

TO CITY CLERK FOR PLACEMENT ON NEXT  
REGULAR COUNCIL AGENDA TO BE POSTED

#52

MOTION

10-0475-S9

ENERGY & ENVIRONMENT

rule 16 for April 24

APR 20 2012

On February 14, 2011, after being confirmed by the Mayor and City Council, the City's Executive Director of the Office of Public Accountability (OPA) was sworn into Office. The Executive Director is tasked with administering the affairs and operations of the OPA. The OPA was established by the voters to provide independent analysis of Department of Water and Power (DWP) actions associated with water and electricity rates.

The Executive Director is currently in the process of developing the operational components of the Office including the formation of staff functions. As part of this, the Executive Director is developing a staff hiring plan to fulfill the objectives of the Office. This process may take several months to finalize.

On April 3, 2012, the DWP presented its proposed Water and Power System Rates for the next two Fiscal Years (2012-2013 and 2013-2014) to the Board of Water and Power Commissioners. The DWP's rates proposal calls for an expedited review and implementation schedule given the current fiscal needs of the Department.

The DWP's proposed schedule provides for ratepayer workshops in April/May 2012 with Board consideration of the proposal in June 2012. After the Board considers the matter, it would be sent to the City Council for its review and consideration

In order for the rates proposal to be considered by the Board and City Council, an independent review and assessment of the proposal from the OPA must be provided. Given the DWP's expedited rates schedule proposed, it is likely that the OPA will not have appropriate staffing in place to meet the schedule's reporting requests.

To address this matter, the OPA should be authorized to utilize the City's existing consultant resources expert in DWP operations. PA Consulting has been on contract with the City conducting independent reviews and assessments of DWP programs, budgets and rate proposals during the past year. PA Consulting is also assessing the current DWP rate proposal.

By having direct access to PA Consulting's data and resources, the OPA would be more readily informed about the DWP's budget, operations and challenges. In this manner, the OPA would be better able to effectively review the rate proposal and provide a thorough report in the near term.

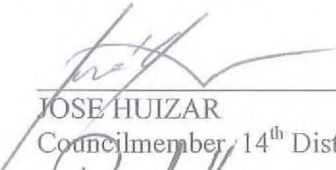
I THEREFORE MOVE that the City Administrative Officer (CAO) and the Chief Legislative Analyst (CLA), in conjunction with the Office of Public Accountability (OPA), be authorized to execute an amendment (Amendment No. 2) to the existing agreement with PA Consulting (Contract No. C-118747, CF 10-0475-S7 & S8), for an additional \$380,000, for a period not to exceed 180 days, for a contract total of \$1,516,000 to provide the OPA with resource support, including knowledge/data transfer regarding the Department of Water and Power (DWP) budget, financial plans and operations in order to facilitate the OPA's review of the DWP's rate proposal.

I FURTHER MOVE that the OPA, in conjunction with the CAO and CLA, be designated as a supervisory and coordinating entity of Amendment No. 2 services and that contract costs up to \$380,000 be expended/paid from the OPA FY 2011-12 Budget upon the execution of services.

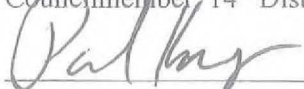
I FURTHER MOVE that the Controller be authorized to transfer \$65,000 from Account 1010 Salaries General to Account 3040 Contractual Services, Fund 100/Department 10 to support the contract authorization.

I FURTHER MOVE that the OPA be urged and the Personnel Department instructed, including the CAO and CLA, to expedite the OPA's plan for long-term staffing and report on its status in 30 days.

PRESENTED BY:

  
JOSE HUIZAR  
Councilmember, 14<sup>th</sup> District

SECONDED BY:



ORIGINAL

  
APR 20 2012