113

sheila.tucker@sanjoseca.gov

8 GENERAL INFORMATION

8.1 The City may implement a proposal that is submitted in response to this RFI without a subsequent competitive process (such as a Request for Proposal).

8.2 Responders are responsible for any and all expenses that may be associated with responding to this RFI.

8.3 The City intends to make all information received in response to this RFI public. As such, proprietary information should not be included in your response.

RECEIVED
San Jose City Clerk

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