

**FIRST AMENDMENT TO
PROFESSIONAL CONSULTANT SERVICES AGREEMENT**

CAROLLO ENGINEERS, INC.

(Water Cost of Service Analysis and Rate Design)

THIS FIRST AMENDMENT TO PROFESSIONAL CONSULTANT SERVICES AGREEMENT ("First Amendment") is made and entered into this _____ day of _____, 2016, by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City"), and CAROLLO ENGINEERS, INC., a Delaware corporation authorized to do business in California ("Consultant"), with respect to the following facts:

RECITALS

WHEREAS, on or about May 19, 2015, City and Consultant entered into a Professional Consultant Services Agreement for Water Cost of Service Analysis and Rate Design ("Agreement"); and

WHEREAS, City is satisfied with the performance of Consultant; and

WHEREAS, City has identified additional services needed for the completion of the project identified in the Agreement, in the amount of \$24,462, and to extend the term of the contract to December 31, 2016.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein by this reference, City and Consultant agree as follows:

1. Section 1, "Scope of Services" is hereby amended by adding the additional services identified in Exhibit "A-1," attached hereto and incorporated herein by this reference.
2. The termination date of the Agreement is hereby extended to December 31, 2016.
3. Section 3, "Compensation/Payment" is hereby amended by adding an additional \$24,462 for the additional services, as set forth in Exhibit "B-1," attached hereto and incorporated herein by this reference, for an increased contract amount of \$24,462.
4. All terms and conditions of the Agreement not inconsistent with this First Amendment, shall remain in full force and effect and are incorporated herein by this reference as if set forth in full.


[Signatures on Next Page]

IN WITNESS WHEREOF, City and Consultant have caused this First Amendment to Professional Consultant Services Agreement for Water Cost of Service Analysis and Rate Design to be duly executed on the day and year first above written.

CITY OF RIVERSIDE, a California
charter city and municipal corporation

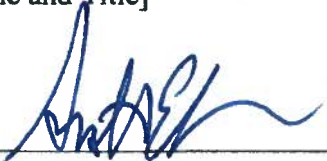
CAROLLO ENGINEERS, INC., a
Delaware corporation authorized to do
business in California

By: _____
City Manager

By: 

Robert Grantham, VP
[Name and Title]

Attest: _____
City Clerk

By: 

APPROVED AS TO FORM:

Scott E. Pozzan, Sr. Vice President
[Name and Title]

By: 
Assistant City Attorney

CA #15-0533.1A SW 04/13/16

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Agreement Carollo.Doc

EXHIBIT “A-1”

Scope of Services

April 15, 2016

Mr. Brian Seinturier, Fiscal Manager
Riverside Public Utilities
3901 Orange Street
Riverside, CA 92501

Subject: ***First Amendment to Water Cost of Service and Rate Design Contract***

Dear Mr. Seinturier:

Thank you for the opportunity to continue to serve the City of Riverside in performing the Water Cost of Service and Rate Design for the City of Riverside Public Utilities (RPU).

We have developed this amendment to our original contract to in order to continue ongoing efforts on the rate study. Due to several unforeseen factors, the project schedule and level of effort have been extended beyond that anticipated in the original contract. The proposed additions to the scope and associated budget are necessary to provide continued analytical support to RPU through the rate adoption process. The attachments to this document describe the additional work that will be required as well as the associated amendment to the project budget.

Sincerely,

CAROLLO ENGINEERS, INC.



Robert S. Grantham
Vice President

City Of Riverside
Riverside Public Utilities
First Amendment to the
Water Cost of Service and Rate Study Contract

Objective:

Amend the Water Cost of Service and Rate Study contract extend the term of the agreement and add budget necessary to complete the project in light of unforeseen delays and additional work scope.

Justification:

Carollo Engineers has been under contract with the City of Riverside Public Utilities Department since May 2015 to perform the Water Cost of Service and Rate Study. Several factors not anticipated in the contract's original scope of work have driven the need for increased effort and fees in order to complete the project. Additional time and effort is required due to the following:

1. Delay in project schedule from the original dates included in the Request for Proposal with a target of rate recommendations to the Board and City Council in August/September 2015.
2. Development and review of multiple rate scenarios resulting from the Utility 2.0 CIP and the associated 10-year Proforma. Several Proforma scenarios have been reviewed and incorporated into the cost of service and rate analysis. Additional analysis will continue to be provided for additional Proforma scenarios and questions arising from presentations to the Board and City Council.
3. Uncertainty of the State mandated water usage restrictions and their impacts on the rate implementation plan. Carollo devised several scenarios in order to evaluate and accommodate the impacts of the ongoing drought restrictions.
4. Additional meetings with RPU staff. Beyond those included in the original scope of services, Carollo will conduct additional in-person meetings and teleconferences in order to accommodate the additional meetings and the extended timeline through December 31, 2016. Five (5) total RPU Board and/or City Council meetings were originally budgeted. Based upon this scope request, an additional two (2) meetings RPU Board and/or City Council meetings will be added to the original scope.

Timeline and Budget:

Carollo will meet the revised timelines and being available for RPU Board and City Council presentations through the end of the contract, December 31, 2016. The requested budget to complete this work is \$24,462, as shown in the table below.

Task	Project Manager	Analyst	Labor Cost	PECE	Expenses	Total
	\$ 264	\$ 186		\$ 11.70		
1) Additional Rate Analysis	8.0	60.0	\$ 13,272	\$ 795	\$ -	\$ 14,067
2) Report Completion	6.0	24.0	6,048	351	-	6,399
4) Additional Meetings (2)	8.0	4.0	2,856	140	1,000	3,996
Total	22.0	88.0	\$ 22,176	\$ 1,286	\$ 1,000	\$ 24,462

(1) Project equipment and communication expense

EXHIBIT "B-1"

Compensation/Payment

Compensation/Payment included in Exhibit "A-1"