

# Board Finance & Audit Committee Meeting and Special SMUD Board of Directors Meeting

Date: Wednesday, February 15, 2023

Time: Immediately following the ERCS Committee  
meeting scheduled to begin at 5:30 p.m.

Location: Virtual Meeting (online)

# **AGENDA**

## **BOARD FINANCE & AUDIT COMMITTEE MEETING AND SPECIAL SMUD BOARD OF DIRECTORS MEETING**

**Wednesday, February 15, 2023**

**Immediately following the Energy Resources & Customer Services Committee Meeting and Special SMUD Board of Directors Meeting  
scheduled to begin at 5:30 p.m.**

**Zoom Webinar Link: [Join Board Finance and Audit Committee Meeting Here](#)  
Webinar/Meeting ID: 160 079 3012**

**Passcode: 789289**

**Phone Dial-in Number: 1-669-254-5252 or 1-833-568-8864 (Toll Free)**

Pursuant to Government Code section 54953(e) and the Emergency Board Meeting Procedures adopted by the SMUD Board of Directors, the regular Board meeting and other public meetings are currently conducted solely via virtual (online/teleconference) meeting to align with state, local, and federal guidelines for the containment of the coronavirus.

Live video streams and indexed archives of meetings are available at:  
[http://smud.granicus.com/ViewPublisher.php?view\\_id=16](http://smud.granicus.com/ViewPublisher.php?view_id=16)

Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by emailing a request to speak to [PublicComment@smud.org](mailto:PublicComment@smud.org). Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be submitted while the meeting is in progress during the standard time for the agenda item or topic. **Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.**

Members of the public may provide written public comments on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via e-mail. Comments may be submitted to [PublicComment@smud.org](mailto:PublicComment@smud.org) and will be placed into the record of the meeting.

Members of the public that are listening to or watching the live stream of a Committee meeting and wish to submit written comments on a specific agenda item as it is being heard may submit their comments, limited to 250 words or less, to [PublicComment@smud.org](mailto:PublicComment@smud.org), noting the agenda item number in the subject line. The Committee Chair may read comments for items on the agenda into the record, in his discretion, based upon such factors as the length of the agenda or the number of e-mail comments received. General public comment for items not on the agenda will not be read into the record but will be provided to the Board and placed into the record of the Board meeting if it is received within two hours after the meeting ends.

This Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of compliance with the Brown Act. In order to preserve the function of the Committee as advisory to the Board, members of the Board may attend and participate in the discussions, but no Board action will be taken. The Finance & Audit Committee will review, discuss and provide the Committee's recommendation on the following:

## **DISCUSSION ITEM**

1. Erik Krause Authorize the Chief Executive Officer and General Manager to award contracts to **Eagle Systems International, Inc. dba Synergy Companies** and **Clarke & Rush Mechanical, Inc.** to provide Heating, Ventilation and Air Conditioning (HVAC) Plus Building and Transportation Electrification Services for a two-year term from February 20, 2023, to February 19, 2025, with one optional one-year extension, for a total aggregate contract not-to-exceed amount of \$12 million.  
Presentation: 5 minutes  
Discussion: 15 minutes

## **INFORMATIONAL ITEMS**

2. Casey Fallon Quarterly Procurement Report for Fourth Quarter 2022.  
Presentation: 10 minutes  
Discussion: 5 minutes
3. Lisa Limcaco Provide the Board a summary of SMUD's current Power Supply Costs.  
Presentation: 5 minutes  
Discussion: 5 minutes
4. Public Comment
5. Rob Kerth Summary of Committee Direction.  
Discussion: 1 minute

*Pursuant to Resolution No. 20-06-08 adopted on June 18, 2020, Emergency Board Meeting Procedures are in effect:*

*Members of the public may make either a general public comment or comment on a specific agenda item by submitting comments via email. Comments may be submitted to [PublicComment@smud.org](mailto:PublicComment@smud.org). Comments will be provided to the Board and placed into the record of the Committee meeting if it is received within two hours after the meeting ends.*

*Members of the public that are listening or watching the live stream of a Board meeting and wish to comment on a specific agenda item as it is being heard, may submit their comments, limited to 250 words or less, to [PublicComment@smud.org](mailto:PublicComment@smud.org). The Board Committee Chair may read the comments into the record, in his discretion, based upon such factors as the length of the agenda or the number of email comments received. Comments will be provided to the Board and placed into the record of the Committee meeting if it is received within two hours after the meeting ends.*

*Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by emailing a request to speak to [PublicComment@smud.org](mailto:PublicComment@smud.org). Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be submitted while the meeting is in progress during the standard time for the agenda item or topic. **Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.***

*ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this virtual meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email [Toni.Stelling@smud.org](mailto:Toni.Stelling@smud.org), or contact by phone at (916) 732-7143, no later than 48 hours before this virtual meeting.*



SSS No. SCS 23-019

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Finance & Audit – 02/15/23  
Board Meeting Date  
February 16, 2023

TO		TO	
1.	Jesse Mays	6.	Lora Anguay
2.	Robert Adams	7.	Scott Martin
3.	Casey Fallon	8.	Jose Bodipo-Memba
4.	Erik Krause	9.	<b>Legal</b>
5.	Jennifer Davidson	10.	<b>CEO &amp; General Manager</b>

Consent Calendar	X	Yes	No If no, schedule a dry run presentation.	Budgeted	X	Yes	No (If no, explain in Cost/Budgeted section.)		
FROM (IPR)			DEPARTMENT				MAIL STOP	EXT.	DATE SENT
Jesse Mays			Procurement				EA404	5744	1/20/2023

**NARRATIVE:**

**Requested Action:** Authorize the Chief Executive Officer and General Manager to award contracts to Eagle Systems International, Inc. dba Synergy Companies and Clarke & Rush Mechanical, Inc. to provide Heating, Ventilation and Air Conditioning (HVAC) Plus Building and Transportation Electrification Services for a two-year term from February 20, 2023, to February 19, 2025, with one optional one-year extension, for a total aggregate contract not-to-exceed amount of \$12 million.

**Summary:** Request for Proposals (RFP) No. Doc3676288134 was issued in October 2022 to solicit for qualified contractor(s) to provide SMUD with Repair, Maintenance, Installation and Electrification Services for the Residential Equipment Efficiency and Low-Income Energy Saver Bundle Program. A pre-proposal conference was held on October 26, 2022. On November 16, 2022, SMUD received 2 responsive proposals that were evaluated in accordance with the advertised criteria. SMUD initiated negotiations with both responsive Proposers, which resulted in a price reduction of an average of 5% for select lines items from Synergy Companies’ proposal. The final pricing from both Proposers is very competitive with historical and current market pricing, and, coupled with their technical score, this supports the recommendation to award contracts to the two highest rated Proposers. Awarding two zero-dollar contracts with an aggregate amount of all tasks not-to-exceed \$12,000,000 for up to 3 years gives the business unit flexibility and mitigates the risk of work disruption. The result of the evaluation and award recommendations are shown below.

**Board Policy:** Board-Staff Linkage BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement; Strategic Direction SD-13, Economic Development Policy.

**Recommendation:** Award to the two Highest Evaluated Responsive Proposers

Award to:

Eagle Systems International, Inc. dba Synergy Companies	Clarke & Rush Mechanical, Inc.
2626 West Lane #100	441 Auburn Blvd.
Stockton, CA 95205	Sacramento, CA 95841

<u>Proposers Notified by Procurement:</u>	6
<u>Proposers Downloaded:</u>	6
<u>Pre-Proposal Conference Attendance:</u>	2
<u>Proposals Received:</u>	2

Responsive Proposals Received	P/F	SEED Points	Technical Points	Price Points	Total Score	Rank	Proposal Amount	Evaluated Proposal Amount	Proposed Award Amount
		10	50	40	100				
Synergy Companies	P	10	46.50	40.00	96.50	1	\$9,052,055.00	\$9,001,825.00	Not-To-Exceed \$12,000,000 Aggregate Amount of all Task Authorizations
Clarke & Rush Mechanical, Inc.	P	10	40.50	35.89	86.89	2	\$10,083,943.80	\$10,033,713.80	

Supplier Diversity Program:

Synergy Companies is the highest ranked Proposer who will be self-performing 80% of the work and subcontracting 20% to Supplier Education & Economic Development (SEED) verified vendors. Clarke & Rush Mechanical is a SEED verified vendor and was the second highest rank Proposer. Clarke & Rush Mechanical proposed to self-perform 59% of the work and subcontract 41% to non-SEED vendors.

**Benefits:** Provides HVAC building and transportation electrification services to low-income customers.

**Cost/Budgeted:** \$12,000,000; Budgeted for 2023 through 2026 by Customer Experience Delivery.

**Alternatives:** Only award a contract to the highest ranked proposer, Synergy Companies, and risk insufficient resources to support program demand.

