

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 12

To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Mitch Sears, Interim General Manager, VCEA
Shawn Marshall, LEAN Energy US

CC: Victoria Zavaterro, Sacramento Municipal Utility District

Subject: VCEA Staffing Plan Discussion

Date: November 16, 2017

RECOMMENDATION

Receive information about VCEA and SMUD's staffing proposal and provide feedback/direction as desired.

BACKGROUND & DISCUSSION

VCEA and SMUD staff are currently working to complete Task Order 4, which outlines staffing and administrative services to be provided by SMUD and which contemplates a shared staffing structure that utilizes a small in-house team of VCEA employees augmented by significant staff and consulting support from SMUD and other outside service contractors.

Consistent with the business model adopted by the Board when approving the SMUD contract and responsive to feedback from the Board subcommittee, VCEA staff is proposing a minimal internal staffing organization that relies heavily on SMUD and other service providers in the early years of implementation and operations. Staff worked in partnership with the SMUD team to design a staffing approach that is as lean as possible at the outset, minimizing direct overhead expenses while still ensuring a local presence, successful operations, and an appropriate level of Agency autonomy.

Please see attachment A, staff's proposed initial organization chart, color-coded to reflect various staff positions and vendor supported functions. The proposed organization chart is reflective of the following key criteria:

- 1) It is consistent with budget estimates for the first few years of operation
- 2) It is reflective of necessary staffing functions based on the experience of other operational CCAs
- 3) It balances VCEA's need for capacity building with SMUD's expertise and experience
- 4) It provides an appropriate allocation of functions, including areas such as legal, regulatory and legislative that SMUD prefers not to provide
- 5) It provides for VCEA independent leadership (autonomy) as well as local presence to support VCEA-specific outreach and community needs

6) It offers flexibility to continue long-term outsourcing or build internal capacity over time

At some point in the future, VCEA may wish to consider transitioning to a more internally staffed organization, relying less on vendors such as SMUD and others to perform operational services. Transition to internal staff would occur gradually on a position-by-position basis, after VCEA's customer base, daily operations, and financial position are stable. Key considerations before moving a position from contracted to internal would include:

- Cost analysis of internal staffing compared to outsourcing, technology, or process changes;
- Availability of cross-training or contracting to meet operational needs during potential extended staff absences;
- VCEA ability to recruit comparable staff at a comparable price; and,
- Impact to overhead costs, including facilities, technology, and management span of control.

In closing, it is important to note that like all new organizations, staffing needs, skill sets and plans will evolve and change over time. We believe that the attached organizational chart is a solid starting point; however, the VCEA management team will regularly evaluate staffing and contracting strategies to ensure that high-quality service is met in a manner that appropriately balances benefits, costs and risks to the organization.

Attachment

1. Proposed VCEA Organization Chart

VCEA ORGANIZATION CHART

DRAFT BY POSITION V3

- VCEA Leadership
- VCEA In-House Staff
- VCEA Contractor
- SMUD Staff on Loan
- SMUD Contract Services

