

Agenda Report

January 12, 2009

To: City Council

From: City Manager

Subject: AUTHORIZATION TO INCREASE THE NOT-TO-EXCEED AMOUNT OF CONTRACT #19,650 WITH PACE GLOBAL ENERGY SERVICES, LLC, TO DEVELOP A COMPREHENSIVE 20-YEAR INTEGRATED RESOURCE PLAN ("IRP") FOR PASADENA WATER AND POWER.

RECOMMENDATION:

It is recommended that the City Council increase the not-to-exceed amount of contract #19,650 with Pace Global Energy Services, LLC, ("Pace") by \$178,457 to \$550,548 due to an increase in the scope and services provided under the contract.

BACKGROUND:

On June 09, 2008, the City Council authorized the City Manager to sign contract #19,650 with Pace Global Energy Services to perform an independent study to:

- A. Evaluate and revise existing energy policies and practices including but not limited to:
- B. Develop new policies such as climate action and others if necessary;
- C. Provide a substantial stakeholder input process; and
- D. Develop a comprehensive 20-year IRP that should provide clear and sustainable action plan.

Under the original contract, Pace proposed to complete the study for a not-to-exceed cost of \$372,091

However, as the project progresses, Pace and staff believe that the scope and services under the contract need to be expanded:

1. In order to encourage public interest and participation in the process, the number of planned public and stakeholder meetings has been increased from four to sixteen, adding \$145,970 to the cost of the project;

Agenda Report

Authorization to Increase the Not-to-Exceed Amount of the Pace Global Energy Services, LLC Contract #19,650

January 12, 2009

Page 2

2. In order to develop a production cost model with which to best analyze PWP's loads, resource requirements, and options, Pace has proposed building a new load forecast, adding \$32,000 to the cost of the project;
3. In order to address issues that have been, and might be, raised in the stakeholder public process as well as to address issues that were raised in the previous IRP, Pace has enhanced data development and analyses in Phase 1 adding \$168,150 to the cost of the project; and
4. Finally, staff feels it would be prudent to add an additional 10% of the additional cost to cover any unforeseen contingencies adding \$16,815 to the increase in the not-to-exceed amount.

This increase in scope and services will result in a total increase in the cost of the project of \$346,120 plus \$16,815 for contingencies. However, the original contract included a \$48,533 contingency budget which will be applied to the increased cost. As well, Pace has agreed to absorb \$135,945 of the increased costs, resulting in a net increase to the cost of the project of \$161,642 plus \$16,815 for contingencies to complete the IRP analysis and public process support.

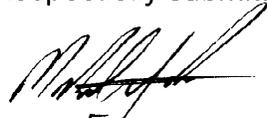
Staff worked with Pace to define the proposed increases in scope and services. The dominant component and cost driver in the modified scope and services is the fourfold increase in the public outreach and participation process. However, Pace and staff recognize that public participation can provide valuable feedback and information to be used in the IRP which will help further the Council's goals of cost effective and reliable electric service, and environmental stewardship. Staff therefore recommends that the project move forward with the expanded scope and services.

Agenda Report
Authorization to Increase the Not-to-Exceed Amount of the Pace Global Energy
Services, LLC Contract #19,650
January 12, 2009
Page 3

FISCAL IMPACT:

Funding is available in the approved FY 2009 Capital Improvement Program,
Budget No. 3160 for Power Supply Integrated Resource Planning and Design
Project, Account Number 8114-411-841600-0341-23036-04.

Respectfully submitted,



MICHAEL J. BECK
City Manager

Prepared by:



Steven K. Endo
Principal Engineer
Power Supply
Water and Power Department

Approved by:



PHYLLIS E. CURRIE
General Manager
Water and Power Department

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name: Pace Global Energy Services, LLC

2. Type of Entity:
 non-government nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

Members:
1) C.C. Pace Resource Management, L.L.C.
2) Sutherland Holdings, Inc.
Officers and Directors: Timothy F. Sutherland Belinda Sue Jones David M. Sutherland Michael Gettings James Diemer Jack Nirenberg Rutherford S. Poats Fred James Kyle Smith Gary Vicinus John Pfeifer

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

1) C.C. Pace Resource Management, L.L.C.
2) Sutherland Holdings, Inc.

Prepared by: fnk Linda Jones
Title: CFO
Phone: 703-227-1085
Date: Dec 10, 2008