



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 \$50,000 at a reduced billing rate (EUD)

MEETING DATE: August 7, 2002

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 \$50,000 at a reduced billing rate.

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 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. At present he is assisting in the renegotiation and implementation of key power contracts with NCPA (MSSO related) and power marketers. Also, he is assisting with the implementation of the Home Comfort Discount and other rate projects. 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 \$50,000.

Mr. Prokop has agreed to reduce his billing rate by 15%, which is highly competitive. This budget change would carry his work thru September 2002. At the discretion of the Utility Director, this full budget extension amount may not be utilized. The budget extension involves work from June 2002. The budget for the two positions, which Boris Prokop is replacing, is on the order of \$260,000 at a minimum.

FUNDING: 160603

Funding Approval: *Vicky McAthie*
Vicky McAthie, Finance Director

Alan N. Vallow
Alan N. Vallow
Electric Utility Director

ANV/1st
C: City Attorney Finance Director

APPROVED: *Dixon Flynn*
Dixon Flynn - City Manager

CONSULTING SERVICES AGREEMENT EXTENSION

BORISMETRICS

Billing Address

PO Box 2746

Lodi, CA 95241

(425) 922-2853

This Current Consulting Services Agreement between BORISMETRICS, (hereinafter "BORISMETRICS") and City of Lodi, Electric Utility, whose place of business is located at 1331 S. Ham Lane, Lodi, CA 95242 (hereinafter "CLIENT") for the Project generally described as Rates, Cost of Service and Power Supply Assistance is extended by Lodi City Council Resolution. Number ***** dated August, 2002. This extension has a increased budget of \$50,000 above the original contract budget. All other contract provisions are unchanged except that the hourly billing rate for Principal is reduced form \$120/hour to \$100/hour.

BORISMETRICS, INC.

By: Boris Prokop

Title: Principal

Date:

CITY OF LODI

By

Title: CITY MANAGER

Date:

APPROVED AS TO FORM:

By: _____
Randall A. Hays, City
Attorney

ATTEST:

By: _____
Susan Blackston, City Clerk

RESOLUTION NO. 2002-168

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. At the present time, Mr. Prokop is assisting in the renegotiation and implementation of key power contracts with NCPA (MSSO related) and power marketers. He is also assisting with the implementation of the Home Comfort Discount and other related projects; 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 \$50,000.00.

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 \$50,000.00.

Dated: August 7, 2002

I hereby certify that Resolution No. 2002-168 was passed and adopted by the Lodi City Council in a regular meeting held August 7, 2002 by the following vote:

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



SUSAN J. BLACKSTON
City Clerk