

Legislation Text

File #: 2021, **Version:** 1

CC MEETING: May 19, 2015

DATE: May 4, 2015

TO: Leonard Martin, City Manager

FROM: Bob Scott, Assistant City Manager

Consider Approval Of RFP #15-021 For A Water And Wastewater Cost Of Service And Rate Design Study From McLain Decision Support Systems In An Amount Not To Exceed \$27,950.00.

BACKGROUND:

As noted in the Budget Overview document in the Fiscal Year 2015 Budget, the City has experienced a decrease in water and sewer sales. This decrease appears to be more than would be attributable to weather fluctuations. Multi-year forecasts for Fiscal Years 2016 and 2017 projected the need for utility rate increases of approximately 8% per year. Staff recommended that rate increases be implemented in Fiscal Year 2015 to reduce the level of rate increases in 2016 and 2017 and that a comprehensive rate structure study be completed before implementation rate increases in 2016.

A request for proposals for a Utility Rate Study was advertised and distributed in April 2015. The City received nine responses. These responses were evaluated based on experience and quality factors in addition to the proposed cost. The proposal with the lowest cost was determined also to have top ratings for the experience and quality factors.

The recommended vendor, McLain Decision Support Systems (MDSS), has 32 years of experience performing rate studies. MDSS has completed rate studies for many north Texas cities including Plano and Frisco.

FINANCIAL IMPLICATIONS:

The proposed fees for the study are \$27,950.00 and will be paid from budgeted funds in the Utility Operating Fund.

STAFF RECOMMENDATION/ACTION DESIRED:

Staff recommends the City Council authorize the City Manager to enter into a contract with McLain Decision Support Systems for an amount not to exceed \$27,950.00.