



Legislation Text

File #: 18-216, **Version:** 1

Report Prepared by: Wally Broughton, Interim Public Works Manager - Operations

SUBJECT: Professional Services Agreement with R3 Consulting Group, Inc., for Solid Waste Collection and Related Services Rate Study

REPORT IN BRIEF

Considers approving an agreement with R3 Consulting Group, Inc., 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 of \$64,860, to prepare a comprehensive solid waste collection and related services rate study; and,
- B. Authorizing the City Manager or Assistant City Manager to sign 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 \$30,000.00 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 2017-18 Adopted Budget.

DISCUSSION

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 January 2015, with fixed annual increases through December 2019.

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 an amended 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:

HF&H Consultants, LLC
R3 Consulting Group, Inc.
SCS Engineers

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

Sufficient funding is available in Refuse-Enterprise Fund Professional Services, account 558-1112-532.17-00.

ATTACHMENTS

1. Professional Services Agreement