



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/14/2021

ALL

Item Creation Date: 11/27/2021

E29909 - Houston Pace Program Management - ORDINANCE (Texas Property Assessed Clean Energy Authority dba Texas PACE Authority)

Agenda Item#: 21.

Background:

Sole Source for S95- E29909 - Approve an ordinance awarding a sole source Agreement to Texas Property Assessed Clean Energy Authority dba Texas PACE Authority for Houston Pace Program Management for the Administration and Regulatory Affairs Department.

Specific Explanation:

The Director of the Administration and Regulatory Affairs Department and the Chief Procurement Officer recommend that City Council approve an ordinance awarding a sole source agreement for a three year term with two (2) one-year renewal options to **Texas Property Assessed Clean Energy Authority dba Texas PACE Authority** for **Houston Pace Program Management** without any compensation or reimbursement from the City.

In 2015, Houston City Council adopted an ordinance creating the Houston PACE program, in accordance with the PACE Act found in Chapter 399 of the Texas Local Government Code. The PACE Act authorizes the City to enter into a contract with a third-party to provide administrative services for the Houston PACE program. Per City Ordinance No. 2015 – 996, the third-party program administrator must be a qualified non-profit organization. The program administrator does not receive compensation or reimbursement from the City. The City does not assume any program implementation costs, or financial or legal liabilities. Administrative fees by property owners establishing a PACE project, grants or other authorized sources of revenue provide funding for the program administrator

A Request for Information (RFI) was issued November 20, 2021, under the solicitation number S95-I03815, to determine the number of interested and qualified vendors available to administer the Houston PACE program. Texas Property Assessed Clean Energy Authority dba Texas PACE Authority was the sole respondent to the RFI. Based on the results of the RFI, Texas Property Assessed Clean Energy Authority dba Texas PACE Authority was deemed to be sole entity qualified to administer the Houston PACE program. Accordingly, the Chief Procurement Officer approved a sole source award for this contract.

The scope of services requires the contractor to manage the Houston PACE Program, which will allow property owners to obtain PACE financing to pay for qualified water conservation, energy efficiency, and renewable energy retrofit improvements to eligible properties (commercial, industrial, and multi-family (five or more dwelling units) residential properties). The program administrator provides oversight of the PACE program ensuring best practices and consumer protections at the lowest possible cost to the property owner, while also providing education and outreach in a transparent and ethical manner. Houston PACE enables owners of eligible properties to overcome traditional barriers to capital investments in energy efficiency and water conservation improvements, such as unattractive returns on investment, split incentives between property owners and tenants, and uncertainty of recouping the investment upon sale of the property. Qualified improvements are permanent improvements intended to decrease water or energy consumption or demand. Qualified improvements may include the following:

- High efficiency heating, ventilating and air conditioning (HVAC) systems
- High efficiency chillers, boilers and furnaces
- High efficiency water heating systems
- Energy management systems and controls
- Distributed generation systems
- High efficiency lighting system upgrades
- Building enclosure and envelope improvements
- Water conservation and wastewater recovery and reuse systems
- Combustion and burner upgrades
- Heat recovery and steam traps
- Water management systems and controls (indoor and outdoor)
- High efficiency irrigation equipment.

This recommendation is made pursuant to subsection 252.022(a)(7) of the Texas Local Government Code, which provides that "a procurement of items that are available from only one source" is exempt from the competitive requirements for purchases.

M/WBE Subcontracting:

M/WBE zero percentage goal document approved by the Office of Business Opportunity.

Hire Houston First:

This procurement is exempt from the City's Hire Houston First Ordinance. Bids/proposals were not solicited because the department is utilizing a sole source contractor for this agreement.

Fiscal Note:

No significant Fiscal Operating impact is anticipated as a result of this project.

11/30/2021

DocuSigned by:
Jerry Adams
0DD350139A6F4C8...

DocuSigned by:
Tina Paes
606AE9FC66A94CC...

12/9/2021

**Jerry Adams, Chief Procurement Officer
Finance/Strategic Procurement Division**

Department Approval Authority

DS
JTM

Amount and Source of Funding:

No funding require.

Contact Information:

NAME:	DEPARTMENT/DIVISION	PHONE
Candice Gambrell, Deputy Assistant Director	FIN/SPD	(832) 393-9219
Barbara Fisher, Procurement Manager	FIN/SPD	(832) 393-8722
Alisa Talley, Division Manager	ARA	(832) 393-8531

ATTACHMENTS:

Description	Type
Affidavit of Ownership	Backup Material
Delinquent Tax Report	Backup Material
MWBE Goal Waiver	Backup Material
Drug Forms	Backup Material
Sole Source Justification	Backup Material
Pace Contract	Backup Material