

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 14, 2010

Board Item V-E-1

AMENDMENT TO CONSULTING SERVICES AGREEMENT WITH STEPWISE UTILITY ADVISORS, LLC

Action by Consent

Action

Information

On November 17, 2008, the Manager approved an initial Consulting Services Agreement for \$75,000 with StepWise Utility Advisors, LLC (Contract No. 12026A) to examine the feasibility of a joint venture (generally referred to as the WISE Project) with the City of Aurora ("Aurora Water"). StepWise was engaged to provide financial and pricing analysis that would allow Denver Water and Aurora Water to evaluate the cost and pricing implications of combining their significant water utility assets, including sources of supplies, to provide new water delivery services to third parties in and around the Denver metropolitan area.

Because this contract benefits both Denver Water and Aurora Water, Aurora Water has reimbursed Denver Water for Fifty Percent (50%) of the costs under this contract. Through the end of February 2010, expenditures have totaled \$53,766.50 of which Aurora Water has paid \$26,883.25.

StepWise has worked closely with Black and Veatch, the consulting engineers on the Wise Project to model the financial implications of the various service scenarios developed by Black and Veatch, met monthly with the Directors of Finance for Denver Water and Aurora Water, and made several presentations to stakeholders.

To date, the agreement has been amended once to extend the completion date. An additional amendment to the Consulting Services Agreement with StepWise Utility Advisors, LLC is necessary to expand the scope of services, further extend the term of the contract, and increase the contract amount as follows:

- Expand the scope of services to allow for an increase in activities, including a request to provide alternative scenarios. Attached is a memorandum from StepWise summarizing the WISE Pricing Contract to date and the anticipated continuing scope.
- Extend the contract with StepWise Utility Advisors, LLC to December 31, 2011.
- Increase the contract amount by \$75,000 to a total of \$150,000.

Funds are included in the 2010 budget (MPC4JA0003) for this contract and, if needed, will be included in the 2011 budget.

Recommendation:

It is recommended that the Board approve the Second Amendment to Contract No. 12026A with StepWise Utility Advisors, LLC to expand the scope of services, to allow for an increase in activities, including a request to provide alternative scenarios, extend the term of the contract through December 31, 2011, and increase the contract amount by \$75,000 to a total of \$150,000.

Approvals:

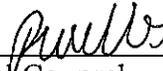


David LaFrance, Director of Finance

Respectfully submitted,



H. J. Barry, Manager



General Counsel