

RESOLUTION NO. 2014- 137

A RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH JB WAGNER CONSULTING, WYOMISSING, PA, FOR ELECTRIC & WATER RATE REVIEW, SOLAR INTERCONNECTION RATES DESIGN AND SUPPORT OF PJM LOAD/DEMAND RESPONSE PROGRAMS.

WHEREAS, there exists a need for professional services to provide Electric & Water Rate Review, Solar Interconnection Rates Design and Support for PJM Load/Demand Response Programs; and

WHEREAS, the City of Vineland has a need to acquire such professional services as a Non-Fair and Open Contract pursuant to N.J.S.A. 19:44A-20.5; and

WHEREAS, the purchasing agent has determined and certified in writing that the value of said services will exceed \$17,500.00; and

WHEREAS, JB Wagner Consulting, Wyomissing, PA, has submitted a proposal indicating they will provide the professional services in an amount not to exceed \$126,000.00 for a period of one year beginning May 1, 2014; and

WHEREAS, JB Wagner Consulting has completed and submitted a Business Entity Disclosure Certification for Non-Fair and Open Contract which certifies that JB Wagner Consulting has not made any reportable contributions to a political or candidate committee in the City of Vineland in the previous one year and that the contract will prohibit JB Wagner Consulting from making any reportable contributions through the term of the contract to a political or candidate committee in the City of Vineland; and

WHEREAS, the availability of funds for said Professional Services Contract to be awarded herein have been certified by the City Comptroller; and

WHEREAS, the Local Public Contract Law (N.J.S.A. 40A:11-1, et seq) requires that the Resolution authorizing the award of contract for Professional Services without competitive bidding and the contract itself must be available for public inspection.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vineland as follows:

1. That the Mayor and Clerk are hereby authorized and directed to execute a Non-Fair and Open Agreement pursuant to N.J.S.A. 19:44A-20.5 with JB Wagner Consulting, Wyomissing, PA, for Professional Services to provide Electric & Water Rate Review, Solar Interconnection Rates Design and Support for PJM Load/Demand Response Programs in an amount not to exceed \$126,000.00.
2. That the City Solicitor is authorized to make minor changes to the above contract as needed.
3. That this Agreement is awarded without competitive bidding as a Professional Service in accordance with N.J.S.A. 40A:11-5 (1) (a) of the Local Public Contracts Law because said services to be rendered or performed require knowledge of an advanced type in a field of learning acquired by a prolonged formal course of specialized instruction distinguished from general academic instruction or apprenticeship and training.

4. That the Business Disclosure Entity Certification, the Political Contribution Disclosure Form and the Determination of Value be placed on file with this Resolution.
5. That a Notice of this action shall be printed once in the Daily Journal.

Adopted:

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President of Council

ATTEST:

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City Clerk

**MEMORANDUM**

**MARCH 24, 2014**

**TO:** WILLIAM LUTZ  
BUSINESS ADMINISTRATOR

**FROM:** JOHN T BOYLE JR   
ASSISTANT GENERAL MANAGER, ELECTRIC UTILITY

**SUBJECT:** REQUEST FOR ELECTRIC AND WATER RATES REVIEW AND  
DESIGN PROFESSIONAL SERVICES AGREEMENT –


Vineland Municipal Utility requests that a professional services contract be awarded to JB Wagner Consulting, 111 Sturbridge Court Wyomissing, PA 19610., not to exceed \$126,000 for the April 8, 2014 Council Meeting. The purpose of this contract is for electric and water rates review, solar interconnection rates design plus support for PJM Load/Demand response programs.

This is a non-fair and open award and profession services request. The Pay to Play paper work should be submitted to Purchasing Department by March 25, 2014. John Wagner has over 30 years of professional experience in Vineland's Utility rates. This renew contract will start on May 1, 2014. He will work as managerial staff consultant position in City Hall which gives existing staff full access to him on rate development, understanding and plus working with new computer software design.

Attached is scope of work and contract terms and flat hourly rate fee schedule.

Please make the resolution authorizing the Director of Law to make any minor changes to the contract as needed after Council approves it.

