

AMENDMENT #1 TO PROFESSIONAL SERVICES CONTRACT

This Amendment to Professional Services Contract ("Agreement"), is made and entered into by and between, CALSTART, Inc. (the "Consultant"), a California non-profit organization whose principal place of business is 48 S. Chester Avenue, Pasadena, California 91106, and the cities of Reedley and Mendota (the "Cities"), whose principal places of business are 1717 9th Street, Reedley, CA 93654, and 643 Quince St, Mendota, CA 93640, respectively.

RECITALS

WHEREAS, On April 25, 2017, the City Council approved a Program Eligibility and Funding Agreement with the Fresno County Transportation Authority (FCTA) and the City of Mendota for the purchase of four (4) Pipistrel Alpha Electro trainer aircraft, as well as flight training cost assistance for low income veterans, students and others from disadvantaged communities, and administrative costs for partnering agencies and the California Energy Commission San Joaquin Valley Clean Transportation Center (CALSTART) to demonstrate the feasibility of advanced electrified aviation technology; and

WHEREAS, On July 25, 2017, the City Council approved a Professional Services Contract with California Energy Commission San Joaquin Valley Clean Transportation Center (CALSTART), Inc. and the City of Mendota for coordination, outreach, and support services for the Sustainable Aviation Project with a term ending September 30, 2018; and

WHEREAS, Additional time and grant resources are required for the Consultant to complete required legal and technical work to accelerate the timeline to submit a petition for exemption to the Federal Aviation Administration to recertify the Alpha Electros so that flight training operations can begin, which is one of the primary goals of the project.

NOW, THEREFORE, The parties hereto agree to amend the existing Agreement as follows:

1. Term. The respective duties and obligations of the contracting parties shall be for the period commencing on October 1, 2018 and ending on September 30, 2019. Notwithstanding anything to the contrary set forth herein, this Agreement may be terminated by the Cities or the Consultant upon 30 days written notice by either party. The provisions contained in Section 3, Section 4 and Section 5 shall survive any termination of this Agreement.

7. Compensation, Payment and Invoice Submission. The maximum amount payable under this agreement is increased from \$25,000 to \$30,000, contingent upon the Fresno County Transportation Authority's approval of an amendment to the "Project Admin Cost" section for the New Technology Reserve Sub Program Sustainable Aviation Project, as detailed in the attached letter to the FCTA dated September 11, 2018 (Exhibit 'A'). The Cities have no obligation to pay more than \$30,000 without a future contract amendment authorized by the governing bodies.

Payments will be made as follows: the Consultant shall track all hours and expenses associated with the project and submit a detailed invoice to each city on a time and materials basis, according to the table below, no more than on a monthly frequency. All expenses shall be submitted with appropriate documentation such as receipts or other proof of payment. For ease of processing payments to Consultant, the City of Reedley agrees to be the lead agency to

make payments to Consultant on behalf of both Cities and request reimbursements from the granting agency. Payments to Consultant shall only be made if both Cities do not contest any costs shown on invoices.

Consultant Billing Rates by Labor Class

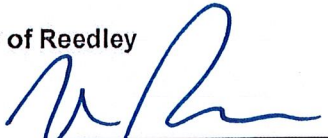
Administrative/Intern Staff	\$76.87
Associate Project Manager	\$107.93
Project Manager	\$141.30
Program Manager/Senior Proj Mgr	\$197.02
Senior Program Mgr/Regional Dir	\$305.71
Senior Manager/Executive	\$442.84

Other direct costs will be burdened by a 12.54% indirect rate which is consistent with the Consultant's federally approved indirect rates and cost allocation plan.

IN WITNESS WHEREOF, the parties have executed this Amendment #1 effective as of the date first above written.


City of Reedley

By:


Nicole R. Zieba
City Manager

City of Mendota

By:


Cristian Gonzalez
Interim City Manager / Director of
Planning & Public Works

Date:

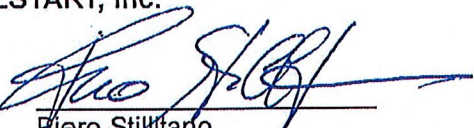
10/01/18

Date:

9/27/18

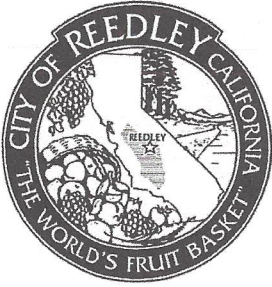
CALSTART, Inc.

