



Item Number: 16

City Council / Board of Directors

Written Communications

Meeting of: September 19, 2023

Submitted By:

Doug Mathews, Director of Public Works and Water

Subject:

Approval of Amendment to Consultant/Professional Services Agreements with NBS for Solid Waste Rate Study Update

Recommendation:

That the Honorable City Council approve the attached amendment to the Consultant/Professional Services Provider Agreement with NBS for the Solid Waste Rate Study Update (Project ESC22-121) in the amount of \$13,160.

Fiscal Impact:

Funding for this study was included in the current fiscal year budget with sufficient funds available in account 4260400-52300 (Solid Waste Fund).

Strategic Plan Goal:

This item aligns with Goal A, Financial Stability; and Goal E, Invest in Infrastructure. Periodically evaluating and adjusting Solid Waste Rates helps ensure the City has necessary resources to adequately fund services and operation and maintenance of related capital assets.

Background:

In May 2017, the City contracted with NBS to perform a Solid Waste Rate Study. In February and April 2018, the results of this study were presented to the City Council. Subsequently, in June 2018 the City Council adopted new solid waste rates based on the findings and recommendations of the 2018 Solid Waste Rate Study. The new rates went into effect July 1, 2018, covering a five (5) year period from FY 18/19 through FY 22/23.

As of July 1, 2022, the City began the fifth year of the five (5) year solid waste rate schedule. Therefore, it was necessary to again review the City's solid waste rates and operations to analyze revenues required to sufficiently fund the expenses and reserves for maintaining programs and related capital assets over the next five (5) years.

On August 22, 2022, the City Manager approved a Consultant/Professional Services Provider Agreement with NBS for a Solid Waste Rate Study Update (Project ESC22-121), in the amount of \$38,510. This contract was executed under the City Manager's signing authority pursuant to Victorville Municipal Code §2.28.280 stating that a Professional Services Contract may be awarded based upon competence. The possibility of additional work/tasks was anticipated and discussed when this contract was initiated under the City Manager's authority.

Discussion:

The initial Solid Waste Rate Study Update contract included the following tasks:

1. Kickoff Meeting and Data Collection
2. Financial Plan & Revenue Requirement Analysis
3. Update Cost-of-Service Analysis
4. Update of existing Rate Structure
5. Prepare a Written Study Report
6. Meetings and Presentations/Workshops

After approval of the initial contract and substantial completion of the work, staff requested two supplemental tasks to be performed as part of the Solid Waste Rate Study Update. The additional work consisted of the preparation of a technical memorandum on street sweeping, including how other cities are funding similar programs, identifying the customers benefitting from street sweeping, and providing options for alternative funding mechanisms for the street sweeping program. The consultant was also tasked with reviewing and evaluating additional alternatives for the cost-of-service and rate design analysis, which included revisions to administration fees, organics program costs, and street sweeping costs in the solid waste rate model; and preparing an updated analysis of reserves alternatives for the ending solid waste reserve fund balances compared to the recommended minimum reserve targets, with the goal of providing new recommended reserves targets based on City staff input. The additional tasks required multiple revisions to the study report and presentation materials.

While the costs for the additional work were slightly higher than originally anticipated, staff reviewed the proposed amendment and believes the fee for the requested services is reasonable, and comparable with fees for a study update of this scope and magnitude. Therefore, staff is recommending approval of Amendment Number One to Consultant/Professional Services Provider Agreement for the Solid Waste Rate Study Update, Project ESC22-121, in the amount of \$13,160, to bring the total compensation under this contract to an amount not to exceed \$51,670.

With the approval of this Amendment, the total amount contractually committed to NBS would be \$137,235, which exceeds the City Manager's signing authority when considered collectively. Current NBS contracts consist of the following projects, including the proposed amendment to the Solid Waste Rate Study Update:

1. Project ESC23-038 – Combined AB1600 and CIP Master Fee Schedule (\$32,500)
2. Project ESC22-120 – Sewer Rate Study Update (\$48,965)

3. Project ESC22-121 – Solid Waste Rate Study Update (\$51,670)
4. Project ESC18-079 – Non-Bonded Community Facilities District Administration Services for CFD No. 2018001 (\$4,100)

Staff remains available for any questions Council may have.

Attachments: A. Original Contract for Solid Waste Rate Study Update
 B. Amendment Number One for Solid Waste Rate Study Update