



Date: March 25,2020
To: Mayor Mike Reuter
Kalama City Council
From: Coni McMaster, Clerk/Treasurer
Subject: Award of the Utility Rate Study

The City requested proposals for preparing a a 5-year review and update to the City's Utility Rate Study done in 2015. We received proposals from HDR Inc. and FCS Group. City Administrator Adam Smee, Director of Public Works Kelly Rasmussen, and myself reviewed the proposals along with Councilmembers Sandra Macias Hughes and Wendy Conradi.

HDR, Inc. – The proposal was laid out well and HDR made clear the process they would take to complete the study and include the City's new stormwater utility. The timeline meets the needs of the City. HDR is well known in the field and has experience and references for this work. HDR is the consultant that completed the 2015 Rate Study, which means they have an understanding of our rate structure already. One of the members of the team to work on the project worked on the prior study. Cost estimate is \$48,965.

FCS Group – The proposal is laid out well and they were clear in the process they would take to complete the study for the City utilities. The timeline meets the needs of the City. FCS has a great reputation, references and employ highly qualified personnel for this work. Cost estimate is \$82,790.

Both proposals meet the needs of the City and would meet the timeline. Both firms are reputable and will provide a good end result. The biggest difference is the cost estimates and how the firms are charging for the project.

All the reviewers, ranked the two proposals with HDR, Inc number one and FCS Group number two. This project is in the 2020 budget for \$50,000. With HDR, Inc, ranked number one and their cost estimate within the approved budget, I am requesting the City award the project to HDR, Inc based on their submitted proposal. This action falls within the Mayor's authority as the work is already in the approved 2020 Budget.