Approval:

  
\_\_\_\_\_  
Joseph Isabella  
Director Electric Utility

  
\_\_\_\_\_  
William Lutz.  
Business Administrator

JTB  
Attachment  
CC Yvonne Lewis

**REQUEST FOR RESOLUTION FOR CONTRACT AWARDS  
UNDER 40A:11-5 EXCEPTIONS  
(PROFESSIONAL SERVICES, EUS, SOFTWARE MAINTENANCE, ETC)**

3/24/2014

(DATE)

1. Service (detailed description): Rate review for City of Vineland Municipal Utilities, NJ

2. Amount to be Awarded: \$ 126,000

- Encumber Total Award  
 Encumber by Supplemental Release

3. Amount Budgeted: \$ 126,000

4. Budgeted: By Ordinance No. \_\_\_\_\_  
Or Grant: Title & Year \_\_\_\_\_

5. \*\*Account Number to be Charged: '002-0-54-90-9006-2-7023413 E923

6. Contract Period: 1 year starting May 1, 2014

7. Date To Be Awarded: April 8, 2014

8. Recommended Vendor and Address: JB Wagner Consulting

111 Sturbridge Ct Wyomissing PA

9. Justification for Vendor Recommendation:(attach additional information for Council review)  
See attached memo.

- Non-Fair & Open (Pay-to-Play documents required)  
 Fair & Open: How was RFP advertised? \_\_\_\_\_

10. Evaluation Performed by: John Boyle

11. Approved by: \_\_\_\_\_

12. Attachments:

- Awarding Proposal  
 Other: \_\_\_\_\_

- Send copies to:  
Purchasing Division  
Business Administration

\*\* If more than one account #, provide break down

## **A. Introduction and Purpose**

1. The Vineland Municipal Utilities (the "VMU") is a municipally owned and operated electric and water utility which serves customers in the City of Vineland, New Jersey (the "City"). The City of Vineland Municipal Utilities is requesting a award for management level support staff to perform a rate and fuel adjustment review to maintain proper revenue requirements to each of the rate classes plus other rate initiatives with customer programs.

### **2014 Scope of Work**

The intent of this contract scope of work is to Supply a management level support staff to be assigned full time to VMU City Hall site to work daily with VMU personnel from 8:30 AM to 5 PM Monday to Friday with 1 hour lunch. The following tasks will be required to be accomplished during those work hours.

1. Ongoing **electric rate decoupling** implementation and support.
  - a. The decoupled rate plan has been updated. Presentation to Council is scheduled to begin. The formal approval process will take approximately 60 days. The Contractor will present the decoupled rates to Council (with supporting documents) and be available for Council meetings as necessary.
  - b. Public meetings and individual customer presentations. The Contractor will be available to present the decoupled rate plan to the public and to individual large customers as needed to explain the rate changes.
  - c. Ongoing revenue tracking by the Contractor to ensure revenue targets are met under the decoupled rate design.
  - d. Ongoing customer support to meet with customers and help the adjustment to the decoupled rate design.
2. Ongoing monitoring of electric utility **revenue requirements, financial targets and financial forecast**.
3. Customer Care and **Billing software** implementation is currently underway, the contractor is a key member of the core team will provide consulting services throughout the project and "Go-Live".

4. **Demand response program** implementation support to assist VMEU implement the program and give customer support as needed. Contractor shall work very closely with VMU staff and PJM.
5. Ongoing monitoring and support of **generation uplift tariff** and charges.
6. Monitor **water revenue, rates and revenue requirement** with a possible rate change for 2014 and possible implementation of a variable "chemical cost recovery charge" and restructuring of rates to reduce sensitivity to weather variations.
7. Maintain and administer distributed generation and **renewable energy interconnection agreement**.
8. Monitor **water tank maintenance** program. Track contractor expenses vs billings to VMWU. Incorporate costs into revenue requirement forecast and ongoing project review.
9. **AMI** vendor selection and project implementation. Begin the process to select an AMI vendor and plan/begin the implementation project. Insure the selected AMI system interfaces with the new billing system and meets the needs for both electric and water rates.
10. Electric and Water utility budget assistance.
11. **Management level ongoing support for utility issues.**
12. Draft, adjust and or write the needed city Ordinances to property execute the various rates and policy changes as performed above.

