

Item # 9-6A

**City of Carson City
Agenda Report**

Date Submitted: September 28, 2010

Agenda Date Requested: October 7, 2010

Time Requested: Consent

To: Mayor and Supervisors
From: Purchasing and Contracts

Subject Title: Action to determine that Contract No. 1011-108 is a contract for professional services and therefore not suitable for public bidding pursuant to NRS 332.115 and to approve Contract No. 1011-108 a request for professional services to be provided by Cost Control Associates through October 31, 2014 for a one time fee of thirty-nine percent for each refund or credit received by City and for any cost reductions recommended by Cost Control Associates implemented by City resulting in savings to be funded from the various expense accounts as provided in FY 2010/2011. (*Sandy Scott-Fisher*)

Staff Summary: Cost Control Associates (CCA) will review energy services for Electricity and Natural Gas Services for the purpose of obtaining refunds, whether by check or credit, and identifying cost reductions. CCA will file claims, negotiate with suppliers, and implement City approved cost reducing changes. These changes will be submitted to the City in a report for review and approval.

There is no risk in entering this contract, if no savings or refunds are found there is no fee for this service. Additionally CCA has a contract with NACo (see attached NACo News Letter) for the purpose of reviewing and analyzing energy and telecom services.

Type of Action Requested: (check one)

- Resolution
- Formal Action/Motion
- Ordinance
- Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to determine that Contract No. 1011-108 is a contract for professional services and therefore not suitable for public bidding pursuant to NRS 332.115 and to approve Contract No. 1011-108 a request for professional services to be provided by Cost Control Associates through October 31, 2014 for a one time fee of thirty-nine percent for each refund or credit received by City and for any cost reductions recommended by Cost Control Associates implemented by City resulting in savings to be funded from the various expense accounts as provided in FY 2010/2011. (*Sandy Scott-Fisher*)

Explanation for Recommended Board Action: Pursuant to NRS 332.115 subsection 1 (b), staff is requesting the Board of Supervisors declare that this contract is not adapted to award by competitive bidding.

NRS 332.115 Contracts not adapted to award by competitive bidding; purchase of equipment by local law enforcement agency, response agency or other local governmental agency; purchase of goods commonly used by hospital.

1. Contracts which by their nature are not adapted to award by competitive bidding, including contracts for:

(b) Professional services;

are not subject to the requirements of this chapter for competitive bidding, as determined by the governing body or its authorized representative.

(Added to NRS by 1975, 1538; A 1987, 296, 1484; 1991, 337, 349, 648, 1934, 1935; 1997, 132; 1999, 889, 1684; 2001, 1317; 2003, 620, 2262; 2005, 226, 2554)

Applicable Statute, Code, Policy, Rule or Regulation: NRS 332.115 subsection 1(b)

Fiscal Impact: Thirty-Nine Percent (39%) of savings resulting from services provided

Explanation of Impact: Thirty-Nine Percent (39%) of savings resulting from services provided

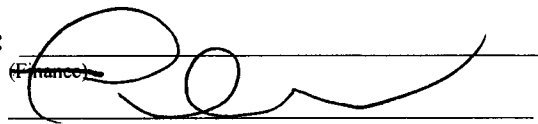

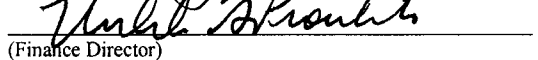
Funding Source: Various Expense Account as provided in FY 2010/2011.

Alternatives: Provide other direction

Supporting Material: Contract 1011-108 and Exhibit A

Prepared By: Sandy Scott-Fisher, Purchasing and Contracts Coordinator

Reviewed By:

~~(Finance)~~

(City Manager)

(District Attorney)

(Finance Director)

Date: _____

Date: 9/28/10

Date: 9/28/10

Date: 9/28/10

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

(Vote Recorded By)

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
Contract No. 1011-108
Titled: Energy Bill Audit

THIS CONTRACT, made and entered into this 7th day of October, 2010, by and between the City and County of Carson City, a political subdivision of the State of Nevada, hereinafter referred to as the "**CITY**", and Cost Control Associates hereinafter referred to as the "**CONTRACTOR**".

WITNESSETH:

WHEREAS, the Purchasing and Contracts Coordinator for the City and County of Carson City is authorized, pursuant to Nevada Revised Statutes Chapter 332 and Carson City Purchasing Resolution #1990-R71, to approve and accept this Contract as set forth in and by the following provisions; and

WHEREAS, it is deemed that the services of **CONTRACTOR** for **CONTRACT No. 1011-108 Energy Bill Audit** are both necessary and in the best interests of **CITY**; and

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1 **REQUIRED APPROVAL:**

1.1 This Contract shall not become effective until and unless approved by the Carson City Board of Supervisors.

2 **CONTRACT TERM:**

2.1 This Contract shall be effective from October 13, 2010 subject to Carson City Board of Supervisors' approval to October 31, 2014, unless sooner terminated by either party as specified in **Section 7 Contract Termination**.

2.2 The initial term of this **CONTRACT** is one year. After the initial term, this **CONTRACT** will remain in effect on a month-to-month basis unless cancelled in writing by either party with at least thirty (30) days written notice. Any fees due **CONTRACTOR**, as indicated in the **SCOPE OF WORK** and **CONSIDERATION** below, will continue to be payable, regardless of cancellation or expiration of this **CONTRACT**, for findings in process at the time of cancellation or expiration of this **CONTRACT**. Findings in process include refunds identified, but not yet collected; cost reductions implemented, but for which all fees have not yet been billed; and cost reductions identified, but not yet implemented in the event they are implemented.

3 **NOTICE:**

3.1 Unless otherwise specified, termination shall not be effective until thirty (30) calendar days after a party has served written notice of default, or without cause upon the other party.

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All notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by e-mail with simultaneous regular mail, by telephonic facsimile with simultaneous regular mail, or by certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified below.

For P&C Use Only	
CCBL expires	_____
GL expires	_____
AL expires	_____
PL expires	_____
WC expires	_____

3.1.1 Notice to **CONTRACTOR** shall be addressed to:

Keith Laake, President
Cost Control Associates
310 Bay Road
Queensbury, NY 12804
518-798-4437
Keith.Laake@costcontrolassociates.com

3.1.2 Notice to **CITY** shall be addressed to:

Carson City Purchasing and Contracts
Sandy Scott-Fisher, Purchasing and Contracts Coordinator
201 North Carson Street Suite 3
Carson City, NV 89701
775-283-7137/ FAX 775-887-2107
SScott@carson.org

4 SCOPE OF WORK:

4.1 **CONTRACTOR** shall provide and perform the following services for and on behalf of **CITY** hereinafter referred to as the "**SERVICES**".

4.1.1 **SERVICES:** Cost Recovery and Reduction Services: **CONTRACTOR** will review Electricity and Natural Gas Services for the purpose of obtaining refunds (whether by check or account credit) and identifying cost reductions. **CONTRACTOR** will file claims, negotiate with suppliers, and implement **CITY** approved cost-reducing changes. Such cost-reducing changes will be submitted in a report to **CITY** for **CITY'S** review and approval.

4.1.2 **FEES:** **CITY** will pay fees to **CONTRACTOR** according to the following schedule:

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4.1.2.1 **Refunds:** Any refunds recovered due to **CONTRACTOR'S** efforts are subject to a one-time fee of each refund at a rate of thirty-nine percent (39%). This fee is payable after the refund check or credit is received by **CITY**. All future cost saving associated with the recovery of refunds are for the **CITY'S** full benefit; and

4.1.2.2 **CITY approved Cost Reductions:** For any cost reductions recommended by **CONTRACTOR** and approved for implementation by **CITY**, **CONTRACTOR** will share in the resulting savings at the rate of thirty-nine percent (39%) for the first thirty-six (36) months following implementation of the changes. This fee will be payable on a monthly basis, or **CITY** may elect to prepay the entire amount at a discount. Cost reduction recommendations implemented during the term of this **CONTRACT** and within thirty-six (36) months thereafter are subject to this fee.

4.1.2.3 **CITY** will cooperate with **CONTRACTOR** by signing letters of authority to energy suppliers, supplying copies of appropriate bills, completing forms and providing other documentation and information, related to this service, during the term of this **CONTRACT** and for a period of thirty-six (36) months after this **CONTRACT** expires. **CONTRACTOR** should work directly with vendors to effectively collect refunds and implement **CITY** approved cost reduction items. If **CITY** chooses to pursue a refund or implement a cost reduction item that was recommended by **CONTRACTOR** on its own, or should a refund or cost reduction item based on an issue identified by **CONTRACTOR** become available to **CITY** based on actions of third parties, **CONTRACTOR** is still entitled to its Fees.

4.1.2.4 **CITY** is not currently working on pursuing refunds or implementing cost reduction items. If **CITY** becomes aware of a refund or cost reduction opportunity other than through **CONTRACTOR'S** efforts, which **CITY** elects to pursue on its own, **CITY** agrees to notify **CONTRACTOR** in writing upon **CITY'S** discovery of the item.

4.2 **CONTRACTOR** represents that it is duly licensed by Carson City for the purposes of performing the **SERVICES**.

4.3 **CONTRACTOR** represents that it is duly qualified and licensed in the State of Nevada for the purposes of performing the **SERVICES**.

4.4 **CONTRACTOR** represents that it and/or the persons it may employ possess all skills and training necessary to perform the **SERVICES** described herein and required hereunder. **CONTRACTOR** shall perform the **SERVICES** faithfully, diligently, in a timely and professional manner, to the best of its ability, and in such a manner as is customarily performed by a person who is in the business of providing such services in similar circumstances. **CONTRACTOR** shall be responsible for the professional quality and technical accuracy of all **SERVICES** furnished by **CONTRACTOR** to **CITY**.

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4.5 **CONTRACTOR** represents that neither the execution of this Contract nor the rendering of services by **CONTRACTOR** hereunder will violate the provisions of or constitute a default under any other contract or agreement to which **CONTRACTOR** is a party or by which **CONTRACTOR** is bound, or which would preclude **CONTRACTOR** from performing the **SERVICES** required of **CONTRACTOR** hereunder, or which would impose any liability or obligation upon **CITY** for accepting such **SERVICES**.

4.6 Before commencing with the performance of any work under this Contract, **CONTRACTOR** shall obtain all necessary permits and licenses as may be necessary. Before and during the progress of work under this Contract, **CONTRACTOR** shall give all notice and comply with all the laws, ordinances, rules and regulations of every kind and nature now or hereafter in effect promulgated by any Federal, State, County, or other Governmental Authority, relating to the performance of work under this Contract. If **CONTRACTOR** performs any work that is contrary to any such law, ordinance, rule or regulation, he shall bear all the costs arising therefrom.

5 CONSIDERATION:

5.1 The parties agree that **CONTRACTOR** will provide the **SERVICES** specified in **Section 4 Scope of Work** and **CITY** agrees to pay **CONTRACTOR** the **FEES** based upon the following;

5.2 The parties agree that **CONTRACTOR** will provide the **SERVICES** specified in **Section 4 Scope of Work** and **CITY** agrees to pay **CONTRACTOR** the **FEES** based upon the following;

5.2.1 **Refunds:** Any refunds recovered due to **CONTRACTOR'S** efforts are subject to a one-time fee of each refund at a rate of thirty-nine percent (39%). This fee is payable after the refund check or credit is received by **CITY**. All future cost saving associated with the recovery of refunds are for the **CITY'S** full benefit; and

5.2.2 **CITY approved Cost Reductions:** For any cost reductions recommended by **CONTRACTOR** and approved for implementation by **CITY**, **CONTRACTOR** will share in the resulting savings at the rate of thirty-nine percent (39%) for the first thirty-six (36) months following implementation of the changes. This fee will be payable on a monthly basis, or **CITY** may elect to prepay the entire amount at a discount. Cost reduction recommendations implemented during the term of this **CONTRACT** and within thirty-six (36) months thereafter are subject to this fee.

5.2.3 **CONTRACT FEES** represents full and adequate compensation for the completed **WORK**, and includes the furnishing of all materials; all labor, equipment, tools, and appliances; and all expenses, direct or indirect, connected with the proper execution of the **WORK**.

