



DeKalb County Government

Manuel J. Maloof Center
1300 Commerce Drive
Decatur, Georgia 30030

Agenda Item

File #: 2019-4632

12/17/2019

File Status: Preliminary Item

Substitute

Purchasing Type: Change Order (CO)

Public Hearing: YES NO

Department: Purchasing & Contracting

AGENDA ITEM:

Commission District(s): All

CO - Change Order No. 4: Contract No. 1093718 for Research and Updates to the County's Revenue Sufficiency and Rate Study (Sole Source): for use by the Department of Watershed Management (DWM). This contract consists of providing research and updates to the County's revenue sufficiency and rate study developed by Lighthouse Utility Consulting, Inc. in 2017. This request is to continue with the use of the existing sole source vendor for current and additional services. Awarded to Lighthouse Utility Consulting, Inc. Amount Not To Exceed: \$250,000.00.

Information Contact: Talisa Clark, CPPO

Phone Number: (404) 687-2797

PURPOSE:

On January 3, 2018, the sole source request was approved for one year for an amount not to exceed \$49,742.00. August 30, 2018, Change Order No. 1 increased performance time by 180 days and the contract term to July 31, 2019. On February 6, 2019, Change Order No. 2 increased the scope of work and funding for an amount not to exceed \$28,611.00. On August 1, 2019, Change Order No. 3 increased the contract term to December 31, 2019; performance time by 185 days; and funding for an amount not to exceed \$20,000.00. This request is to continue with the use of the existing sole source vendor and to increase the contract term to December 31, 2020 with 2 options to renew; scope of work to allow for water and sewer rate analyses and additional consulting services; and funding to allow for the completion of the existing and additional requested scope of work.

RECOMMENDATION:

Recommend approval of Change Order No. 4 with:

Lighthouse Utility Consulting, Inc., 5224 W. State Road 46, Suite 107, Sanford, FL 32771

Amount Not To Exceed: \$250,000.00

ADDITIONAL INFORMATION:

1. Contract Effective Date: January 3, 2018
2. Contract Expiration Date: December 31, 2019
3. Amount Spent To Date: \$98,298.00

4. Funding: General Operating (DWM)



PROPOSED CHANGE ORDER REQUEST

Department of Watershed Management

Contract Name: Revenue Sufficiency Analysis and Rate Study **Date:** 11/21/2019
Contractor: Lighthouse Utility Consultant
Contract Number: 1093718 **Contract Amendment Number:** 4

Contract Amendment Category: Cost Schedule Scope Deliverables

Original Contract \$ Amount:	Contract Start Date:	Original Contract Time:	Original Contract End Date:
\$49,742.00	1/3/2018	362	12/31/2018

NTP Start Date:	Original Performance Days:	Original Performance End Date:
1/3/2018	362	12/31/2018

Previous Change Order:	Previous Time Extensions (Days):	Previous Changes to \$ Amount:
Change Order No. 1:	180	\$0.00
Change Order No. 2:	0	\$28,611.00
Change Order No. 3:	185	\$20,000.00
Current Contract Amount:	Current Performance Time (Days):	Current Performance End Date:
\$98,353.00	727	12/31/2019

Description of Proposed Changes: To continue the update of the revenue sufficiency/rate study and to perform other related water and sewer rates/fees financial analyses.

