



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1415-132

File ID: K-1415-132

Type: Contract

Status: Consent Item

Version: 1

Reference: Item 50

In Control: City Council

Department: City Manager
Department

Cost: \$48,540.00

File Created: 05/05/2015

File Name: Raftelis Contract

Final Action:

Title: CONTRACT K-1415-132: A CONTRACT BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND RAFTELIS FINANCIAL CONSULTANTS, INC., IN THE AMOUNT OF \$48,540 TO CONDUCT A FEE STUDY AND ANALYSIS OF THE CITY OF NORMAN WASTEWATER EXCISE TAX ON NEW DEVELOPMENT, WATER/WASTEWATER CONNECTION FEES, AND PROPORTION AND DISTRIBUTION OF CONNECTION FEES RELATED TO FUNDING CITY WATER AND WASTEWATER INFRASTRUCTURE COSTS AND BUDGET APPROPRIATIONS FROM THE WATER FUND, WASTEWATER EXCISE TAX FUND, AND WATER RECLAMATION FUND.

Notes: ACTION NEEDED: Acting as the Norman Utilities Authority, motion to approve or reject Contract K-1415-132 with Raftelis Financial Consultants, Inc., in the amount of \$48,540; and, if approved, authorize the execution thereof and appropriate \$16,180 from the Water Fund Balance (031-0000-253.00-00) to Professional Services/Consultant-Mgmt/Resources (031-5530-461.40-01); \$16,180 from the Wastewater Excise Tax Fund Balance (322-0000-253.00-00) to Professional Services/Consultant-Mgmt/Resources (322-5542-432-40.01); and \$16,180 from the Water Reclamation Fund Balance (032-0000-253.00-00) to Professional Services/Consultant-Mgmt/Resources (032-5541-432.40-01).

ACTION TAKEN: _____

Agenda Date: 05/12/2015

Agenda Number: 50

Attachments: Text File K-1415-132.pdf, Raftelis Cost Proposal, K-1415-132

Project Manager: Terry Floyd, Development Coordinator

Entered by: terry.floyd@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File K-1415-132

Body

BACKGROUND: In September 2013, the Norman Utilities Authority (NUA)/Council adopted Resolution R-1314-39 that outlined its commitment to hire a firm to conduct an analysis of the relationship between the Wastewater Excise Tax on New Development and other revenue sources to fund infrastructure improvements.

Staff began developing a Request for Proposal (RFP) to select a firm for NUA/Council consideration to conduct the analysis.

As part of the January 2015 water rate increase election discussions, Council adopted Resolution R-1415-60 that set out the basis for the increase in the connection fees as it relates to providing water service to new development. The Resolution outlined that the future evaluation of the sufficiency of the connection fees will: 1) consider newer data that is anticipated to be available at a future date, 2) will be related to the cost to design, permit and construct new groundwater supply wells and associated transmission piping, and 3) that the results of a study will evaluate both the wastewater excise tax and water system related fees.

Staff revised the RFP to include the elements outlined in Resolution R-1415-60 and distributed the RFP document. In January 2015, staff received proposals from five (5) national firms. Those firms included:

- Duncan Associates - Austin, TX
- The PFM Group - Austin, TX
- Municipal and Financial Services Group - Annapolis, MD
- Tischler Bise Fiscal, Economic & Planning Consultants - Bethesda, MD
- Raftelis Consultants, Inc. - Centennial, CO

From those five submittals, the list was narrowed to three finalists - reviewed by the project selection team. Those finalists were interviewed and scored. Raftelis Consultants, Inc. was selected to enter into contract negotiations for final NUA/Council consideration.

ANALYSIS: The Scope of Work for the RFP from Raftelis Consultants, Inc. outlines five (5) major components that will be accomplished as part of the analysis. Those components include:

- *Evaluation of funding for planned wastewater capital investments* - Evaluate funding options for the next phase of planned wastewater infrastructure including, but not limited to construction of the new North Water Reclamation Facility (WRF) and nutrient removal expenditures at South WRF.
- *Relationship between user charge revenue and the wastewater excise tax* - Recommend how wastewater user charge revenues and wastewater excise tax revenues should be used to fund future capacity, maintenance obligations and infrastructure improvement costs.
- *Impact of the wastewater excise tax on development* - Assess the impact of the wastewater excise tax on City development based on a comparison to both surrounding and comparable communities.
- *Application of enterprise fund revenues at the North Water Reclamation Facility* - Establish a method to ensure the equitable allocation of Water and Wastewater Reclamation Fund revenues to a new North WRF.
- *Evaluate Water Connection Charges* - Determine the appropriate methodology for establishing water connection charges in relation to actual system capacity and the total development fees charged by surrounding communities.

The final contract agreement between the NUA and the Raftelis Consultants, Inc. outlines the terms and conditions of the services for the analysis. The contract amount is \$48,540, with any additional public meetings not outlined in the RFP (two public meetings are included in the current proposal), to be charged at rates indicated in the RFP document and contract Attachment B. The analysis and final report will be completed within ninety to one hundred days (90-100) after the project commences (projected to begin in late May 2015).

RECOMMENDATION: Staff recommends approval of Contract K-1415-132 with Raftelis Consultants, Inc. to conduct a fee study and analysis of the City of Norman wastewater excise tax on new development, water/wastewater connection fee amounts, and proportion and distribution of connection fees related to funding city water and wastewater infrastructure costs, with an appropriation of \$16,180 from the Water Fund Balance (031-0000-253.00-00); \$16,180 from the Excise Tax Fund (322-0000-253.00-00); and \$16,180 from the Water Reclamation Fund (032-0000-253.00-00) in equal amounts (1/3) to the Water Fund, Utilities Administration,

Consultant Account (031-5530-461.40-01); Excise Tax Fund, Consultant Account ([322-5542-432-40.01](#)); and Water Reclamation Administration Consultant Account (032-5541-432.40-01)