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5.3 Payment by **CITY** for the **SERVICES** rendered by **CONTRACTOR** shall be due within thirty (30) calendar days from the date **CITY** acknowledges that the performance meets the requirements of this Contract or from the date the correct, complete, and descriptive invoice is received by **CITY** employee designated on the sample invoice, whichever is the latter date.

5.4 **CITY** does not agree to reimburse **CONTRACTOR** for expenses unless otherwise specified.

6 TIMELINESS OF BILLING SUBMISSION:

6.1 The parties agree that timeliness of billing is of the essence to this Contract and recognize that **CITY** is on a fiscal year which is defined as the period beginning July 1 and ending June 30 of the following year. All billings for dates of service prior to July 1 must be submitted to **CITY** no later than the first Friday in August of the same year. A billing submitted after the first Friday in August will subject **CONTRACTOR** to an administrative fee not to exceed \$100.00. The parties hereby agree this is a reasonable estimate of the additional costs to **CITY** of processing the billing as a stale claim and that this amount will be deducted from the stale claim payment due to **CONTRACTOR**.

7 CONTRACT TERMINATION:

7.1 Termination Without Cause:

7.1.1 Any discretionary or vested right of renewal notwithstanding, this Contract may be terminated upon written notice by mutual consent of both parties or unilaterally by either party without cause.

7.2 Termination for Nonappropriation:

7.2.1 The continuation of this Contract beyond June 30, 2011, is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the Carson City Board of Supervisors. **CITY** may terminate this Contract, and **CONTRACTOR** waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the funding is not appropriated or is withdrawn, limited, or impaired.

7.3 Cause Termination for Default or Breach:

7.3.1 A default or breach may be declared with or without termination.

7.3.2 This Contract may be terminated by either party upon written notice of default or

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breach to the other party as follows:

7.3.2.1 If **CONTRACTOR** fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or

7.3.2.2 If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONTRACTOR** to provide the goods or services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or

7.3.2.3 If **CONTRACTOR** becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or

7.3.2.4 If **CITY** materially breaches any material duty under this Contract and any such breach impairs **CONTRACTOR'S** ability to perform; or

7.3.2.5 If it is found by **CITY** that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by **CONTRACTOR**, or any agent or representative of **CONTRACTOR**, to any officer or employee of **CITY** with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or

7.3.2.6 If it is found by **CITY** that **CONTRACTOR** has failed to disclose any material conflict of interest relative to the performance of this Contract.

7.4 Time to Correct:

7.4.1 Termination upon a declared default or breach may be exercised only after service of formal written notice as specified in **Section 3 Notice**, and the subsequent failure of the defaulting party within fifteen (15) calendar days of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared default or breach has been corrected.

7.5 Winding Up Affairs Upon Termination:

7.5.1 In the event of termination of this Contract for any reason, the parties agree that the provisions of this paragraph survive termination:

7.5.1.1 The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based

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on nonpayment of fees or expenses accrued up to the time of termination;

7.5.1.2 **CONTRACTOR** shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by **CITY**;

7.5.1.3 **CONTRACTOR** shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by **CITY**;

7.5.1.4 **CONTRACTOR** shall preserve, protect, and promptly deliver into **CITY** possession all proprietary information in accordance with **Section 23 City Ownership of Proprietary Information**.

8 REMEDIES:

8.1 Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. The parties agree that, in the event a lawsuit is filed and a party is awarded attorney's fees by the court, for any reason, the amount of recoverable attorney's fees shall not exceed the rate of \$125 per hour. **CITY** may set off consideration against any unpaid obligation of **CONTRACTOR** to **CITY**.

9 LIMITED LIABILITY:

9.1 **CITY** will not waive and intends to assert available Nevada Revised Statutes Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise specified in the incorporated attachments. Damages for any **CITY** breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to **CONTRACTOR**, for the fiscal year budget in existence at the time of the breach. **CONTRACTOR'S** tort liability shall not be limited.

10 FORCE MAJEURE:

10.1 Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of this Contract after the intervening cause ceases.

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11 INDEMNIFICATION:

11.1 To the extent permitted by law, including, but not limited to, the provisions of Nevada Revised Statutes Chapter 41, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other party from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any party or person described in this paragraph.

11.2 Except as otherwise provided in Subsection 11.4 below, the indemnifying party shall not be obligated to provide a legal defense to the indemnified party, nor reimburse the indemnified party for the same, for any period occurring before the indemnified party provides written notice of the pending claim(s) or cause(s) of action to the indemnifying party, along with:

11.2.1 a written request for a legal defense for such pending claim(s) or cause(s) of action; and

11.2.2 a detailed explanation of the basis upon which the indemnified party believes that the claim or cause of action asserted against the indemnified party implicates the culpable conduct of the indemnifying party, its officers, employees, and/or agents.

11.3 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall not be obligated to fund or reimburse any fees or costs provided by any additional counsel for the indemnified party, including counsel through which the indemnified party might voluntarily choose to participate in its defense of the same matter.

11.4 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall be obligated to reimburse the reasonable attorney's fees and costs incurred by the indemnified party during the initial thirty (30) day period of the claim or cause of action, if any, incurred by separate counsel.

12 INDEPENDENT CONTRACTOR:

12.1 An independent contractor is a natural person, firm or corporation who agrees to perform services for a fixed price according to his or its own methods and without subjection to the supervision or control of the other contracting party, except as to the results of the work, and not as to the means by which the services are accomplished.

12.2 It is mutually agreed that **CONTRACTOR** is associated with **CITY** only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted

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services pursuant to this Contract. **CONTRACTOR** is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract.

12.3 Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for **CITY** whatsoever with respect to the indebtedness, liabilities, and obligations of **CONTRACTOR** or any other party.

12.4 **CONTRACTOR** shall indemnify and hold **CITY** harmless from, and defend **CITY** against, any and all losses, damages, claims, costs, penalties, liabilities, expenses arising out of or incurred in any way because of, but not limited to, **CONTRACTOR'S** obligations or legal duties regarding any taxes, fees, assessments, benefits, entitlements, notice of benefits, employee's eligibility to work, to any third party, subcontractor, employee, state, local or federal governmental entity.

