

City of
Gainesville

Inter-Office Communication

March 5, 2014

TO: Audit, Finance and Legislative Committee
Mayor Ed Braddy, Chair
Mayor-Commissioner Pro Tem Randy Wells, Member

FROM: Brent Godshalk, City Auditor

SUBJECT: Issuance of Request for Proposals for an External Investigative Review of Gainesville Regional Utilities

Recommendation

The Audit, Finance and Legislative Committee recommend the City Commission authorize the issuance of a Request for Proposals (RFP) for an external investigative review of Gainesville Regional Utilities (GRU) utilizing the proposed methodology and selection factors.

Explanation

On December 5, 2013, the City Commission referred the issue of a special audit of GRU to the Audit, Finance and Legislative Committee (AFLC). On January 29, 2014 the AFLC met and discussed this item. The Committee received extensive public input focused on numerous issues of concern related to past management practices and business decisions primarily related to the multi-year development and implementation of the Power Purchase Agreement (PPA) between Gainesville Renewable Energy Center (GREC), LLC and the City of Gainesville d/b/a Gainesville Regional Utilities (GRU) dated April 29, 2009 and approved by the City Commission on May 7, 2009. There was also considerable discussion regarding the background and financial impact of the "Equitable Adjustment for Change of Law" agreement dated March 16, 2011.

Committee discussions focused on possible actions that could be taken from a management, legal, financial, policy and control perspective to prevent reoccurrence of the actions involved in implementing the GREC PPA and to positively affect the financial outlook of GRU, especially in the area of energy supply and energy delivery.

Committee members agreed to report to the City Commission on February 6, 2014 a joint recommendation for the City to move forward with an external review focusing primarily on GRU past management practices and business decisions related to the implementation and any amendments to the GREC PPA, and including a forward focus on recommendations having positive financial impacts on GRU energy supply and delivery.

On February 6, 2014, after Commission discussion and additional citizen input, the City Commission authorized the City Auditor to prepare an RFP for an external review to address:

- 1) Opportunities for financial and operational benefit to GRU related, but not limited to the GREC PPA; and
- 2) Recommendations of institutional controls that can be implemented that would help avoid the management discrepancies of the past and help strengthen the working relationship between GRU management and the City Commission.

Proposal Evaluation Process

All responsive proposals will be evaluated according to established criteria consistent with the City's Professional Services Evaluation Handbook. Proposals will be evaluated in the following two major areas:

- 1) Technical qualifications, which includes the Consultant's qualifications, ability of professional personnel and capability to meet time and budget requirements, and
- 2) Written proposals, which includes the Consultant's proposed approach to the project based on its understanding of the scope of work.

Purchasing staff will open Fee Proposals for responsive proposals and assign points to each proposal with higher points given to the lowest submitted Fee Proposal. Based on the combined proposal evaluations, the City may request oral presentations from the top ranked vendors, where additional information will be provided regarding firm qualifications, approach to the project and ability to furnish the required services. In accordance with the City's Local Preference Ordinance, qualified local businesses with responsive proposals will be assigned an additional five percent of the total evaluation points.

Proposed Contract Award

Responsive proposals will be ranked based on a combination of technical qualifications, written proposals, fee proposals and oral presentations, if necessary. Recommended rankings of proposals will be presented to the Audit, Finance and Legislative Committee for review, approval and recommendation to the City Commission. The City Commission will be requested to approve the recommended rankings and authorize negotiation and execution of a contract beginning with the top ranked vendor.

Proposed Time Table

The anticipated schedule for the RFP, evaluation process and approvals of ranking recommendations is as follows:

City Commission Approval of RFP	March 20, 2014
RFP available for distribution	March 27, 2014
Deadline for receipt of questions	April 10, 2014
Deadline for receipt of proposals	April 24, 2014
Completion of Evaluation process	May 8, 2014
Oral presentations, if conducted	May 19-22, 2014
Ranking & recommendation presented to Audit, Finance & Legislative Committee	June 12, 2014
Approval of recommendation by City Commission	June 19, 2014