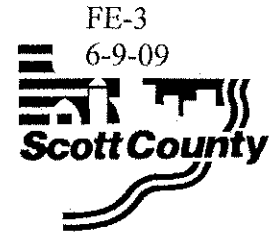


## Facility and Support Services

600 West 4<sup>th</sup> Street  
Davenport, Iowa 52801-1003  
fss@scottcountyiaowa.com  
(563) 326-8738 Voice (563) 328-3245 Fax

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June 1, 2009

To: Dee F. Bruemmer  
County Administrator

From: Dave Donovan, Director  
Facility and Support Services

Subj: Utility Auditing agreement

I have a proposal from Cost Control Associates (CCA) to provide utility auditing services for Scott County. This agreement is based on a program sponsored by the National Association of Counties. Under this program CCA provides utility and telecommunications auditing services on a contingency basis. CCA audits utility bills looking for billing errors, more advantageous rates, inactive telephone services, service bundling, etc. in an effort to save us money. Their findings are forwarded to our current utility and/or telecommunications providers to secure refunds or future cost/rate reductions. CCA is paid a portion of the savings and only if actual savings or refunds are realized. CCA claims an overall 97% savings rate. If successful, their services could lead to potential significant annual savings.

Attached is an information sheet from CCA explaining more about their services and applicability of their national agreement under Iowa law. Also attached is a copy of their agreement which outlines the available services and the fee schedule. Again, their services are contingent – they only are paid from realized savings. After consulting with Matt Hirst, we recommend that we select all utility and telecom services for audit. I will be at the next Committee of the Whole meeting to further discuss this proposal and my recommendation for approval.

Cc: Matt Hirst  
Tammy Speidel  
Barb Schloemer



# COST REDUCTION AGREEMENT-

## NACO & IOWA

This Agreement is made as of the last date signed below by and between \_\_\_\_\_, hereinafter referred to as CLIENT, and COST CONTROL ASSOCIATES, INC., hereinafter referred to as CCA.

### I. SERVICES AVAILABLE

Cost Recovery and Reduction Services: CCA will review energy and telecom service types as specified by CLIENT below for the purposes of obtaining refunds (whether by check or account credit) and identifying cost reductions. CCA will file claims, negotiate with suppliers, and implement CLIENT-approved cost-reducing changes. Such cost-reducing changes will be submitted in a report to CLIENT for CLIENT's review and approval.

### II. SERVICES SELECTED

CCA will perform services as described above for CLIENT's energy and telecom services specified with a "yes" below:

<b>Service Type</b>	<b><i>Please Indicate With a "Yes" Those Items Desired</i></b>
A. Electricity	
B. Natural Gas	
C. Propane, Oil, and Other Petroleum Fuels	
D. Water & Wastewater	
E. Municipal Street Lighting	
F. Telecom Local Services	
G. Telecom Long Distance Services	
H. Wireless Services-Cellular Phones & Devices	
I. Other (specify):	

### III. FEES

CLIENT will pay fees to CCA according to the following schedule:

<b>Accumulated Refunds and Cost Savings</b>	<b><i>Fee Amount</i></b>
First \$125,000	45%
Next \$125,000	42%
Next \$125,000	40%
Next \$125,000	38%
Next \$500,000	35%
Over \$1,000,000	30%

This schedule will be applied to Findings, in a cumulative manner, with the first fee bracket being entirely satisfied before moving to the next bracket. Findings will consist of the following items:

- A. **Refunds:** Any refunds recovered due to CCA's efforts are subject to a one-time fee of each refund at the percentage indicated in the schedule above. This fee is payable after the refund check or credit is received by CLIENT. All future cost savings associated with the recovery of refunds are for the CLIENT's full benefit; and

**B. Client-approved Cost Reductions:** For any cost reductions recommended by CCA and approved for implementation by CLIENT, CCA will share in the resulting savings at the percentage indicated in the schedule above for the first 36 months following implementation of the changes. This fee will be payable on a monthly basis, or CLIENT may elect to prepay the entire amount at a discount. Cost reduction recommendations implemented during the term of this Agreement and within 36 months thereafter are subject to this fee.