12.5 Neither **CONTRACTOR** nor its employees, agents, or representatives shall be considered employees, agents, or representatives of **CITY**.

13 **INSURANCE REQUIREMENTS:**

13.1 **CONTRACTOR**, as an independent contractor and not an employee of **CITY**, must carry policies of insurance in amounts specified and pay all taxes and fees incident hereunto. **CITY** shall have no liability except as specifically provided in this Contract.

13.2 **CONTRACTOR** shall not commence work before: (1) **CONTRACTOR** has provided the required evidence of insurance to Carson City Purchasing and Contracts, and (2) **CITY** has approved the insurance policies provided by **CONTRACTOR**.

13.3 Prior approval of the insurance policies by **CITY** shall be a condition precedent to any payment of consideration under this Contract and **CITY'S** approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this Contract. Any failure of **CITY** to timely approve shall not constitute a waiver of the condition.

13.4 **Insurance Coverage:**

13.4.1 **CONTRACTOR** shall, at **CONTRACTOR'S** sole expense, procure, maintain and keep in force for the duration of this Contract the following insurance conforming to the minimum requirements specified below. Unless specifically specified herein or otherwise agreed to by **CITY**, the required insurance shall be in effect prior to the commencement of work by **CONTRACTOR** and shall continue in force as appropriate until the latter of:

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13.4.1.1 Final acceptance by **CITY** of the completion of this Contract; or

13.4.1.2 Such time as the insurance is no longer required by **CITY** under the terms of this Contract.

13.4.2 Any insurance or self-insurance available to **CITY** shall be in excess of and non-contributing with any insurance required from **CONTRACTOR**. **CONTRACTOR'S** insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by **CITY**, **CONTRACTOR** shall provide **CITY** with renewal or replacement evidence of insurance no less than thirty (30) calendar days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by this Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as **CONTRACTOR** has knowledge of any such failure, **CONTRACTOR** shall immediately notify **CITY** and immediately replace such insurance or bond with an insurer meeting the requirements.

13.5 General Requirements:

13.5.1 **Certificate Holder:** Each liability insurance policy shall list Carson City c/o Carson City Purchasing and Contracts, 201 N. Carson Street Suite 3, Carson City, NV 89701 as a certificate holder.

13.5.2 **Additional Insured:** By endorsement to the general liability insurance policy evidenced by **CONTRACTOR**, The City and County of Carson City, Nevada, its officers, employees and immune contractors shall be named as additional insureds for all liability arising from this Contract.

13.5.3 **Waiver of Subrogation:** Each liability insurance policy shall provide for a waiver of subrogation as to additional insureds.

13.5.4 **Cross-Liability:** All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.

13.5.5 **Deductibles and Self-Insured Retentions:** Insurance maintained by **CONTRACTOR** shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by **CITY**. Such approval shall not relieve **CONTRACTOR** from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed \$5,000 per occurrence, unless otherwise approved by **CITY**.

13.5.6 **Policy Cancellation:** Except for ten (10) calendar days notice for non-payment of

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premium, each insurance policy shall be endorsed to state that; without thirty (30) calendar days prior written notice to Carson City Purchasing and Contracts, the policy shall not be canceled, non-renewed or coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mail to Carson City Purchasing and Contracts, 201 N. Carson Street Suite 3, Carson City, NV 89701.

13.5.6.1 Approved Insurer: Each insurance policy shall be issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made, and currently rated by A.M. Best as "A-VII" or better.

13.5.6.2 Evidence of Insurance: Prior to commencement of work, **CONTRACTOR** must provide the following documents to Carson City Purchasing and Contracts, 201 North Carson Street Suite 3, Carson City, NV 89701:

13.5.6.3 Certificate of Insurance: The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to Carson City Purchasing and Contracts to evidence the insurance policies and coverages required of **CONTRACTOR**.

13.5.6.4 Additional Insured Endorsement: An Additional Insured Endorsement (CG20 10 or C20 26), signed by an authorized insurance company representative, must be submitted to Carson City Purchasing and Contracts to evidence the endorsement of **CITY** as an additional insured per Subsection 13.5.2.

13.5.6.5 Schedule of Underlying Insurance Policies: If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlyer Schedule from the Umbrella or Excess insurance policy may be required.

13.5.7 Review and Approval: Documents specified above must be submitted for review and approval by Carson City Purchasing and Contracts prior to the commencement of work by **CONTRACTOR**. Neither approval by **CITY** nor failure to disapprove the insurance furnished by **CONTRACTOR** shall relieve **CONTRACTOR** of **CONTRACTOR'S** full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of **CONTRACTOR** or its sub-contractors, employees or agents to **CITY** or others, and shall be in addition to and not in lieu of any other remedy available to **CITY** under this Contract or otherwise. **CITY** reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

14 COMMERCIAL GENERAL LIABILITY INSURANCE:

14.1 Minimum Limits required:

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14.1.1 Two Million Dollars (\$2,000,000.00) - General Aggregate

14.1.2 Two Million Dollars (\$2,000,000.00) - Products and Completed Operations Aggregate

14.1.3 One Million Dollars (\$1,000,000.00) - Each Occurrence

14.2 Coverage shall be on an occurrence basis and shall be at least as broad as ISO 1996 form CG 00 01 (or a substitute form providing equivalent coverage); and shall cover liability arising from premises, operations, independent contractors, completed operations, personal injury, products, civil lawsuits, Title VII actions and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

15 PROFESSIONAL LIABILITY INSURANCE:

15.1 Minimum Limit required: One Million Dollars (\$1,000,000.00)

15.2 Retroactive date: Prior to commencement of the performance of this Contract

15.3 Discovery period: Three (3) years after termination date of this Contract.

15.4 A certified copy of this policy may be required.

16 FIDELITY BOND OR CRIME INSURANCE:

16.1 The Bond or Policy shall be issued with the limits Fifty (50) percent of the **CONTRACT** value or \$50,000 whichever amount is greater.

