

**AMENDMENT NUMBER 1 TO
AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN
STANTEC CONSULTING SERVICES INC
AND
THE CITY OF ANN ARBOR**

The City of Ann Arbor, a Michigan municipal corporation, with offices at 301 E. Huron St. Ann Arbor, Michigan 48107-8647 (“City”) and Stantec Consulting Services Inc having its offices at 777 S. Harbour Island Blvd, Suite 600, FL 33602 (“Contractor”) agree to amend the professional services agreement for the project Cost of Service Study for Water and Wastewater Services executed by the parties dated March 20, 2017 (“Agreement”) as follows:

- 1) Article III, Services, is amended to read as follows:
 - A. The contractor agrees to provide services related to the public engagement, financial and administrative services related to the cost of service and rate design for water and wastewater rates for the City of Ann Arbor (“Services”) as well as to support subsequent to study completion for review and rate design alternative analysis in connection with the Project as described in Exhibits A and A1. The City retains the right to make changes to the quantities of service within the general scope of the agreement at any time by a written order. If the changes add or deduct from the extent of the services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement.

- 2) Article V, Compensation of Contractor, is amended to read as follows:
 - A. The Contractor shall be paid in the manner set forth in Exhibit B and Exhibit A1. Payment shall be made monthly, unless another payment term is specified in Exhibit B, following receipt of invoices submitted by the Contractor, and approved by the Contract Administrator.

- 3) Article XIX, Electronic Transaction is appended to read as follows:

The parties agree that signatures on this Agreement may be delivered electronically in lieu of an original signature and agree to treat electronic signatures that bind them to this agreement.

All terms, conditions, and provisions of the Agreement, unless specifically amended above, shall apply to this Amendment and are made a part of this Amendment as though expressly rewritten, incorporated, and included herein.

This Amendment to the Agreement shall be binding on the Parties’ heirs, successors, and assigns.

For Contractor

By _____
Andrew Burham

Its: Director
Date: February 5, 2019

For City of Ann Arbor

By _____
Christopher Taylor, Mayor

By _____
Jacqueline Beaudry, City Clerk

Approved as to form and content

Stephen K. Postema, City Attorney

Approved as to substance

Howard S. Lazarus, City Administrator

Craig Hupy, Public Services Area Administrator

EXHIBIT A1: AMENDMENT NUMBER 1

SCOPE OF SERVICES & COMPENSATION

Review Support & Alternative Analysis Assistance
Project Work Plan and Cost Estimate Schedule

Project Tasks	Estimated Labor-Hours		Total Project
	Director	Managing Consultant	
	Resources →		
	Hourly Rates →	\$350	\$215
Task 1 Review Support			
1.1 Provide initial set of billing and AMI data, system information, financial reports, and other information relied upon in rate study.	1	3	4
1.2 Conduct conference calls with Review Consultant to discuss/clarify data and provide supplemental information.	2	4	6
1.3 Provide stakeholder presentation materials, interim work products, scenarios evaluated, and final report for rate study.	1	2	3
1.4 Conduct conference calls with Review Consultant to discuss basis for rate structure recommendations and alternatives evaluated.	2	2	4
Task 2 Prepare Alternative Rate Calculations per Review Consultant			
2.1 Conduct conference call with Review Consultant to discuss initial alternative rate structures by customer class for evaluation. Adjust cost of service and rate structure models used in recent rate study to calculate rates for selected alternatives, including:	2	2	4
2.2 a. Preparation of detailed rate schedules for fixed and variable charges by service type, customer class, and meter size.	2	16	18
b. Comparison of revenues and unit cost pricing generated under alternative rate structures by class as compared to current rate structure.			
c. Identification of customer impacts of alternative rate structures compared to current rates by customer class.			
d. Calculation of special surcharges, credits, incentives, and/or other special purpose fee/programs as part of any alternative.			
e. Summary graphics of key observations, impacts, consequences of each alternative rate structure.			
2.3 Perform quality control review with project team and adjust analysis/summary schedules as required.	2	4	6
2.4 Conference call with Review Consultant to review and analyze results of initial alternatives.	2	2	4
2.5 Perform adjustments based on results prior sub-task and distribute updated/modified results to Review Consultant.	1	4	5
2.6 Prepare for and meet with Review Consultant & City staff to review and analyze modified results of refined alternatives.	4	4	8
2.7 Perform adjustments based on results of prior sub-task and finalize results for selected alternatives to present to the City Council.	1	4	5
Task 3 Prepare Summary Memorandum & Presentation to Council			
3.1 Prepare a Draft Technical Memorandum and presentation of the results/options for staff and Review Consultant comment.	3	6	9
3.2 Integrate staff and Review Consultant comments and prepare Final Memorandum and summary presentation of the analysis.	2	3	5
3.3 Prepare for and present results of the analysis with Review Consultant to City Council.	8	0	8
Total Estimated Labor Hours	33	56	89
Total Estimated Fee	\$11,550	\$12,040	\$23,590
Total Estimated Expenses			\$1,405
Subconsultant Fees			\$0
Total Estimated Project Cost			\$24,995
Contingency Request			\$2,500