



Item: Addendum 1 to Professional Services Agreement – Pascoe Energy Consulting, LLC.

From/Initiated/and Presented by: Greg Doyon – City Manager

Action Requested: Approve Addendum 1

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (approve/ not approve) Addendum 1 to the Professional Services Agreement with Pascoe Energy Consulting, LLC.”

2. Mayor calls for a second, discussion, public comment, and calls the vote.

Background: The City Commission approved a Professional Services Agreement with Pascoe Energy Consulting, LLC (PEC) August 6, 2013. The Agreement is to assist the City with developing an RFP, technical assistance and to make recommendation relating to the acceptance of gas/electric proposals.

The City Manager received a letter from Bill Pascoe dated September 10, 2013, indicating that the original projected hours needed to complete the services are greater than anticipated. The letter outlines the factors for this including discussions with potential suppliers, transmission service discussions with NWE and trips to Great Falls.

There is no doubt that current staff could not have provided the level of expertise required for the City to exercise its gas/electricity supply options without a qualified consultant.

Fiscal Impact: PEC originally estimated the total cost for services (hourly rate and travel) to be \$6,000 (or approximately 23 hours). In a letter dated September 10, 2013, PEC is estimating a total of 60-80 hours to complete the transition. In recognition of this, Bill Pascoe also reduced his hourly rate from \$195 to \$150.

The Agreement Addendum will increase project expenditures (hours and expenses) from \$6,000 to \$12,500 and will extend the termination date to December 31, 2013.

Attachments/Exhibits:

1. Letter from Bill Pascoe dated September 10, 2013
2. Addendum 1

Pascoe Energy Consulting, LLC

104 Country Club Lane
Butte, MT 59701

Phone: (406)494-2075
Cell: (406) 560-2075
PascoeEnergy@aol.com

September 10, 2013

Greg Doyon, City Manager
City of Great Falls
PO Box 5021
Great Falls, MT 59403-5021

RECEIVED

SEP 12 2013

CITY MANAGER

Dear Mr. Doyon:

Attached is my initial invoice for work on the City's natural gas and electricity supply Requests for Proposals (RFPs).

As we have discussed, experience to date indicates that the time involved in preparing and administering the RFPs is likely to exceed the level of effort originally anticipated. This is due to a number of factors including: 1) the decision to prepare separate RFPs for natural gas and electricity, 2) the need to discuss the content of the RFPs with multiple suppliers to ensure that the RFPs will receive a number of competitive responses, 3) the complexity of arranging for unbundled electric transmission service from NorthWestern Energy, and 4) two planned trips to Great Falls to interact with the City Commission – one prior to the release of the RFPs and one when the final proposals are received and evaluated.

To date, I have spent about 30 hours on this project and expect that somewhere in the range of 60 to 80 total hours will be needed to successfully complete the project. In recognition of the increase in expected hours, I am discounting my hourly rate to \$150/hour to help defray some of the extra costs. In addition, the original contract included \$1,500 for travel expenses which I believe can be reasonably reduced to \$500.

I look forward to continuing to work with you, the Commissioners and City staff to successfully complete the process of procuring low-cost natural gas and electricity supplies for the City.

Sincerely,



Bill Pascoe

ADDENDUM 1 TO PROFESSIONAL SERVICES AGREEMENT

THIS ADDENDUM is entered into this 17th day of September, 2013, by and between the City of Great Falls, a Municipal Corporation, hereinafter referred to as “City,” and William A. Pascoe, Pascoe Energy Consultant, LLC, hereinafter referred to as “Consultant,” and agree as follows:

1. The City and the Consultant entered into a Professional Services Agreement on July 22, 2013, herein referred to as “Agreement,” to provide independent contractor services as outlined in the Scope of Services; and

2. The City and the Consultant mutually agree to modify paragraph 2 of the Agreement as follows:

Effective Date:

This Agreement is effective upon the date of its execution and will terminate on the ~~30th day of September, 2013,~~ **31st day of December, 2013.** The parties may extend this agreement in writing prior to its termination.

3. The City and the Consultant mutually agree to modify paragraph 4 of the Agreement as follows:

Payment

City agrees to pay Consultant ~~\$195~~ **\$150** dollars per hour, not to exceed ~~\$4500~~ **\$12,000** for services performed pursuant to the Scope of Services. Any alteration or deviation from the described work that involves extra costs will be performed by Consultant after written request by the City, and will become an extra charge over and above the contract amount. The parties must agree upon any extra charges in writing. Reasonable travel expenses will be submitted to the City for reimbursement (travel, lodging, supplies, IRS mileage rates) up to ~~\$1,500~~ **\$500.**

4. All other conditions and provisions of the Agreement entered into and approved by the Commission on August 6, 2013, remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum 1 to Professional Services Agreement the day and year first above written.

CITY OF GREAT FALLS

PASCOE ENERGY CONSULTING, LLC

By _____
Gregory T. Doyon, City Manager

By _____
Print Name: William A. Pascoe
Print Title: President

Attest:

Lisa Kunz, City Clerk

(Seal of the City)

Approved as to Form:

Sara R. Sexe, City Attorney