16.2 The Bond or Policy shall include coverage for all directors, officers, agents, and employees of the **CONTRACTOR**.

16.3 The Bond or Policy shall include coverage for third party fidelity.

16.4 The Bond or Policy shall include coverage for extended theft and mysterious disappearance.

16.5 The Bond or Policy shall not contain a condition requiring an arrest and conviction.

17 WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE:

17.1 **CONTRACTOR** shall provide workers' compensation insurance as required by Nevada

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Titled: Energy Bill Audit

Revised Statutes Chapters 616A through 616D inclusive and Employer's Liability insurance with a minimum limit of \$500,000 each employee per accident for bodily injury by accident or disease.

17.2 **CONTRACTOR** may, in lieu of furnishing a certificate of an insurer, provide an affidavit indicating that **CONTRACTOR** is a sole proprietor; that **CONTRACTOR** will not use the services of any employees in the performance of this Contract; that **CONTRACTOR** has elected to not be included in the terms, conditions, and provisions of Nevada Revised Statutes Chapters 616A-616D, inclusive; and that **CONTRACTOR** is otherwise in compliance with the terms, conditions, and provisions of Nevada Revised Statutes Chapters 616A-616D, inclusive.

18 **BUSINESS LICENSE:**

18.1 **CONTRACTOR** shall not commence work before **CONTRACTOR** has provided a copy of his Carson City business license to Carson City Purchasing and Contracts.

18.2 The Carson City business license shall continue in force until the latter of: (1) final acceptance by **CITY** of the completion of this Contract; or (2) such time as the Carson City business license is no longer required by **CITY** under the terms of this Contract.

19 **COMPLIANCE WITH LEGAL OBLIGATIONS:**

19.1 **CONTRACTOR** shall procure and maintain for the duration of this Contract any state, county, city, or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONTRACTOR** to provide the goods or services of this Contract. **CONTRACTOR** will be responsible to pay all government obligations, including, but not limited to, all taxes, assessments, fees, fines, judgments, premiums, permits, and licenses required or imposed by law or a court. Real property and personal property taxes are the responsibility of **CONTRACTOR** in accordance with Nevada Revised Statutes 361.157 and 361.159. **CONTRACTOR** agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. **CITY** may set-off against consideration due any delinquent government obligation.

20 **WAIVER OF BREACH:**

20.1 Failure to declare a breach or the actual waiver of any particular breach of this Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

21 **SEVERABILITY:**

21.1 If any provision contained in this Contract is held to be unenforceable by a court of law

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or equity, this Contract shall be construed as if such provision did not exist and the nonenforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

22 ASSIGNMENT/DELEGATION:

22.1 To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by **CITY**, such offending portion of the assignment shall be void, and shall be a breach of this Contract. **CONTRACTOR** shall neither assign, transfer nor delegate any rights, obligations or duties under this Contract without the prior written approval of **CITY**.

23 CITY OWNERSHIP OF PROPRIETARY INFORMATION:

23.1 Any files, reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer programs, computer codes, and computer records (which are intended to be consideration under this Contract), or any other documents or drawings, prepared or in the course of preparation by **CONTRACTOR** (or its subcontractors) in performance of its obligations under this Contract shall be the exclusive property of **CITY** and all such materials shall be delivered into **CITY** possession by **CONTRACTOR** upon completion, termination, or cancellation of this Contract. **CONTRACTOR** shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of **CONTRACTOR'S** obligations under this Contract without the prior written consent of **CITY**. Notwithstanding the foregoing, **CITY** shall have no proprietary interest in any materials licensed for use by **CITY** that are subject to patent, trademark or copyright protection.

23.2 **CITY** shall be permitted to retain copies, including reproducible copies, of **CONTRACTOR'S** drawings, specifications, and other documents for information and reference in connection with this Contract.

23.3 **CONTRACTOR'S** drawings, specifications and other documents shall not be used by **CITY** or others without expressed permission of **CONTRACTOR**.

24 PUBLIC RECORDS:

24.1 Pursuant to Nevada Revised Statute 239.010, information or documents received from **CONTRACTOR** may be open to public inspection and copying. **CITY** will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. **CONTRACTOR** may clearly label specific parts of an individual document as a "trade

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secret" or "confidential" in accordance with Nevada Revised Statute 332.061, provided that **CONTRACTOR** thereby agrees to indemnify and defend **CITY** for honoring such a designation. The failure to so label any document that is released by **CITY** shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

25 CONFIDENTIALITY:

25.1 **CONTRACTOR** shall keep confidential all information, in whatever form, produced, prepared, observed or received by **CONTRACTOR** to the extent that such information is confidential by law or otherwise required by this Contract.

26 FEDERAL FUNDING:

26.1 In the event federal funds are used for payment of all or part of this Contract:

26.1.1 **CONTRACTOR** certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

26.1.2 **CONTRACTOR** and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

26.1.3 **CONTRACTOR** and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions).

27 LOBBYING:

27.1 The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this Contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

27.1.1 Any federal, state, county or local agency, legislature, commission, counsel or

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
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board;

27.1.2 Any federal, state, county or local legislator, commission member, counsel member, board member, or other elected official; or

27.1.3 Any officer or employee of any federal, state, county or local agency; legislature, commission, counsel or board.

28 GENERAL WARRANTY:

28.1 **CONTRACTOR** warrants that all services, deliverables, and/or work product under this Contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications as set forth in the incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.

29 PROPER AUTHORITY:

29.1 The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. **CONTRACTOR** acknowledges that this Contract is effective only after approval by the Carson City Board of Supervisors and only for the period of time specified in this Contract. Any services performed by **CONTRACTOR** before this Contract is effective or after it ceases to be effective are performed at the sole risk of **CONTRACTOR**.

30 ALTERNATIVE DISPUTE RESOLUTION:

30.1 Pursuant to NRS 338.150, public body charged with the drafting of specifications for a public work shall include in the specifications a clause requiring the use of a method of alternative dispute resolution before initiation of a judicial action if a dispute arising between the public body and the contractor engaged on the public work cannot otherwise be settled. Therefore, in the event that a dispute arising between **CITY** and **CONTRACTOR** cannot otherwise be settled, **CITY** and **CONTRACTOR** agree that, before judicial action may be initiated, **CITY** and **CONTRACTOR** will submit the dispute to non-binding mediation. **CITY** shall present **CONTRACTOR** with a list of three potential mediators. **CONTRACTOR** shall select one person to serve as the mediator from the list of potential mediators presented by **CITY**. The person selected as mediator shall determine the rules governing the mediation.

