



Legislation Text

File #: 19-413, **Version:** 1

Report Prepared by: Monique Gama, Recycling Coordinator - Public Works

SUBJECT: Approval of First Amendment to the Professional Services Agreement for the Solid Waste Collection and Related Services Rate Study with R3 Consulting Group, Inc., in the Amount of \$15,000 to Provide Additional Consulting Services for Review of New Financial Information, Providing Associated Additional Rate Options and Additional In-Person Meeting(s)

REPORT IN BRIEF

Considers approving a First Amendment to Professional Services Agreement with R3 Consulting Group, Inc., in the amount of \$15,000, for additional consulting services for the Solid Waste Collection and Related Services Rate Study.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving a First Amendment to the professional services agreement with R3 Consulting Group, Inc., in the amount of \$15,000, to provide additional consulting services for the Solid Waste Collection and Related Services Rate Study; and
- B. Authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve as recommended by the Public Works Manager; or,
2. Refer back to staff for further study; or,
3. Deny.

AUTHORITY

Charter of the City of Merced, Section 200 et seq.

Professional Contractual services with an estimated value greater than \$31,000, 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 Fiscal Year 2019/2020 Adopted Budget.

DISCUSSION

On June 4, 2018, Council approved an agreement with R3 Consulting Group, Inc., (R3) to produce an amended 5-year revenue program with rate adjustments structured to meet the projected needs of

the City, including future growth, capital improvement projects, and achieving adequate reserves. The City's refuse 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 refuse service charges in January 2015, with fixed annual increases through December 2019.

This amendment with R3 is to provide additional consulting services to review new financial information related to recycling and litter abatement programs. In addition, this amendment also provides for two additional in-person meetings, adding options for funding special programs such as services provided by Restore Merced, and review of other solid waste related information as needed.

The City Attorney's Office has prepared and approved to form the amendment (Attachment 1). Staff recommends approval of the amendment to complete the amended refuse study.

IMPACT ON CITY RESOURCES

Funding for this amendment is available in the Refuse-Enterprise Fund Professional Services Account 558-1112-532.17-00. With the approval of this amendment, the total cost of the services provided will be \$79,860.

ATTACHMENTS

1. First Amendment
2. Original Agreement