By:


Piero Stilitano
Chief Financial Officer

Date:

09/27/2018



City of Reedley
845 "G" Street
Reedley, Ca 93654

September 11, 2018

Mike Leonardo, Executive Director
Fresno County Transportation Authority
2220 Tulare Street, Suite 411
Fresno, CA 93721

Dear Mr. Leonardo:

The City of Reedley, City of Mendota, and CALSTART respectfully request an amendment to the project budget, specifically the "Project Admin Cost" section, for the New Technology Reserve Sub Program for the Sustainable Aviation Project.

Budget Modification Justification

With approval from both the City of Mendota and the City of Reedley, CALSTART retained Ms. Justine Harrison, a respected and recommended aviation attorney, in 2017 to assist with regulatory negotiations and processes with the FAA. Ms. Harrison's primary focus since being retained has been to assist with gaining approval to use the four (4) Pipistrel Alpha Electro aircraft in the project for flight training operations. Initial costs for Ms. Harrison's services were covered through a generous donation from a project supporter in Southern California. However, that funding has been exhausted and now that the end of flight testing and validation to support the petition is within site, the City of Mendota wishes to use \$5,000 of its previously allocated "Project Admin Cost" funding from the project to support costs for Ms. Harrison to complete the petition process with the FAA. Ms. Harrison has been very reasonable with her time for this project and has done significant work pro-bono because she is such a strong believer in the project goals. We believe the \$5,000 is going to be sufficient to complete the petition process.

The total value of the Project Admin Cost would remain at \$75,000; however, under this request, \$5,000 of available grant funding would be moved from City of Mendota to "CALSTART SJVCTC reporting". This move is necessary since the legal services agreement is between Ms. Justine Harrison and CALSTART.

Thank you for your consideration in this matter.

Nicole R. Zieba
City Manager, City of Reedley

Cristian Gonzalez
Interim City Manager, City of Mendota

Joseph Oldham, CALSTART

**Measure C New Technology Reserve Subprogram
Sustainable Aviation Project**

Date	Invoice Number	Period Covered
8/29/2018	Mendota-4	

Grant Expenses	Measure C Approved	Current Invoice Amount	Previously Invoiced	Remaining Balance
Equipment/Infrastructure				
4 Pipistrel Alpha Electro trainers	\$ 746,348.00	\$ -	\$ 722,998.90	\$ 23,349.10
4 Installation of electric aircraft chargers	\$ 60,000.00	\$ 356.80	\$ 17,910.58	\$ 41,732.82
2 Hangars in Mendota	\$ 100,000.00	\$ 1,363.04	\$ 15,000.00	\$ 83,636.96
Subtotal:	\$ 906,348.00	\$ 1,719.84	\$ 755,909.48	\$ 148,718.68
Project Admin Cost				
City of Mendota data collection	\$ 25,000.00			\$ 25,000.00
City of Reedley data collection	\$ 25,000.00		\$ 7,591.09	\$ 17,408.91
CALSTART SJVCTC reporting	\$ 25,000.00		\$ 25,000.00	\$ -
Subtotal:	\$ 75,000.00	\$ -	\$ 32,591.09	\$ 42,408.91
Workforce Development Cost				
Flight training Cost Assistance for low income students	\$ 90,000.00			\$ 90,000.00
Subtotal:	\$ 90,000.00	\$ -	\$ -	\$ 90,000.00
Total	\$ 1,071,348.00	\$ 1,719.84	\$ 788,500.57	\$ 281,127.59

Match Funding

CALSTART SJVCTC CEC funding (Project Implementing support)	\$ 22,000.00		\$ 22,000.00
Mazzel Flying Service (in kind)	\$ 1,449,000.00		\$ 1,449,000.00
Reedley College (in kind)	\$ 200,000.00		\$ 200,000.00
City of Mendota Charger Operations	\$ 47,440.00		\$ 47,440.00
City of Reedley Charger Operations	\$ 47,440.00	\$ 1,749.00	\$ 45,691.00
Subtotal:	\$ 1,765,880.00	\$ -	\$ 1,749.00

