

File No. 091368

Committee Item No. 4

Board Item No. 02

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee BUDGET AND FINANCE

Date 12/9/09

Board of Supervisors Meeting

Date 01/05/10

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report * |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Award Letter |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

(Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Gail Johnson

Date 12/4/09

Completed by: Ja

Date 12/10/09

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

42

90 21/2

1 [Accept-Expend Federal Grant and Amendment to the Annual Salary Ordinance,
2 FY 2009-2010.]

3 **Ordinance authorizing the San Francisco Public Utilities Commission to accept and**
4 **expend a grant in the amount of \$7,739,300 from the U.S. Department of Energy**
5 **through the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5) under the**
6 **Energy Independence and Security Act of 2007 (Pub. L. 110-140; 42 U.S.C. 17151 et**
7 **seq.) for the Municipal Building Energy Efficiency Retrofit, Community Resilience, and**
8 **Heating Systems Programs, and amending Ordinance Number 183-09 to reflect the**
9 **addition of one and seven-tenths (1.7) grant-funded positions at the Department of the**
10 **Environment.**

11 Note: Additions are single-underline italics Times New Roman;
12 deletions are ~~strikethrough italics Times New Roman~~.
13 Board amendment additions are double underlined.
14 Board amendment deletions are ~~strikethrough normal~~.

14 Be it ordained by the People of the City and County of San Francisco:

15 **Section 1. Findings**

16 The American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5) ("ARRA") was
17 signed by President Barack Obama on February 17, 2009 and provided for more than
18 \$42,000,000,000 in appropriations for energy programs, mainly for energy efficiency and
19 renewable energy through the Energy Independent and Security Act of 2007 (Pub. L. 110-
20 140; 42 U.S.C. 17151 et seq.); and,

21 The Energy Independence and Security Act of 2007 (Pub. L. 110-140; 42 U.S.C. 17151
22 et seq.) was signed into law by President George W. Bush on December 19, 2007 and
23 provided that \$3,200,000,000 shall be available for Energy Efficiency and Conservation Block
24 Grants for implementation of programs authorized under subtitle E of title V of this Act; and,
25

Mayor
Public Utilities Commission
BOARD OF SUPERVISORS

1 On September 8, 2009 through San Francisco Public Utilities Commission (SFPUC)
2 Resolution 09-0150, the Commission authorized the General Manager or his designee to
3 apply for, accept and expend a grant in the amount of \$7,739,300 for the implementation of
4 the Municipal Building Energy Efficiency Retrofit , Community Resilience, and Heating
5 Systems Programs; and,

6 On August 17, 2009, the U.S. DOE approved a formula grant of \$7,739,300 for the
7 aforementioned programs; and,

8 The Department of Energy program guidelines provided up to ten (10) percent of total
9 grant funds or \$773,930 to be used for indirect costs.

10 This project supports the City and County of San Francisco's Climate Action Plan goal
11 of reducing Greenhouse Gas Emissions related to the building sector by providing for the City
12 and multi-family building owners to dramatically reduce energy use.

13 This project supports California's aggressive goals of reducing greenhouse gas
14 emissions under the AB32 Climate Change Initiative scoping plan.

15
16 **Section 2. Authorization to Accept and Expend Funds.**

17 The Board of Supervisors authorizes the San Francisco Public Utilities Commission to
18 accept and expend \$7,739,300 in ARRA grant funds from the U.S. Department of Energy and
19 authorizes the General Manager of the San Francisco Public Utilities Commission or his
20 designated staff to execute any documents required for the implementation of these grants,
21 including any amendments, augmentations or extensions thereof.

