

**AMENDMENT NO. 2
TO THE AGREEMENT FOR THE PERFORMANCE OF SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
BLACK & VEATCH MANAGEMENT CONSULTING, LLC**

PREAMBLE

This agreement ("Amendment No. 2) is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and Black & Veatch Management Consulting, LLC, a Kansas limited liability company (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. The Parties previously entered into an agreement entitled "Agreement for the Performance of Services by and between the City of Santa Clara and Black & Veatch Management Consulting, LLC", dated December 22, 2017 (Agreement);
- B. The Agreement was previously amended by Amendment No. 1, dated December 22, 2018, and is again amended by this Amendment No. 2. The Agreement and all previous amendments are collectively referred to herein as the "Agreement as Amended"; and
- C. The termination of the Agreement as Amended, which terminated on June 30, 2020, is hereby revoked and except as expressly modified by this Amendment No. 2, the Agreement as Amended shall be, and hereby is, reinstated in its entirety and shall be in full force and effect as if the same had never been terminated; and
- D. The Parties entered into the Agreement for the purpose of having Contractor provide water, sewer, and recycled water rate and capacity fee studies, and the Parties now wish to amend the Agreement as Amended to extend the term of the agreement through September 30, 2021 and increase compensation by Twenty Thousand Dollars (\$20,000) for a revised not-to-exceed maximum compensation amount of One Hundred Sixty-Four Thousand Dollars (\$164,000).

NOW, THEREFORE, the Parties agree as follows:

AMENDMENT TERMS AND CONDITIONS

1. Section 2 of the Agreement as Amended, entitled "Term of Agreement" is amended to read as follows:

Unless otherwise set forth in this Agreement as Amended or unless this paragraph is subsequently modified by a written amendment to this Agreement as Amended, the term of the Agreement as Amended shall begin on the Effective Date of this Agreement as Amended and terminate on September 30, 2021.

2. Exhibit A of the Agreement as Amended, entitled "Scope of Services" is hereby amended by adding Tasks 17 through 20, attached hereto and incorporated herein by reference, which sets forth the services and deliverables required.
3. Exhibit B of the Agreement as Amended, entitled "Schedule of Fees", is hereby amended to read as shown in Second Revised Exhibit B, attached and incorporated into this Amendment No. 2.
4. Except as set forth herein, all other terms and conditions of the Agreement as Amended shall remain in full force and effect. In case of a conflict in the terms of the Agreement as Amended and this Amendment No. 2, the provisions of this Amendment No. 2 shall control.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 2 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

Dated: _____

BRIAN DOYLE
City Attorney

DEANNA J. SANTANA
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

BLACK & VEATCH MANAGEMENT CONSULTING, LLC
a Kansas limited liability company

Dated: 2/9/2021

By (Signature):

Name:

Title:

Deepa Poduval
Deepa Poduval

Associate Vice President

KAR
2-9-21

PM (A. Morales)
2/9/2021 *AM*

Principal Place of ~~4400 Post Oak Parkway, 12th Floor~~
Business Address: ~~Houston, TX 77027~~ 11401 Lamar Avenue, Overland Park, KS 66211

Email Address: PoduvalD@BV.com

Telephone: (713) 590-2256

Fax: ()

"CONTRACTOR"

**ADDENDUM TO EXHIBIT A
SCOPE OF SERVICES
TASKS 17 - 20**

1. Task 17 - Project Management

The objective of this task is the overall project management of the study. Management includes items such general discussions, data request and meetings.

1.1. Data Request

Black & Veatch will prepare a new data request for financial and/or operating data necessary to update the rate and system development study. It is anticipated data will be available in a timely manner to support the study timeline.

1.2. Meetings

1.2.1. Black & Veatch will attend one (1) formal meeting. The purpose of the meeting will be to assist City staff in the presentation of results and recommendations to City Council at a formal City Council meeting. Note that until COVID-19 restrictions are amended by the County of Santa Clara Public Health, the meetings will be attended via Zoom or similar platform.

1.2.2. Black & Veatch anticipates several conference calls with City staff to discuss issues as they arise during the study.

1.3. Deliverables

1.3.1. Black & Veatch will provide the City with preliminary draft rate study reports for City staff and legal to review and comment.

1.3.2. Black & Veatch will provide the City with a final study incorporating final City and legal comments. A revised final report may be submitted based on Council recommendation.

1.3.3. Black & Veatch will provide the City with an updated rate model.

2. Task 18 - Financial Plan

2.1. The objective of this task is to update the financial plans for the water, recycled water and sewer utilities over a three-year study period. The update will focus on updating the following elements in 2021:

2.1.1. Customer and Usage Projections

2.1.2. Revenue Projections

2.1.3. Miscellaneous Revenue Projections

2.1.4. Annual Revenue Requirement Projections

2.1.4.1. Operation and maintenance expenditures;

2.1.4.2. Debt service coverage on existing and projected bond issues and state loans;

2.1.4.3. Cash and bond financing of CIP;

2.1.4.4. Use of and contributions to reserves (operating, replacement, etc.);

2.1.5. Capital Improvement Program and Anticipated Expenditure Requirements

2.2. Determination of the Adequacy of Revenues under Existing Rates

2.2.1. Black & Veatch will update the cash flow analyses for each utility over the study period showing a comparison of revenue under existing rates with revenue requirements. As a part of the cash flow analyses, Black & Veatch will determine the annual revenue increase required.