31 GOVERNING LAW; JURISDICTION:

31.1 This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any

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principle of conflict-of-law that would require the application of the law of any other jurisdiction. **CONTRACTOR** consents and agrees to the jurisdiction of the courts of the State of Nevada located in Carson City, Nevada for enforcement of this Contract.

32 ENTIRE CONTRACT AND MODIFICATION:

32.1 This Contract and its integrated attachment(s) constitute the entire Contract of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other Contracts that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Carson City Board of Supervisors.

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33 ACKNOWLEDGMENT AND EXECUTION:

33.1 In witness whereof, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.


CARSON CITY

Purchasing and Contracts Department
Attn: Sandy Scott-Fisher
Purchasing and Contracts Coordinator
201 North Carson Street Suite 3
Carson City, Nevada 89701
Telephone: 775-283-7137
Fax: 775-887-2107
SScott@carson.org

CITY'S LEGAL COUNSEL

Neil A. Rombardo, District Attorney

I have reviewed this Contract and approve as to its legal form.

By: 
Sandy Scott-Fisher

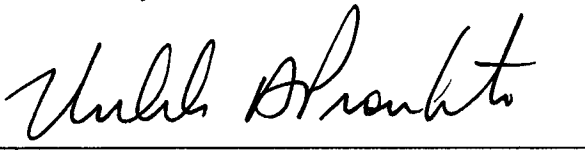
By: 
Deputy District Attorney

DATED 9/28/10

DATED 9/28/10

CITY'S ORIGINATING DEPARTMENT

BY: Nick Providenti, Director
Carson City Finance Department
201 North Carson Street, Suite 3
Carson City, NV 89701
Telephone: 775-283- Ext.
Fax: 775-887-
@ci.carson-city.nv.us

By: 

DATED 9/28/10

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

**Contract No. 1011-108
Titled: Energy Bill Audit**

Keith Laake deposes and says: That he is the **CONTRACTOR** or authorized agent of the **CONTRACTOR**; that he has read the foregoing Contract; and that he understands the terms, conditions, and requirements thereof.

CONTRACTOR

BY: Keith Laake
TITLE: President
FIRM: Cost Control Associates
CARSON CITY BUSINESS LICENSE #: _____
Address: 310 Bay Road
City: Queensbury **State:** NY **Zip Code:** 12804
Telephone: 518-798-4437
E-mail Address: Keith.Laake@costcontriassociates.com

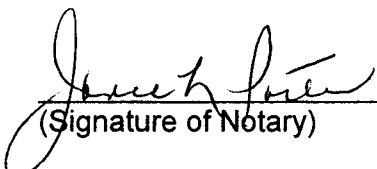


(Signature of **CONTRACTOR**)

DATED 9/17/10

STATE OF New York)
County of Warren) ss

Signed and sworn (or affirmed) before me on this 17th day of September, 2010, by Keith Laake.



(Signature of Notary)
(Notary Stamp)

JANIS L PORTER
NOTARY PUBLIC-STATE OF NEW YORK
No. 01PO6217113
Qualified in Warren County
My Commission Expires February 08, 2014

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
Contract No. 1011-108
Titled: Energy Bill Audit

CONTRACT ACCEPTANCE AND EXECUTION:

The Board of Supervisors for Carson City, Nevada at their publicly noticed meeting of approved the acceptance of **CONTRACT No.** . Further, the Board of Supervisors authorizes the Mayor of Carson City, Nevada to set his hand to this document and record his signature for the execution of this contract in accordance with the action taken.

CARSON CITY, NEVADA

ROBERT L. CROWELL, MAYOR

DATED this 7th day of October, 2010.

ATTEST:

ALAN GLOVER, CLERK-RECORDER

DATED this 7th day of October, 2010.



COST REDUCTION AGREEMENT

This Agreement is made as of the last date signed below by and between **Carson City, Nevada**, hereinafter referred to as **CLIENT**, and **COST CONTROL ASSOCIATES, INC.**, hereinafter referred to as **CCA**.

I. SERVICES AVAILABLE

Cost Recovery and Reduction Services: CCA will review energy and telecom service types as specified by CLIENT below for the purposes of obtaining refunds (whether by check or account credit) and identifying cost reductions. CCA will file claims, negotiate with suppliers, and implement CLIENT-approved cost-reducing changes. Such cost-reducing changes will be submitted in a report to CLIENT for CLIENT's review and approval.

II. SERVICES SELECTED

CCA will perform services as described above for CLIENT's energy and telecom services specified with a "yes" below:

Service Type	<i>Please Indicate With a "Yes" Those Items Desired</i>
A. Electricity	yes
B. Natural Gas	yes
C. Propane, Oil, and Other Petroleum Fuels	
D. Water & Wastewater	
E. Municipal Street Lighting	yes
F. Telecom Local Services	
G. Telecom Long Distance Services	
H. Wireless Services-Cellular Phones & Devices	
I. Other (specify):	

III. FEES

CLIENT will pay fees to CCA according to the following schedule:

- A. **Refunds:** Any refunds recovered due to CCA's efforts are subject to a one-time fee of each refund at a rate of 39% (thirty nine percent). This fee is payable after the refund check or credit is received by CLIENT. All future cost savings associated with the recovery of refunds are for the CLIENT's full benefit; and
- B. **Client-approved Cost Reductions:** For any cost reductions recommended by CCA and approved for implementation by CLIENT, CCA will share in the resulting savings at the rate of 39% (thirty nine percent) for the first 36 months following implementation of the changes. This fee will be payable on a monthly basis, or CLIENT may elect to prepay the entire amount at a discount. Cost reduction recommendations implemented during the term of this Agreement and within 36 months thereafter are subject to this fee.

IV. TERM: The initial term of this Agreement is one year. After the initial term, this Agreement will remain in effect on a month-to-month basis unless cancelled in writing by either party with at least 30 days written notice. Any fees due CCA, as indicated in Section III above, will continue to be payable, regardless of cancellation or expiration of this Agreement, for findings in process at the time of cancellation or expiration of this Agreement. Findings in process include refunds identified, but not yet collected; cost reductions implemented, but for which all fees have not yet been billed; and cost reductions identified, but not yet implemented in the event they are implemented.