22 The Board of Supervisors also authorizes the General Manager of the San Francisco
23 Public Utilities Commission, or his designee(s), to approve, sign and execute an agreement to
24 hold the granting agencies harmless from liability arising out of the Programs.
25

1 **Section 3. Grant-funded Positions; Amendment to FY 2009-20010 Annual Salary**
 2 **Ordinance.**

3 The hereinafter designated sections and items of Ordinance No. 183-09 (Annual Salary
 4 Ordinance, FY 2009-2010) are hereby amended to add one and seven-tenths (1.7) positions
 5 in the Department of the Environment, to read as follows:

6 Department: ENV-22
 7 Program: CIP - ENERGY
 8 Subfund: 2S-ENV-GNC
 9 Index Code: 220158

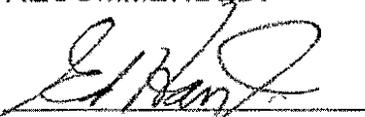
Amendment:	Number of Positions:	Class and Item No.:	Compensation Schedule:
Add	.5 FTE	1632 Senior Account Clerk	\$1,881 - \$2,287
	.5 FTE	5640 Environmental Specialist	\$2,571 - \$3,126
	.2 FTE	5642 Sr. Environmental Specialist	\$2,989 - \$3,633
	.5 FTE	5207 Associate Engineer	\$3,410 - \$4,145

17 APPROVED AS TO FORM:
 18 DENNIS J. HERRERA, City Attorney

APPROVED AS TO CLASSIFICATION
 DEPARTMENT OF HUMAN RESOURCES

19 By: 
 20 Thomas J. Owen
 21 Deputy City Attorney

By: 
 Micki Callahan
 Director

22 RECOMMENDED:
 23 
 24 Ed Harrington, General Manager
 Public Utilities Commission


 Ben Rosenfield
 Controller

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Approved:


Gavin Newsom
Mayor

For

Office of the Mayor
City & County of San Francisco



Gavin Newsom

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Gavin Newsom
RE: Ordinance authorizing the SF Public Utilities Commission to accept and expend a grant of \$7,739,300 from the US Department of Energy, through the American Recovery and Reinvestment Act, and amend the FY 2009-10 Annual Salary Ordinance.
DATE: November 24, 2009

Dear Madame Clerk:

Attached for introduction to the Board of Supervisors is an ordinance authorizing the SF Public Utilities Commission to accept and expend a grant of \$7,739,300 from the US Department of Energy, through the American Recovery and Reinvestment Act, and amend the FY 2009-10 Annual Salary Ordinance to add 1.7 grant funded FTE to the Department of the Environment. I request that this item be scheduled at the next Budget and Finance Committee (December 8, 2009) or as soon as possible.

Should you have any questions, please contact Starr Terrell (415) 554-5262.

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Nathan Purkiss
DATE: October 16, 2009
SUBJECT: Accept and Expend Resolution for Department of Energy Grant
GRANT TITLE: \$7,739,300 grant from the U.S. Department of Energy for the Energy Efficiency & Conservation Block Grant Program

Attached please find the original and 4 copies of each of the following:

Proposed grant resolution; original signed by Department, Mayor, Controller

Grant information form, including disability checklist

Grant application

Grant award documentation

Other (Explain):

Special Timeline Requirements:

Departmental representative to receive a copy of the adopted resolution:

Name: Nathan Purkiss

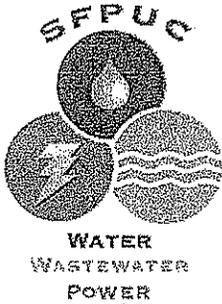
Phone: 415.554.3404

Interoffice Mail Address: SFPUC, 1155 Market St., 11th Floor

Certified copy required Yes

No

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).



SAN FRANCISCO PUBLIC UTILITIES COMMISSION

1155 Market St., 11th Floor, San Francisco, CA 94103 • Tel. (415) 554-3155 • Fax (415) 554-3161 • TTY (415) 554.3488



November 18, 2009

GAVIN NEWSOM
MAYOR

ANN MOLLER CAEN
PRESIDENT

F.X. CROWLEY
VICE PRESIDENT

FRANCESCA VIETOR
COMMISSIONER

JULIET ELLIS
COMMISSIONER

ANSON B. MORAN
COMMISSIONER

ED HARRINGTON
GENERAL MANAGER

The Honorable Ben Rosenfield
Controller
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 316
San Francisco, CA 94102

Subject: Ordinance authorizing the SFPUC to accept and expend a grant of \$7,739,300 from the US Department of Energy for energy efficiency programs and amend the FY 2009-2010 Annual Salary Ordinance.

Dear Controller Rosenfield:

Attached please find an original copy of an ordinance that requires your signature. The ordinance authorizes the SFPUC to accept and expend a grant of \$7,739,300 of American Recovery and Revitalization Act funding from the US Department of Energy for energy efficiency programs and amend the FY 2009-2010 Annual Salary Ordinance.

In this packet you will find:

- Red line original copy of the ordinance requiring your signature
- Grant information form
- Grant budget
- Grant award letter
- A copy of the Agenda Item from the SFPUC with background information on the Energy Efficiency Conservation Block Grant.

When you have signed this resolution, please forward the original copy to the Mayor's Budget Office, City Hall Room 288, for signature by the Mayor and submittal to the Clerk of the Board of Supervisors.

Sincerely,

Ed Harrington
General Manager



File Number: 091368
(Provided by Clerk of Board of Supervisors)

Grant Information Form
(Effective January 2000)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: **Energy Efficiency and Conservation Block Grant Program**
2. Department: **Public Utilities Commission**
3. Contact Person: **Nathan Purkiss** Telephone: **415-554-3404**
4. Grant Approval Status (check one):
 Approved by funding agency Not yet approved
5. Amount of Grant Funding Approved or Applied for: **\$7,739,300**
- 6a. Matching Funds Required: **None**
b. Source(s) of matching funds (if applicable): **Sustainable Energy Account (SEA) (for indirect costs that exceed the grant's permitted \$779,300)**
- 7a. Grant Source Agency: **U.S. Department of Energy**
b. Grant Pass-Through Agency (if applicable): **n/a**
8. Proposed Grant Project Summary:

This grant will fund the following three programs to be managed by the San Francisco Public Utilities Commission and implemented by the Department of Public Works and the Department of Environment
9. Grant Project Schedule, as allowed in approval documents, or as proposed:
Start-Date: **upon approval of the accept- &- expend resolution** End-Date: **August 16, 2012**
10. Number of new positions created and funded: **No new civil service positions will be created**
11. If new positions are created, explain the disposition of employees once the grant ends? **n/a**
- 12a. Amount budgeted for contractual services: **\$ 1,300,000**
b. Will contractual services be put out to bid? **Yes**
c. If so, will contract services help to further the goals of the department's MBE/WBE requirements? **Yes**
d. Is this likely to be a one-time or ongoing request for contracting out? **One-time**
- 13a. Does the budget include indirect costs? Yes No

b1. If yes, how much? \$ 773,000

b2. How was the amount calculated? This is the maximum of 10 percent of the grant per federal regulations

c. If no, why are indirect costs not included?

Not allowed by granting agency

To maximize use of grant funds on direct services

Other (please explain):

14. Any other significant grant requirements or comments:

15. This Grant is intended for activities at (check all that apply):

Existing Site(s)

Existing Structure(s)

Existing Program(s) or Service(s)

Rehabilitated Site(s)

Rehabilitated Structure(s)

New Program(s) or Service(s)

New Site(s)

New Structure(s)

16. The Departmental ADA Coordinator and/or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments: **No grant funds have been expended at this time.**

Departmental or Mayor's Office of Disability Reviewer: Nathan Purkiss

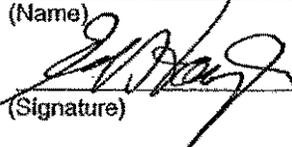
(Name)

Date Reviewed: 10/15/2009

Department Approval: Ed Harrington, General Manager

(Name)

(Title)


(Signature)

BUDGET

SFPUC's US DOE Energy Efficiency & Conservation Block Grant Programs

Project Title: Municipal Building Energy Efficiency Retrofit Program

Brief

Description: Funding for this grant is provided by the American Recovery and Reinvestment Act of 2009 (Pub. Law 111-05) under the Energy Independence and Security Act of 2007 (Pub. Law 110-140). This program is comprised of capital projects proposed by the SFPUC's Energy Efficiency Group because they meet the criteria set forth in the American Recovery and Reinvestment Act of 2009 ("ARRA") of creating jobs and increasing energy efficiency. These projects also meet the local policy criterion of providing benefits to local communities. As such, SFPUC staff, in collaboration with the Mayor's Office, the Capital Planning Committee, and stakeholders proposed the following municipal buildings to have energy efficiency retrofits: 1) Southeast Health Center; 2) Ocean Park Health Center; 3) County Jails #8 and #9; 4) County Jail #5; 5) Women's Reentry Center; 6) African American Cultural Center; 7) the Mission Cultural Center; 8) SomArts Cultural Center; 9) Ella Hill Hutch Center, and 10) Chinatown Health Center.