Justification of Proposed Changes: Lighthouse Utility Consulting, Inc. completed a revenue sufficiency/rate study in September 2019 using an Excel based proprietary and interactive financial planning/rate model. In addition to the continuing update of the revenue sufficiency/rate study, this request is also a retainer for water and sewer rates analyses and financial consulting services. Lighthouse Utility Consulting, Inc. is the developer and owner of the current interactive financial model with the County's baseline data and recent revenue sufficiency/rate study updates. Presently the County is currently in the middle of discussions with the Environmental Protection Agency (EPA) regarding an urgent need to fund a significant portion of Watershed Management Consent Decree and Capital Improvement programs with WIFIA loans. Presently the County is eligible for \$260 million in debt financing from the WIFIA program which the County must match 51/49 percent. Due to the funding gap, the Department anticipates issuing additional bonds in the very near future to fund its critical Consent Decree and Capital Improvement programs. Lighthouse Utility Consulting, Inc. has provided all of the required financial analyses to date to the EPA. It would be more cost effective and efficient for the Department to continue utilizing the financial model designed and customized by Lighthouse Utility Consulting, Inc. The County will also utilize the contract retainer to perform water and sewer financial consulting services including but not limited to cost of service analyses, rate ordinance review/refinement, financial consulting rate comparison and analysis, miscellaneous rate and fees analysis, high strength sewer rate analyses, bulk/wholesale rate analyses and impact fee/tap on fee/ system development fee analyses. Utilizing Lighthouse Utility Consulting, Inc. customized financial model and the updated financial data to perform the additional water and sewer rate/fees analyses will result in significant cost saving to the County as well as a reduction in the project completion time in comparison to having another firm performing the tasks.

Proposed Additional Performance Days:	Proposed Cumulative Performance Days:	Proposed Performance End Date:	Proposed Contract End Date:
367	1094	12/31/2020	12/31/2020
Proposed Changes to Dollar Amount:	Proposed Cumulative Contract Amount:	Amount Spent To Date as of 11/21/19:	
\$250,000.00	\$348,353.00	\$98,298.00	

Describe Any Risk Associated With This Change: The existing Lighthouse Utility Consulting, Inc. contract has no budget remaining to continue the revenue sufficiency/rate study analyses within the limited time constraint.

Effect of NOT Approving This Change: The County will not be able to conduct an updated assessment of revenue sufficiency/rate study and the impact on water and sewer rates which are critical components in seeking continued financing of the initially approved \$1.34 billion Capital Improvement Plan and to complete the Consent Decree projects within the deadline mandated by the Federal Environmental Protection Agency (EPA) and Georgia Environmental Protection Division (EPD). An updated Revenue Sufficiency/rate study is also necessary as part of the financial requirement for the Water Infrastructure Finance and Innovation Act (WIFIA) loan application. The Department of Watershed Management intends to submit additional WIFIA applications and to issue bonds in the near future. The inclusion of additional consulting services for water and sewer rates/fees also ensures that the Lighthouse Utility Consulting, Inc. contract has adequate funding to perform ongoing water and sewer rates/fees updates normally requested by senior management and other stakeholders. The request for the above consulting services will be task driven and will require a scope of work, quote and specific deliverables of date and time for Lighthouse Utility Consulting, Inc. to complete each task. Not approving this request can also lead to project completion delays, cost escalations and potential heavy fines by the EPA & EPD for non-compliance. Finally, not meeting the Consent Decree deadline could jeopardize health and public safety if timely improvements are not made to the County's failing water and sewer infrastructure.

Engineering Manager/Watershed Deputy Director's

Accepted Signature: Carver Joseph Digitally signed by Carver Joseph
 Rejected Print Name: _____ Date: 2019.11.22 11:25:46 -0500
Date: 11/22/2019

Watershed Director's Approval:

Accepted Signature: Reginald Wells Digitally signed by Reginald Wells
 Rejected Print Name: Reginald Wells Date: 2019.11.22 12:07:33 -0500
Date: 11/22/2019

Deputy Chief Operating Officer's Approval:

Accepted Signature: Ted Rhinehart
 Rejected Print Name: Ted Rhinehart
Date: 11/22/19

Chief Operating Officer's Approval:

Accepted Signature: [Handwritten Signature]
 Rejected Print Name: Zachary L. Williams
Date: 11/22/19

Contract Name: Revenue Sufficiency Analysis and Rate Study
Contractor: Lighthouse Utility Consultant
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