



ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Anthony Emmert, Water Resources Manager *AE* Agenda Item No. I-10

Reviewed By: City Manager *JRB* City Attorney *SMF* Finance *JL* Public Works

**DATE:** November 28, 2012

**TO:** City Council

**FROM:** Rob Roshanian, Interim Public Works Director *S.R.*  
Public Works

**SUBJECT:** **Sixth Amendment to Agreement 4218-07-PW with Black & Veatch Corporation for Utilities Rate Studies**

**RECOMMENDATION**

That City Council approve and authorize the Mayor to execute the Sixth Amendment to the Agreement with Black & Veatch Corporation for the Utilities Rate Studies to increase the amount from \$348,925 by \$22,540 for a total of \$371,465 (Agreement No. 4218-07-PW) and extend the expiration date to June 30, 2013.

**DISCUSSION**

Under Agreement No. 4218-07-PW, Black & Veatch has provided the City with consulting support for its water, wastewater, and solid waste enterprises, including preparing a comprehensive cost of service study and rates plan in 2009, developing a computer model by which the City can analyze rates scenarios, preparing an update of the cost of service study and rate plan in 2012, and supporting the City Council and staff during its recent rate-setting efforts and on various rates-related analyses. On September 18, 2012, the City Council approved the implementation of rates increases, based upon the comprehensive cost of service study and rates plan update. The first of these increases became effective on October 18, 2012 and the second and third increases will become effective January 1, 2013 and October 1, 2013, respectively. Staff is currently working on a request for proposals to select a consultant to prepare the next full update of the comprehensive cost of service and rates study, with an approximate start date of July 2013, and City Council consideration in June 2014.

The majority of the work included in the Sixth Amendment with Black & Veatch was done during the period July to September 2012, in support of the City Council's Proposition 218 hearing and subsequent rate-setting meetings. Black & Veatch provided timely analyses and documents in support of the City Council's requested rates changes, and to answer questions from the City Council and utility customers. Although the Agreement's budget was fully expended, Black & Veatch worked to answer all questions and updated the rate model and rate study report, in good faith. This Sixth Amendment provides payment to Black & Veatch for work already performed, and provides City staff with a small amount of on-going support on an as needed basis.

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for Utilities Rate Studies**

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**FINANCIAL IMPACT**

The estimated cost for services in the Sixth Amendment is not to exceed \$22,540 and will increase the total cost of the Agreement from \$348,925 to \$371,465. There are sufficient funds for the cost of these services in the FY 2012-2013 budgets of the Utility Funds to cover the costs of this amendment.

Attachment #1 - Sixth Amendment to Agreement No. 4218-07-PW

SIXTH AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES

This Sixth Amendment ("Sixth Amendment") to the Agreement for Consulting Services ("Agreement") is made and entered into in the County of Ventura, State of California, this 11th day of December, 2012, by and between the City of Oxnard, a municipal corporation ("City"), and Black & Veatch Corporation ("Consultant"). This Sixth Amendment amends the Agreement entered into on September 5, 2007, by City and Consultant. The Agreement previously has been amended on December 14, 2008, by a First Amendment, on April 14, 2009, by a Second Amendment, on September 14, 2010 by a Third Amendment, on June 21, 2011 by a Fourth Amendment and on June 26, 2012 by a Fifth Amendment.

City and Consultant agree as follows:

1. In Section 12 of the Agreement, the expiration date "December 31, 2012" is deleted and replaced with the date "June 30, 2013."
2. In Section 14a of the Agreement, the figure "\$348,925" is deleted and replaced with the figure "\$371,465."
3. Exhibit A, A-2, A-3 and A-4 of the Agreement are supplemented by Exhibit A-5, attached hereto and incorporated herein by reference.
4. Exhibit C, C-2, C-3 and C-4 of the Agreement are supplemented by Exhibit C-5, attached hereto and incorporated herein by reference.
5. As so amended, the Agreement remains in full force and effect.

CITY OF OXNARD

CONSULTANT

\_\_\_\_\_  
Tim Flynn, Mayor

*Thomas R. Peterson*  
\_\_\_\_\_  
Thomas R. Peterson, Vice President  
Black & Veatch Corporation

ATTEST:

APPROVED AS TO INSURANCE:

\_\_\_\_\_  
Daniel Martinez, City Clerk

*James Cameron*  
\_\_\_\_\_  
James Cameron, Risk Manager

APPROVED AS TO FORM:

APPROVED AS TO AMOUNT:

*Alan Holmberg* FOR  
\_\_\_\_\_  
Alan Holmberg, City Attorney

*Karen R. Burnham*  
\_\_\_\_\_  
Karen R. Burnham, Interim City Manager

APPROVED AS TO CONTENT:

*Rob Roshanian*  
\_\_\_\_\_  
Rob Roshanian, Interim Public Works Director

*Anthony Emmert*  
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Anthony Emmert, Water Resources Manager

## EXHIBIT A-5

### SCOPE OF WORK

Consultant proposes the following specific tasks to support the City's move towards establishing a long-term financial plan for its utilities. The tasks described herein reflect Consultant's understanding of tasks requested by City staff to support the current rate increase process and for providing updates to the identified rate models.

#### **WATER RESOURCES DIVISION – WATER SECTION – \$10,760**

##### ***Task 1 – Update the Rate Study Model***

Under this task, Consultant updated the water rate model to address delayed implementation of the proposed rates as well as incorporated final FY 10/11 figures and estimated FY 12/13 budgets. Consultant provided the final water rate model to the City in an Excel file.

##### ***Task 2 – Pass-Through Calculations***

Under this task, Consultant provided the City with a model to aid in the determination of pass-through rates.

##### ***Task 3 – Provide a Rate Study Report***

Under this task, Consultant provided the City with a water rate study report to support the Proposition 218 process. The water rate study included a comprehensive cost of service analysis. Consultant submitted the report in electronic format for the City's use.

##### ***Task 4 – As Needed Services***

Under this task, Consultant will provide the City with up to 12 hours of support for future as-needed services.

#### **WATER RESOURCES DIVISION – WASTEWATER SECTION – \$10,020**

##### ***Task 1 – Update the Rate Study Model***

Under this task, Consultant updated the wastewater rate model to address delayed implementation of the proposed rates as well as incorporated final FY 10/11 figures and estimated FY 12/13 budgets. Consultant provided the final wastewater rate model to the City in an Excel file.

##### ***Task 2 – Provide a Rate Study Report***

Under this task, Consultant provided the City with a wastewater rate study report to support the Proposition 218 process. The wastewater rate study included a comprehensive cost of service analysis. Consultant submitted the report in electronic format for the City's use.

##### ***Task 3 – As Needed Services***

Under this task, Consultant will provide the City with up to 12 hours of support for future as-needed services.

## **ENVIRONMENTAL RESOURCES DIVISION – \$1,760**

### ***Task 1 – Update the Rate Study Model***

Under this task, Consultant updated the environmental resources rate model to address delayed implementation of the proposed rates as well as incorporated final FY 10/11 figures and estimated FY 12/13 budgets. Consultant provided the final environmental resources rate model to the City in an Excel file.

### ***Task 2 – Pass-Through Calculations***

Under this task, Consultant provided the City with a model to aid in the determination of pass-through rates.

### ***Task 3 – Provide a Rate Study Report***

Under this task, Consultant provided the City with an environmental resources rate study report to support the Proposition 218 process. The environmental resources rate study included a comprehensive cost of service analysis. Consultant submitted the report in electronic format for the City's use.

EXHIBIT C-5

SCHEDULE OF FEES

**City of Oxnard**  
**Water, Wastewater, and Solid Waste Studies**  
 Amendment No. 6  
**Work Effort and Cost Detail**

Task Description	Engagement Manager	Project Staff	Total Cost
<b>Water Division</b>			
Additional Work Performed due to Council Delays and Changes			
Rate Model	8	16	5,000
Pass-Through Calculations	8		2,040
Report	4		1,020
As Needed Services	4	8	2,500
Expenses			200
<b>Total Water Division Study Fee</b>			<b>\$10,760</b>
<b>Wastewater Division</b>			
Additional Work Performed due to Council Delays and Changes			
Rate Model	12	12	5,280
Report	8		2,040
As Needed Services	4	8	2,500
Expenses			200
<b>Total Wastewater Division Rate Study Fee</b>			<b>\$10,020</b>
<b>Environmental Resources Division</b>			
Additional Work Performed due to Council Delays and Changes			
	4	4	1,760
<b>Total Environmental Resources Division Rate Study Fee</b>			<b>\$1,760</b>
<b>GRAND TOTAL</b>			<b>\$22,540</b>
<b>Hourly Rates</b>	<b>\$255</b>	<b>\$185</b>	