



City Council Agenda Item

City Council Meeting Date: January 19, 2021

TO: Jim Throop, City Manager

FROM: Jasmine McGinty, Senior Administrative Analyst
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SUBJECT: Adoption of Resolution No. 6379(21), Accepting Grant Award from Department of Defense's Office of Economic Adjustment Military Installation Sustainability Program, Approving Amendment No. 3 to Agreement with Bridge View Resources Authorizing \$1,364,930 in Additional Compensation for Grant Task Activities, Affirming the City Manager's Authority to Execute Grant Documents, and Approving Budget Amendments and Appropriations For Such Revenues and Expenditures

Recommendation:

Staff recommends the City Council:

- 1) Adopt Resolution No. 6379(21), which will:
 - a. Accept the Military Installation Sustainability (MIS) Grant award by the Department of Defense's Office of Economic Adjustment (OEA);
 - b. Affirm the City Manager's authority to execute any and all necessary grant documents related to the OEA's MIS grant;
 - c. Approve Bridge View Resources (BVR) as a sole source provider for the Grant task activities including administrative support;
 - d. Approve Amendment No. 3 to the City's Agreement with BVR dated October 29, 2019 authorizing \$1,364,930 in additional compensation for Grant task activities [Exhibit A to Resolution No. 6379(21)]; and
 - e. Approve new organization codes and related budget appropriations to appropriately account for grant related expenditures and revenues; or
- 2) Provide Alternate Direction.

Background:

Vandenberg Air Force Base (VAFB), including its predecessors and successors, has been a significant driver for the City's economy for several decades and is expected to continue to do so in the future. VAFB is poised to significantly expand its commercial and defense space capabilities in the coming years.

VAFB's proximity to the City has resulted in a number of mutual efforts that have benefited both organizations. It is this proximity that would encourage additional collaborations to the benefit of both organizations, as well as the wider Central Coast region.

Mutual programs by VAFB and the City include long term regional wastewater treatment program, public safety and public works mutual aid activities and several other relationships. The relationship is expected to continue to grow as VAFB expands its space capabilities over the next several years.

BVR, who has an ongoing contractual relationship with the City for a number of activities in the defense and utility sectors in which it specializes, was contracted by the City to explore joint opportunities available to the City and VAFB. From its initial review, BVR was contracted to prepare a grant application in 2020 with the Department of Defense's Office of Economic Adjustment (OEA). The application was submitted on December 4, 2020. The OEA has reviewed the application and was originally scheduled to have the grant briefing on December 18 with a potential award of the grant upon the conclusion of the grant briefing. The grant briefing has been subsequently postponed twice, once to December 22 and again to after January 20, 2021. Regardless, the initial review process conducted by OEA did not identify fatal flaws in the application and, based on the OEA funding of MIS grant funds, the award is expected once the grant briefing is held.

Recently the Office of Economic Adjustment has been re-designated as the Office of Local Defense Community Cooperation (OLDCC) for the fiscal year 2021. Section 905 of the William M. (Mac) Thornberry National Defense Authorization Act amended Chapter 4 of title 10 of the United States Code to account for this change. For purposes of this staff report, OLDCC will be referred to as the former name, OEA.

BVR has a unique set of resources related to Department of Defense and utility operations and administration which brings value to the City in regards to opportunities for expanding the City's relationship and collaboration with VAFB. As part of the grant work to be performed under Amendment No. 3 to the City's agreement with BVR, BVR will be providing administrative support to the City Manager's office in managing the grant contract, preparing the required periodic grant reports for review and submission by the City, and all other management processes anticipated as part of the grant over the full term of the grant while allowing the City Manager's office the flexibility to continue tasks assigned, and prioritized by the City Council. BVR will also be, directly or indirectly, performing the tasks outlined in the grant application that are the basis for the deliverables identified in the grant. After conducting a good faith review of available providers, staff

has determined BVR is the only available provider for the services under Amendment No. 3 to the agreement.

Discussion:

OEA is expected to approve the grant application contingent upon the City Council's acceptance of the grant and affirmation of the City Manager's authority to execute the grant award documentation. If the timing of the two parallel paths for the grant award is favorable, then OEA's award of the grant may not need to be contingent upon the actions recommended here and can be awarded based on the authorities provided for in Resolution No. 6379(21). Following are excerpts from the grant application identifying the overall goal of the grant activities:¹

INTRODUCTION

This City of Lompoc (the "City") has prepared a grant application based on the tasks and subtasks in the scope of work detailed under in the application Narrative tab. The City has taken a novel approach with a hybrid project combining Military Installation Resilience (MIR) and Compatible Use (CU) studies, collectively referred to as the Military Installation Sustainability (MIS) program. The scope of work entails eight distinct tasks. Tasks 1, 2, 3, and 8 are overlapping between the MIR and CU evaluations, where Tasks 4 and 6 are exclusive to MIR and Tasks 5 and 7 are exclusive to CU. The City of Lompoc estimates the total project budget for the scope of work is \$1,516,465. The federal share is \$1,364,930 towards contractor costs, and the City's contribution of non-federal share is \$151,535 in the form of cash allocated to personnel and contract costs.