V. OTHER

- A. Except as noted on a referenced attachment to this Agreement, CLIENT is not currently working on pursuing refunds or implementing cost reduction items. If CLIENT becomes aware of a refund or cost reduction opportunity other than through CCA's efforts, which CLIENT elects to pursue on its own, CLIENT agrees to notify CCA in writing upon CLIENT'S discovery of the item.
 - SEE ATTACHMENT IF CHECKED
- B. CLIENT will cooperate with CCA by signing letters of authority to energy and telecom suppliers, supplying copies of appropriate bills, completing forms and providing other documentation and information during the term of this Agreement and for a period of 36 months after this Agreement expires. CCA should work directly with vendors to effectively collect refunds and implement CLIENT-approved cost reduction items. If CLIENT chooses to pursue a refund or implement a cost reduction item that was recommended by CCA on its own, or should a refund or cost reduction item based on an issue identified by CCA become available to CLIENT based on actions of third parties, CCA is still entitled to its Fees.
- C. Fees are payable to CCA within 20 days of date invoiced. Late fees are payable on invoices more than 10 days past due at the rate of 1.5% per month.
- D. This is the entire Agreement between the parties.
- E. In the unlikely event of any disputes, the parties will attempt to settle the dispute among themselves. If unsuccessful, the dispute will be submitted to the American Arbitration Association. The award of the arbitrator will include costs and reasonable attorneys' fees to the prevailing party.

CLIENT by: _____

Signature	Date
_____	_____
Print Name	Title

CCA by: _____

Signature	Date
_____	_____
Print Name	Title



Your Energy & Telecom Experts

Street Lighting Cost Recovery and Reduction Program

Overview

Many municipalities do not have the in-house time and expertise to adequately monitor the accuracy of their street lighting bills. Others are billed "in bulk", with no way to reconcile bills to equipment and use.

Cost Control Associates can help. Our Street Lighting Cost Recovery and Reduction Program includes a comprehensive review of inventory, record keeping and bill accuracy. Our goal is to make sure you know what you have, what you should pay and how to keep your information current.

Our fees are linked directly to the amounts we recover for you from your utility and cost-savings you elect to have us put in place for you. If we don't recover overcharges for you or save you money, you pay us nothing.

How the Program Works

- Our program generally includes:
- ✓ Securing copies of the utility's inventory
 - ✓ Verifying that inventory records agree with billing records
 - ✓ Performing a complete physical survey of your street lighting facilities

- ✓ Identifying facilities in use and utility ownership
- ✓ Preparing refund claims and monitoring claims progress
- ✓ Verifying receipt of refunds and working with the utility to correct erroneous charges
- ✓ Making recommendations to reduce ongoing street lighting costs and implementing approved items
- ✓ Providing reports to you of findings and an inventory of all street lighting facilities

Information Needed

Cost Control Associates will need one recent bill for each street lighting account, copies of any agreements with your utility relating to street lighting and a Letter of Authorization allowing us to obtain information from the utility.

Fees

There are no up-front fees for our services. For refunds obtained, Cost Control Associates simply shares in whatever recoveries are obtained from the utility after we obtain them for you. Any future savings related to correction of errors are yours to keep.

For cost-saving recommendations made that you choose to have us implement, Cost Control Associates simply shares in the savings with you after you have received the savings. Each month, Cost Control Associates will calculate the actual savings achieved and invoice you based on these savings.

If we don't secure refunds or savings for you, you don't pay us.

Why Cost Control Associates

Cost Control Associates has been assisting clients in controlling and reducing energy costs for over 12 years. Our staff has performed street lighting surveys for over one hundred municipal customers. More importantly, Cost Control Associates has recovered millions of dollars in overcharges on the street lighting bills of its clients.

We have the experience and know-how to help recover monies owed to you for utility company billing errors and save you money on your street lighting costs.



Your Energy & Telecom Experts

An Energy Case Study – City of Cleveland

“Because Cleveland’s current electric service is provided by two separate utility companies (both overlapping and in some cases, utilizing the same infrastructure) we knew that the process of reviewing bills might be difficult. The \$627,000 in refunds and annual cost savings that CCA’s review produced shows they were up to the challenge.”



GOALS

The goals established for the Cost Control Associates (CCA) Team were to review the records for both the City’s energy and telecommunication bills to:

- ✓ Identify and obtain all refunds that might be due the city for erroneous billing.
- ✓ Help put in place any cost savings that might be available through rate and other reductions.

CONSTRAINTS

A major constraint on the review process was the fact that the City’s electricity was supplied by two separate utilities. Cleveland Public Power (CPP) is Cleveland’s municipally owned utility. The second supplier, The Illuminating Company (CEI), is a privately owned utility providing electricity services for the City. Because in many instances these two utilities provide overlapping service territories using the same transmission infrastructure, it was sometimes difficult to designate ownership or responsibility.

A second constraint on the review process was the decentralized management of utility costs. Since each department had responsibility for its own energy costs, there was no one “go-to person” for questions on energy usage and costs which often delayed the review process and decision-making.

A third constraint on the review process was that the City had no funds from which to pay a consulting firm to undertake this sizable project.

BACKGROUND

Located on the shores of Lake Erie (the nation’s “North Coast”), the City of Cleveland is a great place to live, work and play. Fortune magazine ranked The Greater Cleveland Area as one of the 10 best centers for business in North America and Partners for Livable Communities named Cleveland one of four “most livable cities” in the U.S.

Cleveland also boasts diverse neighborhoods and trendy downtown living, short and sweet commute times, topped off with a friendly and warm community spirit.

SOLUTIONS

CCA’s Cost Recovery and Reduction™ program produced maximum results by utilizing a combination of its own unique software and its team of seasoned professional analysts to review all energy and telecom accounts. CCA created its own databases and relied on its vast utility knowledge and relationships to affect savings.

In addition, since CCA works on a contingency basis, the company’s fees were funded from the refunds and savings CCA produced.

