

City of Gainesville

City Hall
200 East University Avenue
Gainesville, Florida 32601



Meeting Agenda - Final

April 15, 2015

5:00 PM

City Hall Auditorium

City Commission

Mayor Ed Braddy (At Large)
Commissioner Lauren Poe (At Large)
Commissioner Helen Warren (At Large)
Commissioner Yvonne Hinson-Rawls (District 1)
Mayor-Commissioner Pro Tem Todd Chase (District 2)
Commissioner Craig Carter (District 3)
Commissioner Randy Wells (District 4)

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Office of Equal Opportunity at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.

ADOPTION OF THE AGENDA

ROLL CALL

AGENDA STATEMENT

"Citizens are encouraged to participate in City of Gainesville meetings. In general, speakers will be limited to 3 (three) minutes per agenda item. Additional time may be granted by the Mayor or by the City Commission as directed. The City of Gainesville encourages civility in public discourse and requests that speakers limit their comments to specific motions and direct their comments to the Chair. Signs or Props are not permitted in the meeting room. Citizens are encouraged to provide comments in writing to the Clerk of the Commission before meetings and/or during meetings for inclusion into the public record. Citizens may also provide input to individual commissioners via office visits, phone calls, letters and e-Mail, that will become public record. In some instances, i.e., Quasi-Judicial Hearings, these particular contacts may be prohibited.

CITY COMMISSION

[130547.](#)

Navigant Consulting Investigative Review (B)

Explanation: On December 5, 2013, the City Commission referred the issue of a special audit of GRU to the Audit, Finance and Legislative Committee (AFLC). On January 29, 2014 the AFLC met and discussed this item. The Committee received extensive public input focused on numerous issues of concern related to past management practices and business decisions primarily related to the multi-year development and implementation of the Power Purchase Agreement (PPA) between Gainesville Renewable Energy Center (GREC), LLC and the City of Gainesville d/b/a Gainesville Regional Utilities (GRU) dated April 29, 2009 and approved by the City Commission on May 7, 2009. There was also considerable discussion regarding the background and financial impact of the "Equitable Adjustment for Change of Law" agreement dated March 16, 2011. Committee discussions focused on possible actions that could be taken from a management, legal, financial, policy and control perspective to prevent reoccurrence of the actions involved in implementing the GREC PPA and to positively affect the financial outlook of GRU, especially in the area of energy supply and energy delivery.

Committee members reported to the City Commission on February 6, 2014 a joint recommendation for the City to move forward with an external review focusing primarily on GRU past management practices and business decisions related to the implementation and any amendments to the GREC PPA, and including a forward focus on recommendations having positive financial impacts on GRU energy supply and delivery. After Commission discussion and additional citizen

input, the City Commission authorized the City Auditor to prepare a Request for Proposals (RFP) for an external review to address opportunities for financial and operational benefit to GRU related, but not limited to the GREC PPA, and recommendations of institutional controls that can be implemented that would help avoid the management discrepancies of the past and help strengthen the working relationship between GRU management and the City Commission.

On March 5, 2014, the AFLC discussed proposed RFP language drafted by the City Auditor's Office, received extensive public input, provided detailed input to the City Auditor regarding desired clarifications in RFP language, and recommended the City Commission approve the modified RFP language and recommended process. This recommendation was adopted by the City Commission on April 3, 2014 after being continued from the March 20, 2014 City Commission meeting.

On April 10, 2014, an RFP for an External Investigative Review of GRU was issued by the General Government Purchasing Department. The City received three proposals by the due date of May 8, 2014, which were evaluated according to the City's standard practice for professional services proposals. Based on the evaluation, proposals were ranked and a recommendation for approval was placed on the June 19, 2014 City Commission meeting. At that meeting, the City Commission accepted the City Auditor's recommendations to approve the ranking of the proposals received, identify funding and establish a budget for the investigative review.

Subsequent to that meeting, staff of the City Auditor's and City Attorney's Offices worked with representatives of Navigant Consulting, Inc. on proposed contract language, which was submitted for the City Commission's consideration. On October 16, 2014, the City Commission reviewed the proposed contract and authorized the City Auditor to execute the contract, subject to approval of the City Attorney as to form and legality. The resulting executed contract had a not to exceed amount of \$180,000 for services performed plus estimated expenses totaling \$9,000. The contract provided for additional fees in the event that unforeseen conditions were encountered which might necessitate additional hours or cost, with a requirement for Navigant Consulting to advise the City Auditor in writing of the circumstances and to request an increase in the maximum fee before additional time was expended or additional fees were incurred.

On January 15, 2015, the City Commission received an update on the status of the investigative review being completed by Navigant Consulting, Inc. and approved an increase to the maximum fee set forth in the contract to \$315,000 for services performed plus estimated expenses totaling \$19,000, or an overall total not to exceed amount of \$334,000.

Representatives from Navigant Consulting, Inc., including Managing Director Todd Lester, have completed their work related to this contract

and will be presenting a report summarizing their investigative review at today's meeting.

RECOMMENDATION

Receive a report from Navigant Consulting, Inc. regarding their investigative review and take appropriate action.

Legislative History

12/5/13	City Commission	Referred to the Audit, Finance and Legislative Committee
1/29/14	Audit, Finance and Legislative Committee	Recommended for Approval, as amended
2/6/14	City Commission	Approved, as shown above
3/5/14	Audit, Finance and Legislative Committee	Recommended for Approval, as amended
3/20/14	City Commission	Continued
4/3/14	City Commission	Approved as Recommended
6/19/14	City Commission	Approved as Recommended
10/16/14	City Commission	Approved as Recommended
1/15/15	City Commission	Approved, as shown above

[130547-A-Equitable Adjustment for Change of Law of the Power Purchase Agree](#)
[130547-B-GREC LLC Dispute - Equitable Adjustment Analysis-Outside Attorney](#)
[130547-C-RFP-External Investigative Review of GRU-Agenda Item.PDF](#)
[130547-D-Draft RFP External Investigative Review of GRU.PDF](#)
[130547-E-AFLC REVISED DRAFT RFP EXTERNAL INVESTIGATIVE REVIEW](#)
[130547-F - Memo from Godshalk to Commission.pdf](#)
[130547-G -Proposal Evaluation Summary 6-19-14.pdf](#)
[130547 MOD H Powerpoint Presentation 20140619.pdf](#)
[130547I MOD Navigant Proposal 20140619.pdf](#)
[130547J MOD Navigant Cost Proposal 20140619.pdf](#)
[130547K MOD EnerVision Proposal 20140619.pdf](#)
[130547L MOD Windham Brannon Proposal 20140619.pdf](#)
[130547M MOD Windham Brannon Cost Proposal 20140619.pdf](#)
[130547A Contract - Navigant - Professional Investigative Review Services 201](#)
[130547B RFP No. CAUD140037-DH Issued April 10 2014 20141016.pdf](#)
[130547C Addendum 1 Dated April 30 2014 20141016.pdf](#)
[130547D Navigant Response May 7 2014 20141016.pdf](#)
[130547E Navigant Cost Proposal May 7 2014 20141016.pdf](#)
[130547F Navigant Power Point for Oral Interview June 10 2014 20141016.pdf](#)
[130547 RayWashingtonLetter 20141016.pdf](#)
[130547 speech 20141016.pdf](#)
[130547 Navigant Contract - Additional Fee Request 20150115.pdf](#)
[130547 - NCI Investigative Review-City of Gainesville 20150415.pdf](#)

ADJOURNMENT