Legislation Details (With Text)

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On agenda:	10/13/2021			**Final action:**	
Title:	Authorize a three-year service contract, with two one-year renewal options, for third-party administrator services for the City's Property Assessed Clean Energy Program for the Office of Economic Development - Texas Property Assessed Clean Energy Authority dba Texas PACE Authority, only proposer - Financing: No cost consideration to the City				
Sponsors:					
Indexes:	100				
Code sections:					
Attachments:	1. Resolution				

Date	Ver.	Action By	Action	Result

STRATEGIC PRIORITY: Government Performance and Financial Management

AGENDA DATE: October 13, 2021

COUNCIL DISTRICT(S): All

DEPARTMENT: Office of Procurement Services

EXECUTIVE: Elizabeth Reich

SUBJECT

Authorize a three-year service contract, with two one-year renewal options, for third-party administrator services for the City's Property Assessed Clean Energy Program for the Office of Economic Development - Texas Property Assessed Clean Energy Authority dba Texas PACE Authority, only proposer - Financing: No cost consideration to the City

BACKGROUND

This service contract will provide third-party administrator services for the Property Assessed Clean Energy (PACE) Program, a financing tool to help property owners access long-term loans for clean energy, energy efficiency, and water conservation improvements. PACE financing provides a contractual agreement between property owners, third-party lenders, and the City. At the request of a property owner, the City places an assessment on a property, which secures the PACE financing from a third-party lender.

In 2013, the Texas Legislature passed Senate Bill 385 (83R) allowing municipalities and counties to work with commercial lenders and property owners to pursue improvements using property

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assessments as a secure repayment mechanism. In 2016, the City Council authorized the creation of the City of Dallas PACE Program, becoming one of the first municipalities in the state of Texas to do so.

The PACE program administrator will serve as the primary point of contact for the City of Dallas PACE Program. The program administrator will be responsible for overseeing day-to-day tasks including, but not limited to the following

- Coordinate efforts between property owners and lenders throughout the application process
- Verify application materials of property owners
- Gather and maintain reporting data in compliance with any applicable statute(s)
- Market and promote the City of Dallas PACE Program
- Maintain the City of Dallas PACE program website

Additionally, the program administrator will be responsible for maintaining a list of third-party service providers, including lenders/capital providers, independent third-party reviewers (qualified engineers), contractors, consultants, and attorneys with experience facilitating PACE transactions in Texas. The third-party lender will retain the property owner's payments to repay the debt and remit any administration fees to the program administrator.

A six-member committee from the following departments reviewed and evaluated the qualifications:

- Department of Planning and Urban Design (1)
- Office of Economic Development (2)
- Office of Environmental Quality and Sustainability (1)
- Office of Economic Development Business Workforce and Inclusion Division (1)*
- Office of Procurement Services (1)*

*The Office of Procurement Services only evaluated cost, and local Preference, if applicable. The Office of Economic Development Business Workforce and Inclusion Division only evaluated the Business Inclusion and Development Policy.

The committee selected the successful respondent on the basis of demonstrated competence and qualifications under the following criteria:

- Experience 30 points
- Approach 30 points
- Cost 20 points
- Business Inclusion and Development Policy 15 points
- Local Preference 5 points

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out email notifications to vendors registered under relevant commodity codes. To further increase competition, the Office of Procurement Services uses historical solicitation information, the Internet, and vendor contact information obtained from user departments to contact additional vendors.

On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a "living wage" rate as established annually by the Massachusetts Institute of Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. The current calculated living wage during the solicitation process of this contract is $12.38; the selected vendor meets this requirement.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 11, 2016, City Council authorized a one-year service contract, with four one-year renewal options, to administer the City of Dallas Property Assessed Clean Energy (PACE) program with Texas Property Assessed Clean Energy Authority dba Texas PACE Authority by Resolution No. 16-0722.

The Economic Development Committee was briefed by memorandum regarding this matter on October 4, 2021. <http://cityofdallas.legistar.com/gateway.aspx?M=F&ID=a2dfd463-ae3a-4de4-a67e-2181f2f46a75.pdf>

FISCAL INFORMATION

No cost consideration to the City.

M/WBE INFORMATION

In accordance with the City's Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Procurement Category	M/WBE Goal	M/WBE %	M/WBE $
$0.00	Other Services	N/A	N/A	N/A
• The Business Inclusion and Development Policy does not apply to Other Service contracts.				
• Texas Property Assessed Clean Energy Authority dba Texas PACE Authority - Non-local; Workforce - 0.00% Local				

PROCUREMENT INFORMATION

Method of Evaluation for Award Type:

Request for Competitive Sealed Proposal	• Utilized for high technology procurements, insurance procurements, and other goods and services • Recommended offeror whose proposal is most advantageous to the City, considering the relative importance of price, and other evaluation factors stated in the specifications • Always involves a team evaluation • Allows for negotiation on contract terms, including price

The Office of Procurement Services received the following proposal from solicitation number BB21-

00016024. We opened it on May 6, 2021. We recommend the City Council award this service contract in its entirety to the only proposer.

Proposer	**Address**	**Score**
Texas Property Assessed Clean Energy Authority dba Texas PACE Authority	6300 La Calma Dr. Suite 170 Austin, TX 78752	77.25

Note: The Office of Procurement Services conducted a single proposal review and found no exceptions.

OWNER

Texas Property Assessed Clean Energy Authority dba Texas PACE Authority

Charlene Heydinger, President

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