**IV. TERM:** The initial term of this Agreement is one year. After the initial term, this Agreement will remain in effect on a month-to-month basis unless cancelled in writing by either party with at least 30 days written notice. Any fees due CCA, as indicated in Section III above, will continue to be payable, regardless of cancellation or expiration of this Agreement, for findings in process at the time of cancellation or expiration of this Agreement. Findings in process include refunds identified, but not yet collected; cost reductions implemented, but for which all fees have not yet been billed; and cost reductions identified, but not yet implemented in the event they are implemented.

**V. OTHER**

A. Except as noted on a referenced attachment to this Agreement, CLIENT is not currently working on pursuing refunds or implementing cost reduction items. If CLIENT becomes aware of a refund or cost reduction opportunity other than through CCA's efforts, which CLIENT elects to pursue on its own, CLIENT agrees to notify CCA in writing upon CLIENT'S discovery of the item.

SEE ATTACHMENT IF CHECKED

B. CLIENT will cooperate with CCA by signing letters of authority to energy and telecom suppliers, supplying copies of appropriate bills, completing forms and providing other documentation and information during the term of this Agreement and for a period of 36 months after this Agreement expires. CCA should work directly with vendors to effectively collect refunds and implement CLIENT-approved cost reduction items. If CLIENT chooses to pursue a refund or implement a cost reduction item that was recommended by CCA on its own, or should a refund or cost reduction item based on an issue identified by CCA become available to CLIENT based on actions of third parties, CCA is still entitled to its Fees.

C. Fees are payable to CCA within 20 days of date invoiced. Late fees are payable on invoices more than 10 days past due at the rate of 1.5% per month.

D. This is the entire Agreement between the parties.

E. In the unlikely event of any disputes, the parties will attempt to settle the dispute among themselves. If unsuccessful, the dispute will be submitted to the American Arbitration Association in Albany, New York. The award of the arbitrator will include costs and reasonable attorneys' fees to the prevailing party.

CLIENT by:

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Print Name Title

CCA by:

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Print Name Title



Your Energy & Telecom Experts

## National Association of Counties - Iowa

### Saving Energy, Telecom and Cellular Dollars

Many local governments are facing escalating telecom, energy and cellular costs at a time when revenue sources are stagnant. A new program intended to uncover hidden refunds and cost savings is now available. This program is sponsored by the National Association of Counties.

Under this program Cost Control Associates, Inc. (CCA), a nationwide provider of contingency fee based telecom and energy programs, makes it possible for counties to receive the help they need to receive refunds and cost savings from their telecom and energy providers.

This program allows a county to have a review made of telecom and energy expenses with **no risk**. Governments pay **nothing** if their review is unsuccessful. Even if you have had such services performed in the past, periodic updates are recommended due to tariff changes, rate plan changes, facilities changes, administration changes, etc. And, the best part of all, there is very little staff time involved. CCA needs only copies of your energy and telecom bills and other general information to do the work.

#### Counties can choose from the following program offerings:

- Cellular Phone Cost Review
- Other Telecom Cost Review including Local, Long Distance, Internet, and Data Lines
- Electricity, Natural Gas, Street Lighting, Water and Sewer and other Utilities

A nationally bid contract vetted through the US Communities process of competitive bidding was completed and awarded by Dallas County, TX to CCA. This meets the competitive bid requirements for local governments and can be used without solicitation. Governments in The State of Iowa have the ability to use a publicly solicited contract issued by a lead public agency by the State of Iowa Statutes, Title 1 State Sovereignty and Management, Subtitle 10. Joint Governmental Activity, Chapter 28E Joint Exercise of Governmental Powers.

These programs have proven effective for over 200 county, state, and municipal governments including the City of Cleveland, the states of New York and Massachusetts, Grand Traverse County, Michigan and Tuscarawas County, Ohio. Based on our nationwide experience, we believe your utility and/or telecom carriers offer an excellent opportunity for refunds and cost savings.

Budget constraints are a concern to all municipalities, and we would like to put our 19 years of experience to work for you. To learn more about the telecom and energy and analysis program, contact Norm Poli, Midwest Regional Director at (888) 358-1590 or npoliuea@voyager.net. You can also contact Jim Sawyer of NACo at (202) 661-8868 or jsawyer@naco.org. Ask for your information package.