Total Project Cost: \$ 2,837,228.00

Approved by: _____
Title: _____



REEDLEY CITY COUNCIL

- ☒ Consent
- ☐ Regular Item
- ☐ Workshop
- ☐ Closed Session
- ☐ Public Hearing

ITEM NO: 7

DATE: September 25, 2018

TITLE: APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE AMENDMENT #1 TO A PROFESSIONAL SERVICES CONTRACT WITH CALSTART, INC. AND THE CITY OF MENDOTA FOR COORDINATION, OUTREACH, AND SUPPORT SERVICES FOR THE SUSTAINABLE AVIATION PROJECT

SUBMITTED: Paul A. Melikian, Assistant City Manager

APPROVED: Nicole R. Zieba, City Manager

RECOMMENDATION

Staff recommends that the City Council approve and authorize the City Manager or designee to execute Amendment #1 to a professional services contract with California Energy Commission San Joaquin Valley Clean Transportation Center (CALSTART), Inc. and the City of Mendota extending the contract to September 30, 2019; and increasing the maximum compensation from \$25,000 to \$30,000 that would primarily cover legal expenses related to working with the Federal Aviation Administration (FAA) to obtain the regulatory approvals necessary to begin flight training operations.

EXECUTIVE SUMMARY

The attached amendment would extend the cities of Reedley and Mendota's Professional Services Contract with CALSTART for one additional year, to September 30, 2019, and increase the total available compensation under the agreement by \$5,000, from \$25,000 to \$30,000, to cover the aforementioned legal expenses.

With approval from both the City of Mendota and the City of Reedley, CALSTART retained Ms. Justine Harrison, a respected and recommended aviation attorney, in 2017 to assist with regulatory negotiations and processes with the FAA. Ms. Harrison's primary focus since being retained has been to assist with gaining approval to use the four Pipistrel Alpha Electro aircraft in the project for flight training operations. Initial costs for Ms. Harrison's services were covered through a generous donation from a project supporter in Southern California. However, that funding has been exhausted and now that the end of flight testing and validation to support the petition is within sight, the City of Mendota wishes to use \$5,000 of its previously allocated "Project Admin Cost" funding from the project to support costs for Ms. Harrison to complete the petition process with the FAA. Ms. Harrison has been reasonable with her time billed to this project, and has done significant work pro-bono because she is such a strong believer in the project goals.

In a letter to the Fresno County Transportation Authority (FCTA) dated September 11, 2018 (attached Exhibit 'A'), the City of Reedley, City of Mendota, and CALSTART requested an amendment to the project budget, specifically the "Project Admin Cost" section, for the New Technology Reserve Sub Program for the Sustainable Aviation Project. The budget amendment would allow the reallocation of \$5,000 of available grant administration dollars from the City of Mendota to CALSTART. The compensation increase contained in the amendment is contingent upon the FCTA's approval of the reallocation of the grant dollars.

BACKGROUND

On July 25, 2017, the City Council approved a professional services contract with California Energy Commission San Joaquin Valley Clean Transportation Center (CALSTART), Inc. and the City of Mendota for coordination, outreach, and support services for the Sustainable Aviation Project.

On April 25, 2017, the City Council approved a Program Eligibility and Funding Agreement with the Fresno County Transportation Authority (FCTA) and the City of Mendota for the purchase of four Pipistrel Alpha Electro trainer aircraft, as well as flight training cost assistance for low income veterans, students and others from disadvantaged communities, and administrative costs for partnering agencies and the California Energy Commission San Joaquin Valley Clean Transportation Center (CALSTART) to demonstrate the feasibility of advanced electrified aviation technology.

FISCAL IMPACT

There is no anticipated impact to the City, General Fund or otherwise, as a result of approving the amendment to the professional services contract as all costs will be reimbursed by the Fresno County Transportation Authority under the Program Eligibility and Funding Agreement approved by the City Council on April 25, 2017. All costs incurred to date been fully reimbursed by the FCTA.

