



City of Culver City

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Staff Report Details (With Text)

File #: 22-1160 **Version:** 1 **Name:** Agreement with Sustainable Works for Sustainable Business Certification Program
Type: Minute Order **Status:** Consent Agenda
File created: 6/16/2022 **In control:** City Council Meeting Agenda
On agenda: 7/11/2022 **Final action:**
Title: CC - CONSENT ITEM: (1) Approval of a Five-Year Professional Services Agreement with Community Partners, dba Sustainable Works, to Continue the Citywide Sustainable Business Certification Program in an Aggregate Amount of \$470,000 (\$94,000 annually); and 2) Authorize the Public Works Director/City Engineer to Continue the Certification Program Each Fiscal Year Based on Set Criteria and Approve an Annual Fee Increase Based on Cost of Inflation.

Sponsors:

Indexes:

Code sections:

Attachments:

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Meeting Date: July 11, 2022

Contact Person/Dept.: Joe Susca, Public Works-Administration
Phone Number: 310-253-5636

Fiscal Impact: Yes ☒ No ☐ **General Fund:** Yes ☒ No ☐

Attachments: Yes ☐ No ☒

Commission Action Required: Yes ☐ No ☒

Public Notification: (E-Mail) Meetings and Agendas - City Council (07/07/2022); Sustainable Works (06/24/2022); Balanced Approach (06/24/2022)

Department Approval: Yanni Demitri, Director of Public Works/City Engineer (06/27/2022)

RECOMMENDATION

Staff recommends the City Council (1) approve an agreement with Community Partners (dba Sustainable Works) to continue the City's Sustainable Business Certification Program (the "Certification Program") for up to a five-year term in an aggregate amount of \$470,000 (\$94,000 annually); and (2) authorize the Director of Public Works/City Engineer to (a) continue the Certification Program each fiscal year provided a minimum of 10 businesses are certified each year and funding for the Certification Program is approved for the following fiscal year; and (b) approve, at their discretion, up to a once annual fee increase, upon Community Partners' request, if their costs escalate due to high rates of inflation over the next five years.

BACKGROUND

Currently, 48 counties and cities (including Culver City) are members of the California Green Business Network (CAGBN), a non-profit organization that creates the criteria used to certify green (a.k.a. sustainable) businesses statewide. The CAGBN establishes methods, standards, business sector checklists, and provides an online tool that quantifies the positive environmental impacts of the program, fosters communication amongst its member agencies, and maintains a statewide directory of certified businesses that environmentally conscious customers use to seek out like-minded businesses to patronize. The City pays approximately \$5,500 annually to be a member of the CAGBN, which membership is a condition to voluntarily implementing an official local green business certification program in California.

On January 9, 2017 the City Council approved the first two-year agreement with Community Partners (dba "Sustainable Works") to custom design and implement the City's first Sustainable Business Certification Program (the "Certification Program"). Community Partners is a non-profit organization that owns Sustainable Works, and its mission is to turn ideas into action that advance the public good. Sustainable Works is a non-profit environmental education organization that is located on the campus of Santa Monica City College. Sustainable Works was established in 1998 with the primary purpose of educating and activating members of the community to make choices that reduce their ecological footprint on the earth.

Upon conclusion of a competitive process, on August 26, 2019, the City Council also approved a \$176,000 two-year agreement (\$88,000 annually) with Sustainable Works to continue the Certification Program, which is about to complete its fourth year (over a five-year period due to its suspension for one year during the pandemic because of uncertain City revenues at the time). In the third and fourth year of the Certification Program, the scope of work was increased to require Sustainable Works to keep the City's Certification Program webpage (www.culvercity.org/ccsbcp) up to date, to draft media releases, and to coordinate and directly pay the external cost associated with producing the annual award ceremony designed to commend those businesses becoming certified. Specifically, the contract requires Sustainable Works to spend a minimum of \$5,000 in external costs along with providing the labor necessary to coordinate the event (such as finding a venue, hiring a photographer, creating invitations and tracking RSVPs, creation of a PowerPoint presentation displaying the Certification Program's collective environmental impacts, making parking arrangements, arranging for catering and bar tending, buying giveaways, preparing an agenda, and writing the Mayoral speech and introductions for each business becoming certified, and to provide on-site staffing during the event).

Since its inception, the Certification Program has certified a total of 58 businesses.

DISCUSSION

Staff released a Request for Proposals (RFP) in April 2022 to continue the existing Certification Program for its fifth year and up to four additional years; inviting six California-based firms who perform this work to respond in addition to publicly posting it on PlanetBids and the City's website.

