

**FIRST AMENDMENT TO
PROFESSIONAL CONSULTANT SERVICES AGREEMENT**

LEIDOS ENGINEERING, LLC

(Electric 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 LEIDOS ENGINEERING, LLC, a Delaware limited liability company authorized to do business in California ("Consultant"), with respect to the following facts:

RECITALS

WHEREAS, on or about July 16, 2015, City and Consultant entered into a Professional Consultant Services Agreement for Electric 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 \$21,150, and to extend the term of the contract to April 30, 2017.

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 April 30, 2017.
3. Section 3, "Compensation/Payment" is hereby amended by adding an additional \$21,150 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 \$146,150.
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 Electric 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

LEIDOS ENGINEERING, LLC, a
Delaware limited liability company
authorized to do business in California

By: _____
City Manager

By: S. Kreg McCollum

S. Kreg McCollum, Vice President

[Name and Title]

Attest: _____
City Clerk

By: Samantha J. Prociv

Samantha J. Prociv, Assistant Secretary

[Name and Title]

APPROVED AS TO FORM:

By: Susan Nelson
Assistant City Attorney

EXHIBIT "A-1"

Scope of Services



225 Union Boulevard
Suite 305
Lakewood, CO 80228
Phone: (720) 633-9514

April 27, 2016

via email: bseinturier@riversideca.gov

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

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

Dear Brian:

We appreciate the opportunity to continue to support the City of Riverside with the Electric Cost of Service and Rate Design project (Electric Rate Study) for Riverside Public Utilities (RPU). As you are aware, NewGen Strategies and Solutions, LLC (NewGen) is responsible for completing the remainder of the Electric Rate Study as a sub-consultant to Leidos Engineering, LLC (Leidos).

We have developed the enclosed amendment to the Leidos original contract to continue efforts to complete the Electric Rate Study. Due to several factors not contemplated during the time of the development of the original scope of services, both the project schedule and level of effort required to complete the Electric Rate Study require an extension and budget increase. The proposed additions are necessary for NewGen to continue to support RPU through completion of the Electric Rate Study. The attachment to this letter provides a description of the additional services to be provided as well as the associated amendment to the project budget.

Please let me know if you have any questions regarding this letter or the Electric Rate Study in general.

Sincerely,

NewGen Strategies and Solutions, LLC

A handwritten signature in black ink, appearing to read "Scott Burnham".

Scott Burnham
Executive Consultant

A handwritten signature in black ink, appearing to read "Joseph Mancinelli".

Joseph Mancinelli
Director

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

Objective

Amend the Electric Rate Study contract to extend the term of the agreement and increase the budget in order to complete the project due to extension and additional work scope.

Justification

Leidos has committed to the completion of the Electric Rate Study. Due to changes in personnel, Leidos has sub-contracted with NewGen to continue the planning and design of new electric rates for RPU. The original contract with Leidos was initiated on July 16, 2015. During the course of the project, several factors not anticipated in the contract's original scope have arisen. These factors have caused the need to increase the level of effort and associated fee required to complete the project. Specifically, additional time and effort from NewGen is required to perform the following:

1. **Extension of the project schedule.** The original project schedule included completion of the cost of service analysis and recommending rate alternatives to the RPU Board and City Council in August/September 2015. Extending the term of the agreement to April 30, 2017 accommodates the extension in project schedule.
2. **Development and review of multiple rate scenarios resulting from the Utility 2.0 Capital Improvement Plan as identified in RPU's 10-year pro forma financial model.** Several pro forma financial model scenarios have been reviewed and incorporated in the Electric Cost of Service Model and associated rate development. RPU has requested the ability to continue to evaluate additional capital scenarios in the Electric Cost of Service model as a result of anticipated feedback from presentations provided to the Board and/or City Council, as well as the providing the flexibility of various implementation dates and rate plan scenarios.
3. **Additional meetings with RPU staff and management.** NewGen, through its sub-consulting agreement with Leidos, will conduct additional in-person meetings and teleconferences with the RPU Project Team as well as the RPU Executive Management team to accommodate the additional scenario analysis anticipated in item #2 above. The original project scope included five (5) public meetings. One (1) additional public meeting at RPU Board, City Council, or City Council Committee will be added to the work scope.

Timeline and Budget

NewGen, through its sub-consulting agreement with Leidos, will meet the revised timeline and be available for RPU Board and City Council presentations through the end of the contract, April 30, 2017. The requested amended budget increase to complete this work is \$21,150, as shown in the table below:

Requested Budget Increase					
Task / Staff	PM @ \$225/hr.		Analyst @ 140/hr.		Expenses
	Hours	\$	Hours	\$	
Additional Scenario Analysis	18	\$4,050	72	\$10,080	\$0
Additional Meetings/Calls	24	\$5,400	8	\$1,120	\$500
Sub/Grand Total		\$9,450		\$11,200	\$500
					\$21,150

EXHIBIT “B-1”

Compensation/Payment

Compensation/Payment included in Exhibit “A-1”