ATTACHMENTS

Amendment #1 to Professional Services Contract

Exhibit 'A' - Letter to the Fresno County Transportation Authority dated September 11, 2018

Professional Services Contract dated August 1, 2017

Report to the City Council dated July 25, 2017

PROFESSIONAL SERVICES CONTRACT

This Professional Services Contract ("Agreement"), is made and entered into by and between, CALSTART, Inc. (the "Consultant"), a California non-profit organization whose principal place of business is 48 S. Chester Avenue, Pasadena, California 91106, and the cities of Reedley and Mendota (the "Cities"), whose principal places of business are 1717 9th Street, Reedley, CA 93654, and 643 Quince St, Mendota, CA 93640, respectively.

NOW, THEREFORE, it is agreed as follows:

1. Term. The respective duties and obligations of the contracting parties shall be for the period commencing on August 1, 2017 and ending on September 30, 2018. Notwithstanding anything to the contrary set forth herein, this Agreement may be terminated by the Cities or the Consultant upon 30 days written notice by either party. The provisions contained in Section 3, Section 4 and Section 5 shall survive any termination of this Agreement.

2. Services. The Consultant shall perform the duties outlined in Appendix A - Statement of Work, included herein ("Work" or "Services").

3. Independent Contractor Relationship.

(a) The Consultant shall perform the services contemplated by this Agreement as an independent contractor. The Consultant acknowledges that it is not an agent or representative of the Cities and has no authority to act for or bind the Cities without prior written consent.

(b) The Consultant represents that it has the legal authority to enter and perform the requirements of this Agreement and will maintain such status to complete the Work hereunder.

(c) Indemnity for Professional Liability: When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend, and hold harmless the Cities and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs, and expenses, including legal counsel's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error, or omission of Consultant, its officers, agents, employees, or Subconsultants (or any Agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

(d) Indemnity for Other Than Professional Liability: Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend, and hold harmless the Cities, and any and all of its employees, officials and agents from and against any liability (including

liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsels fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the negligent performance of this Agreement by Consultant or by any individual or Agency for which Consultant is legally liable, including, but not limited to, officers, agents, employees, or subcontractors of Consultant.

4. Insurance. Without limiting Consultant's indemnification of the Cities, and prior to commencement of Work, Consultant shall obtain, provide, and continuously maintain at its own expense during the term of this Agreement, and shall require any subconsultants to obtain and maintain, policies of insurance of the type and amounts described below and in a form satisfactory to the Cities.

- (a) Workers' Compensation. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least one million dollars (\$1,000,000)).
- (b) General Liability. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, or equivalent, in an amount not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. General liability policies shall provide or be endorsed using Insurance Services Office forms CG 20 10 to provide that Agency and its officers, officials, employees, and agents shall be additional insureds under such policies.
- (c) Automobile Liability. If Consultant (or subconsultants) utilizes automobiles in the performance of services under this agreement, Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than one million dollars (\$1,000,000) combined single limit for each accident.
- (d) Professional Liability (Errors & Omissions). Consultant shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this Agreement, in the minimum amount of one million dollars (\$1,000,000) Per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be

before the effective date of this agreement, and Consultant agrees to maintain continuous coverage through a period no less than one year after completion of the Services required by this Agreement.

- (e) Proof of Insurance. Consultant shall provide to Agency, certificates of insurance and endorsements, as required, as evidence of the insurance coverage required herein. Insurance certificates and endorsements must be approved by Cities prior to commencement of performance. Current evidence of insurance shall be kept on file with the Cities at all times during the term of this Agreement. The Cities reserve the right to require complete, certified copies of all required insurance policies, at any time.
- (f) Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger), in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the Cities.
- (g) Enforcement of Contract Provisions (non estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the Cities to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Cities, nor does it waive any rights hereunder.
- (h) Specifications not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.
- (i) Notice of Cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to Agency with thirty (30) days' notice of cancellation (except for nonpayment for which ten (10) days' notice is required) or nonrenewal of coverage for each required coverage.
- (j) Self-insured Retentions. Any self-insured retentions must be declared to and approved by Agency. Agency reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by Agency.

