



City of Grand Island

Tuesday, November 13, 2007

Council Session

Item G13

**#2007-280 - Approving Contract for Electric Load Profiling &
Cost of Service Study**

Staff Contact: David Springer

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Dave Springer, Finance Director

Meeting: November 13, 2007

Subject: Approving Contract for Electric Load Profiling and Cost-of-Service Study

Item #'s: G-13

Presenter(s): Gary R. Mader, Utilities Director
Dave Springer, Finance Director

Background

The last comprehensive study and revision of rates for the Grand Island Electric Utility was done in 1989. A significant change in the relationship among cost components has occurred from that which existed in 1989, particularly related to fuel costs and the purchasing or selling of power on the regional market. Our goal is to ensure that we have in place a rate structure which reasonably reflects the costs to serve the various groups within our customer base. In 2005, Stanley Consultants provided us with an Economic Evaluation and Rate Revision Report that resulted in needed rate increases and also recommended that a cost of service study be performed.

Discussion

Requests for Proposals (RFP) were sent out this spring and five responses were received by the August 1 due date from Christensen Associates, Stanley Consultants, Inc., Black & Veatch, Burns & McDonnell, and Utility Financial Solutions, LLC. After review, it was felt that only two met all the criteria we had established in the RFP and had also demonstrated successful experience in such studies; Christensen Associates of Madison, WI and Stanley Consultants, Inc. of Muscatine, IA. After extensive contacts with their references, it was decided to select Christensen Associates for our project. They were also significantly lower on fees, with a not to exceed cost of \$200,000. This study may take as long as 2-3 years as data gathering may be needed, which could entail the installation and monitoring of sampling meters at various customers and ultimately, a recommendation on rates and a tie in to our accounting and billing systems. Funds are budgeted for this study in the current fiscal year, in Enterprise Fund, #520.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the contract with Christensen Associates.

Sample Motion

Move to approve the contract with Christensen Associates for an Electric Load Profiling and Cost-of-Service Study.

STATE OF WISCONSIN
COUNTY OF DANE

CONSULTING AGREEMENT

THE CONSULTING AGREEMENT (the "Agreement") is made and entered into as of the ____ day of November, 2007 by and among the **City of Grand Island Utilities Department** (hereinafter "Grand Island"), and **Christensen Associates Energy Consulting, LLC** (hereinafter "Consultant") organized and existing under the laws of the State of Wisconsin; (individually, the "Party" and collectively, the "Parties").

WITNESSETH:

WHEREAS, Grand Island wishes to retain the professional consulting services of Consultant to provide professional services related to electric load profiling and a cost-of-service study ("Purpose");

WHEREAS, Grand Island desires to retain Consultant to provide professional consulting services with respect to the Purpose under the terms and conditions hereinafter set forth; and

WHEREAS, Consultant desires to render such services to Grand Island under the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the promises and mutual obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1.

Professional Services. Consultant shall provide professional services to Grand Island as Consultant and Grand Island agree during the term of this Agreement. Consultant's activities shall correspond to the tasks and deliverables described in Consultant's proposal dated July 31, 2007 and hereby incorporated into this Agreement as Attachment A.

2.

Compensation. In consideration of the professional services to be rendered by Consultant, Grand Island will pay Consultant fees for professional services on a time and materials basis not to exceed \$200,000. Grand Island shall reimburse Consultant for ordinary and necessary out-of-pocket expenses incurred in providing those services as Consultant and Grand Island will agree during the term of this Agreement.

3.

Billing Procedures. Consultant shall submit invoices monthly for payment of fees and expenses pursuant to this Agreement to: **David Springer, City of Grand Island, 100 East First Street, P.O. Box 1968, Grand Island, NE 68802-1968.** All invoices submitted by Consultant for payment shall contain descriptions of the professional services rendered by Consultant. For each person providing services, the hours worked, rate, and a description of the work performed shall be provided with the invoices. In addition, any expenses incurred by Consultant for costs other than professional services for which Consultant is to be compensated shall be itemized on the invoices. Payment terms are Net 30 Days.

4.

Term and Termination. This Agreement shall commence on the date first shown above and continue in effect until terminated by Grand Island or Consultant. Either Party may terminate this Agreement for any reason whatsoever by giving ten (10) days' prior written notice to the other Party. In the event this Agreement is terminated, Grand Island shall tender all amounts due and payable to Consultant as of the termination date but shall have no further obligation to Consultant.

5.

Disclosure of Information. Consultant agrees that it shall, during and after the term of this Agreement, treat as proprietary and confidential (1) any information provided to the Consultant in connection with the performance of professional services pursuant to this Agreement which is designated by Grand Island as proprietary or confidential or which in the ordinary course of business would be considered proprietary and confidential and (2) any and all information developed by the Consultant specifically and exclusively for Grand Island in connection with the performance of professional services pursuant to this Agreement. Consultant shall immediately notify Grand Island of any unauthorized disclosure or use of any proprietary or confidential information of which Consultant becomes aware. Such information shall be used by Consultant solely and exclusively in connection with the performance of professional services pursuant to this Agreement, and specifically, without limitation, shall not be used by any principal or employee of Consultant in connection with the representation of any other client. The foregoing limitations shall not apply to material, data or information which (i) at the time disclosed to, or obtained by, Consultant is in the public domain, (ii) becomes part of the public domain through no fault of Consultant, (iii) was communicated to Consultant by third party who is not, to Consultant's knowledge, subject to any confidentiality obligations with respect thereto; (iv) is or was independently developed by Consultant outside of the scope of this Agreement; or (v) is required to be disclosed by Consultant pursuant to any statute, regulation, order, subpoena or document discovery request.

6.

Remedies. The Parties agree that monetary damages would not be adequate

compensation in the event of a breach by either Party of its obligations under Section 5 hereof and, therefore, the Parties agree that in the event of such breach, the non-breaching Party, in addition to its other remedies at law or in equity, shall be entitled to a court order requiring the breaching Party to specifically perform its obligations under said provisions or enjoining the breaching Party from breaching said provisions.

7.

Independent Contractor.

(a) Consultant agrees to perform professional services provided pursuant to this Agreement as an independent contractor. In no event shall Consultant or any of its personnel or any subcontractor be deemed to be partners, agents, joint venturers or employees of Grand Island. Neither Consultant nor any of its employees or agents shall have any power or authority to, and Consultant hereby agrees that it will not, bind, enter into contracts or agreements on behalf of, or otherwise create any debts or liabilities for or on behalf of Grand Island. Nothing in this Agreement shall be construed as limiting Consultant's right or ability to provide consulting services to other clients, existing or new, so long as Consultant does not utilize or disclose any Confidential Information in providing those consulting services to others.

8.

Warranty. Consultant warrants and agrees to exercise a degree of care and skill required by customarily accepted, good professional standards in the performance of professional services pursuant to this Agreement, to render services promptly upon receipt of an appropriate request, to perform all services with due diligence, and to use every reasonable effort to complete the services in a timely manner as requested by Grand Island.

9.

Compliance with Laws. Consultant agrees that all of the Consulting Services it performs pursuant to this Agreement shall be performed in compliance with all applicable domestic and foreign national, federal, state and local laws, decrees, regulations and ordinances. Consultant represents to Grand Island that it is duly organized and validly existing under the laws of The State of Wisconsin.

10.

Assignment and Subcontractors. The Parties acknowledge that Grand Island is contracting in this Agreement for the personal services of Consultant. Accordingly, this Agreement may not be assigned, nor the professional services to be provided pursuant to this Agreement subcontracted, without the prior written consent of Grand Island. Any subcontractor

shall agree in writing to be subject to all of the terms and conditions of this Agreement.

11.

Binding Effect. The rights and obligations of Grand Island under this Agreement shall inure to the benefit of and shall be binding upon any successor or assign of or to the business of Grand Island and may be freely assigned, in whole or in part, by Grand Island at any time without the consent of Consultant.

12.

Severability. All provisions of this Agreement are severable. In the event any section, sub-section or provision of this Agreement, or a portion thereof, is ruled void, invalid, unenforceable or contrary to public policy by a court of competent jurisdiction, then any remaining portion of such section, sub-section or provision and all other sections, sub-sections or provisions of this Agreement shall survive and be applied and any invalid and unenforceable portion shall be construed or performed to preserve as much of the original words, terms, purpose and intent to the fullest extent permitted by law.

13.