The U.S. Department of Energy ("DOE") notified SFPUC that a grant totaling \$7,739,300 was approved on August 17, 2009. Per federal grant regulations, all funds must be fully expended no later than August 16, 2012 and any cost overruns and/or indirect costs that exceed the grant maximum of ten (10) percent, or \$773,930, will be borne by the SFPUC.

Line Item Budget for U.S. DOE EECBG Grant – Municipal Building Energy Efficiency Retrofit Program

Preliminary Engineering & Design*	Construction	Construction Engineering*	Construction Contingency**	Total Construction**	U.S. DOE Funds	Local Matching Funds
\$ 543,543	\$ 1,943,207	\$ 414,264	\$215,911	\$ 3,116,925	\$ 3,116,925	\$ 0

* Estimated indirect costs exceeding the maximum allowable of \$773,930 will be paid from Power Enterprise SEA funds. Total indirect costs, including COWCAP, for the Municipal Building Energy Efficiency Retrofit Program totaled \$601,533 of which only \$311,693 will be met by the grant. Therefore, SFPUC anticipates funding \$289,840 from SEA to cover indirect costs for this program.

** The Energy Efficiency Group applied standard engineering curves in estimating its labor and construction costs. Because the US DOE did not require a separate line item for construction contingency, SFPUC embedded \$215,912 into its construction budget for that purpose.

Because the DOE required the use of a federally-approved indirect cost plan in order for indirect costs to be eligible for reimbursement, the SFPUC estimated its indirect costs, including COWCAP, using the Department of Public Works' Indirect Cost Plan as approved by the U.S. Department of Transportation, Federal Highway Administration as the SFPUC is similar in structure to DPW. A copy of this report is included as background information for this accept and expend resolution.

Project Schedule:	Preliminary Engineering and Design	09/2009-03/2011
	Construction	04/2011-08/2012

SFPUC & DPW Staff Costs for Preliminary Engineering & Design*, **

Position	Hours	Hourly Rate	Total
5602 Utility Specialist	362	\$153.84	\$ 55,690
0931 Manager III	84	\$163.30	\$ 13,717
1446 Executive Secretary II	414	\$ 77.96	\$ 32,275
5502 Project Manager	76	\$172.45	\$ 13,106
5268 Architect	54	\$164.46	\$ 8,881
5265 Associate Architect	164	\$122.12	\$ 20,028
5211 Senior Engineer - Mechanical	208	\$190.38	\$ 39,599
5241 Engineer - Mechanical	300	\$164.46	\$ 49,338
5207 Associate Engineer - Mechanical	760	\$142.09	\$107,990
5211 Senior Engineer - Electrical	320	\$190.38	\$ 60,922
5241 Engineer - Electrical	156	\$164.46	\$ 25,655
5207 Associate Engineer - Electrical	340	\$142.09	\$ 48,311
5207 Engineer - Contract Prep	488	\$142.09	\$ 69,340
TOTAL			\$544,851

SFPUC & DPW Staff Costs for Construction Engineering*, **

Position	Hours	Hourly Rate	Total
5211 Senior Engineer - Mechanical	160	\$190.38	\$ 30,461
5207 Engineer - Resident Engineer	600	\$142.09	\$ 85,254
6318 Construction Inspector	600	\$123.31	\$ 73,986
5502 Project Manager	408	\$172.45	\$ 70,360
5602 Utility Analyst - Energy Efficiency	740	\$153.84	\$113,842
0931 Manager III	138	\$163.30	\$ 22,535
1446 Secretary II	242	\$ 77.96	\$ 18,866
TOTAL			\$ 415,304

* Hourly rates include Mandatory Fringe Benefits, Paid Time Off, & estimated overhead as described in DPW's Indirect Cost Plan (Page 4; BOA rates were used for budget estimation in SFPUC's application to the US DOE.)

