



# City of Culver City

## Staff Report

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**CC - Approval of a Five-Year Professional Services Agreement with NBS Government Finance Group dba NBS for Preparation of the Annual Sewer User Service Charges on the Los Angeles County Assessor's Property Tax Roll in an Amount Not-to-Exceed \$15,500 Annually.**

**Meeting Date:** June 26, 2017

**Contact Person/Dept:** Christopher Evans/PW Mate Gaspar/PW

**Phone Number:** 310.253.5621/310.253.5602

**Fiscal Impact:** Yes  No

**General Fund:** Yes  No

**Public Hearing:**  **Action Item:**  **Attachments:**

**Commission Action Required:** Yes  No  **Date:**

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (06/21/17); NBS, DTA & Rostech (06/01/17)

**Department Approval:** Charles D. Herbertson (06/13/17)

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### **RECOMMENDATION**

Staff recommends the City Council approve a five-year professional services agreement with NBS Government Finance Group dba NBS (NBS) for preparation of the annual sewer user service charges on the Los Angeles County Assessor's property tax roll, from July 1, 2017 - June 30, 2022, in an amount not-to-exceed \$15,500 per year, including expenses.

### **BACKGROUND**

Culver City obtains sewage treatment services at the City of Los Angeles' Hyperion Treatment Plant through an Amalgamated Agreement with the City of Los Angeles. (Agreement). The Agreement requires Culver City to pay a proportionate share of the costs of conveyance, operation, maintenance, repair and capital improvements to upgrade and improve the Amalgamated Sewerage system.

Culver City owns and operates a separate sewage collection system, which is connected to the Amalgamated system.

Federal law requires that all agencies using the City of Los Angeles' Hyperion Treatment Plant adopt a system of charges to assure that each property served by a public sewer pays its fair share of costs for the operation, maintenance, repair and improvement of the Hyperion Treatment Plant. The "fair share" of each property is based on its contribution to the system in terms of flow quantity and sewage strength (biochemical oxygen demand and suspended solids). This is in addition to the cost experienced by Culver City in the collection, operation, and improvement of our own sewage collection and conveyance system.

In addition to formulating and adopting a system of Sewer User's Service Charges, the City must also select a system for collecting these charges. In 1980, based on an engineering study and the City Engineer's recommendation, the City Council initiated a once-a-year billing procedure for Sewer User's Service Charges that places each property owner's charges on their property tax bill. This method of collection has proven to be very efficient and provides the lowest cost billing and collection service for Culver City.

## DISCUSSION

Since 1997, the City has utilized consultants to prepare the annual SUSC on the property tax roll. There are approximately 13,755 parcels serving a total of 16,700 residential or business units in Culver City that are charged a SUSC. The charges are due to the Los Angeles County Assessor's office in August of each year. The consultant is required to use the water data from Golden State Water Company and from Los Angeles Department of Water and Power and calculate the charge for each parcel based on the City Council approved SUSC formulas.

The existing five-year agreement with NBS for the preparation of the annual SUSC expires on June 30, 2017. NBS has successfully fulfilled the requirements of the agreement and City staff has been satisfied with their service.

Pursuant to Culver City Municipal Code Section 3.07.050, in the event the same supplier, contractor or consultant has been utilized for a period of five (5) years or more, formal or informal bidding procedures, as applicable, shall apply. Therefore, in April 2017, a request for a Request for Qualifications (RFQ) for Preparation of the Annual Sewer User Service Charges was sought from firms specializing in the preparation of charges to be placed on the annual property tax bill. The results are as follows:

<u>Firm</u>	<u>Annual Rate + Estimated Expenses</u>
NBS Government Finance Group dba NBS	\$15,000 + \$500
David Taussig & Associates dba DTA	\$15,000 + \$1,000
Rostech (Expenses not Estimated)	\$15,633

Staff reviewed all the proposals and considers NBS proposal to be superior to the others. Their proposal is the only one that describes a unique multi-level quality control program. Also NBS continues to offer a competitive rate. Staff recommends that the City Council approve a five-year professional services agreement with NBS for the calculation and placement of the SUSC on the property tax rolls for fiscal years 2017-2022.

### FISCAL ANALYSIS

The sewer operating account number 20466100.61800 has sufficient funds available for the proposed service.

### ATTACHMENTS

None.

### MOTION

That the City Council:

1. Approve a five-year professional services agreement with NBS Government Finance Group dba NBS for the preparation of the annual sewer user service charges levies on the annual Los Angeles County Assessor's office tax roll, from July 1, 2017 - June 30, 2022, in an amount not-to-exceed \$15,500 per year, including expenses; and,
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City.