



City Council Staff Report

Date: May 16, 2012 CONSENT CALENDAR

Subject: APPROVAL OF AMENDMENT NO. 1 TO CONTRACT SERVICES AGREEMENT NO. 6185 WITH NEWCOMB ANDERSON MCCORMICK, FOR THIRD PARTY PEER REVIEW OF THE CITYWIDE ENERGY MANAGEMENT PROJECT

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

SUMMARY

An amendment to the contract services agreement with Newcomb Anderson McCormick is recommended to include additional services related to the third-party peer review of the Citywide Energy Management project proposed by Chevron Energy Solutions.

RECOMMENDATION:

- 1) Approve Amendment No. 1 to Agreement No. 6185 with Newcomb Anderson McCormick, in the amount of \$26,200 for a total revised contract amount of \$51,200 for the Third Party Peer Review of Energy Conservation Measures, City Project 09-05; and
- 2) Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

On December 14, 2011, the City Council directed staff to move forward with Chevron Energy Solutions on the recommended list of Energy Conservation Measures to be included in the scope of the overall Citywide energy management project; approved the Comprehensive Energy Audit ("CEA") submitted by Chevron Energy Solutions dated July 20, 2011; and directed staff to move forward with an independent third party peer review of the Citywide energy management project.

Subsequently, the City Manager approved an agreement with Newcomb Anderson McCormick to proceed with the third party peer review of Chevron's CEA, to confirm the energy savings and qualify the approximate costs of the proposed conservation measures.

The third party peer review consultant has completed its initial task, and has reviewed Chevron's CEA and the bundled list of energy conservation measures recommended by Chevron. Staff has been meeting with the consultant, and the City Council sub-committee (Lewin/Mills) to review the third party peer review findings. A draft report has been prepared and is currently under review, and has generally concluded that the energy savings identified by Chevron were reasonable and conservative; and has generally concluded that the construction costs were reasonable in accordance with industry standards. A final report will be presented to the Council in the near future.

In preparation of the next steps of this project, it is recommended that the City engage with the third party review consultant on additional services to better prepare staff and Council on arriving at a recommendation to move forward with Chevron on the Citywide Energy Management Project. The additional services include:

- Analysis of the detailed financial pro-forma provided by Chevron to the City for the final construction (design-build) contract;
- Analysis of "Design-Build" vs. "Design-Bid-Build" approaches to identify benefits and risks of each approach;
- Analysis of Assembly Bill 32 related to co-generation and qualification as a regulated entity;
- Analysis of Chevron's proposed Measurement & Verification program to identify construction oversight and contract risks, and to assist in contract negotiations with Chevron;
- Attendance and coordination with staff and Council at subsequent meetings.

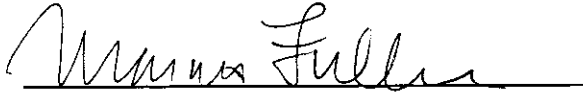
FISCAL IMPACT:

Funding for this contract is being made available from the Sustainability Fund, in account 138-1270-43200.

SUBMITTED:

Prepared by:

Recommended by:

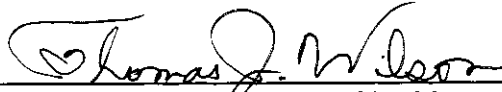


Marcus L. Fuller
Assistant Director of Public Works

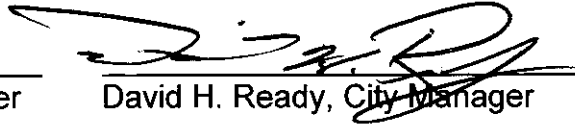


David J. Barakian
Director of Public Works/City Engineer

Approved by:



Thomas J. Wilson, Asst. City Manager



David H. Ready, City Manager

Attachments:

1. Contract Amendment

**AMENDMENT NO. 1 TO CONTRACT SERVICES AGREEMENT NO. 6185
WITH NEWCOMB ANDERSON MCCORMICK
THIRD PARTY PEER REVIEW OF ENERGY CONSERVATION MEASURES
CONSTRUCTION COST ESTIMATES AND ENERGY SAVINGS
CITY PROJECT NO. 09-05**

The following articles of Agreement No. 6185 are hereby amended to read as follows:

SECTION 2.1 Maximum contract amount is amended to Fifty-One Thousand Two Hundred Dollars (\$51,200.00).

SCOPE OF SERVICES (Exhibit "A") – Exhibit "A" is amended as follows:

The Consultant shall provide the additional services in accordance with the Consultant's letter dated April 24, 2012, attached hereto.

SCHEDULE OF COMPENSATION (Exhibit "D") – Exhibit "D" is amended as follows:

The total contract amount shall not exceed \$51,200, including all hourly and direct costs.

Purchase Order Number(s):	12-0713
Agreement Number:	6185
Original Approval:	December 14, 2011
Original Contract Amount:	\$ 25,000
Amount of Previous Increase(s)	\$ 0
Amount of This Increase	\$ 26,200
Amended Total:	\$ 51,200
Account Number(s):	138-1270-43200 \$26,200

SIGNATURES ON LAST PAGE

Except as specifically amended by this Amendment No. 1, all terms and provisions of Agreement No. 6185 remain in full force and effect.

ATTEST:

CITY OF PALM SPRINGS,
a California charter city

By: _____
City Clerk

By: _____
City Manager

APPROVED AS TO FORM:

By: _____
City Attorney

CONTRACTOR: **Newcomb Anderson McCormick**
Check one: Individual Partnership Corporation

Corporations require two notarized signatures: One signature must be from the Chairman of Board, President, or any Vice President. The second signature must be from the Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer).

By: _____
Notarized Signature of Chairman of Board,
President or any Vice President

By: _____
Notarized Signature Secretary, Asst Secretary,
Treasurer, Asst treasurer or Chief Financial Officer

Name: JOHN M. NEWCOMB
Title: PRESIDENT

Name: MICHAEL K. ANDERSON
Title: SEC

State of CALIFORNIA
County of SAN FRANCISCO
On 4/27/12 before me, W. TURNEY NOTARY PUBLIC

State of CALIFORNIA
County of SAN FRANCISCO
On 4/27/12 before me, W. TURNEY NOTARY PUBLIC

personally appeared JOHN M. NEWCOMB
who proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

personally appeared MICHAEL ANDERSON
who proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

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WITNESS my hand and official seal.
Notary Signature: _____
Notary Seal:

WITNESS my hand and official seal.
Notary Signature: _____
Notary Seal:

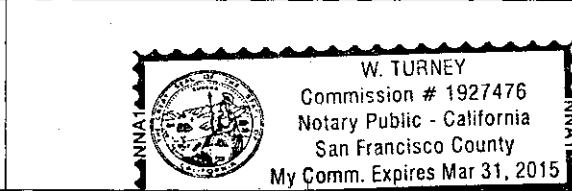
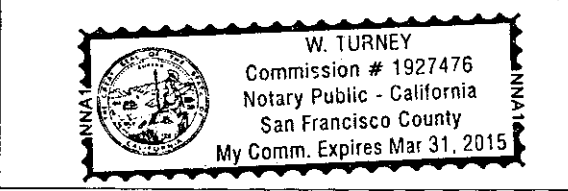


EXHIBIT "A"
ADDITIONAL SCOPE OF SERVICES



April 24, 2012

Mr. Marcus L. Fuller, P.E., P.L.S.
Assistant City Engineer/Assistant Director of Public Works
City of Palm Springs
3200 E Tahquitz Canyon Way
Palm Springs, CA 92263-2743

Subject: 2451.01(A) Review of Chevron Energy Project – Additional Services

Dear Marcus:

Thank you for the opportunity to provide this proposal to the City of Palm Springs for additional engineering services and coordination related to the technical review of the proposed Chevron Energy Project. The initial scope of work included the technical review of the Comprehensive Energy Analysis for the proposed project, and the findings were that the overall proposal is reasonable, although some points of concern were found as outlined in the Draft Report delivered to the City. Subsequent meetings and conversations have revealed additional needs for clarification beyond the technical review scope, and warrants further analysis and discussion. Accordingly, Newcomb Anderson McCormick (NAM) is pleased to offer the following professional services with the ultimate goal of ensuring the City of Palm Springs has a fully investigated all aspects of the project and contractual arrangement, such that the City Council can make an informed decision on project approval. We propose the following additional scope of work prior to finalization of the report:

- NAM will review the detailed pro-forma provided separately from the Comprehensive Energy Analysis (CEA) and advise the City on its congruency with the CEA.
- NAM will investigate the pros and cons of completing the proposed project as a Design-Build project, compared to a Design-Bid-Build. The findings will be presented to the City Staff Subcommittee and Staff in a qualitative manner sufficient to determine the benefits and risks of each approach.
- NAM will investigate and quantify the magnitude of potential impacts of AB32 related to cogeneration and qualification as a regulated entity.
- We will assist the City to develop resolutions for report findings on M&V plans, construction oversight and contract risk issues in preparation for negotiations with Chevron Energy Services
- NAM will provide assistance to the City with contract negotiations related to our report findings through advice and meetings with Staff and Chevron.
- NAM proposes to conduct up to two additional meetings with City Council subcommittee and Staff to address additional questions and concerns.

NAM proposes to conduct this work as a change order to our existing contract at the established time and materials rates. The total cost of these additional services, inclusive of direct costs shall not exceed \$26,200. We stand ready to begin work immediately, and look forward to this important project.

Sincerely,

A handwritten signature in black ink, consisting of a horizontal line with a stylized, looped flourish above it.

John M. Newcomb
Principal
Newcomb | Anderson | McCormick