

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

December 10, 1993

(Finance and Insurance Committee--Action)

To: Board of Directors (Organization and Personnel Committee--Action)

From: General Manager

Subject: Authority to Execute an Agreement with Reiter-Lowry
Consultants for Consulting Services and Appropriation of
Funds to Pay Expenses Related to Administration of the Water
Standby Charge Program for Fiscal Year 1994-95

Report

In order to administer the 1994-95 water standby charge program, staff proposes to enter into a new agreement with the firm of Reiter-Lowry-Consultants (RLC). RLC has extensive experience in the administration of such programs. This firm administered the District's 1992-93 and 1993-94 water standby charge programs under agreements, the last of which expired as of November 30, 1993. The new agreement will be set to expire on December 31, 1994. The service to be provided by RLC includes subscription to the firm's Parcel Information System, data preparation, submission of standby charges to each county within the District's service area, the processing of exemptions, taxpayer inquiries, and other miscellaneous services. Due to the highly technical and specialized nature of this work, execution of the new agreement is considered exempt from competitive bidding requirements under Administrative Code Section 8103 (i).

The estimated annual cost for the proposed services for fiscal year 1994-95 is \$879,000. This is a decrease of \$791,000 from payments to RLC for services in 1993-94. Under the Uniform Standby Charge Procedures Act, the District is not required to mail notices to the public if the standby charge is applied at the same rate and in the same manner and if there is no change in the areas subject to the charge. It will also not be necessary to conduct more than one public hearing. By separate letter, your Board is being asked to adopt a resolution of intent to impose the standby charge in 1994-95 at the same rates that were imposed in 1993-94, and not to impose the charge on any newly annexed territory. This will eliminate the requirement to mail notices and conduct multiple hearings, and save approximately \$644,500 in public hearing, paper, printing and postage costs.

RLC has also reduced the monthly charge for their parcel information service by 13 percent reflecting economies achieved during the first two years of administering the District's standby charge. Table 1 details the breakdown of costs for the 1994-95 standby charge, and shows the changes in costs from 1993-94 by component. It should be noted that approximately \$100,000 of the costs are for continuing work on the taxpayer inquiries and exemption processing for the 1993-94 standby charge. Table 2 shows the consultant's proposed hourly rates and charges. It is planned to include funds for the continuing services in the Annual Budget appropriation for fiscal year 1994-95.

In accordance with your Board's policy, RLC will provide an updated Equal Employment Opportunity certificate that will comply with all equal opportunity laws and will certify that RLC will not discriminate in the employment of any persons.

Adoption of the recommendations in this letter is exempt from the provisions of the California Environmental Quality Act since it can be seen with certainty that the proposed consulting services will not have a significant effect on the environment.

Board Committee Assignments

This letter was referred to:

The Finance and Insurance Committee for action pursuant to its authority to authorize appropriations, under Administrative Code Section 2441 (d).

The Organization and Personnel Committee for action because of its authority to study, advise, and make recommendations with regard to the terms and conditions of employment of all consultants and advisors, pursuant to Administrative Code Section 2471 (g).

Recommendation

**FINANCE AND INSURANCE AND ORGANIZATION AND PERSONNEL
COMMITTEES FOR ACTION.**

It is recommended that the Board of Directors authorize the General Manager to execute an agreement with Reiter-Lowry-Consultants, in form approved by the General

Counsel, to provide services required to administer the 1994-95 water standby charge program, and appropriate \$879,000 from the Operations and Maintenance Fund to pay the costs for such services.



J. R. Wodraska

CGP:jg
sbchg9394

Attachments

TABLE 1

COMPARISON OF COSTS FOR RLC STANDBY CHARGE PROGRAM
1993-94 vs. 1994-95

	<u>Actual 1993-94</u>	<u>Proposed 1994-95</u>	<u>Change</u>
RLC Parcel Information System	\$ 780,000	\$ 624,000 (1)	(\$156,000)
Public Hearings, Paper, Printing & Postage	677,000	32,500 (2)	(644,500)
Submit Charges to Counties	43,000	40,000 (3)	(3,000)
Taxpayer Inquiries Carry-Over From 1993-94	100,000 -0-	53,000 (4) 35,000	(47,000) 35,000
Exemption Processing Carry-Over From 1993-94	70,000 <u>-0-</u>	29,500 (5) <u>65,000</u>	(40,500) <u>65,000</u>
TOTAL	\$1,670,000	\$ 879,000	(\$791,000)

Notes :

- (1) Payable monthly @ \$52,000/mo.
- (2) Prepare proposed assessments for Engineer's Report (130 hours), microfiche vendor \$17,000
- (3) Prepare and reconcile final assessments, Prepare microfiche hard copy
- (4) 1,650 hours for calls/follow-up responses. microfiche vendor \$20,000
- (5) 1,200 hours for engineering evaluation and research, property location verifications, analysis of government involvement, administration and letters

TABLE 2

REITER-LOWRY CONSULTANTS RATES AND CHARGES
EFFECTIVE 12/01/93 THROUGH 11/30/94

<u>Billing Category</u>	<u>Hourly Rate</u>
Principal	\$ 105
Associate	95
Systems Design	65
Programming	55
Research Assistant	55
Data Input	35
Word Processing	35
Travel	1/2 of hourly rate for billing category of person in transit

Reimbursable Expenses

Administrative Service Charge	\$7.00 per hour (based on Principals' billing hours)
Sub-consulting	Actual Cost
Mileage	\$0.28 per mile
Express Delivery	Actual Cost
County Magnetic Tape	Actual Cost
Printing	Actual Cost
Lodging	Actual Cost
Other Expenses (directly related to project)	Actual Cost
HP3000 CPU	\$0.016 per CPU second
HR3000 CPU storage	\$0.008 per block *

* One block equals 512 bytes.