** A rounding error of \$1,308 resulted in Preliminary Engineering and Design and \$1,040 in Construction Engineering due to using BOA's overhead rate of 169.47% for each labor classification and then rounding to the whole dollar amount.

Subsequent to SFPUC's application being submitted to the U.S. DOE, SFPUC received revised cost estimates from the Department of Public Works ("DPW") showing cost reductions for the Southeast and Ocean Park Health Centers. These cost savings arose from subsequent inspections by DPW engineering to more closely define the scope, the Department of Public Health ("DPH") and SFPUC. These cost savings resulted in the SFPUC being able to fund the next eligible project from the Municipal Building Energy Efficiency Retrofit Program, the Chinatown Health Center.

The SFPUC is submitting its Engineers Cost Estimates for Municipal Building Energy Efficiency Retrofit Program" that was the basis for the grant application to the U.S. DOE as an attachment.

SFPUC is also submitting the revised Engineers Cost Estimate that includes the original seven (7) projects showing revised engineers cost estimates for the Southeast and Ocean Park Health Centers plus an engineer's cost estimate for Chinatown Health Center.

Both the SFPUC and DPW are continuing to refine cost estimates for this program to reflect the current economic bid climate. Additional projects that meet the EECBG criteria may be funded provided additional cost savings are found from the Municipal Building Energy Efficiency Retrofit Program.

BUDGET

SFPUC's US DOE Energy Efficiency & Conservation Block Grant Programs

Project Title: Community Resilience Program

Brief

Description: Funding for this grant is provided by the American Recovery and Reinvestment Act of 2009 (Pub. Law 111-05) under the Energy Independence and Security Act of 2007 (Pub. Law 110-140). U.S. DOE notified the City that a grant totaling \$7,739,300 was approved on August 17, 2009.

This program is comprised of community outreach, on-site Home Assessments for approximately 5,000 tenants and homeowners, and incentives for energy efficiency retrofit of approximately 433 private sector dwelling units. This program meets the criteria set forth in the American Recovery and Reinvestment Act of 2009 ("ARRA") of creating 52.4 jobs and increasing energy efficiency. These projects also meet the local policy criterion of providing benefits to local communities by utilizing local home performance and residential retrofit contractors.

The Community Resilience program leverages existing City efforts to organize neighborhoods around various issues including public safety and disaster preparedness to make our communities more resilient to disasters. This program will add a climate, energy, water, composting, and victory garden awareness and action component to increase the resilience against resource shortages and price increases.

An estimated \$459,100 will be expended to engage local community based organizations on a performance basis to provide education through presentations and provide comprehensive Home Resiliency assessments upon request to tenants and owners. A budgeted amount of \$35,525 will be expended on training for those community-based home assessment workers. The department has budgeted \$51,580 to be expended on home resiliency kits and a home resiliency checklist to help tenants and home owners take immediate action without a contractor.

Additionally, the program will provide \$649,500 in incentives for home performance retrofits for home owners and owners of buildings with 2-4 units. To qualify for the incentive, each project must improve the Home Energy Rating score and add other simple measures that conform to other City goals, e.g. water conservation measures.

This program will market and coordinate with the City's proposed Mello-Roos financing for energy and water retrofits if approved by the Board and implemented.

The funds for community-based organizations and the incentive funds will be passed through SFE's existing contractor already performing this task, ICF International (BPEV07000010). ICF works with local contractors that perform the Home Performance work. Additionally, ICF will expend \$30,525 on training of the Home Resiliency assessors. ICF will incur \$89,016 in additional costs to modify the existing database, enter data, process payments, and perform assigned verification and evaluation tasks.

The ARRA funded incentives will leverage private investment and may leverage other incentive funds under an existing contract with PG&E (Resolution 463-06, File #061070) and/or the next contract with PG&E expected to be in place by a date to be determined by the California Public Utilities Commission under proceeding A.08-07-021.

