



City Council Report

915 I Street, 1st Floor
Sacramento, CA 95814

www.cityofsacramento.org

File #: 2017-00013

January 10, 2017

Consent Item 08

Title: 2016 Rapid Acceleration, Innovation and Leadership in Sacramento (RAILS) Grant Agreement Amendments

Recommendation: Pass a Resolution authorizing the City Manager or City Manager's designee to execute amendments to the 2016 RAILS grant agreements approved by Resolution 2016-0369 as long as the amendments are approved as to form by the City Attorney and do not increase the grant amount or reduce the scope of services.

Contact: Larry Burkhardt, Director, (916) 808-1955, Economic Development Directors

Location: Citywide

Presenter: None

Department: Economic Development

Attachments

1-Description/Analysis

2-Resolution

Description/Analysis

Issue Detail: On November 10, 2016, the City Council adopted Resolution No. 2016-0369, thereby approving fifteen RAILS agreements for grants to be funded by the City's Innovation & Growth Fund. Each agreement includes a budget outlining projected expenses associated with completion of the scope of services detailed in the agreement. Since the agreements have been executed, Economic Development staff have been contacted with requests to amend certain budget expenditures to take advantage of cost saving opportunities, such as equipment purchases at a lower cost than the anticipated cost.

Policy Considerations: Requests for changes to the budget included with the adopted RAILS agreement would be submitted to the Director of Economic Development for initial review. If the Director concludes that the proposed changes align with the terms of the agreement and would provide benefit to both the awardee and to the City, he would make a recommendation to initiate such change to the City Manager for authorization.

Economic Impacts: Changes to contracts as described would result in allowing awardees to expand their work with the same dollar award.

Environmental Considerations: California Environmental Quality Act (CEQA): This report concerns administrative activities and government fiscal activities that do not constitute a "project" as defined by the CEQA Guidelines Sections 15378(b)(2) and 15378(b)(4) and are not subject to the provisions of CEQA (CEQA Guidelines 15060(c)(3)).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Administrative flexibility will allow the City to quickly respond to this type of change request, which could result in the City securing additional results from its investment. Recommended change could also result in leveraging additional results from grant awards.

Financial Considerations: The potential exists for expanded program results without increasing the amount of grant funds awarded.

Local Business Enterprise (LBE): None.

Resolution No. _____

Adopted by the Sacramento City Council

AUTHORIZING THE CITY MANAGER TO AMEND 2016 RAPID ACCELERATION, INNOVATION AND LEADERSHIP IN SACRAMENTO (RAILS) GRANT AGREEMENTS

BACKGROUND

- A. On November 10, 2016, the City Council adopted 2016-0369, thereby approving fifteen RAILS agreements associated with grants to be funded by the City's Innovation & Growth Fund, in order to promote an ecosystem of innovation and entrepreneurship in the city of Sacramento.
- B. Each agreement includes a budget that estimates expenses related to completion of a specified scope of services. These expenses include equipment, software programs and other related items.
- C. On occasion, grant awardees may have the opportunity to secure various of these items at a cost less than what had been originally estimated. In these instances, the City and the awardee would benefit from a deviation of the original contract budget, leveraging the City's investment to secure additional services.
- D. To be more responsive to requests to amend the agreements, staff is recommending that the City Council authorize the City Manager or the City Manager's designee to execute amendments to the agreements as long as the amendments are approved as to form by the City Attorney and do not increase the grant amount or reduce the scope of services. All other amendments would require City Council approval.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager or the City Manager's designee is authorized to execute amendments to the 2016 RAILS grant agreements approved by Resolution 2016-0369 as long as the amendments are approved as to form by the City Attorney and do not increase the grant amount or reduce the scope of services.

Adopted by the City of Sacramento City Council on _____, by the following vote:

Ayes:

Noes:

Abstain:

Attest: