



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt resolution authorizing the City Manager to extend the consulting services agreement with Borismetrics to provide professional services to the Electric Utility Department in the amount of \$100,000 (EUD)

MEETING DATE: November 21, 2001

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the City Manager to extend the consulting services agreement with Borismetrics to provide professional services to the Electric Utility Department in the amount of \$100,000.

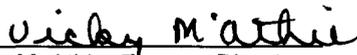
BACKGROUND INFORMATION: The Electric Utility Department faces a number of issues related to the fast paced and volatile energy industry, which require professional assistance in order to efficiently, manage and position the utility through this transition period.

The Electric Utility Department has hired Boris Prokop thru a consulting agreement with his company, Borismetrics, to perform the management and higher analysis duties of the former Business Planning and Marketing Manager and the former Rates and Resources Manager. BORISMETRICS is uniquely qualified to provide the needed expertise by virtue of its direct experience and familiarity with the issues facing the City of Lodi and other California electric utilities.

The services that Mr. Prokop has provided under the current contract have proved to be very beneficial to the Electric Utility Department. The need and value of the services are even more necessary during this environment of California electric industry uncertainty. As part of his activities, he has implemented new analysis tools including a monthly revenue tracking and projection model, a power purchase tracking and projection model and a Cost of Service model. In order to preserve the continuity of his knowledge in the areas of rates and power supply for the City of Lodi and given the rapid change in the electric utility industry, there is a need to maintain the services by increasing the contract budget by an additional \$100,000. This would carry his work thru the end of the fiscal year, June 2002. At the discretion of the Utility Director this full amount may not be utilized. The current budget involved work back to March 2001. The budget for the positions which Boris Prokop is replacing is on the order of \$260,000 at a minimum.

FUNDING: 160603

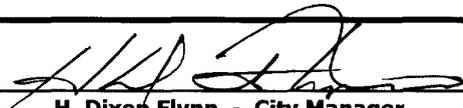
Funding Approval:


Vicky McAthie, Finance Director


Alan N. Vallow
Electric Utility Director

ANV/lst
C: City Attorney
Finance Director

APPROVED:


H. Dixon Flynn - City Manager

RESOLUTION NO. 2001-275

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY
MANAGER TO EXTEND THE CONSULTING SERVICES AGREEMENT WITH
BORISMETRICS TO PROVIDE PROFESSIONAL SERVICES IN THE AREAS OF
POWER SUPPLY AND RATES TO THE ELECTRIC UTILITY DEPARTMENT

WHEREAS, the Electric Utility Department faces a number of issues related to the fast-paced and volatile energy industry, which require professional assistance in order to efficiently manage and position the utility through this transition period; and

WHEREAS, Boris Prokop was hired through a consulting agreement with his company, Borismetrics, to perform the management and higher analysis duties of the former Business Planning and Marketing Manager and the former Rates and Resources Manager; and

WHEREAS, Borismetrics is uniquely qualified to provide the needed expertise by virtue of its direct experience and familiarity with the issues facing the City of Lodi and other California electric utilities; and

WHEREAS, the services that Mr. Prokop has provided under the current contract have proved to be very beneficial to the Electric Utility Department. The need and value of the services are even more necessary during this environment of California electric industry uncertainty. As part of his activities, he has implemented new analysis tools, including a monthly revenue tracking and projection model, a power purchase tracking and projection model, and a cost of service model; and

WHEREAS, in order to preserve the continuity of his knowledge in the areas of rates and power supply for the City of Lodi, and given the rapid change in the electric utility industry, there is a need to maintain the services by increasing the contract budget by an additional \$100,000.00, which may or may not be utilized and will be at the discretion of the Electric Utility Director. This would carry his work through the end of the 2002 fiscal year.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council does hereby authorize the City Manager to extend the consulting services agreement with Borismetrics to provide professional services in the areas of power supply and rates to the Electric Utility Department at a cost not to exceed \$100,000.00.

Dated: November 21, 2001

I hereby certify that Resolution No. 2001-275 was passed and adopted by the Lodi City Council in a regular meeting held November 21, 2001 by the following vote:

- AYES: COUNCIL MEMBERS – Hitchcock, Howard, Land, Pennino and Mayor Nakanishi
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – None
- ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk