



City of Grand Island

Tuesday, May 11, 2004

Council Session

Item G20

**#2004-111 - Approving Award of Proposal for Electric System
Economic Evaluation and Rate Revision, Utilities Department**

Staff Contact: Gary R. Mader

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Dale Shotkoski, Asst. City Attorney/Purchasing

Meeting: May 11, 2004

Subject: Electric System Economic Evaluation and Rate Revision

Item #'s: G-20

Presenter(s): Gary R. Mader, Utilities Director

Background

As has been reported to Council in the past, increasing energy costs are having an adverse affect on the Electric Department's financial position. Over the last year the reserves of the department have been reduced from a four month reserve to a three month reserve level, indicating that the current rate structure is not supporting financial requirements. Therefore a Request for Proposals (RFP) was prepared to do a detailed analysis of the financial needs of the Electric Department. The RFP was advertised in accordance with the City Procurement Code and was sent to six nationally recognized consulting firms with experience in utility operations. The last rate increase for the Electric Department was in 1980.

Discussion

Proposals were received from three firms as tabulated below. The RFP provided that the responding firms provide hourly rates for persons assigned to the project. Progress billings are to be based on actual time spent, with a not to exceed maximum billing.

Firm	Hours Assigned	Not to Exceed Prices
Black & Veatch Kansas City, MO	140	\$21,500
Stanley Consultants Englewood, CO	316	\$29,500
HDR Engineering Omaha, NE	300	\$49,609.15

The proposals were reviewed and scored by each of the three members of the evaluation group; the Utilities Director, Assistant Utilities Director – Electrical, and the Utility Accountant. The scoring criteria were;

- Qualifications of Personnel Assigned
- Previous Client Recommendations
- Responsiveness to the RFP
- Completion Date
- Ability to do the work “in-house”
- Qualifications of Subcontractors (if applicable)
- Conflicts of Interest
- Contract Terms and Conditions
- Hourly Rates and other costs

Two of three members of the selection group scored Stanley Consultants the highest. The third scored Black and Veatch the highest. References were checked for both firms, with both receiving positive recommendations.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the award of the Electric System Economic Evaluation and Rate Revision Study.
2. Deny the award of the project.
3. Modify the RFP and re-advertise for the work.
4. Table the issue.

Recommendation

City Administration recommends that the contract for the Electric System Economic Evaluation and Rate Revision Study be awarded to Stanley Consultants, Inc. of Englewood, Colorado.

Sample Motion

I move that the Electric System Economic Evaluation and Rate Revision Study Contract be awarded to Stanley Consultants, Inc.

RESOLUTION 2004-111

WHEREAS, the City of Grand Island invited proposals for Electric System Economic Evaluation and Rate Revision for the Utilities Department, according to plans and Request for Proposals on file at Phelps Control Center; and

WHEREAS, proposals were due on April 27, 2004; and

WHEREAS, Stanley Consultants, Inc. of Englewood, Colorado, submitted a proposal in accordance with the terms of the Request for Proposals and all other statutory requirements contained therein at a not to exceed cost of \$29,500; and

WHEREAS, the proposed Professional Services Agreement with Stanley Consultants, Inc. for such services has been reviewed and approved by the City Attorney's office.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the proposal of Stanley Consultants, Inc. of Englewood, Colorado, for an electric system economic evaluation and rate revision for the Utilities Department at a not to exceed cost of \$29,500 is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute the Professional Services Agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, May 11, 2004.

RaNae Edwards, City Clerk