

City of Gainesville

*City Hall
200 East University Avenue
Gainesville, Florida 32601*



Meeting Agenda

April 19, 2017

5:30 PM

**The first 1/2 hour will be dedicated to Board business. The City Commission joint meeting will begin at 6:00 p.m.
City Hall Auditorium**

Utility Advisory Board

*Annie Orlando
Darin Cook
David Denslow
Robert Walpole
Mary Alford
Sandra Campbell
Michael Selvester*

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Office of the Equal Opportunity at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.

CALL TO ORDER**ROLL CALL****ADOPTION OF THE AGENDA****APPROVAL OF MINUTES**[160965.](#)

Minutes of the March 15, 2017 and April 5, 2017 UAB Meetings (B)

RECOMMENDATION*Approve the minutes of both meetings as drafted.*[160965 UAB 3.15.17 Meeting Minutes 20170419](#)[160965 UAB 4.5.17 Special Meeting Minutes 20170419](#)**STATE OF THE UTILITY**[160956.](#)

GRU Operational Update for March 2017 (B)

RECOMMENDATION*Receive report.*[160956 UAB Operations Report - All Depts - 2017 March 20170419](#)**NEW BUSINESS**[160920.](#)**General Architectural, Engineering and Consultation Services (B)**

Explanation: On November 6, 2014, the City Commission authorized the CRA, City (Public Works and Facilities), and GRU to initiate contract negotiations with qualified architectural, engineering and consultation firms as a result of a request of a Request for Statement of Qualifications (RFSQ) for those services, issued for the first time as a joint effort. The resultant continuing contracts comply with Consultant's Competitive Negotiation Act (CCNA) and provide staff augmentation when internal resources are already being fully utilized, the internal technical capabilities are not available, or third party input is desired from professionals in various disciplines.

The initial three-year contract term, which concludes September 30, 2017, may be extended for two additional one-year periods. Labor rates may be adjusted annually, based in part on the CPI, with the concurrence of the CRA, City, and GRU. Over half of the awarded firms

are small, minority-owned or woman-owned businesses. The list of firms eligible for renewal is attached and includes a notation for the business classification.

As with all requirements for these professional services, the CRA, City, and GRU will award work to a firm on a project specific basis, and will award each project based upon an evaluation of a firm's understanding of the project scope, specific expertise and ability to complete the project, as well as the project completion time and cost. For projects with a cost estimated to exceed two million dollars, or when it is deemed to be in the best interest of the CRA, City, or GRU, a separate RFSQ will be issued requesting project specific submittals from the list of qualified professionals with the ranking submitted to the City Commission for approval.

Staff anticipates issuing a new RFSQ for continuing contracts during Fiscal Year 2018 to also allow participation of other interested firms.

Fiscal Note: Funding for the projects for which design or consultation services are required have been budgeted in the Capital Improvements Budgets of the CRA, City, and GRU departments requiring these services for FY 2018 and will be budgeted in future years as required.

RECOMMENDATION

The City Commission:

- 1) approve the listing of qualified architectural, engineering and consultation firms eligible to renew agreements for the provision of design, engineering or consultation services associated with the CRA, City, and GRU facilities and City Commission approved Capital Improvement Projects or other projects that may emerge;
- 2) authorize the CRA Executive Director, City Manager and General Manager, or their designees, to negotiate renewals with the qualified firms in accordance with the provisions of CCNA for each of the remaining extensions;
- 3) authorize the CRA Executive Director, City Manager and General Manager, or their designees, upon successful negotiations, to execute renewal amendments for professional services for each of the successive one-year terms, subject to approval of the City Attorney as to form and legality, in an amount not to exceed budgeted amounts for professional architectural, engineering or consultation services.

[160920 RFQ 2014-077 20170419](#)

160917.

Contract Amendment for Grounds Maintenance Services at GRU Facilities

Explanation: Grounds maintenance services are required at various GRU facilities. Since these facilities are located adjacent to or in commercial, public or residential areas, it is essential to properly maintain them for aesthetic and safety reasons. Grounds maintenance services include mowing, shrub and tree pruning, edging, string line trimming, hand weeding and maintaining flower beds, as well as other related services in accordance with each facility's specific requirements.

In an effort to create more opportunities for small business, GRU strives to establish multiple contracts to small businesses rather than awarding a single contract for all facilities. After an Invitation to Bid was issued in 2016, GRU awarded contracts to three small businesses for grounds maintenance services. The bid was sent to over forty grounds maintenance companies and was posted on the GRU website. Fifteen companies attended a mandatory pre-bid meeting and walk-through. A total of eight responses were received after two withdrew their bid. Since each contract's value was below \$50,000, City Commission approval was not required.

After the contracts commenced, the company that had been awarded the contract for the GRU Administration Building and electric substations determined that they could not perform the work as required and the parties mutually agreed to terminate the contract. GRU awarded the work for those sites to the next lowest bidder who already had a contract for other facilities. An amendment was issued to add those facilities to the contract and the work has been performed well.