RESULTS

One of the most interesting discoveries was that the utility company continued to bill the City based on estimated readings for a 10-month period after a building was torn down. This discovery led to a \$63,000 refund. In addition, there were numerous other errors and cost savings identified including meter reading errors, optional electric rates, and optional gas rates.

The CCA Cost Recovery and Reduction™ program produced \$468,807 in refunds and \$657,803 in annual energy and telecom cost reductions for the City of Cleveland. That is a combined savings of over \$1.1 million.

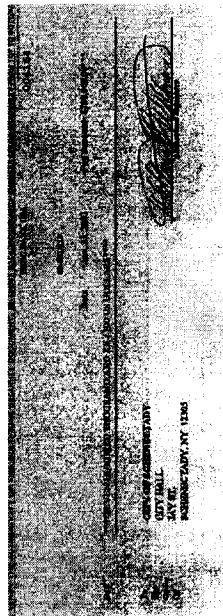
Contact:

Ms. Kenitha Sturdivant
IT EDP Auditor/Project Manager
City of Cleveland
Phone: (216) 664-6261
Email: kenitha_sturdivant@ClevelandWater.com



Your Energy & Telecom Experts

"The results tell the story - \$700,000 - Wow! Thanks to Cost Control Associates for finding money even after our utility company had twice-before performed audits".



Background

The City of Schenectady, on the banks of the Mohawk River, has a rich history. From one of the earliest and largest General Electric plants to the manufacturing of locomotives, this City has a history of manufacturing successes.

Like many other cities, the City of Schenectady has experienced a huge decline in its manufacturing employment and tax base. This erosion of the City's manufacturing base has resulted in some financial challenges.

Director of Finance, Mike Strenka, was hired with a mandate to produce significant cost savings for the City. One area that immediately caught his interest was the nearly \$1.0 million per year the City was spending on street

Case Study - City of Schenectady

lighting for the approximately 4,600 lights in the City.

The utility company maintained detailed inventory and billing records and had twice-before performed physical inventories to insure the accuracy of its billing. In addition, the City's Bureau of Traffic and Signal Control maintained a detailed inventory of all facilities, but it had been several years since a complete physical inventory was used to update these records.

Goals and Constraints

The City was searching for ways to insure that the utility company's billing was accurate. The City also wished to have a current physical inventory to update its own inventory records. Because of budget constraints, the City had no internal resources available for this effort and there was no money available to hire outside consultants.

Solutions

Cost Control Associates' specialized street lighting services were just the right solution. These specialized services are offered to municipalities as part of its **Cost Recovery and Reduction™** program. Cost Control Associates' review included:

- ✓ A complete physical survey

- ✓ Comparison of survey results to utility company records
- ✓ Refund computation and negotiation
- ✓ Recommendations to reduce on-going costs
- ✓ Provision of detailed inventory record

Fees for Cost Control Associates' services were paid out of the refunds and savings they produced.

Results

Cost Control Associates' field personnel drove every street in the City to record data on each street lighting facility. A comparison of this data to the inventory record used by the utility company for billing revealed hundreds of discrepancies. After months of working with the utility company to resolve these inventory differences, a final inventory was agreed upon.

Although the utility company records were in poor condition making an exact refund calculation impossible, the refund negotiation led by Cost Control Associates produced a whopping \$700,000 refund. In addition, the corrections to the inventory cut annual street lighting costs by nearly \$100,000.

Contact: Mr. Mike Strenka
Former Director of Finance, City of Schenectady, Now Town Comptroller, Town of North Greenbush Phone: 518-283-3525
Email: mstrenka@townofng.com

April 6, 2009

Finding Money Made Simple

Tuscarawas County, Ohio recovered and saved nearly \$40,000. Solano County, Calif. ended up with \$169,000 in refunds and first-year savings. Dallas County, Texas saved nearly \$100,000 in telephone costs.

More than 50 counties — large and small, urban and rural — have saved more than \$2 million by simply reviewing their energy and telecom bills.

These counties used NACo's contingency fee-based program to analyze energy and telecom billing. The program, provided by Cost Control Associates, Inc. (CCA), requires no up-front costs to review and analyze cellular, local and long distance phone bills, and electric and gas bills. There is absolutely no risk for a county to use the program either; fees for services are not collected unless savings or refunds are found.

Dallas County, a large urban county, published an RFP to develop a national contract for these services that could help it and other counties throughout the country reduce energy and telecom costs. After the national award was made, CCA reviewed Dallas County's telecom costs and provided the county with \$98,758 in refunds and first-year cost savings.

"Dallas County decided to begin using the Cost Recovery and Reduction Program by analyzing our telecom services first. The almost \$100,000 in refunds and savings that Cost Control Associates obtained for us has made a difference in a tight budget year for the county," said Chris Thompson, director of communications and central services. The county was so pleased with the telecom results that it expects to perform a review of its energy bills.

Because Dallas County bid for the services on behalf of all state and local governments, many other counties have been able to piggyback onto the award and begin using the

services without bidding the services themselves.

Rural Tuscarawas County discovered \$39,385 in refunds and first-year cost savings after a thorough review of energy and telecom costs. "We were very pleased with our Energy and Telecom Cost Recovery and Reduction Review," said Crystal DiGenova, supervisor of maintenance, buildings and grounds. "CCA's efforts reduced county telecommunication costs by almost \$40,000."

Solano County, a mid-sized suburban county, established two goals when reviewing its energy and telecom costs: identify and obtain all refunds, and help put in place any cost-saving measures that might be available through rate and other reductions.

"The county is constantly looking for innovative ways to improve our day-to-day processes, enhance customer service and lower the cost of doing business," said Solano County Administrator Michael Johnson. "This public-private partnership has given us more than \$169,000 in refunds and annual savings — all without any up-front risk."

CCA has experience in reviewing bills with nearly all major telecom and utility providers. Through its relationship with NACo and the Dallas County national award, CCA offers these services to all state and local governments at a discount from their normal fee structure.

To learn more about the telecom and energy analysis program, contact Jim Sawyer with NACo's Financial Services Center at 202/661-8868 or by e-mail at jsawyer@naco.org.

(Financial Services News was written by Jim Sawyer, Director, NACo Financial Services Corp. NACo FSC intern Stephanie Raphael contributed to this article.)

