



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 6/12/2012

Report Type: Consent

Title: Supplemental Agreement: Utility Rate Consultation Services

Report ID: 2012-00456

Location: Citywide

Recommendation: Pass a Motion authorizing the City Manager, or the City Manager's designee, to execute Supplemental Agreement No. 2 to City Agreement Number 2011-0789 with FCS Group to provide utility rate consultation services, for an amount not to exceed \$40,000, bringing the total agreement amount to \$128,000.

Contact: Jamille Moens, Business Services Manager, (916) 808-5988, Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Fiscal and Administration Svcs

Dept ID: 14001611

Attachments:

- 1- Description/Analysis
- 2- Background
- 3 - Exhibit A - Supplemental Agreement with FCS Group

City Attorney Review

Approved as to Form
Joe Robinson
6/6/2012 11:15:48 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
5/29/2012 9:21:56 AM

Approvals/Acknowledgements

Department Director or Designee: Dave Brent - 6/1/2012 11:41:42 AM



Description/Analysis

Issue: After a competitive solicitation process, FCS Group, Inc. was selected to provide multi-year utility rate consultation services, and a Professional Services Agreement was entered into on July 6, 2011, for \$30,000. Supplemental Agreement No. 1 increased this amount to \$88,000 to pay for additional services. The proposed Supplemental Agreement No. 2 will pay for additional services including updating current rate models, revising the utility rate study to represent approved utility rates, and consulting with and developing recommendations to the Department of Utilities (DOU) during the initial phase of its upcoming bond issuance process.

Policy Considerations: This recommendation is consistent with Sacramento City Code Section 3.64.020 and AP-4102, which require City Council approval for agreements where the expenditure equals or is greater than \$100,000.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action is exempt from CEQA because it can be seen with certainty that there is no possibility that the provision of these professional services will have a significant effect on the environment (CEQA Guidelines § 15061(b)(3)).

Commission/Committee Action: Not Applicable.

Rationale for Recommendation: The amount of the proposed supplemental agreement will pay for the additional services required by the City.

Financial Considerations: The Water Fund (Fund 6005) has sufficient funds to execute Supplemental Agreement No. 2.

Emerging Small Business Development (ESBD): Not applicable.

Background

After a competitive solicitation process, FCS Group, Inc. was selected to provide multi-year utility rate consultation services, including data input and review; revenue requirement analysis; development of models to produce utility rate scenarios and recommendations; delivery of multiple utility rate presentations to legislative, policy, and advisory bodies; and development of a final report documenting the revenue requirement results, financial policies, updated financial assumptions and projections. A Professional Services Agreement was entered into on July 6, 2011 (City Agreement No. 2011-0789).

On January 24, 2012, Supplemental Agreement No. 1 was executed, increasing the total contract amount by \$58,000 to pay for additional services to develop models to produce multiple utility rate scenarios and recommendations, and develop and deliver multiple utility rate presentations to legislative, policy, and advisory bodies as part of the Department of Utilities' (DOU) utility rate adjustment process.

The approval of the proposed second supplemental agreement will increase the funding amount of FCS Group, Inc.'s agreement by \$40,000, to pay for additional work, including updating current rate models, revising the utility rate study to represent approved utility rates, and consulting with and developing recommendations to DOU during the initial phase of its upcoming bond issuance process. This increase will bring the total amount paid to the contractor to \$128,000.



SUPPLEMENTAL AGREEMENT

Project Title and Job Number: Multiyear Utility Rate Strategy Consultation Services
Purchase Order #: 0000015512

Date: 4/20/12
Supplemental Agreement No.: 02

The City of Sacramento ("City") and FCS Group ("Contractor"), as parties to that certain Professional Services Agreement designated as Agreement Number 2011-0789, including any and all prior supplemental agreements modifying said agreement (said agreement and supplemental agreements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The scope of Services specified in Exhibit A of the Agreement is amended to add the following tasks:

CONTRACTOR will update its current models and utility rate study to represent approved utility rates for the CITY. CONTRACTOR will consult with and develop recommendations as directed by the CITY during the CITY's bond issuance process.

2. Attachment 1 to Exhibit B is amended to add the additional services described in section 1, above.
3. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Contractor's fees and expenses, is ~~increased/decreased~~ by \$40,000.00, and said maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	<u>\$30,000.00</u>
Net change by previous supplemental agreements:	<u>\$58,000.00</u>
Not-to-exceed amount prior to this supplemental agreement:	<u>\$88,000.00</u>
Increase by this supplemental agreement:	<u>\$40,000.00</u>
New not-to exceed amount including all supplemental agreements:	<u>\$128,000.00</u>

4. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 3, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Contractor.
5. Contractor warrants and represents that the person or persons executing this supplemental agreement on behalf of Contractor has or have been duly authorized by Contractor to sign this supplemental agreement and bind Contractor to the terms hereof.
6. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this supplemental agreement.

Approval Recommended By:

Approved As To Form By:

Project Manager
Approved By:

City Attorney

Contractor
Approved By:

Attested To By:

City of Sacramento

City Clerk