





City of Gainesville

Proposed Ranking of Requests for Proposals for an External Investigative Review of Gainesville Regional Utilities





June 19, 2014

CCOM and AFLC Discussions

- December 5, 2013 - City Commission (CCOM) referred the issue of a special audit of GRU to the Audit, Finance and Legislative Committee (AFLC).
- January 29, 2014 - AFLC discussed item, received extensive public input focused on numerous issues of concern related to past management practices and business decisions primarily related to the 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).





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CCOM and AFLC Discussions (continued)

- January AFLC - Considerable discussion regarding the background and financial impact of the “Equitable Adjustment for Change of Law” agreement dated March 16, 2011.
- AFLC 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.





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CCOM and AFLC Discussions (continued)

- February 6, 2014 – CCOM discussed AFLC recommendations, received citizen input and authorized the City Auditor to prepare a Request for Proposals (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.





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CCOM and AFLC Discussions (continued)

- March 5, 2014 - The AFLC discussed proposed RFP language, received extensive public input, provided detailed input to the City Auditor regarding desired clarifications in RFP language, and recommended the City Commission approve the modified RFP language and recommended process. This recommendation was adopted by the City Commission on April 3, 2014 after being continued from the March 20, 2014 City Commission meeting.

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RFP Process

- April 10, 2014 – Request for Proposals (RFP) for an External Investigative Review of GRU was issued by the General Government Purchasing Department.
- May 8, 2014 – The City received three proposals by the due date, which were then evaluated according to the City's standard practice for professional services proposals.
- Evaluation team members were:
 - Brent Godshalk, City Auditor, City of Gainesville
 - Cecil Howard, Equal Opportunity Director, City of Gainesville
 - Roger Frank, Director of Investigations & Management Advisory Services, Office of Internal Audit, University of Florida

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RFP Process

- Technical Qualifications (100 points)
 - Ability
 - Capability of Meeting Time and Budget
- Written Proposal (100 points)
 - Project Understanding/Experience
 - Project Approach
 - Project Manager
 - Project Team
 - Project Schedule
 - Project Organization

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RFP Process

- Price (100 points)
 - Lowest price proposal receives 100 points
 - Higher priced proposals receive points based on percentage variance between lowest price proposal and higher price proposals
 - Example: \$200, \$300 and \$500 proposals
 - \$200 proposal receives 100 points
 - \$300 proposal receives 67 points ($\$200/\300)
 - \$500 proposal receives 40 points ($\$200/\500)

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RFP Process

- Oral Interviews/Presentations (100 points)
 - Understanding of Project
 - Responsiveness to Questions
 - Project Team
 - Project Manager

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RFP Process

- Based on the evaluated technical qualifications, written proposals, fees related to each proposal and oral presentations from the three proposers, proposals were ranked first, second and third as follows:
 1. Navigant Consulting, Inc.
 2. EnerVision, Inc.
 3. Windham Brannon





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RFP Process

- The three proposal prices, which were factored into the evaluation and selection process, were as follows:
 - Navigant Consulting, Inc. - \$180,000 (100 points)
 - EnerVision, Inc. - \$202,000 (89 points)
 - Windham Brannon - \$504,000 (36 points)
- None of the price proposals are guaranteed maximum prices, but are good faith estimates.
- These price proposals are net of travel expenses, estimated at \$9,000 for Navigant, \$13,000 for EnerVision and \$68,000 for Windham Brannon.

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Recommendations to City Commission

1. Approve the ranking of the proposals received for an external investigative review of GRU,
2. Identify funding and establish a budget for the investigative review,
3. Authorize the City Auditor to execute a professional services contract with the top ranked firm, subject to approval of the City Attorney as to form and legality, and
4. Direct all charter officers and their staff to participate fully with the firm selected and to provide immediate and full access to all relevant records at their disposal.

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Questions and Discussion