Line Item Budget for U.S. DOE EECBG Grant – Community Resilience Program

Personnel	Professional Services (ICF)	Incentives (ICF)	Materials and Supplies	Training & Travel (SFE Staff)	U.S. DOE Funds
\$272,201	\$1,195,045	\$649,500	\$51,580	\$900	\$ 2,169,226

Project Schedule: First Training 11/2009
 Last Training 03/2011
 First Incentives 11/2009
 Last Incentives 09/2011

SFE Staff Costs

Position	Hours	Hourly Rate*	Total
5207 Associate Engineer - Mechanical	682.4	\$95.08	\$296,637
5640 Sr. Environmental Specialist	2080	\$72.90	\$34,666
1632 Sr. Account Clerk	1040	\$52.46	\$21,823
TOTAL			\$272,201**

* Hourly rates include Mandatory Fringe Benefits, Paid Time Off, & estimated Overhead.

** A rounding error of \$.07 results from using fractional hours.

BUDGET

Department of Environment's US DOE Energy Efficiency & Conservation Block Grant Programs

Project Title: Heating Systems

Brief

Description: Funding for this grant is provided by the American Recovery and Reinvestment Act of 2009 (Pub. Law 111-05) under the Energy Independence and Security Act of 2007 (Pub. Law 110-140). U.S. DOE notified the City that a grant totaling \$7,739,300 was approved on August 17, 2009.

This program is comprised of incentives for retrofit of old heating systems in private sector multi-family buildings. Department of Environment (SFE) staff will identify and implement heating system retrofit projects and offer an incentive to induce building owners to contract for the retrofits. SFE has estimated 133 heating systems will be retrofit under this program. This program meets the criteria set forth in the American Recovery and Reinvestment Act of 2009 ("ARRA") of creating 74.4 jobs and increasing energy efficiency. These projects also meet the local policy criterion of providing benefits to local communities and will utilize local contractors.

Approximately \$1,995,000 in incentive funds will be passed to building owners through SFE's existing contractor already performing this task for SFE, ICF International (BPEV07000010). ICF will incur \$69,424 in additional costs to modify the existing database, enter data, process payments, and perform assigned evaluation tasks.

SFE has budgeted \$1600 in Training and Travel for SFE staff to attend a heating systems training to remain current on new techniques and products.

The ARRA funded incentives will leverage other incentive funds already provided under an existing contract with PG&E (Resolution 463-06, File #061070).

This program will market and coordinate with the City's proposed Mello-Roos financing for energy and water retrofits if approved by the Board and implemented.

Line Item Budget for U.S. DOE EECBG Grant – Municipal Building Energy Efficiency Retrofit Program

Personnel	Professional Services	Incentives	Training & Travel	U.S. DOE Funds
\$353,126	\$ 69,424	\$ 1,995,000	\$1,600	\$2,453,149

Project Schedule: First incentive disbursed: 11/2009
 Last incentive disbursed: 08/2011

SFE Staff Costs

Position	Hours	Hourly Rate	Total
5207 Associate Engineer - Mechanical	3477.6	\$95.08	\$330,636
5642 Sr. Environmental Specialist	416	\$83.33	\$34,666
1632 Sr. Account Clerk	416	\$52.46	\$21,823
TOTAL			\$387,125

* Hourly rates include Mandatory Fringe Benefits, Paid Time Off, & estimated Overhead.

** A rounding error of \$.43 results from using whole hours.

(

)

(

(

(

REVERSE SIDE OF THE DOCUMENT IS UNREADABLE

I. INTRODUCTION

The development of an Indirect Cost Plan for the Department of Public Works is conceptually based on a 1978 procedures manual titled "City and County of San Francisco Wastewater Management Program Indirect Cost Rate Proposal" prepared by Touche Ross & Company. Consistent with the changes made in 1990-91, the 2008-09 Indirect Cost Plan bases the estimate for Paid Time Off on actuals rather than accruals.

Mandatory fringe benefits (MFB) are now based on actual rates as calculated by the Controller's Office. Each budgeted position has its own MFB rate based on the particular Memorandum of Understanding negotiated by its union. Section IV, page 4, column 2 shows an average per bureau. In 1995-96 and prior fiscal years this rate was calculated and the Indirect Cost Plan used one rate for all the Bureaus.

