



Legislation Text

File #: 16-0046, **Version:** 1

Resolution to Approve a Professional Services Agreement with Burton and Associates for the Stormwater Rate and Level of Service Analysis (RFP No. 945; \$172,615.00)

Attached for your review and approval is a resolution approving a professional services agreement for consulting services in the amount of \$172,615.00 with Burton and Associates for the Stormwater Rate and Level of Service Analysis.

In 2007, the City engaged the community in a Level of Service study for the stormwater system to: (1) establish four distinct Levels of Service (A-D) for the stormwater system, (2) determine the community's performance expectations and desired Level of Service, and (3) the community's willingness to pay for stormwater services, including water quality improvements and regulatory compliance with the City's Municipal Separate Storm Sewer System (MS4) Permit. The Levels of Service were established using community input and industry recommendations. Recommendations for rate increases to achieve Level of Service B, as selected by the community, also were made at that time. However, the recommended rate increases needed to implement fully the Level of Service B have not been approved; therefore, the 2007 Level of Service B desired by the community has not been achieved.

In 2015, the City sought a qualified team with expertise in stormwater utility engineering and financial services to provide the City with an integrated stormwater level of service (LOS) and rate assessment to address capital improvement needs, financing and policy. The purpose of the study is to evaluate the capital and operational needs of the City's stormwater system and compare those needs to current funding and policy, and to engage the community in a discussion regarding the City's stormwater capital and financial needs. The result of this discussion will provide guidance for the consultant to complete a comprehensive plan to provide recommendations to the City Council regarding the City's stormwater utility and rate adjustments.

The City issued a Request for Proposals (RFP No. 945) for professional services to perform a Stormwater Rate and Level of Service Analysis. Burton and Associates was selected from two consultant teams that responded to RFP No. 945. A selection committee comprised of City staff reviewed all of the proposals. Both consultant teams gave presentations and interviews. The selection committee chose Burton and Associates for this study based on their proposal, industry-leading utility fee expertise, and their competitive fee schedule.

The project will:

- Review existing stormwater rates and the current stormwater system's performance as a baseline for comparing recommended changes.
- Determine the current level of service for the City's stormwater system in comparison to the 2007 Level of Service B in the City's 2007 Stormwater Utility Update Report.
- Determine cost to achieve the 2007 Level of Service B in relation to the City's current level of service.

- Review and analyze the historical and current maintenance and operation expense requirements, 6-year stormwater capital needs, current debt service obligations, current City policies, the 2015 Stormwater Model Calibration Report and Recommendations, and the Urban & Community Forestry Management Plan Recommendations.
- Determine and develop levels of services related to street tree management, as street trees were not included in any of the 2007 Levels of Service.
- Engage the community to assess the community's willingness and desire to achieve the 2007 Level of Service B.
- Recommend rate adjustments required to support the Level of Service currently desired by the community for the stormwater system (based on the previously-defined Levels of Service A-D).
- Provide projections and recommendations that reflect a 20-year schedule to address infrastructure needs (Operations and Maintenance, Capital Improvements, Rehabilitation and Replacement).

The proposed agreement between Burton and Associates and the City of Ann Arbor includes all the required professional services to perform this study.

Burton and Associates complies with the City's non-discrimination and living wage ordinances.

Budget Impact:

The proposed work completed through this contract will identify the financial resources needed to address stormwater services to be provided by the City. Funding for this project is available in the approved FY16 Public Services Stormwater Sewer System Fund Administration budget (\$75,000.00) with the remainder to be provided in the FY17 Public Services Stormwater Sewer System Fund Administration budget, if approved by City Council.

Sustainability Framework:

The proposed work completed under this petition furthers the Sustainable Systems, Clean Air and Water, and Healthy Ecosystems goals of the City's Sustainability Framework.

Prepared by: Jennifer Lawson, Water Quality Manager, Systems Planning

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Tom Crawford, Interim City Administrator

Whereas, Professional consulting services are needed for the Stormwater Rate and Level of Service Analysis to examine the City Stormwater Utility's fees and rate structure with respect to the stormwater management system's capital and operations and maintenance needs to achieve the community's desired Level of Service identified in 2007 as Level of Service B and make recommendations for revision to the fees and rates;

Whereas, The City issued a Request for Proposals (RFP No. 945) for professional services to perform a Stormwater Rate and Level of Service Analysis;

Whereas, A selection committee chose Burton and Associates for this work based on their proposal, industry-leading utility fee expertise, and their competitive fee schedule;

Whereas, It is now necessary to enter into an agreement with Burton and Associates for the

professional services associated with the study;

Whereas, Funding for this study is available in part, in the approved FY16 Public Services Stormwater Sewer System Administration budget (\$75,000.00) with the remainder expected to be available in the FY17 Public Services Stormwater Sewer System Administration budget, if so approved by City Council; and

Whereas, Burton and Associates complies with the City's Non-Discrimination and Living Wage Ordinances;

RESOLVED, That Council approve a Professional Services Agreement with Burton and Associates in the amount of \$172,615.00 for the Stormwater Rate and Level of Service Analysis, subject to approval of \$97,615.00 to be made available in the FY17 budget;

RESOLVED, That the approved funds in the FY16 budget and in the FY17 budget, if approved, be made available without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said agreement after approval as to form by the City Attorney and approval as to substance by the Public Services Administrator and the City Administrator; and

RESOLVED, The City Administrator be authorized and directed to take the necessary administrative actions to implement this resolution.