



# COUNTY OF HUMBOLDT

For the meeting of: 4/23/2024

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File #: 24-120

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**To:** Board of Supervisors  
**From:** County Administrative Office

**Agenda Section:** Consent

**Vote Requirement:** Majority

SUBJECT:

Authorize Execution of an Agreement with Xodus to Conduct an Offshore Wind Workforce and Supply Chain Analysis

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize the County Administrative Officer, or a designee thereof, to execute a \$450,000 Professional Service Agreements with Xodus for services related to the offshore wind workforce and supply chain analysis; and
2. Authorize the County Administrative Officer (CAO), or a designee thereof, the authority to execute any ancillary documentation, modifications, and amendments related to this agreement, the project or the scope of services therein, subject to prior review and approval from County Counsel and Risk Management.

SOURCE OF FUNDING:

Workforce Development (1120287150); Workforce Innovation Opportunity Act, California Employment Development Department

DISCUSSION:

In January 2024, United States Congressman Jared Huffman visited Humboldt County to announce a \$426 million grant from the Department of Transportation. This grant is allocated to the Humboldt Bay Recreation, Conservation, and Harbor District to build and maintain port infrastructure for offshore wind projects. In February 2024, California lawmakers introduced a proposal for a \$1 billion bond to finance the expansion of ports. This expansion is aimed at supporting the development of offshore wind farms along the California coast.

Additionally, two companies, RWE and Vineyard Wind, have finalized their leases with the

Bureau of Ocean Energy Management to develop offshore wind energy in Humboldt County. A local resident of Arcata, Jana Ganion, has been appointed as the Senior Advisor for Offshore Wind.

These recent activities, along with rigorous state and federal commitments to offshore wind energy, underline the importance of thorough planning by our organization. This need for proper and advanced planning and preparation is why, on May 24, 2022, the Board of Supervisors (Board) directed staff to engage with local community partners to explore and vet opportunities and obligations related to the development of local supply chains and workforce preparedness for offshore wind.

On Nov. 29, 2022, your Board adopted Resolution 22-140, advancing the county's commitment to sustainable offshore wind development, maximizing environmental and economic benefits and minimizing or mitigating unavoidable impacts.

On March 14, 2023, the Board authorized the CAO, or their designee, to execute an Additional Assistance subgrant agreement in the amount of \$851,500 (Phase 1), awarded by the State of California Employment Development Division (EDD) for offshore wind-related activities. This grant was subsequently increased by \$648,500 (Phase 2), bringing the total funds awarded to the county to \$1.5 million.

A portion of the Additional Assistance grant has been set aside and approved by the grantor for workforce, supply chain, and partner and participant analysis. This includes mapping the strengths weakness opportunities and threats (SWOT) for the industry, identifying and cataloguing the resource needs and gap, and assessing the sequencing of workforce and supply chain development, i.e., at both a county and regional level. While extensive projections and planning have been undertaken at the federal, state, and also regional levels along the East Coast, there is currently a void in data necessary to address the unique needs and opportunities present in Humboldt County.

The studies will help shape the County of Humboldt's Economic Development Strategy and Workforce Development Plan, both due in 2025. The state has allowed Humboldt County to sole source the project directly to Xodus Group. This is because Xodus Group has relevant experience from similar state-level research, making them a uniquely qualified choice. This approach ensures the grant money is used effectively and according to the state's goals for this important research. The county will manage the funds in line with the funder's expectations.

As part of staff's effort to identify potential vendors to complete these studies, staff was directed to an offshore wind report commissioned by the California State Lands Commission: the AB 525 Workforce Development Readiness Plan. This report, which can be found on the state's website offers valuable recommendations to the for statewide development efforts related to offshore wind. It includes analyses and strategies as outlined in the state's AB 525

Port Readiness Plan.

Xodus Group was selected by the state as Xodus possesses proprietary data, insights, and methodologies developed during their extensive work in the offshore wind sector for other states and regions. This information, specific to their experience and research, would not be readily available to another organization. This proprietary data is invaluable for crafting accurate projections, conducting gap analyses, and formulating strategies tailored to our region.

On Aug. 18, 2023, the HCWDB recommended the noncompetitive procurement of Xodus for conducting analyses related to the workforce and supply chain needs of offshore wind in Humboldt County. Xodus, distinguished as leading experts in offshore wind development, has demonstrated expertise through supply chain and workforce development assessments along the east coast.

With authorization already garnered from EDD, and a recommendation from HCWDB, staff presents this item for your consideration to sole source with Xodus and recommends that your Board authorize the Purchasing Agent, or a designee thereof, to execute the Professional Service Agreements with Xodus and any subsequent documents to this agreement.

FINANCIAL IMPACT:

<b>Expenditures (Fund, Budget Unit)</b>	<b>FY23-24</b>	<b>FY24-25 Projected*</b>	<b>FY25-26 Projected*</b>
<b>Budgeted Expenses</b>	\$177,000	\$273,000	
<b>Total Expenditures</b>	\$177,000	\$273,000	

*\*Projected amounts are estimates and are subject to change.*

<b>Funding Sources (Fund, Budget Unit)</b>	<b>FY23-24</b>	<b>FY24-25 Projected*</b>	<b>FY25-26 Projected*</b>
<b>State/Federal Funds</b>	\$177,000	\$273,000	
<b>Total Funding Sources</b>	\$177,000	\$273,000	

*\*Projected amounts are estimates and are subject to change.*

Humboldt County has received two allocations from EDD for offshore wind activity. The first allocation (Phase 1) was a grant award of \$851,500, the second (Phase 2) was for \$648,500. Of this amount, activity related to studies and analyses for offshore wind was approved at \$450,000 to allow for extensive partner and participant mapping, engagement and interviews. These expenditures are grant funded in Fund 1120, Budget Unit 287150 and are

included in the fiscal year 2023-24 budget. The state EDD Regional Advisor has committed to working with staff toward an extension of spend down deadlines for the first tranche of funding. The contract can be expended over both phases of funding, the latter of which allows for expenditure through 2025.

STAFFING IMPACT:

This action by your Board will not change staffing levels. All staff time associated with this agreement are billed directly to the grant.

STRATEGIC FRAMEWORK:

This action supports the following areas of your Board's Strategic Framework.

Core Roles: Support business, workforce development and creation of private-sector jobs

New Initiatives: Retain existing and facilitate new living-wage private sector jobs and housing

Strategic Plan: 3.1 - Improve the economy of Humboldt County

OTHER AGENCY INVOLVEMENT:

N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose not to authorize this agreement. Staff recommends against this action since performing these studies aligns with the direction given by your Board to staff on Nov. 29, 2022 to advance the county's commitment to sustainable offshore wind development.

ATTACHMENTS:

1. General professional services agreement between HCEDD and Xodus for OSW
2. Xodus scope of services for Humboldt County FY23/24 to FY24/25
3. Humboldt OSW Additional Assistance Application Phase 1
4. Humboldt OSW Additional Assistance Application Phase 1
5. Signed HUMCO EDD Approval Letter - Offshore Wind
6. Xodus Group Offshore Wind Assessment Services Agreement - signed

PREVIOUS ACTION/REFERRAL:

Board Order No.: D-10; D-12; D-1; I-02

Meeting of: Aug. 22, 2023; Nov. 29, 2022; March 14, 2023

File No.: 21-393; 22-615; 22-1584; 23-236