II. PROCEDURE

A. RATES

Under this plan, fringe benefit rates and three areas of indirect costs (overhead) will be accounted for in developing a total fringe/indirect cost rate applicable to each bureau. They are as follows:

1. BUREAU INDIRECT COSTS (Section IV, Pg. 4, Col. 7)

This is the bureau's own overhead, the cost of which is spread across the programs under the jurisdiction of each bureau, except BOA, BOE, and BCM. These three bureaus (Tribureaus) have combined their bureau's overhead costs and are spread across the programs and projects under the three bureaus to develop a common, uniform overhead rate.

2. DPW ADMINISTRATION COSTS (Section IV, Pg. 4, Col. 8)

This is the departmental overhead and includes (a) Director's Office (DIR), the cost of which is spread across all the programs of DPW, (b) the Office of Financial Management and Administration (OFFMA), the cost of which is spread across all the programs of DPW except DIR, and (c) Deputy Director for Operations (DDO) and Deputy Director for Engineering (DDE), the cost of which is spread across all the programs within the applicable bureaus of each Deputy Director.

3. COWCAP (Section IV, Pg. 4, Col. 11)

This is the Countywide Cost Allocation Plan, the City's overhead. This plan is prepared each year by the City's Office of the Controller and submitted to the State Controller's Office for approval (see Appendix C). The cost of COWCAP is spread across all the non-service bureaus of DPW. The COWCAP rate is only used for billing agencies other than the City and County of San Francisco.

**DEPARTMENT OF PUBLIC WORKS
INDIRECT FULL COST PLAN**

FISCAL YEAR 2008-2009

4. PAID TIME OFF (Section IV, Pg. 4, Col. 3)

The base for calculating the Departmental PTO rate is direct labor.

5. MANDATORY FRINGE BENEFITS (Section IV, Pg. 4, Col. 2)

Mandatory Fringe Benefits are based on actual rates as calculated by the Controller's Office. An average rate per bureau is shown here for estimating purposes.

B. BASE

For purposes of this Indirect Cost Plan, the base that is used to establish the indirect rates is DIRECT LABOR. The utilization of direct labor as the base is in accordance with the policy of the Controller of the City and County of San Francisco.

C. TABLES

Four tables have been developed to arrive at an Indirect Cost rate for each bureau:

1. Table I (Page 6) shows the Estimated Labor Calculations for each bureau based on projected direct salaries reduced by an estimated paid time off factor, except as noted.

2. Table II (Page 7) shows the Distribution of Adjusted DPW Administration Indirect Costs to the various Bureaus. The methodology employed for Fiscal Year 2008-09 uses the number of filled Permanent budget positions in the bureaus from the Personnel Status Summary Report adjusted for new positions as the basis for calculating percentages for distribution of the cost of services of DPW Administration to each bureau. The number of positions in the General Administration divisions is based on budgeted positions. Following is a description of the major columns shown in Table II:

Col. (3) The adjusted indirect cost of the Director's Office is distributed among the bureaus/offices.

Col. (5) The adjusted indirect costs of OFFMA is distributed among the bureaus/offices using their services.

Col. (7) The adjusted indirect costs of the Deputy Director for Engineering and the Deputy Director for Operations are distributed among the various bureaus under their respective jurisdictions.

Col. (8) The total Director's Office, OFFMA, and Deputy Director's indirect costs are distributed among the bureaus of the department.

3. Table III (Page 8) shows the distribution of the Department of Public Works' COWCAP Costs based on the County-wide Costs Allocation Plan for the Fiscal Year ending June 30, 2008. (See Appendix C, Page 24)

4. Tables IV, IVa, and IVb (Pages 9 and 10) show the calculation of each bureau's Fixed with Carry-Forward Indirect Costs Rates.

