

CITY OF GAUTIER

MEMORANDUM

To: Honorable Mayor and Council
From: Samantha D. Abell, City Manager
Date: November 1, 2012
Subject: Consideration of a Service Provider Agreement for Water Distribution, Wastewater Collection, Water and Garbage Disposal Billing, Public Works Operation & Management Services

REQUEST:

The City Council must select a Service Provider from the two proposals attached. The two (2) proposals represent the lowest and best proposals, of three (3) submitted to the City. The Service Provider must be capable of entering into a minimum five (5) year contract to provide operation, maintenance and management services of the City's Water Distribution, Wastewater Collection, Water and Garbage Disposal Billing, Public Works Operation & Management. More specifically, this includes:

- Eight (8) water supply wells
- Five (5) storage tanks ranging from 180,000 to 500,000 gallons
- Water Distribution System piping, valves, meters, fire hydrants and related items
- Wastewater Collection system with approximately 600,000 LF of pipe, lift stations, manholes and related items
- Public Works – refuse removal, street, sidewalk, storm drain repairs and maintenance
- Meter reading
- Customer service
- Water and Garbage Disposal Billing

DISCUSSION:

Staff has prepared a matrix that compares the scope of work and employee benefits offered by the two Service Providers (attached). Total proposed costs are as follows:

Utility Partners: \$1,597,000.00 per year

Additional Cost:

Water mains for proposed water filtration plant: Weekly cost of one (4) man crew = \$4,200.00/wk.

Annual adjustment: 80% of Consumer Price Index (CPI) with a min. of 1% increase per year.
(See Section 8, pp. 1-2)

ClearWater Solutions: \$1,757,000.00 per year

Additional Cost: None.

Annual adjustment: Increases/decreases in annual fee to be negotiated three months before the contract anniversary date. If no agreement on the amount of the increase/decrease, the amount will be based on the current Consumer Price Index (CPI). (See Section 8, Draft Agreement, p. 4).

RECOMMENDATION:

Both Providers propose savings to the City in addition to the services requested in the RFP. However, in addition to these shared added savings, ClearWater Solutions offers more enhanced employee benefits, guarantees that all existing employees will be hired after drug screening/physical, and also proposes additional savings totaling more than \$700,000.

They are:

- Fuel to be paid by company (\$100,000 expense last year)
- Installation of water filtration plant (anticipated finance cost to City)

Proposal is a predicted annual savings of \$160,000 per year based on 2013 City budget.

Additional annual savings beyond the 2013 budget items include:

- \$240,000 CCTV
- \$40,000 GIS/GPS
- \$100,000 Meter Change Out
- \$51,000 Engineering
- \$50,000 Contracted Svc.
- \$10,000 Installation of Pipe
- 20-30% Reduction in I & I
- Grant Assistance

(See Section 7, pp. 1-2)

Will also assist with evaluation of converting fleet to natural gas.

Therefore, I respectfully recommend that City Council that the ClearWater Solutions proposal is the lowest and best service for the citizens of Gautier, and authorize the City Manager and City Attorney to enter into negotiations for a service agreement contract.

ATTACHMENTS:

Proposal Comparison Matrix (Prepared by City of Gautier)

Employee Benefits Comparison Chart (Prepared by City of Gautier)

Gautier Request for Proposals (As Advertised)

Utility Partners Email Attachment RE: Employee Benefits Questionnaire

ClearWater Solutions Email Attachment RE: Employee Benefits Questionnaire