



Legislation Text

File #: 24-408, Version: 1

Report Prepared by: Dan McComb, Public Works Manager - Refuse

SUBJECT: Approval of a Professional Services Agreement with R3 Consulting Group, Inc., to Conduct a Solid Waste Collection and Related Services Rate Study in an Amount not to Exceed \$80,000

REPORT IN BRIEF

Considers approving a Professional Services Agreement with R3 Consulting Group, Inc., in the amount of \$80,000, to conduct a solid waste collection and related services rate study.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving a Professional Services Agreement with R3 Consulting Group, Inc., in the amount not to exceed \$80,000, to prepare a comprehensive solid waste collection and related services rate study; and,
- B. Authorizing the Finance Officer to make the necessary budget adjustments; and,
- C. Authorizing the City Manager or Deputy City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve the agreement, as recommended by staff; or
2. Deny; or
3. Refer to staff for reconsideration of specific items.

AUTHORITY

Charter of the City of Merced, Section 200, et seq. and Section 3.04.120 of the Merced Municipal Code.

Services with an estimated value greater than \$37,000.00 are made by written contract in accordance with Merced Municipal Code, Title 3 - Revenue and Finance, Chapter 3.04.

CITY COUNCIL PRIORITIES

As provided for in the 2023-24 Adopted Budget.

DISCUSSION

The City's solid waste collection and related services are accounted for as a self-supporting enterprise fund. Revenue is derived primarily from refuse, recycling, and green waste service

charges and must be adequate to fund the City's operating and capital programs. The City last revised its solid waste collection service charges July 2020, with fixed annual increases through July 2023 and no increase programmed for July 2024.

The City seeks a rate study and financial plan that addresses how the capital improvement program and operations plan can be financed relative to proposed rates, and how adequate reserves can be achieved.

The study should include a review of existing revenues, operating expenses and non-operating revenues (expenses) to determine if these allocations are generally conforming to standards adopted by voters of the State of California with the passage of Proposition 218 in 1996.

The object of the rate study is to produce a 5-year revenue program with rate adjustments structured to meet the projected needs of the City, including additional labor and equipment to meet project growth. In general, the scope of work shall involve a comprehensive review of the City's refuse enterprise fund's historical and projected revenues, usage, expenses, reserve policies, billing and collection procedures, rates and charges, current budgets, Capital Improvement Plans, future growth potential, and any other information deemed pertinent.

In February, the City issued a request for proposals to prepare an amended Refuse and Related Services Rate Study. Staff received proposals from the following companies:

NBS
NewGen Strategies & Solutions
R3 Consulting Group, Inc.
SCS Engineers
Willdan Financial Services

The selection committee reviewed the written proposals and selected R3 Consulting Group as best meeting the needs of the City. Evaluation criteria used to rate the proposals included staff qualifications, project experience & understanding, reference projects, proposal completeness, City/Administrative compliance issues, and overall approach to timeline and scope of work. Price comparison was not a considering factor in consultant evaluation in accordance with qualifications based on selection requirements for professional services.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed. Sufficient funding is available in Refuse-Enterprise Professional Services, account 60026025-511012.

ATTACHMENTS

1. Professional Services Agreement