



City of Rialto

Legislation Text

File #: CC-18-1109, **Version:** 1

For City Council Meeting and Rialto Utility Authority [December 11, 2018]

TO: Honorable Mayor and City Council

APPROVAL: Ahmad R. Ansari, Interim City Administrator

FROM: Thomas J. Crowley, P.E., Utilities Manager

Request City Council/Rialto Utility Authority to Approve an Increase to the Purchase Authorization for FG Solutions in the Amount of \$35,000 for Consulting Services Related to Rialto Utility Authority Concession Agreement and Utility Operations, Increasing the Total Purchase Authorization to the Amount Not to Exceed \$50,000.

BACKGROUND:

On April 9, 2018, the City issued a Purchase Order in the amount of \$15,000 to FG Solutions to perform specialized research and complete several financial analysis related to the utilities and the Concession Agreement. Through this Purchase Order, FG Solutions has analyzed the Pro Forma for the S1 Wastewater Treatment Plant Improvement Project, completed a revenue calculation related to the 2012 Rate Study, determined the pump station payback period for a new pump station in Zone 1 in the north-end of the City, and calculated the cost of the City's potable water related to the Recycled Water Feasibility Study.

ANALYSIS/DISCUSSION:

The City has exhausted the \$15,000 in fees for the work requested to date. Staff is requesting FG Solutions be retained for continued on-call assistance as needed. In particular, staff believes there could be a need for additional specialized financial support to address specific needs of the City, Council or the Water Subcommittee related to the Concession Agreement and utility operations.

It should be noted that the funds would only be expended if the need for FG Solutions services arose.

The consultant has completed the Conflict Disclosure Form, reporting no conflicts or relationships with City representatives. It is included as **Attachment 1**.

Staff recommends that the total purchase authorization increase by \$35,000, for a total authorization of not to exceed \$50,000, for additional specialized financial consulting services.

ENVIRONMENTAL IMPACT:

The request is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a "Project" does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect

physical changes in the environment.

GENERAL PLAN CONSISTENCY:

Approval of this action complies with the following City of Rialto General Plan Goals and Policy:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report.

FINANCIAL IMPACT:

Operating Budget Impact

Funds in the amount of \$17,500 are available in the Water Fund Account Number 680-500-7960-2011. Additional funding in the amount of \$17,500 will be reallocated from unspent contract services budgeted within 680-500-7960-2011 for the total amount of \$35,000 for specialized financial consulting services related to the Concession Agreement and utility operations.

Capital Improvement Budget Impact

There is no Capital Improvement budget impact with the requested action.

Licensing

A Business license application and payment of a Business License tax at the Professional Service rate in the amount of \$139 was paid by the Consultant in February 2018. If the proposed action is approved, an additional \$104, will be paid by the vendor prior to execution of the Purchase Order authorization for a total of \$243 in Business License Tax fees.

RECOMMENDATION:

Staff recommends that the City Council/Rialto Utility Authority approve an increase to the Purchase Authorization for FG Solutions in the amount of \$35,000 for consulting services related to Rialto Utility Authority Concession Agreement and utility operations, increasing the total Purchase Authorization to the amount not to exceed \$50,000.