DEPARTMENT OF PUBLIC WORKS
INDIRECT FULL COST PLAN

FISCAL YEAR 2008-2009

~~D-CARRY-FORWARD-CALCULATIONS~~

Calculation of the carry-forward adjustments requires that (1) the difference between the actual expenditures and actual recoveries from two fiscal years prior be calculated and (2) that this difference be further modified by the carry-forward adjustments calculated from four fiscal years prior. The determined carry-forward adjustment is then applied against the estimated costs for the subject fiscal year.²

Two types of carry-forward calculations are required to arrive at an adjusted rate for the fiscal year:

1. Bureau Indirect Costs

There are two elements: Bureau Indirect Labor (Appendix F - Page 26) and Bureau Indirect Non-Labor (Appendix G - Page 27).

2. DPW Administration (Appendix H - Page 28)

² The 1978 Procedure Manual, prepared by Touche Ross & Company, provides that the carry-forward adjustments must be carried to the second fiscal year following the period being adjusted. For example, the 1978-79 adjustment is carried forward to 1980-81.

DEPARTMENT OF PUBLIC WORKS
INDIRECT FULL COST PLAN

FISCAL YEAR 2008-2009

SECTION IV

**SUMMARY OF FIXED WITH CARRY-FORWARD RATES
FISCAL YEAR 2008-2009**
**FIXED WITH CARRY-FORWARD FRINGE/INDIRECT COST rates to be applied
against DIRECT LABOR as developed from Tables I, II, III, IV, IVa and IVb
are summarized as follows:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
BUREAU	Information Only	FRINGES		BUREAU OVERHEAD			DPW ADMIN (DEPT O/H)	TOTAL O/H (COL 7 + COL 8)	SUMMARY OF RATES FOR FPS (COL 4 + COL 9)	COWCAP (CITY O/H)	SUMMARY OF RATES (INCL COWCAP) (COL 10+ COL 11)
		MAND. FRINGE BENEFITS*	PAIDTIME OFF(PLUS MFB)	TOTAL FRINGES (COL 2+ COL 3)	INDIRECT LABOR (PLUS PTO & MFB)	INDIRECT NON-LABOR					
BOA	21.85%	23.99%	45.84%	30.83%	33.09%	63.92%	36.55%	100.47%	146.31%	23.16%	169.47%
BBR	29.30%	23.99%	53.29%	28.30%	12.17%	40.47%	41.72%	82.19%	135.48%	-	135.48%
BOE	21.85%	23.99%	45.84%	37.27%	26.65%	63.92%	36.55%	100.47%	146.31%	19.97%	166.28%
SES	29.24%	23.99%	53.23%	1.82%	35.13%	36.95%	32.42%	69.37%	122.60%	7.04%	129.64%
SSR	27.17%	23.99%	51.16%	13.49%	40.39%	53.88%	36.74%	90.62%	141.78%	-	141.78%
BCM	21.85%	23.99%	45.84%	26.14%	37.78%	63.92%	36.55%	100.47%	146.31%	15.22%	161.53%
BSM	24.54%	23.99%	48.53%	15.83%	21.23%	37.06%	35.75%	72.81%	121.34%	41.31%	162.65%
BUF	28.89%	23.99%	52.88%	11.97%	33.30%	45.27%	36.28%	81.55%	134.43%	27.24%	161.67%

(*) THE MFB IS AN AVERAGE OF THE ACTUAL RATE AS CALCULATED IN BPREP, BY BUREAU.

Column Explanations:

Col. (1) - See page 23 for three letter designation

Col. (2) - Average actual rate in BPREP

Col. (3) - From Appendix E

BBR, SES, SSR, BSM, and BUF

Col. (5) - From Table IV, Col. 3

Col. (6) - From Table IV, Col. 5

Col. (8) - From Table IV, Col. 7

BOA, BOE, and BCM

Col. (5) - From Table IVb, Col. 3

Col. (6) - From Table IVb, Col. 5

Col. (8) - From Table IVa, Col. 5

Col. (11) - From Table IV, Col. 9

Note: Mandatory fringe benefit rates are based on actual calculations by the Controller's Office and an average rate for the Bureau is stated here. Rates vary between Bureaus because they are calculated based on individual position classifications and their union Memorandums of Understanding which may vary between classifications. These rates are no longer fixed per Bureau as in 1995-98 and prior years. Actual fringes charged to projects will be based on actual charges by the Controller's Office to specific classifications/cost centers.

ICP09DEPT-FINAL.XLS