The following is a summary of the scope of services contained in the RFP:

The City certifies its sustainable businesses once every three years and offers the following two types:

“Certified”, which is when a business adheres to all the minimum requirements established by the CAGBN including, but not limited to the following:

- (i) Procurement: Buying practices that include following an environmentally preferable purchasing practice which is the procurement of goods and services that have a reduced impact on human health and the environment when compared to other goods and services serving the same purpose.
- (ii) Food Waste Handling: If the business has a food service component that they divert organic material from the landfill via City-established programs for recycling organics such as composting/anaerobic digestion and donating viable excess food to local food banks.
- (iii) Transportation: The presence of on-site bicycle racks.
- (iv) Energy Efficiency: Implementation of electricity, and natural gas conservation measures that may be through active participation in Southern California Edison, Los Angeles Department of Water and Power (LADWP) and Southern California Gas programs designed to reduce use of the utility.
- (v) Stormwater Runoff: Providing stormwater runoff education to all employees and implementing measures that minimize the generation of on-site stormwater pollution.
- (vi) Water Conservation: Installation of potable water conserving devices, fixtures, and equipment.

“Certified Innovator” includes all the “Certified” level components and adds the following additional requirements:

- Transportation: If a business has a vehicle fleet, it must be powered by zero-emission vehicles or be actively implementing a plan to operate a zero-emission vehicle fleet within two years of receiving their certification.
- Economic Sustainability: The payment of living wages to employees and providing them healthcare insurance, and paid time off for sick leave and vacations.
- Social Responsibility: Businesses must contribute or support at least one charitable or philanthropic organization or alternatively, actively participate in local governance.
- Electricity: Businesses located in Southern California Edison territory must sign up with the Clean Power Alliance at their 100% Green Power tier or enroll in LADWP's Green Power program to meet their electricity needs.

Specifically, for each business the selected firm hired will:

- a) Use a CAGBN checklist based on sector and perform a sustainability audit of their existing operation.

- b) Based on the audit, develop an Action Plan containing tasks the business must implement as a condition to receiving their certification.
- c) Meet and present the Action Plan to the business, monitor their implementation progress and coordinate utility and other meetings when necessary.
- d) Perform on-site verification that the Action Plan was implemented prior to awarding certification.

Depending on the business sector, 55-90 measures are contained in an Action Plan, which typically takes three to six months to implement.

The Certification Program operates on a recurring one-year cycle beginning with outreach and marketing, performing business audits, creating and then verifying that Action Plans are implemented, and culminating in an annual awards ceremony to publicly recognize their success.

Sustainably certified businesses typically reduce their energy and water use and also receive use of a digital seal to proudly post on their webpages, on social media, and on printed materials. They also attract environmentally conscious customers who seek them out through the [CAGBN Website](https://www.greenbusinessca.org/) [<https://www.greenbusinessca.org/>](https://www.greenbusinessca.org/) (<https://www.greenbusinessca.org/>). They are also publicly recognized by the City and listed on the City's [Certification Program webpage](https://www.culvercity.org/Services/Business-Resources/Become-a-Certified-Sustainable-Business) [<https://www.culvercity.org/Services/Business-Resources/Become-a-Certified-Sustainable-Business>](https://www.culvercity.org/Services/Business-Resources/Become-a-Certified-Sustainable-Business) ([<https://www.culvercity.org/Services/Business-Resources/Become-a-Certified-Sustainable-Business>](https://www.culvercity.org/Services/Business-Resources/Become-a-Certified-Sustainable-Business)).

Staff received one proposal from Sustainable Works in response to the RFP. In addition to Culver City, Sustainable Works' clients include the City and County of Los Angeles, West Hollywood, and Santa Monica. As a non-profit entity, Sustainable Works actively participates in CAGBN committees, has written sustainability guidelines, conducts community workshops on sustainability, maintains active partnerships with local utilities, and created and implemented the City of Santa Monica's Green Business Certification Program since 2005.

Sustainable Works' proposal includes implementation of a marketing and outreach plan that targets the retail (including grocers), office, restaurant, and school sectors. Sustainable Works guarantees a minimum of 10 businesses will become certified each year (historically, the City certifies 12-15 businesses each year) and they will produce the annual awards ceremony designed to commend those businesses becoming certified. The first 15 businesses will be audited at no cost to them however, each additional business will be charged a fee that is based on their sector, the complexity of their operation, and the number of employees they have as follows:

charge each business to participate in the Certification Program.

| Culver City Sustainable Business Certification Fee Schedule beyond 15 businesses | | | |
|--|------------------------|---------------------------|-------------------------|
| CAGBN Business Sector | size | | |
| | Small 1-9 employees | Medium 10-99 employees | Large 100+ employees |
| Retail/Office/Theatre | \$650 - 850 | \$900 - \$1500 | \$1600 - \$2500 |
| Restaurant | \$850 - \$1200 | \$1250 - \$2000 | \$2100 - \$3000 |
| Schools | N/A | \$1250 - \$2000 | N/A |
| Grocer | N/A | \$2100 - \$3000 | \$3100 - \$4000 |

b. Staff titles and their associated hourly billing rates.

