



Legislation Text

File #: K-1617-119 AMD#1, **Version:** 1

AMENDMENT NO. ONE TO CONTRACT K-1617-119: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND FREESE & NICHOLS, INC IN AN AMOUNT NOT-TO-EXCEED \$86,800 FOR PHASE II OF THE STORMWATER FUNDING ANALYSIS AND BUDGET TRANSFERS FROM VARIOUS ACCOUNTS.

BACKGROUND: On April 11, 2017, City Council awarded Contract K-1617-119 to Freese & Nichols, Inc. (FNI) for Phase 1 of the Stormwater Funding Opportunities Program in the amount of \$25,000. Then, on April 25, 2017, Council appointed sixteen (16) citizens to the Stormwater Citizen Committee. In addition, Mayor Miller and Council Members Robert Castleberry, Bill Hickman and Aleisha Karjala were appointed as liaisons to the Committee.

The Stormwater Citizen Committee met on Wednesday, May 3, 2017, and again for over four hours on Monday, May 15, 2017, for Phase 1 of the process. The May 15th meeting was facilitated by Mr. Trey Shanks, Project Manager for FNI. The final report and attachments from Phase 1 are enclosed (see Attachment 1). There was agreement on many points, but disagreement on others. The consensus was that considerably more work is needed to develop the package of funding opportunities for stormwater services in Norman. The approach to Phase 2 appears to be clearer now.

DISCUSSION: If approved by Council, Phase 2 of the Stormwater Funding Opportunities project will take place over coming months and will involve facilitation of the Committee by both City staff and FNI. Phase 2 services proposed to be provided by FNI will include the development of a detailed stormwater utility (SWU) fee system tailored to Norman's needs and preferences. The current proposal from FNI for Phase 2 has changed from the original proposal presented to City Council on April 11, 2017. FNI staff recognized after Phase 1 that their services are only needed for development of the SWU fee, while city staff and the Committee can collaborate on the remaining funding elements. In the current proposal, FNI will provide an elaborate modeling process that they have developed over many years while working with similar communities. An example of the modeling process is shown in the attached, short video. City staff has negotiated the attached scope and fee for Phase 2 with FNI (see Attachment 2).

The currently proposed Phase 2 program of services with FNI is quite different and considerably less costly than the version considered by City Council on April 11, 2017. The original Phase 2 proposed by FNI included multiple committee meetings, four public meetings, social media services, the funding model, fee billing evaluation, Council briefings and a comprehensive final report. The proposed cost of that program was \$170,533. The currently proposed Phase 2 by FNI includes only two Committee meetings and development of the Stormwater Utility funding model at a cost of \$86,800 or 50% less than the previous proposal. Essentially, FNI is providing the specialized services that staff or the Committee is unable to provide while staff and the Committee will provide all other services and resources to develop the full package of stormwater funding opportunities to be considered by Norman voters in the future.

If authorized by Council, Phase 2 of the Stormwater Funding Opportunities project will also involve additional Committee meetings without facilitation by FNI. Instead, city staff will facilitate the Committee meetings as needed. The Committee has shown an interest in developing a major Stormwater Capital Improvement Program to be funded by General Obligation Bonds, subject to voter approval. The current list of stormwater capital projects citywide is estimated to cost \$87 million. In addition, the Committee has asked for more detailed information regarding the City's Stormwater Maintenance and Operation Programs as well as the City's Stormwater Quality Programs. Staff anticipates a number of Committee meetings in June - August 2017 to accomplish these requests. If Council approves the attached contract amendment with FNI, the process of developing the Stormwater Utility Fee System will take place simultaneously with other Committee functions, in the interest of time.

If approved by Council, members of the FNI team will begin development of the funding model immediately. The attached contract allows up to four months for completion of these services, which effectively involves final agreement by the Stormwater Citizen Committee of a stormwater utility fee structure suitable for Norman and acceptable to all stakeholders.

If approved, the funding for this contract amendment will be allocated from the FYE 2017 operating and capital budgets for the Public Works/Stormwater Division. Staff is proposing to use the balance of an existing underspent operating account for professional services and the balance of funds from two small stormwater capital project accounts that involved repairs of existing stormwater systems at costs under budget. One capital project involved stormwater pipeline repairs on Yorktown Circle. The other project account was used for dam inspections/repairs and other, small stormwater capital projects.

RECOMMENDATION NO. 1: Staff recommends approval of Amendment No. 1 to Contract K-1617-119 with Freese & Nichols, Inc. in an amount not to exceed \$86,800 for Phase 2 of the Stormwater Funding Opportunities project.

RECOMMENDATION NO. 2: Staff recommends approval to transfer the following funds to Drainage Capital Projects, Design (Stormwater Funding Analysis; account 050-9214-431.62-01; project DR0064):

\$50,000 from General Fund, Other Professional Services (account 010-5022-431.40-99);
\$10,000 from Capital Fund, Force Account Drainage, Materials (account 050-9906-451.63-01; project SC0510); and
\$26,800 from Capital Fund, Drainage Projects, Miscellaneous Locations, Construction (account 050-9967-431.61-01; project DR0013).