

BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: 02/10/2015

ITEM SUMMARY, JUSTIFICATION and/or SPECIAL CONSIDERATIONS

Amendment of Award: MA# B507154-BC Version 10, Cost Control Associates (Headquarters: Queensbury, NY), Inc. to extend the contract term from 01/17/2015 to 03/01/2015, and increase the contract award amount by \$258,157.07. Funding Source: General Fund Administering Department: Facilities Management

BACKGROUND

At the request of the Facilities Management Department (FMD) the contract was awarded by the Procurement Director on 01/15/2010 in the amount of \$169,260.00 for a three year period to Cost Control Associates (CCA) to review Pima County utility tariffs, rates, and invoices, and revise the applicable tariff to a tariff that reduces cost to Pima County. The award included one (1) two-year renewal option that has been executed. The contract's current termination date is 01/17/2015.

On 12/10/2010, the Procurement Director approved FMD's request to increase the three-year (3) contract award amount by \$80,740.00 to \$250,000.00. On 04/27/2011 the Procurement Director approved FMD's request to increase the three-year (3) award amount by \$50,000.00 to \$300,000.00 resulting in an annual award amount of \$100,000.00. Execution of the one (1) two-year renewal option increased the cumulative contract award amount to \$500,000.00.

The contract includes two (2) payment options: 1) 39% per month of the total monthly cost reduction approved by the County for the first thirty six (36) months following implementation of the changes, or; 2) Early payment of the option 1 amount at a discounted rate.

Through November 2014, CCA identified and FMD implemented tariff revisions that projected cost reductions in the amount of \$733,131.12. After consultation with Finance to determine the optimal payment option, FMD approved payment of \$263,436.70, 35% of the cost reductions, leaving a current contract balance of \$236,563.30.

Subsequently CCA identified and FMD implemented tariff revisions that based on the revised tariff and historical electricity usage is projected to generate \$1,492,369.14 of additional cost reductions. In lieu of monthly payments over 36-months, if paid by March 1, 2015 CCA has provided a 15% early payment discount. After consultation with Finance, FMD has determined that the early payment option is advantageous and CCA is due payment of \$494,720.37 (\$1,492,369.14 x 39% = \$582,023.96 less a 15% early payment discount = \$494,720.37).

The requested increase in award and contract amount of \$258,157.07 is required to enable FMD to authorize full payment of \$494,720.37 (Current available contract amount of \$236,563.30 + \$258,157.07 = \$494,720.37).

If this amendment action is approved, the cumulative contract amount will be increased by \$258,157.07 to \$758,157.07 and the contract term extended to 3/1/2015.

Effective Date: 02/10/2015

New Termination Date: 03/01/2015

Original Contract Amount: \$ 169,260.00

Prior Amendment Amounts: \$ 330,740.00

This Amendment Amount: \$ 258,157.07

Revised Contract Amount: \$ 758,157.07

Contract Officer: John Nanosky, 520-724-8165, Procurement Department

Payment System: AMS

Cont #	: MA ^{PO} B507154 - 10
Effective:	: 2/10/15
Term	: 3/1/2015
Cost	: \$258,157.07
Rev	: 0
Tot	: \$258,157.07
NTE	: \$758,157.07
Timex	: YES
Renewal:	: 1/1/2015
Term	: 3/1/2015

CLERK OF BOARD USE ONLY: BOS MTG. _____ ITEM NO. _____

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or

Procure Dept 01/20/15 FN0301

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