2.2.2. The cash flow analyses will establish the basis to develop a sound financial plan over the study period and establish the target revenue to be utilized in performing the cost of service and rate design analyses.

3. Task 19 - Cost of Service Analysis

The objective of this task is to evaluate in any changes occurred to how the City operates the water, recycled water and sewer utilities. It is anticipated that minimal to no changes will occur with respect to cost of service allocations.

4. Task 20 - Rate Design

The objective of this task is to calculate the water, recycled water and sewer rates based on the changes to the financial plan in Task 17. The rates will continue to maintain a reasonable nexus between costs incurred in providing service and the rates and charges that are designed to recover the costs of providing service. Black & Veatch does not anticipate any new structures as part of this exercise. Any changes will be discussed between Black & Veatch and the City prior to proceeding.

5. Project Schedule

Based on the scope of services outlined in Tasks 17-20, Black & Veatch anticipates a six-month timeline that will commence upon written notice to proceed and be completed by July 1 of 2021.

As stated previously, the schedule assumes timely receipt of requested data, turn-around on materials submitted for review and access to City staff and City Council.

**SECOND REVISED EXHIBIT B
SCHEDULE OF FEES**

1. MAXIMUM COMPENSATION

In no event shall the amount billed to City by Contractor for services under this Agreement exceed One Hundred Sixty-Four Thousand Dollars (\$164,000), subject to the annual appropriation of funds.

Any additional professional fees, costs and expenses requested by the City that would exceed the preceding maximum amount will be addressed in an Amendment to the Agreement.

2. FEES

2.1. Fiscal Year 2017/2018 Rate and Capacity Fee Study (Recommended rates effective July 1, 2018)

Based on the Scope of Services, Contractor will perform the scope on a fixed fee basis, as set forth in Table 1 below. The cost only incorporates attendance at six meetings. Should the City engage Contractor for additional meetings, then the hourly rates below will be utilized.

Cost items 1-3 below represent the full cost of all Tasks 1-11 in the Scope of Services (Exhibit A). Items 4 & 5 below are ancillary analyses required by the City to complete the cost of service analyses outlined in Exhibit A. For item 6 below, the cost includes additional meetings and analysis requested by the City.

Table 1 - Fiscal Year 2017/18 Fees

Item	Description	Qty	Unit of Measure	Unit Price	Total
1	Water Utility Rate Study	1	LS	\$44,955	\$44,955
2	Sewer Utility Rate Study	1	LS	\$30,120	\$30,120
3	Recycled Water Rate Study	1	LS	\$9,835	\$9,835
4	CUSD Agreement Evaluation	1	LS	\$2,500	\$2,500
5	Temp. Discharge to Sewer Fee Evaluation	1	LS	\$2,500	\$2,500
6	Additional Meetings/Analysis	1	LS	\$14,090	\$14,090
Total (Tasks 1-11)					\$104,000

**2.3. Fiscal Years 2018/19 and 2019/20 Rate and Capacity Fee Studies
(Recommended rates effective July 1, 2019 and July 1, 2020,
respectively)**

Based on Tasks 12-16 in the Scope of Services, Contractor shall complete the rate and capacity fee study for Fiscal Years 2018/19 and 2019/20 and on a fixed fee basis, as set forth in Table 2 below.

Table 2 - Fiscal Years 2018/19 and 2019/20 Fees

Item	Description	Qty	Unit of Measure	Unit Price	Total
1	Water and Sewer Utility Rate Study	1	LS	\$25,000	25,000
2	Water and Sewer Utility System Development Charges Study	1	LS	\$10,000	\$10,000
3	Additional Meetings and Analysis	1	LS	\$5,000	\$5,000
Total (Tasks 12 - 16)					\$40,000

2.4. Fiscal Year 2020/21 Rate and Capacity Fee Studies (Recommended rates effective July 1, 2021)

Based on Tasks 17-20 in the Scope of Services, Contractor shall complete the rate and capacity fee study for Fiscal Year 2020/21 on a fixed fee basis, as set forth in Table 3 below.

Table 3 - Fiscal Year 2020/21 Fees

Item	Description	Qty	Unit of Measure	Unit Price	Total
1	Water and Sewer Utility Rate Study	1	LS	\$20,000	20,000
Total (Tasks 17 - 20)					\$20,000

3. ADDITIONAL SERVICES/FEES

- 3.1.** The following hourly rates will only be utilized to the extent the City requests Contractor to perform services outside the defined scope of services.

Job Description	Team Member	Hourly Billing Rates
Project Analyst	Staff	\$185
Sr. Project Analyst	Staff	\$200
Project Manager	Alberto Morales	\$265
Technical Advisor	Pam Lemoine	\$285
Project Director	Ann Bui	\$325

- 3.2.** Direct expenses shall be at additional cost and include but are not limited to mileage, car rental, hotels, meals, and reproduction costs. These expenses must have prior approval from the City.

4. INVOICING

City will pay Contractor within thirty (30) days of City's receipt of an approved invoice.