- (k) Timely Notice of Claims. Consultant shall give Agency prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

5. **Work Product.** Consultant agrees that all materials, notes, records, developments, discoveries and trade secrets conceived, discovered, developed by Consultant, solely or in collaboration with others, in performing the services of this Agreement, are the property of the Cities. Consultant further represents that all materials and content is provided free of royalty or other obligation. The Cities shall provide an unrestricted and no-cost license for Consultant to use work products developed under this project for public benefit purposes that are not competitive with this project and do not represent a conflict of interest with the project.

6. **Liability.** With regard to the Work to be performed by the Consultant pursuant to the terms of this Agreement, the Consultant shall not be liable to the Cities, or to anyone who may claim any right due to any relationship with the Cities, for any acts or omissions in the performance of Work on the part of the Consultant except (i) in the event of a breach by Consultant of its obligations under this Agreement or (ii) when said acts or omissions of the Consultant are due to the negligence or fraud of the Consultant.

7. **Compensation, Payment and Invoice Submission.** The maximum amount payable under this agreement is \$25,000.00. The Cities agree to reimburse Consultant for eligible time for Work as defined in Appendix A - Statement of Work from April 12, 2017, the effective date of the Program Eligibility and Funding Agreement between the cities of Mendota and Reedley and the Fresno County Transportation Authority. Services prior to this date are not eligible for reimbursement. The Cities have no obligation to pay more than \$25,000.00 without a future contract amendment authorized by the governing bodies.

Payments will be made as follows: the Consultant shall track all hours and expenses associated with the project and submit a detailed invoice to each city on a time and materials basis, according to the table below, no more than on a monthly frequency. All expenses shall be submitted with appropriate documentation such as receipts or other proof of payment. For ease of processing payments to Consultant, the City of Reedley agrees to be the lead agency to make payments to Consultant on behalf of both Cities and request reimbursements from the granting agency. Payments to Consultant shall only be made if both Cities do not contest any costs shown on invoices.

Government Billing Rates by Labor Class

Administrative/Intern Staff	\$98.35
Associate Project Manager	\$115.45
Project Manager	\$145.38
Program Manager/Senior Proj Mgr	\$222.34
Senior Program Mgr/Regional Dir	\$290.76
Senior Manager/Executive	\$474.63

Other direct costs will be burdened by a 12.54% indirect rate which is consistent with the Consultant's federally approved indirect rates and cost allocation plan.

8. Amendment; Waiver. No amendment, modification or waiver of any provision of this Agreement shall be effective unless such amendment, modification or waiver is mutually agreed upon in writing by the parties hereto. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of any provision of this Agreement.


9. Governing Law. The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of California.

10. Arbitration. Any controversy or claim arising out of or relating to this Agreement, or the breach of this Agreement, that cannot be resolved by the parties in a reasonable amount of time, shall be settled by arbitration in accordance of the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) shall be entered in any court of competent jurisdiction. For that purpose, the parties hereto consent to the jurisdiction and venue of an appropriate court located in the State of California, County of Fresno. In the event that litigation results from or arises out of this Agreement or the performance hereof, the parties agree to reimburse the prevailing party's reasonable attorney's fees and reasonable out-of-pocket and documented expenses and court costs, whether or not taxable by the court as costs, in addition to any other relief to which the prevailing party may be entitled.

11. Counterparts and Facsimile Signatures. This Agreement may be executed in one or more counterparts and each of them shall be deemed to be one and the same instrument. This Agreement may be executed by facsimile signatures, including electronic format.

City of Reedley

By:



Nicole R. Zieba
City Manager

Date:

8/1/17

CALSTART, Inc.