**Affected Parties:** Customer Experience Delivery, Supply Chain Services, and Contractor.

**Coordination:** Customer Experience Delivery and Supply Chain Services.

**Presenter:** Erik Krause, Director, Customer Experience Delivery

**Additional Links:**

SUBJECT

**Contract Award - HVAC Plus Building and Transportation Electrification Services**

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.





SSS No.  
  
SCS 23-020

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Finance & Audit  
February 15, 2023  
Board Meeting Date  
N/A

TO				TO			
1.	Casey Fallon	6.					
2.	Jennifer Davidson	7.					
3.	Lora Anguay	8.					
4.	Scott Martin	9.	<b>Legal</b>				
5.	Jose Bodipo-Memba	10.	<b>CEO &amp; General Manager</b>				
<b>Consent Calendar</b>	<b>Yes</b>	<b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>	<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Robert Adams		DEPARTMENT Procurement Operations		MAIL STOP EA404	EXT. 4984	DATE SENT 1/20/2023	

**NARRATIVE:**

**Requested Action:** Quarterly Procurement Report for Fourth Quarter 2022.

**Summary:** In August 2003, the Board of Directors approved the SMUD Procurement Policy which included a commitment for staff to report on the SMUD Procurement Activities on a quarterly basis.

**Board Policy:** This report is provided to demonstrate compliance with SMUD Policy BL-8 and the following Policy Elements:  
*(Number & Title)*

- Competition
- Direct Procurement
- Sole Source Procurement
- Inclusiveness
- Environmental Procurement
- Responsible Bidder
- Best Value Procurement
- Strategic Alliances
- Protest Policy

**Benefits:** Ensures compliance with Public Contracting and Best Value procurement principles.

**Cost/Budgeted:** N/A

**Alternatives:** Not to provide a Quarterly Procurement Report.

**Affected Parties:** SMUD

**Coordination:** Procurement Operations

**Presenter:** Casey Fallon

**Additional Links:**

SUBJECT	2022 Fourth Quarter Procurement Report	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



SSS No.  
CFO 22-021

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit, 2023
Board Meeting Date N/A

TO	TO
1. Jennifer Davidson	6.
2. Lora Anguay	7.
3. Scott Martin	8.
4. Jose Bodipo-Memba	9. <b>Legal</b>
5.	10. <b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>		<b>Yes</b>		<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>		<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Lisa Limcaco				DEPARTMENT Accounting				MAIL STOP B352	EXT. 7045	DATE SENT 12/27/2022

**NARRATIVE:**

**Requested Action:** Provide the Board a summary of SMUD’s current Power Supply Costs.

**Summary:** Staff will present information regarding SMUD’s current Power Supply Costs to the Board of Directors.

**Board Policy:** GP-3, Board Job Description  
*(Number & Title)*

**Benefits:** Provide Board members with SMUD’s current power supply costs.

**Cost/Budgeted:** N/A

**Alternatives:** N/A

**Affected Parties:** Accounting and SMUD

**Coordination:** Accounting

**Presenter:** Lisa Limcaco

**Additional Links:**

SUBJECT SMUD’s Current Power Supply Costs	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.





SSS No.  
BOD 2022-020

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date 2023
Board Meeting Date N/A

TO	TO
1. Jennifer Davidson	6.
2. Jose Bodipo-Memba	7.
3. Scott Martin	8.
4. Lora Anguay	9. <b>Legal</b>
5.	10. <b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>		<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>		<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Rob Kerth / Donna Lofton	DEPARTMENT Board Office				MAIL STOP B307	EXT. 5079	DATE SENT 12/27/22	

**NARRATIVE:**

**Requested Action:** A summary of directives provided to staff during the committee meeting.

**Summary:** The Board requested an on-going opportunity to do a wrap up period at the end of each committee meeting to summarize various Board member suggestions and requests that were made at the meeting in an effort to make clear the will of the Board. The Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.

**Board Policy:** GP-4 Agenda Planning states the Board will focus on the results the Board wants the organization to achieve.  
*(Number & Title)*

**Benefits:** Having an agendized opportunity to summarize the Board’s requests and suggestions that arise during the committee meeting will help clarify what the will of the Board.

**Cost/Budgeted:** Included in budget

**Alternatives:** Not summarize the Board’s requests at this meeting.

**Affected Parties:** Board of Directors and Executive Staff

**Coordination:** Donna Lofton, Special Assistant to the Board

**Presenter:** Rob Kerth, Finance and Audit Chair

**Additional Links:**

SUBJECT Summary Of Committee Direction – Finance and Audit	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.