With the addition of the GRU Administration Building and electric substations, the contract with Gainesville Lawnscape LLC will be \$52,094 annually; therefore, staff is seeking authorization for the contract amendment and the continuation of the contract for three one-year extensions. An additional \$10,000 is included in the approval amount to cover additional work not in the scope of the contract such as replacing mulch, new plantings or other related work as required. Requested price increases are limited to the Consumer's Price Index (CPI) for each year of the contract, although Gainesville Lawnscape LLC has not requested a price increase for the first available extension.

Fiscal Note: Funds are available in the FY 2017 budget and will be requested in subsequent year budgets.

RECOMMENDATION

The City Commission: 1) authorize the General Manager, or his designee, to execute three (3) one year amendments with Gainesville Lawnscape LLC for grounds maintenance services for the Kelly Plant, Sweetwater Testing Area, GRUCom Building, Administration Building and Electric Substations, subject to the approval

of the City Attorney as to form and legality; and 2) approve the issuance of purchase orders to Gainesville Lawnscape LLC in amounts not exceeding \$62,000 for each year of the contract amendment pending final appropriation of funds for each fiscal year.

JOINT MEETING WITH CITY COMMISSION

[160909.](#)

UAB Recommendation on Approval of MOU Between GRU and GREC (NB)

Explanation: In June 2015, under the direction of a new General Manager, GRU staff undertook an exhaustive review of the GREC Power Purchase Agreement (PPA). In the course of this deep study, staff determined that the impact of the PPA is both financial and operational in addition to legal. The core of the PPA's financial impact is GRU's obligation to pay GREC \$212,000 a day for what is termed "Available Energy." This cost represents GREC's cost of ownership and fixed cost of operations. Put simply, the cost of ownership is GREC's debt payment and the return to its investors. The fixed costs of GREC's operations are effectively GREC's costs of being available to generate (staff, rolling stock and other monthly bills, excluding fuel and consumables). Staff determined that a buyout of GREC's PPA will generate savings in the hundreds of millions of dollars if GRU can negotiate a reasonable buyout price.

In November 2016, after determining the purchase would be in the best interest of both the City and its utility customers, GRU staff began discussions with GREC Manager Jim Gordon. GRU legal counsel drafted a non-binding Memorandum of Understanding (MOU) that would serve as a framework for an asset purchase agreement to be negotiated thereafter. GRU staff gave presentations regarding the draft MOU to the Utility Advisory Board (UAB) on March 1, the City Commission on March 2, and the Chamber of Commerce on March 13, further updates to the UAB on March 15, and the City Commission on March 16. After several written drafts of the MOU went back and forth between staff for the two parties, by March 22 both GREC and GRU Managers reached agreement on the key terms and executed the MOU. The GREC Manager represented that the GREC Board had already agreed to the terms of the MOU. However, the MOU clearly stated that the GRU General Manager must present the MOU to the City Commission for approval before it would become effective.

GRU staff made further presentations concerning the MOU at a joint meeting of the UAB and City Commission on March 23, held a public question and answer forum on April 3, and presented the MOU to the UAB for its recommendation on April 5 and then presented the MOU to the City Commission for its approval on April 6. On April 5, the UAB voted to recommend that the City Commission: 1) Approve the MOU

with the following changes: Reduce the purchase price to \$675 million; have GRU create the initial draft of the contract; and any reduction in future costs shall be used by the City chiefly for rate relief; and 2) Authorize the General Manager, or his designee, to negotiate a contract with Gainesville Renewable Energy Center, Inc., subject to approval by the City Attorney as to form and legality and subject to review and recommendation by the UAB and final approval by the City Commission. On April 6, the City Commission followed the recommendation of the UAB, thereby rejecting the MOU executed by the GREC and GRU Managers and directing the GRU General Manager to submit the new offer (as proposed by the UAB) to GREC. The GRU Manager did so and on April 7, the GREC Manager replied that the GREC Board rejected the City's offer and would transact only on the terms negotiated in the original MOU. The UAB and City Commission must now decide if they desire to proceed with a proposed purchase and if so, direct the GRU Manager to execute a new offer and submit the offer to GREC for its consideration.

Fiscal Note: To be determined by action of the UAB and City Commission.

As previously presented by staff in connection with the original MOU, at a purchase price of seven hundred fifty million dollars (\$750,000,000) the estimated reduction in future costs of continuing under the current PPA range from \$524 - \$808 million, as follows:

Keep in Standby, \$524 million

Buy and Dismantle, \$698 million

Convert and Run, \$808 million

RECOMMENDATION

Advise the City Commission whether to:

- 1) Direct the General Manager to execute and submit to GREC a new offer on the same terms as the original MOU; or*
- 2) Direct the General Manager to execute and submit to GREC a new offer on other terms, as the Commission and UAB decide; or*
- 3) Direct the General Manager to cease negotiations; or*
- 4) Continue to deliberate the matter.*

[160909 WhyapproveMOU UAB 20170405](#)

[160909 Tax of GREC Tax Bill FY17 20170405](#)

NEXT MEETING DATE

May 17, 2017

ADJOURNMENT