

City of Sacramento

Legislation Text

File #: 2019-01278, **Version:** 1

Title:

Agreement: California Mobility Center Professional Services with Best Company

File ID: 2019-01278

Location: Citywide

Recommendation:

Pass a Motion authorizing the City Manager or the City Manager's designee to execute an agreement in an amount not to exceed \$199,350 with Best Company for professional services related to the California Mobility Center.

Contact: Michael Jasso, Assistant City Manager, (916) 808-1380, Office of the City Manager; Melissa Anguiano, Economic Development Manager, (916) 808-5864, Office of Innovation and Economic Development

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Agreement

Description/Analysis

Issue Detail: The California Mobility Center (Center), is a technology-driven consortium of the City of Sacramento, the Sacramento Municipal Utility District (SMUD), California State University, Sacramento, Los Rios Community College, Valley Vision, Sacramento Area Council of Government (SACOG), Air Quality Management District (AQMD), California Air Resources Board (CARB), Greater Sacramento Economic Council (GSEC), the German engineering consulting group PEM Motion, and Terzo Power Systems. The Center seeks to build a hub that will foster innovation in clean transportation in Sacramento, including electric-vehicle technology that would further cut emissions and improve air quality. The Center would also help established automakers and mobility startups create, prototype, and scale new technology and hardware in cost-efficient ways.

In January 2019, SMUD agreed to fund two feasibility studies on bringing a mobility technology center to Sacramento. One study assessed the Sacramento area for its ability to support a hardware and prototyping accelerator, while the second study outlined how the Sacramento Center for future mobility could be financed and self-sustained. This initial phase of work for the Center set the stage for implementation of this major new economic development initiative and identifies the opportunity to locate a center of excellence for future mobility in the region.

In March 2019, the City entered into agreement with Best Company, as its lead consultant representing the City on the proposed Center through the initial feasibility phase. Best Consulting assisted the City and consortium with identifying and evaluating potential sites for the Center and ensuring the City's interests were represented in the development of the feasibility findings. The initial contract amount for those services was \$89,900.

Recognizing the need to build on the work completed to date and prepare the Center for immediate implementation, the City issued a Request for Qualifications (RFQ) to identify a consultant to represent the City in the next phase of the Center formation. The RFQ was issued on July 16, 2019, and the City received one qualified proposal, from Best Company.

The next phase of this initiative includes:

- Leveraging the results of the feasibility study and the resultant business plan to actively engage private sector partners in the Center;
- Facilitating the identification and execution of a short- to long-term site location for the Center;
- Identifying critical implementation components to operate the Center; and
- Aligning city and regional efforts and priorities to the Center's operations; particularly those related to workforce development, youth, and Sacramento Urban Technology Lab (SUTL).

Policy Considerations: Supporting this initiative directly aligns with the City's commitment to economic development and electric vehicle policies and strategies intended to support industry growth, innovation and entrepreneurship, workforce development, and the City's zero-emission mobility goals.

Economic Impacts: The proposed Center has the potential to not only make the region a hub for mobility innovation, but to help drive and diversify the local economy through multiple investments and job creation.

Environmental Considerations: The recommendation in this report is not a project under the California Environmental Quality Act (CEQA) because it relates to government fiscal activities that do not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Section 15378(b)(4) of the CEQA Guidelines (Cal. Code Regs., tit. 14, §15000 et seq.), and is, therefore, not subject to CEQA pursuant to Section

15060(c)(3) of the CEQA Guidelines.

Sustainability: The proposed Center would be instrumental in helping the City achieve EV Strategy priorities. The transportation sector accounts for 48% of community-wide greenhouse gas emissions, the largest single sector in the community. Electrification of the transportation sector leads to reductions in petroleum use, both reducing greenhouse gas emissions and improving local air quality.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The City Council has made it clear, through multiple actions, its commitment to prioritize and implement strategies, programs and projects that increase inclusive community and economic capacities throughout our City. Providing startups with a direct industry route to market and the opportunity to gain support during the most critical phases of their business growth, both in terms of funding and especially technical support, is invaluable.

Through the RFQ, the City was seeking a consultant with a strong background and knowledge of the project initiative and demonstrated experience in the formation of a technology driven research-commercialization hub. The City was also seeking consultants who can work towards formation on an expeditious schedule.

The Best Company proposal demonstrated a strong background and knowledge of the project initiative. Neal Best, founder of Best Company, has over 16 years of international experience in economic development, corporate consulting and commercial real estate. Neal was also previously Senior Vice President of Business Development for GSEC, leading the Business Development team to attract new companies to the Greater Sacramento region and establish new technology initiatives to drive growth. In 2017, GSEC led the initial introduction of PEM Motion and presented this opportunity to regional stakeholders. Best Company was also part of the Sacramento delegations that toured the renowned PEM Motion facility in Aachen, Germany, both last fall and during the summer. During these delegations Best Company was able to witness firsthand the demonstration of a successful anchored business, investor, university and public project. With direct experience working on the Center, since 2017, Best Company is the most qualified to represent the City in the next phase and formation of the Center. Additionally, Best Company's strong understanding gives them the ability to work towards formation on an expeditious schedule, resulting in an overall cost savings for the City.

Financial Considerations: Funding for this initiative was approved in the Fiscal Year 2019/20 Budget Adoption report on June 11, 2019. There are sufficient resources in the Economic Development Initiatives Multi-year Operating Project (I02181000) to fund this agreement.

Local Business Enterprise (LBE): Not applicable.