

**MEMORANDUM
ASSESSOR'S OFFICE
COUNTY OF PLACER**

TO: Honorable Board of Supervisors
FROM: Kristen Spears, Assessor
DATE: March 24, 2014
SUBJECT: Approve Change Order No. 1 to Contract No. KN021135 with Harold W. Bertholf, Inc.

ACTION REQUESTED:

Approve Change Order No. 1 to Contract No. KN021135 with Harold W. Bertholf, Inc. for research and consulting services in completing compliance audits for two industrial properties in Placer County, increasing the contract by \$90,000, resulting in a new contract amount of \$139,000 for the period of February 19, 2014 through June 30, 2015, and authorize the Purchasing Manager to sign the resulting change order.

BACKGROUND:

The Placer County Assessor has retained the professional organization, Harold W. Bertholf, Inc. to assist with research, analysis and value work related to two unique industrial properties within Placer County. Upon further in-depth research of the necessary work required for these properties, an increase in the amount of \$90,000, for a total of \$139,000 is required to complete appraisal work for both properties.

Energy 2001 is located at the Western Regional Sanitary Landfill near Lincoln. They are Placer County's largest green power producer where they convert landfill gas to electricity. Energy 2001 produces enough energy to power nearly 3,000 homes for a year.

Ultra Power (also known as Rio Bravo Rocklin) is located in Lincoln. They are a biomass facility burning 95% urban wood which would otherwise be diverted to landfills. The power produced by Ultra Power is purchased by PG&E.

The Assessor is tasked with completing compliance audits for these businesses to validate the accuracy of Business Property Statement filings. These property statements are used to annually determine the market value of personal property and fixtures as of January 1st. The compliance audit required for Energy 2001 is covering a 5 year period, January 1, 2009 through January 1, 2014. The compliance audit due for Ultra Power covers a 4 year period, January 1, 2011 through January 1, 2014.

Harold W. Bertholf, Inc. are experts in the valuation of power plants and have valued various power plant facilities throughout California. The knowledge and experience of the firm is highly specialized and will be called upon to assist the Assessor's senior level staff in determining the compliance of the two properties over the defined periods. Without the expertise of this firm, the valuing of these properties would be jeopardized which could ultimately result in appeals which would be far more costly to the county than completing the audits timely.

FISCAL IMPACT:

Upon your Board's approval, the Assessor's contract with Harold W. Bertholf, Inc. will be increased from \$49,000 to \$139,000. Funding for the increase is available within the Assessor's FY 2013-14 Final Budget and FY 2014-15 Submitted Budget, with no additional fiscal impact to the General Fund.

Administering Agency: Placer County Assessor
Contract No. : KN021135
Contract Description: Assessment & Valuation Consulting Services

CONTRACTOR SERVICES AGREEMENT

AMENDMENT NO. 1

THIS AGREEMENT, originally executed February 19, 2014 by and between the County of Placer ("COUNTY"), and **Harold W. Bertholf, Inc.** ("CONTRACTOR"), is hereby amended as described below:

- **Section 3 – Payment:**
The amount of this contract is increased to \$139,000 (an increase of \$90,000).

With the exception of the above, all other provisions of this contract are unchanged.

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Executed as of the date indicated below:

COUNTY OF PLACER:

By: _____ Date: _____
Brett Wood, Purchasing Manager

HAROLD W. BERTHOLF, INC.:

By: _____ Date: _____

Printed Name and Title