## **B. Definition of Terms**

1. "VMU" or "City" or "Utility" shall mean the City of Vineland Municipal Electric Utility, and City of Vineland Water Utility, Vineland, New Jersey.
2. "Consultant" or "Contractor" shall mean the JB Wagner Consulting Sole Proprietor, contracted for the performance of the work described herein, and its, his, or their duly authorized representatives
3. "The work" or "the tasks" shall mean the services to be furnished under the contract and the carrying out of all the obligations imposed by the contract.
4. "PJM" is the Pennsylvania, New Jersey, Maryland interconnection authority.

## **C. TASKS**

### **1. Meeting**

- a. Consultant will participate in meetings with VMU staff to plan the work. At the meeting, we will review the scope and data needed from VMU and develop a plan to achieve overall consistency of all Project documentation. Consultant will develop a milestone schedule for Tasks and activities in order to meet required deadlines

**2. Rates Documentation**

- a. The Consultant shall prepare all detailed documents for the rates design and philosophy.
- b. Consultant shall supply all Excel spreadsheets with details on how rates were calculated and designed.

**3. Final rate report**

- a. Consultant will prepare a detailed rate report for the proposed changes to existing rates and any possible impact to all the different rate classes.

**4. Ordinances**

- a. Consultant shall draft as needed any ordinance to execute the management approved policy and rates changes

**D. City Council Presentation**

- a. Consultant will assist in the preparation of a summary presentation to City Council for approval of rate ordinance. The Consultant may be required to make presentations and/or conduct discussion at City Council Meetings which are held in the evening hours.

**E. Contract Terms**

1. The contract to perform the project is awarded on a flat billing rate basis (\$65/hour).
2. The Consultant's quote flat billing rate shall remain firm for one year commencing with date of contract award.
3. The consultant shall quote a flat hour rate for all work performed on city property and consultant will only get paid for hours worked on city property or off site as authorized by General Manager.

**F. Required Deliveries**

1. All documents shall include all the details as listed in the above sections plus any additional information necessary to execute the new rates and documentation of the design and philosophy.

2. All documents must be supplied in Microsoft Word or Excel 2003 or higher on a CD together with ten (10) bound color copies. All reports shall become the property of VMU.
3. The Consultant shall hold a briefing in person or by conference call (when authorized) on a regular basis using Microsoft power point presentation show/sheets to report the progress of the project. The Consultant shall hold a minimum of six (6) briefings at critical progress points in Vineland as directed by VMU. All briefing reports shall also be filed electronically to VMU.

### **G. City's Responsibilities**

1. Provide office space in City Hall, Phone, computer and office supplies.
2. Provide support clerical, engineering, billing and accountant staff as needed.
3. Provide hourly load data
4. Provide monthly water usage data
5. Provide any and all customer's bills as needed.
6. Access to all City personnel and Property
7. Access to required information
8. Access to the City decision-making authorities and engineering staff in order to complete the project.
9. Other data as specified during the conduction of the study.

### **H. Terms and Conditions, Total Agreement**

1. Terms and Conditions shall be in accordance with the City's enclosed Professional Services Agreement. Other documents referenced in the Agreement shall have the same validity as if included in such Agreement.
2. Proposed exceptions, additions, deletions, and modifications to the Professional Services Agreement shall be explicitly stated and entitled "Exceptions to the Professional Services Agreement." If the City accepts such exceptions and an award of contract is recommended, City will modify the agreement prior to its execution.

### **I. Business Registration Certificate**



In order to execute a contract with the City of Vineland, the consultant must have obtained a New Jersey Business registration certificate. Go to this internet address for more information. <http://www.state.nj.us/treasury/revenue/busregcert.htm>

**J, Consultant Minimum Experience Requirements**

1. The actual person assigned to Vineland shall have 25 years' experience in Electric and Water rate designed and investigating. Those years must be current past 25 years.
2. The consultant company cannot substitute or add together a few employees' experiences to fulfill this requirement of 25 years.
3. The assigned person must report to work within two weeks after city council approved the contract in spring of 2014.
4. Constant must show that they have working on these new types of rates such as decoupling calculations and philosophies. Please submit references.
5. Must speak and write English and be proficient in Microsoft office products such as Word and Excel.