Captions. The section headings in this Agreement are for convenience of reference only and shall not affect the meaning or interpretation hereof.

14.

Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given on the date of service if personally served or if telecopied (if telecopied on a business day and during business hours at the place of receipt and if receipt is confirmed or if not, on the next succeeding business day at the place of receipt) or two (2) days after mailed if mailed by reputable international overnight delivery service, postage prepaid and in any event addressed to the address set forth below or to such other address as shall be designated by written notice issued pursuant hereto.

David Springer
City of Grand Island
100 East First Street
P.O. Box 1968
Grand Island, NE 68802-1968

Tammy Droessler
Christensen Associates
4610 University Ave., Ste 700
Madison, WI 53705

15.

Non-Waiver. No section, sub-section or provision of this Agreement shall be deemed waived and no breach shall be deemed excused unless such waiver or consent is in writing and

signed by a duly authorized representative of the Party waiving such provision or excusing such breach. No such consent to, or waiver of a breach hereof, whether express or implied shall constitute a consent to, waiver of, or excuse for any subsequent or different breach.

16.

Entire Agreement. This Agreement embodies the entire agreement between the Parties with respect to its subject matter, and there have been no agreements, representations or warranties other than those set forth or provided herein.

17.

Amendments in Writing. This Agreement may not be amended unless such amendment is in writing and signed by a duly authorized representative of the Party to this Agreement against whom the amendment is being asserted.

18.

Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19.

Governing Law. This Agreement is delivered and is intended to be performed in the State of Nebraska and shall be construed and enforced in accordance with the laws of that State.

20.

Fair Labor Standards. The contractor agrees to comply with all applicable State fair labor standards in the execution of this contract as required by Section 73-102, R.R.S. 1943. The Contractor further agrees to comply with the provisions of Section 48-657, R.R.S. 1943 pertaining to contributions to the Unemployment Compensation Fund of the State of Nebraska.

21.

Discrimination. During the performance of this contract, the Contractor and all subcontractors agree not to discriminate in hiring or any other employment practice on the basis of race, color, religion, sex, national origin, age or disability and to comply at all times with all applicable state and federal civil rights acts and executive orders of the President of the United States.

City of Grand Island Code. City Code states that it is unethical for any person to offer, give, or agree to give any City employee or former City employee, or for any City employee or former City employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first written above.

The City of Grand Island, Nebraska

By: _____
Mayor

CHRISTENSEN ASSOCIATES ENERGY
CONSULTING, LLC

By: 
President



Dale M. Shotkoski, Assistant City Attorney

*Working Together for a
Better Tomorrow, Today*

**REQUEST FOR PROPOSAL
FOR
ELECTRIC LOAD PROFILING & COST OF SERVICE STUDY**

RFP DUE DATE: August 1, 2007 at 4:00 p.m.
DEPARTMENT: Utilities
PUBLICATION DATE: June 16, 2007
NO. POTENTIAL BIDDERS: 6

SUMMARY OF PROPOSALS RECEIVED

Burns & McDonnell
Kansas City, MO

Christensen Associates
Madison, WI

Utility Financial Solutions, LLC
Holland, MI

Stanley Consultants, Inc.
Muscatine, IA

Black & Veatch
Overland Park, KS

cc: Gary Mader, Utilities Director
David Springer, Finance Director
Wes Nespor, Assist. City Attorney

Pat Gericke, Utilities Admin. Assist.
Dale Shotkoski, City Attorney
Sherry Peters, Legal Secretary

P1169

RESOLUTION 2007-280

WHEREAS, the City of Grand Island invited proposals for Electric Load Profiling and Cost of Service Study, according to Request for Proposals on file with the Finance Department; and

WHEREAS, on August 1, 2007, proposals were received, reviewed and evaluated in accordance with established criteria; and

WHEREAS, Christensen Associates of Madison, Wisconsin, submitted a proposal in accordance with the terms of the Request for Proposals and all statutory requirements contained therein and the City Procurement Code, such proposal not to exceed the amount of \$200,000.00; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the proposal of Christensen Associates of Madison, Wisconsin, in an amount not to exceed \$200,000.00 for Electric Load Profiling and Cost of Service Study is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska on November 13, 2007.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, Deputy City Clerk

Approved as to Form	☐
November 8, 2007	☐ City Attorney