By:



Scott Carrano
Chief Financial Officer

Date:

8/1/2017

City of Mendota

By:


Vince DiMaggio
City Manager

Date:

8/2/17

Appendix A - Statement of Work

Consultant shall:

1. Assist the Cities of Reedley and Mendota with public engagement and outreach for the project. This work shall include, but not be limited to;
 - a. Presenting information about the project at national aviation association events and forums,
 - b. Providing interviews with local and national media about the project,
 - c. Providing information about and promoting the project with aviation industry representatives,
 - d. Developing content and providing updates through the project website,
 - e. Engaging Federal agencies and Congressional representatives, such as U.S. Department of Transportation, U.S. Department of Labor, and the White House to educate them about the project and work to address any regulatory issues that potentially impact the project,
 - f. Engaging State agencies such as the California Energy Commission, California Air Resources Board, and others to provide updates about the project and encourage their support and potential funding for project expansion.
 - g. Assist with fund raising and sponsor engagement to enhance and support project expansion.
2. Provide primary point of contact engagement with the Federal Aviation Administration and Pipistrel Aircraft regarding aircraft airworthiness certification, registration, and pilot training requirements.
3. Assist the City of Reedley and City of Mendota with hangar construction specifications and budget review, charger installation technical support, and any required liaison work with Pacific Gas and Electric company related to electric power requirements at the airport sites.
4. Work with the flight school selected for the project to deploy the four (4) Pipistrel Alpha Electros successfully in flight training operations.
5. Assist the City of Reedley and City of Mendota with lease-back contract development.
6. Develop and implement a data collection protocol for the project and work with site hosts for the chargers and flight school to gather the following data:
 - a. Number of flight hours logged per aircraft per month
 - b. Number of kWh of electricity used to charge each aircraft
 - c. Total kWh of electricity used to charge all four aircraft per month
 - d. Number of students trained in the aircraft per year and over the term of the project
 - e. Cost of maintenance for each aircraft per year and over the term of the project
 - f. Average flight time and range per charge per year
 - g. Battery state-of-charge performance of the term of the project

Pilot acceptance and instructor acceptance of the aircraft in the first two years (subjective evaluation)



REEDLEY CITY COUNCIL

- ☒ Consent
- ☐ Regular Item
- ☐ Workshop
- ☐ Closed Session
- ☐ Public Hearing

ITEM NO: 14

DATE: July 25, 2017

TITLE: APPROVAL OF DOCUMENTS PERTAINING TO THE SUSTAINABLE AVIATION PROJECT, A MEASURE "C" REGIONAL PUBLIC TRANSIT PROGRAM: NEW TECHNOLOGY RESERVE SUB PROGRAM PROJECT

- A) ADOPT RESOLUTION NO. 2017-074 AMENDING THE 2017-18 ADOPTED BUDGET APPROPRIATING \$330,780 IN THE FRESNO COUNTY NEW TECHNOLOGY SUB PROGRAM FUND FOR GRANT-RELATED PROFESSIONAL SERVICES AND REBUDGETING AIRCRAFT ACQUISITION COSTS
- B) APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH CALSTART, INC. AND THE CITY OF MENDOTA IN AN AMOUNT NOT TO EXCEED \$25,000 FOR COORDINATION, OUTREACH, AND SUPPORT SERVICES FOR THE SUSTAINABLE AVIATION PROJECT, INCLUDING AUTHORIZING THE CITY MANAGER TO MAKE NON-SUBSTANTIVE REVISIONS TO THE CONTRACT TO CLARIFY CERTAIN TERMS

SUBMITTED: Paul A. Melikian, Assistant City Manager *Paul*

APPROVED: Nicole R. Zieba, City Manager *NZ*

RECOMMENDATION

Staff recommends that the City Council adopt resolution no. 2017-074 amending the adopted budget appropriating \$330,780 in the Fresno County New Technology Sub Program Fund (new City fund) for grant-related professional services, and rebudgeting aircraft acquisition costs for (2) Pipistrel Alpha Electro Trainer Aircraft; and approve and authorize the City Manager or designee to execute a professional services contract with California Energy Commission San Joaquin Valley Clean Transportation Center (CALSTART), Inc. and the City of Mendota for coordination, outreach, and support services for the Sustainable Aviation Project, including granting authority to the City Manager to make non-substantive revisions to the contract to clarify certain terms.

EXECUTIVE SUMMARY

In April and May 2017, the City Council approved a Program Eligibility and Funding Agreement with the Fresno County Transportation Authority (FCTA) and the City of Mendota for the Sustainable Aviation Project, and granted purchase and budget approvals for (2) Pipistrel Alpha Electro Trainer Aircraft and related costs. The purchase agreements with the aircraft manufacturer only called for an initial deposit to secure the order, therefore only \$68,220 of the original acquisition budget of \$374,000 was expended last fiscal year. As a result, the remaining payments will be incurred in the current 2017-18 fiscal year and need to be rebudgeted. In addition, staff requests that the City Council authorize an additional \$25,000 for professional services provided by CALSTART for coordination, outreach and support services to the cities of Reedley and Mendota in achieving program milestones and project goals. The

services to be provided by CALSTART are summarized below, and further detailed in the attached Professional Services Contract under Exhibit A:

1. Assist the Cities of Reedley and Mendota with public engagement and outreach for the project. This work shall include, but not be limited to:
 - a. Presenting information about the project with aviation industry representatives, at national aviation association events/forums, and with local and national media about the project,
 - b. Developing content and providing updates through the project website,
 - c. Engaging Federal agencies and Congressional representatives, such as U.S. Department of Transportation, U.S. Department of Labor, and the White House to educate them about the project and work to address any regulatory issues that potentially impact the project,
 - d. Engaging State agencies such as the California Energy Commission, California Air Resources Board, and others to provide updates about the project and encourage their support and potential funding for project expansion.
 - e. Assist with fund raising and sponsor engagement to enhance and support project expansion.
2. Provide primary point of contact engagement with the Federal Aviation Administration and Pipistrel Aircraft regarding aircraft airworthiness certification, registration, and pilot training requirements.
3. Assist the City of Reedley and City of Mendota with hangar construction specifications and budget review, charger installation technical support, and any required liaison work.
4. Work with the flight school selected for the project to deploy the aircraft successfully in flight training operations.
5. Assist the City of Reedley and City of Mendota with lease-back contract development.
6. Develop and implement a data collection protocol for the project and work with site hosts for the chargers and flight school to gather detailed program and flight data:

Contract Terms

The term of the professional services contract will run from August 1, 2017 through September 30, 2018; however the contract specifically allows CALSTART to invoice the cities for work done from the effective date (April 12, 2017) of the Program Eligibility and Funding Agreement with the FCTA. The cities will be billed on a time and materials basis using the rates provided in Section 7 of the attached contract. The maximum amount that may be paid under this contract will be \$25,000, and can only be exceeded if the contract is amended and approved by all parties. CALSTART will submit a detailed invoice to each city no more than on a monthly frequency. All expenses shall be submitted with appropriate documentation such as receipts or other proof of payment. For ease of processing payments to CALSTART the City of Reedley agrees to be the lead agency to make payments on behalf of both cities and request reimbursements from the FCTA. Payments to CALSTART will only be made if both cities do not contest any costs shown on invoices.

BACKGROUND

On April 25, 2017, the City Council approved a Program Eligibility and Funding Agreement with the Fresno County Transportation Authority (FCTA) and the City of Mendota for the purchase of four (4) Pipistrel Alpha Electro trainer aircraft, as well as flight training cost assistance for low income veterans, students and others from disadvantaged communities, and administrative costs for partnering agencies and the California Energy Commission San Joaquin Valley Clean Transportation Center (CALSTART) to demonstrate the feasibility of advanced electrified aviation technology. The intent of the program is

Report to the City Council

CALSTART, Inc. Grant-Related Professional Services Contract and Sustainable Aviation Program Rebudget
July 25, 2017

for the cities to act in conjunction with Reedley College, the CALSTART, and Mazzei Flying Service; and as such, additional partnering agreements will be forthcoming to the City Council for consideration as program, operational and administrative details are worked out. Although 100% of the acquisition costs will be reimbursed by the grant, the funds are being administered/expended by the City and subject to all current financial procedures and review standards.

FISCAL IMPACT

There is no anticipated impact to the City, General Fund or otherwise, as a result of approving the budget amendment or professional services contract as all costs will be reimbursed by the Fresno County Transportation Authority under the Program Eligibility and Funding Agreement approved by the City Council on April 25, 2017. All costs incurred to date, for the initial deposit to order the aircraft, have been fully reimbursed by the FCTA.

ATTACHMENTS

Budget Resolution 2017-074

Professional Services Contract with CALSTART, Inc. and City of Mendota