



City of Culver City

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

Staff Report

File #: 22-844, **Version:** 1

Item #: C-5.

CC - CONSENT: Approval of a Professional Services Agreement with NBS Government Finance Group, dba NBS to Prepare a Five (5) Year Sewer User's Service Charges Rate Study, for an Amount Not-to-Exceed \$45,100.

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 ☒

Attachments: Yes ☐ No ☐

Commission Action Required: Yes ☐ No ☒ **Date:**
Commission Name:

Public Notification: (E-Mail) Meetings and Agendas - City Council (04/06/2022); (E-Mail) RFP Respondents (04/06/2022)

Department Approval: Yanni Demitri, Public Works Director/City Engineer (03/31/2022)

RECOMMENDATION

Staff recommends the City Council approve a professional services agreement with NBS Government Finance Group, dba NBS to Prepare a Five (5) Year Sewer User's Service Charges Rate Study, for an amount not-to-exceed \$45,100.

BACKGROUND

Culver City assesses property owners a sewer user's service charge (SUSC) on their annual property tax bills. SUSC fee revenues enable the City to fund the operation, maintenance, repairs, and capital improvements to upgrade and improve the City sewer system along with conveyance of sewage to the City of Los Angeles' Hyperion Treatment Plant.

In 2019, the City issued a bond to fund needed improvements to the City sewer system. The 2019 sewer bond obligates the City to perform a Sewer User's Service Charges Rate Study (Study) that will provide a plan for maintaining system solvency into the future. The specific rate study scope of work is to:

- Evaluate existing sewer rates and rate equitability among user classifications.
- Develop a sewer cost of service and rate model for the City covering a five-year study period (Fiscal Years 2022/23 through 2026/27 or Fiscal Year 2023/24 through 2027/28) for both on-going operations and planned capital improvements.
- Explore and identify alternative methods to adjust rates based on flow from potable water records.
- Develop a five-year sewer service charge program that produces revenues adequate to meet the financial needs of the City for both the required funding of the operational and capital needs, while recognizing customer cost of service, and local and state legal and policy considerations.
- Recommend appropriate reserve levels for operational and capital needs based on industry and financial standards.

The result of the Study will be a report that provides a proposed program to meet the City's sewer-related financial needs over a 5-year period. It is expected that the Study will be completed before the end of this fiscal year and prior to the Fiscal Year 2022/23 public hearing.

DISCUSSION

A Request for Proposals (RFP) #2228 was released and advertised on the City Public Works website and through PlanetBids for qualified firms able to provide a comprehensive sewer rate study that describes the justification and calculations for annual sewer charges. As of the time of closing, on January 18, 2022, the following three (3) firms responded:

- NBS Government Finance Group
- HF&H Consultants, LLC
- Robert D. Niehaus, Inc.

Staff thoroughly evaluated each response on the basis of qualifications and experience, clear understanding of the scope of work, fair pricing, and proven ability to complete the contracted tasks. After evaluation of each response, staff is recommending awarding a professional services contract to NBS to provide a sewer user rate study for the City of Culver City.

FISCAL ANALYSIS

The City Council approved capital improvement plan as part of the City Council Adopted Budget for Fiscal Year 2021/2022 includes sufficient funding in account 20460300.619800 to fund the Study.

ATTACHMENTS

None

MOTIONS

That the City Council:

1. Approve a Professional Services Agreement with NBS Government Finance Group, dba NBS to Prepare a Five (5) Year Sewer User's Service Charges Rate Study for an amount not-to-exceed \$45,100.
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.