The City sourced estimates for the cost from its existing consultant, Bridge View Resources (Bridge View). Bridge View and its team members have extensive experience performing work similar to the scope of work in this application. Based on this experience, an estimate of the level of work and work hours was first determined. Then expected billable rates were applied to the estimated level of work to derive the budget. The areas of expertise that are being tapped for this project include military and civilian community planning, regional planning, public works, electric, water and sewer utility planning and operations, transportation planning and engineering, environmental engineering and science, emergency services and planning and government affairs. The following paragraphs describe the costs and justification for the overall project and for each of the tasks. The City of Lompoc is not applying indirect costs to this grant for the duration of the period of performance.

¹ Attachment 2 contains the entire grant application.

NON-FEDERAL LOMPOC MATCHING FUNDS

The [required] non-Federal matching funds are being paid by the City of Lompoc. The City's 10% matching fund amount of \$151,535 is comprised of \$58,648 in City internal costs. These include \$48,278 in direct salaries and fringe benefits (insurance and retirement); \$6,000 in travel as follows: \$4,532 (\$2,266 each) for two Defense-related conferences and \$1,468 in local travel; \$1,748 in materials and supplies (flip charts, markers, white boards, etc.) and \$2,622 in printing for meeting materials and the City and stakeholder copies of the final report. The Defense-related conferences are further broken down as airfare to Washington, DC \$900, and lodging and subsistence \$1,366. Each conference is for one person. Attendance at these conferences will directly support the project by allowing the attendee to collaborate with other defense-related entities working in encroachment mitigation, defense community support, and/or military installation support innovations. The City is also expecting to pay \$92,887 as non-federal matching funds to its existing consultant, Bridge View Resources. Bridge View provides direct support to the City and specifically to this project for administration and management.

The grant has several tasks outlined in the application. The tasks are summarized below with additional detailed information for each task included in the body of the grant application:

- Task 1: Overall Project Initiation & Administration
- Task 2: Stakeholder and Public Involvement
- Task 3: Data Collection, Inventory and Mapping
- Task 4: MIR Resiliency Impacts and Responsibility Assessment
- Task 5: Compatible Use Analysis
- Task 6: MIR Installation Resiliency Solutions and Strategies
- Task 7: Compatible Use Conflict Solutions and Strategies
- Task 8: Final Findings and Reports

Fiscal Impact:

The award of the MIS grant is expected to be for a total project amount of \$1,516,465. The grant includes a local share requirement of \$151,535 to be eligible for the grant reimbursement portion of the work of \$1,364,930. The City's local share commitment is anticipated to be comprised of direct staff time, out of pocket expenses and contract payments as identified above in the grant application excerpt titled "NON-FEDERAL LOMPOC MATCHING FUNDS."

As the tasks outlined in the grant application will study several areas related to specific City services, those services are proposed to support the City's overall local share component. The proposed grant tasks and related City services are:

- Water resources, treatment and distribution Water Utility
- Wastewater transmission and treatment Wastewater Utility
- Electric generation, transmission and distribution Electric Utility
- Solid Waste collection and landfill services Solid Waste Utility
- Transportation infrastructure Public Works (TDA Road Fund)
- Housing resources Community Development (General Fund)

As the above areas encompass various separate funds of the City, the recommended expenditure of the City's local share of the grant program would be split between the City's four utilities, Road funds, and the General Fund (for the housing components) with the split based relative to the level of benefit anticipated for each. The split is proposed as follows:

	<u>Amount</u>
• Fund 751 – Water	\$32,000
• Fund 752 – Electric	32,000
• Fund 753 – Wastewater	38,000
• Fund 759 – Solid Waste	10,000
• Fund 110 – General Fund	7,535
• Fund 330 – TDA (Transportation)	<u>32,000</u>
o Total	<u>\$151,535</u>

To facilitate efficient and effective management of the grant program, all grant expenditures are recommended to be consolidated in a new Grant Administration – MIS Grant program within the General Fund family managed by the City Manager's Office – Program 126MIS. As the majority of the grant scope is related to utility services but spread over several City service components, to simplify the accounting management of the grant tracking and reimbursement processes, the full scope of the grant program is recommended to be tracked in this new program 126MIS – City Grant Administration – OLDCC Grant Project.

With the proposed budget amendments to reflect the full scope of the grant award, the General Fund use of resources is \$7,535 of the full \$1,516,465 grant funded project related only to the housing task of the grant. By utilizing Fund 126's chart of accounts, management and accounting for the grant activities will be significantly less complicated than having grant expenditures and grant reimbursements spread across six or more fund types.

Conclusion:

The completion of the tasks outlined in the grant application will lay the foundation for future collaborations with VAFB. Based on the MIS grant results, non-local funding can be identified to implement the conclusions from the MIS grant. The MIS grant award will continue the enhancement of existing relationships and initiate new partnerships that will benefit both the City and VAFB.

Respectfully submitted,

Jasmine McGinty, Senior Administrative Analyst

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

Attachments: 1) Resolution No. 6379(21)
2) Grant Application