



City of Culver City

Mike Balkman Council
Chambers
9770 Culver Blvd.
Culver City, CA 90232

Staff Report

File #: 16-423, **Version:** 2

Item #: C-3.

CC - Approval of a Professional Services Agreement with RSM US LLP, in an Amount Not-to-Exceed \$56,200, to Conduct a Comprehensive Refuse Container and Billing Audit.

Meeting Date: February 13, 2017

Contact Person/Dept: Kim Braun/PW Department
Phone Number: 310-253-6421

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 (02/07/17);

Department Approval: Charles D. Herbertson (12/01/16)

RECOMMENDATION

Staff recommends the City Council approve a professional services agreement with RSM US LLP, in an amount not-to-exceed \$56,200, to conduct a comprehensive audit of the City's refuse, recycling and organics containers in use by all commercial accounts doing business with the City.

BACKGROUND

The City of Culver City operates an exclusive residential and commercial refuse collection and disposal service as a municipal enterprise. The Environmental Programs and Operations Division of the Public Works Department (Refuse and Recycling operations) operates solely on revenue generated through the provision of solid waste transfer and collection services to businesses and residents, grants, and the sale of recyclable material. This revenue covers the costs for refuse collection, disposal, recycling programs, and public outreach and education. Refuse and Recycling along with the Transfer Station operations are 100% supported by enterprise fund revenues.

Refuse and Recycling manages the Transfer Station and Processing Operations and is responsible for the collection and removal of solid waste materials, recyclable materials and organics waste in the City of Culver City, pursuant to Culver City Municipal Code Section § 5.01.010.

The City collects refuse, construction debris (C&D), recyclables, green waste, food waste, and bulky items with a fleet of 4 roll-off vehicles, 20 Compressed Natural Gas (CNG) vehicles and approximately 45 City employees. The Refuse and Recycling routing operations currently consists of five residential, nine commercial and two industrial/roll-off routes.

Culver City uses Visual RAMS-Pro (Route Accounts Management System). This system manages the Refuse and Recycling customer database, work flow, billing and routing aspects of the operation.

Staff recommends the retention of a qualified Consultant to conduct a comprehensive audit of all of its refuse, recycling and organics containers in use by all 1,500-2,000 commercial accounts doing business with the City. The selected Consultant, working with City staff, will identify practical solutions to assist the Environmental Programs and Operations Division with economical and feasible options for improving its collection operations, create a complete container inventory database of all container types, roll-offs and compactors existing in the field and perform a reconciliation of this inventory and the frequency of container services to the actual amount billed per commercial account to identify any discrepancies.

DISCUSSION

On October 13, 2016 a Request for Proposals (RFP) was released. Three proposals were received on November 10, 2016 with the following proposal amounts:

	<u>Consultants</u>	<u>Proposal Amounts</u>
1	RSM US, LLP, Los Angeles, CA	\$56,200
2	HF&H Consultants, LLC, Irvine, CA	\$91,200
3	WIH Resource Group, Phoenix, AZ	\$96,176

Staff thoroughly reviewed each proposal and determined RSM US LPP to be responsive and complete. RSM US LLP was also interviewed in depth to verify its qualifications and experience as it pertains to conducting commercial audits.

FISCAL ANALYSIS

The professional service agreement with RSM US LLP is for an amount not-to-exceed \$56,200. Funds were approved in the FY 2016-17 budget in account 20260400.619800 for this purpose.

ATTACHMENTS

- 1) RSM US LLP Proposal

MOTION

That the City Council:

- 1) Approve a professional services agreement with RSM US LLP, in an amount not-to-exceed \$56,200 to conduct Comprehensive Refuse Container and Billing Audit;
- 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.