

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Cost of Services Fee Study
DATE: October 7, 2003

Need:

For the City Council to consider approval of a cost of services fee study.

Facts:

1. The City has never undertaken a formal review of user fees (other than development impact & utility fees).
2. The operating budget includes a Council approved budget appropriation to undertake a citywide cost of services fee study.
3. The Council appointed an ad hoc committee to assist in the selection of the project consultant. Councilmen Jim Heggarty and George Finigan were the appointees.
4. Staff prepared and distributed requests for proposals (RFP) to thirty potential responders.
5. The City received responses from the following seven firms:

CBIZ Accounting	Maximus
The Davis Company	MuniFinancial
MBIA MuniServices	Pat Perenich & Associates
	Revenue & Cost Specialists
6. Four staff members, one from Library & Recreation Services, one from Community Development and two from Administrative Services rated the RFP responses.
7. The top four rated firms were invited to an interview with City staff.
8. The top two firms and staff's recommendation was presented to the Council ad hoc committee for their consideration on September 17th.

Analysis &
Conclusion:

As noted above, the City received seven (7) responses to its RFP. Costs range from \$32,600 to \$41,900.

Based upon the initial evaluation ratings by staff, the four top firms were invited to interview. The firms invited to interview were Maximus, MuniFinancial, CBIZ Accounting and MBIA MuniServices.

Excluding MBIA MuniServices, any of the three remaining firms are capable of completing the project to the City's satisfaction. However, it was generally agreed that CBIZ and Maximus were the best choices with preference given to Maximus. The preference for Maximus is due to the fact that Maximus prepared the City's Cost Allocation Plan. The Cost Allocation Plan will play an integral role in the cost of services fee study.

Results of the staff's ratings and interviews were presented to the Council's ad hoc committee. Councilman Duane Picanco participated on the behalf of Councilman Jim Heggarty who was unable to meet. The ad hoc committee endorses staff's recommendation.

The purpose of the study is to accurately measure the cost of providing a variety of citywide services and identify the appropriate fee based upon the underlying assumption of 100% cost recovery. The study will provide the Council with critically important information about the true cost to provide city services.

Fiscal
Impact:

The current budget contains a budget allocation of \$25,000. The RFP response with the lowest cost was CBIZ Accounting at \$32,630. Maximus, the preferred choice, was the fourth lowest cost at \$36,000 but their cost included a \$6,000 component for developing a cost allocation plan. Given that the City already has a cost allocation plan and Maximus is the firm that developed the plan, it is expected that staff may be able to negotiate a lower cost. However, staff is requesting that the Council supplement the existing budget appropriation by the full \$11,000.

Options:

- a. Adopt Resolution No. 03-xx (1) awarding the project to Maximus, (2) authorizing staff to negotiate a final contract subject to City Attorney review, (3) authorizing the Mayor to execute said contract and (4) approving a one-time supplemental budget appropriation in the amount of \$11,000.
- b. Amend, modify or reject any of the options above.

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY OF PASO ROBLES
AWARDING A CONTRACT FOR A COST OF SERVICES FEE STUDY AND
APPROVING A SUPPLEMENTAL BUDGET APPROPRIATION

WHEREAS, the City Council previously approved a budget appropriation to undertake a citywide cost of services fee study; and

WHEREAS, Request for Proposals were distributed to thirty companies; and

WHEREAS, the City received seven responses to the Request for Proposals; and

WHEREAS, the responses were evaluated and rated by staff; and

WHEREAS, the Council ad hoc committee appointed by the Council supported staff's recommended selection for the project; and

WHEREAS, a supplemental budget appropriation for said work is required to fully fund the cost of the study.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles as follows:

1. The Director of Administrative Services is authorized to negotiate a final contract with Maximus subject to City Attorney review; and
2. The Mayor is authorized to execute said final contract; and
3. A one-time supplemental budget appropriation from General Fund reserves in the amount of \$11,000 to budget account 100-140-5224-125 is authorized.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 7th day of October 2003 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk