

EXECUTIVE BRIEF

ELECTRIC UTILITY MEETING

AGENDA DATE: March 30, 2021

TITLE:

Professional Services Agreement with NAES Corporation for North American Electric Reliability Corporation (NERC) compliance support services

SUMMARY:

The Professional Services Agreement authorizes NAES Corporation to provide the City with NERC compliance and support services at a cost not to exceed \$72,000 per year for Fiscal Years 2021, 2022 and 2023.

BACKGROUND AND JUSTIFICATION:

The City issued a Request for Proposal (RFP 21-201) seeking proposals from qualified NERC support service firms to provide and ensure the City has up to date procedures, policies and training to meet the requirements of the current NERC standards. Two firms provided proposals and NAES Corp. was determined to be the highest ranking, responsive and responsible respondent. The term of the Agreement is for three (3) years with two (2) additional single-year renewal options.

NAES has become a leader in NERC compliance and has the experience and internal skill-sets to ensure delivery of comprehensive NERC compliance strategy to their clients. NAES has invested substantial resources to build an experienced team that includes former regional auditors and industry experts. NAES has completed over 200 NERC compliance service projects with over 190 successful NERC audits.

Their services range from compliance program development, gap analyses of existing programs, consulting services, training, audit preparation, and compliance program oversight. Their oversight services include Generator Owner (GO), Generator Operator (GOP), Transmission Owner (TO), Transmission Operator (TOP), and Distribution Provider (DP).

NAES is itself a Registered Entity with experience in all six NERC regions. This provides a unique perspective as a user and proven experience in compliance support service that is unparalleled in the industry, delivering long-term and sustained value to each customer.

NAES Corporation has been providing NERC compliance support services to the City's Electric Utility since 2017. Their goal and function are to ensure the City is maintaining up to date procedures, policies and training to meet the requirements of the current NERC standards for the duration of the Agreement. A full scope of services is provided in RFP 21-201 accompanying this staff report.

MOTION:

Move to approve/disapprove the Professional Services Agreement with NAES Corporation for North American Electric Reliability Corporation (NERC) compliance support services at a cost not to exceed \$72,000 per year for Fiscal Years 2021, 2022 and 2023.

ATTACHMENT(S):

Fiscal Impact Analysis
Agreement
RFP 21-201

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2021	2022	2023	2024	2025
Capital Expenditures	\$72,000	0	0	0	0
Operating Expenditures	0	0	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
 Net Fiscal Impact	 \$72,000	 0	 0	 0	 0
 No. of Addn'l Full-Time Employee Positions	 0	 0	 0	 0	 0

B. Recommended Sources of Funds/Summary of Fiscal Impact: Funds have been identified in account No. 401-6034-531-34.50.

Account Number	Account Description	Project Number	FY21 Budget	Current Balance	Agenda Expenditure	Balance
401-6020-531-34.50	Contractual Servs/Other Contractual Servcs		\$196,879	\$196,879	-\$72,000	\$124,879