Sustainable Works

Susy Borlido, Executive Director of Project; Sustainable Works, \$60/ hour

Gina Garcia, Co-Executive Director, Sustainable Works, \$55/hour

Tamsyn Hunnewell, Senior Project Associate I, Sustainable Works, \$32/hour

Ivannia Perez-Schlamm, Project Associate, Sustainable Works, \$30/hour

As a result of the fee schedule above, most businesses beyond the first 15 decide to be placed on a waiting list to go through the certification process the following year at no cost to them. Businesses on the waiting list are contacted first at the beginning of the following year.

The CAGBN established a three-year term for each certification and approximately half of those businesses who become certified go on to renew it. Upon recertification, the Action Plan prepared for businesses to renew requires them to complete different and additional measures than they did before. The Certification Program currently has a small waiting list and coupled with renewing businesses, there is plenty of work to keep the Sustainable Works team busy over the next five years.

If Sustainable Works is successful in certifying a minimum of 10 businesses upon conclusion of each year's cycle, and provided funding is allocated to continue the Certification Program the following fiscal year, staff recommends the Director of Public Works/City Engineer be authorized to continue the Certification Program administratively for the following year. The City, however, reserves the right to suspend or cancel the agreement at any time.

The existing Sustainable Works contract expires on August 7, 2022. In recognition of summer vacations resulting in reduced attendance at the annual award ceremony, if approved, the Certification Program will establish a new annual cycle that begins five weeks later -- on September 15 instead.

FISCAL ANALYSIS

Josephine Fleming, the President of the CAGBN, reports that charging businesses a fee to participate discourages participation. She also indicated that only a handful of the 48 cities/counties who are members of the CAGBN program charge their businesses a fee to participate and when they do, it ranges from \$150 to \$600.

The \$100,000 for Certification Program costs is broken down as follows:

- \$ 5,500 CAGBN annual membership fee
- \$ 500 Office supplies and printing
- \$94,000 Sustainable Works Agreement:
The rates paid to the Sustainable Works staff range from \$30 to \$60 per hour to complete the following tasks:

| | |
|---|----------|
| Annual flat fee to audit 15 businesses and certify 10 of them: | \$30,000 |
| Outreach and Marketing | \$32,000 |
| Conduct annual awards event (including \$5,000 in external cost): | \$ 8,500 |
| Prepare and submit quarterly activity reports to the City: | \$ 3,000 |
| Report impact data to CAGBN and present that data to groups: | \$ 3,500 |
| Community Partners Administrative Fee (13%)* | \$12,000 |

*(The 13% Community Partners administrative fee is used to cover the cost of processing Sustainable Works payroll, to pay invoices, for legal services, to cover insurance policy premiums, and to provide information technology support.)

\$100,000 was approved in the Adopted Budget for FY 2022/2023 for the Certification Program's fifth year, which is sufficient to cover the City's CAGBN annual membership fee, office supplies (frames for certificates, window cling printing, etc.), and the first year of the Sustainable Works five-year agreement (\$94,000); Account No. 10160100.619800 -- *Public Works Administration - Other Contractual Services*. Funding for future years of the agreement will be decided as part of future fiscal year budgets.

ATTACHMENTS

None.

MOTIONS

That the City Council:

1. Approve a five-year agreement with Community Partners, dba Sustainable Works, to administer a citywide Sustainable Business Certification Program in an aggregate amount of \$470,000 (\$94,000 annually); and,
3. If Community Partners certifies a minimum of 10 businesses upon conclusion of the fifth year of the program, and provided funds are approved in the following fiscal year's budget, authorize the Director of Public Works/City Engineer to administratively approve continuance

of the Certification Program for the following fiscal year and to apply these same criteria each subsequent year for up to four additional years; and,

4. Authorize the Director of Public Works/City Engineer to approve, at their discretion, Community Partner's requests, up to once annually, to increase their annual fee as a direct result of high inflation rates; and
5. Authorize the City Attorney to review/prepare the necessary documents; and,
6. Authorize the City Manager to execute such documents on behalf of the City.