



Legislation Text

File #: 170196., **Version:** 2

Bid Award - External Cost of Service and Utility Rates Study (B)

****This item was presented to the UAB on 07/19/17.****

GRU staff periodically performs cost-of-service studies for the electric, gas, water and wastewater utility systems. Revenue requirements and rate designs are also developed by GRU staff and presented to the City Commission during the annual budget process. The last external cost-of-service and utility rate study was performed in 2014.

The purpose of the current cost-of-service and rate study is to evaluate electric, water, wastewater, and the gas system. This study will provide information regarding the adequacy of current rate structures and propose the most appropriate structure for utility rates assessed by GRU.

GRU Purchasing issued a Request for Proposals (RFP) for the cost-of-service and utility rate studies to prospective firms and posted the RFP to GRU's web page. Six responses were received, two as no bids. Proposals were evaluated based on criteria set forth in the RFP: understanding and approach, company qualifications and experience, proposed method, fees and expenses, project manager and resources, local preference and small business or disabled veteran enterprise. Willdan Financial Services submitted the highest evaluated proposal. A tabulation of the scoring is attached for your reference.

Funds for this service have been included in the FY18 budget.

The City Commission: 1) authorize the General Manager, or his designee, to negotiate and execute a contract with Willdan Financial Services for the provision of cost-of-service and utility rate studies, subject to approval of the City Attorney as to form and legality; and 2) approve the issuance of a purchase order in the amount of \$99,380 pending final appropriation of funds.

The UAB advises that the Commission accept the staff recommendation. A statement of their reasoning is attached.