



Legislation Text

File #: Res. 2019-101R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2019-101R, approving the award of a two-year contract for Utility Rate Study to GDS Associates, Inc. (RFP #219-119) in the not to exceed sum of \$80,000, to independently analyze and assess the City's current rate structure for the Water, Wastewater, And Electric Utility rates assessed by the City, determine an updated cost of service, and provide recommendation for equitable sustainable cost recovery by customer class; and declaring an effective date.

Meeting date: June 4, 2019

Department: Finance Department - Heather Hurlbert, Director (By Lynda Williams, Purchasing Manager)

Amount & Source of Funding

Funds Required: \$80,000, FY19 \$40,000

Account Number: 21006322.52230, 22006335.52230

Funds Available: \$40,000

Account Name: Professional Services

Fiscal Note:

Prior Council Action: Click or tap here to enter text.

City Council Strategic Initiative: [Please select from the dropdown menu below]

N/A

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- ☒ Economic Development - Choose an item.
- ☐ Environment & Resource Protection - Choose an item.
- ☐ Land Use - Choose an item.
- ☐ Neighborhoods & Housing - Choose an item.
- ☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

On February 3, 2019, the City issued a Request for Proposals (RFP), 219-119, for Utility Rate Study. The City received seven (7) proposals which were evaluated by a City-staffed evaluation committee. The committee determined that GDS Associates, Inc., located in Austin, Texas, is the most highly qualified firm based on demonstrated competence and qualifications and on fair and reasonable pricing.

The contract is effective for a two (2) year initial term to independently analyze and assess the City's current rate structure, determine an updated cost of service, and provide recommendation for equitable sustainable cost recovery by customer class. The purpose of this study is to provide the City with information sufficient to support a recommendation to the City Council for adjustments in utility rates.

This study will also determine the adequacy and most appropriate rate structure for the water, wastewater, and electric utility rates assessed by the City considering such issues as conservation, consumption characteristics of various customer classes, deviation from cost of services principles and fairness and equity implications, and customer understanding. The City updates the rate modeling annually and forecasts revenues, expenses, and anticipated rates for a ten (10) year period.

Based on the results of the rate study, the City intends to present a recommendation to the Citizen Utility Advisory Board (CUAB) in June 2019.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Award a contract to GDS Associates, Inc., Austin, Texas, for Utility Rate Study for an initial two (2) year term in an amount not to exceed \$80,000.

