THE CITY OF ASHEVILLE

Staff Report

Council Meeting Date: June 28, 2022

Subject: Stormwater Program Analysis and Fee Study

Staff Resource(s): Greg Shuler, Public Works Director
Amy Deyton, Assistant Public Works Director
Russ Davis, Stormwater Division Manager

Action Requested: Adoption of a resolution authorizing the City Manager to execute a contract with Raftelis Financial Consultants, Inc. in the amount of $300,000.00 and to enter into change orders to this contract, if needed, not to exceed a contingency amount of $45,000.00 (15%) for a total budget of $345,000.00 for the Stormwater Program Analysis and Fee Study.

Background:

- This project is for professional services to be rendered to lead, facilitate, and implement a stormwater utility fee study that assesses our current stormwater program and future needs to determine the appropriate level of service and fee assessment while also incorporating public engagement and input.
- This is a multiphase project which will include (1) review of the City's current programs, (2) identify future needs, (3) provide recommendations, and (4) implementation.
- While the Stormwater Utility Fund fees were raised by approximately five percent every year from 2015 to 2019, stormwater utility rates were not increased in the Fiscal Year (FY) 2020-21 or FY 2021-22 budget years in order to mitigate the economic effects of the COVID-19 pandemic on the Asheville community.
- Increased runoff peak flows and volumes produced by more intense storm events due to climate change, more impervious surface from increased densities in land development, and the complexity of development in this area have dramatically accelerated stormwater management issues, including the need to apply additional measures to improve the water quality within our watersheds.
- Construction project costs due to supply chain issues and inflation as well as additional stormwater needs across the City continue to surpass existing resources.
- The Stormwater Program should have the appropriate balance among the many relevant stormwater issues that face the City and provide services that are commensurate with a level the community can afford and support.
- To begin addressing these issues and provide some additional revenue until a comprehensive fee study can be completed, fee increases of 15% were approved by the Finance & Human Resources Committee and City Council in spring 2022 to take effect beginning in FY 2022-23.
- The Request for Qualifications was advertised on October 15, 2021, and responses were due by November 22, 2021.
- Four responses to the RFQ were received:
  - Raftelis Financial Consultants, Inc. of Charlotte, NC
  - Wildlands Engineering, Inc. of Charlotte, NC
  - Wood Environment & Infrastructure Solutions, Inc. of Atlanta, GA
  - Willdan Financial Services, Inc. of Temecula, CA
- Raftelis received the highest score from the scoring committee.
- The scoring committee consisted of representatives from the Public Works Department and Stormwater Division, Finance Department, Equity and Inclusion Department, and Office of Sustainability.
- Staff have been in negotiations with Raftelis regarding the project's final scope and cost.

Vendor Outreach Efforts:

- Professional Services must be selected through a qualifications-based selection process, in which minority- and women-owned business enterprise (MWBE) participation cannot be used as a scoring factor.

- The City's Goal Setting Committee has set an annual aspirational goal for professional services at 24.6% MWBE participation, in alignment with the City's Business Inclusion Policy.
- Past firms who have shown interest in performing on City of Asheville projects were informed about the project's advertisement.
- During preparation for advertising this project, the RFQ was shared with the Business Inclusion Manager in the Community & Economic Development Department.
- Staff also performed outreach to minority- and women-owned businesses through solicitation processes which included posting on the State's Interactive Purchasing System and the City of Asheville website, as well as encouraging prime firms to reach out to minority- and women-owned business enterprise (MWBE) service providers for subcontracted services.
- Staff reviewed the City's List of Certified Businesses, NC Historically Underutilized Business, and NCDOT MWBE databases for potential firms.
- Eleven MWBEs were directly contacted regarding the RFQ; none of these companies submitted a response.
- Out of the four submissions received, none of the prime firms self-identified as a MWBE business owner.
- Two firms indicated that they would be utilizing a MWBE subcontractor and one firm indicated that they would seek to utilize MWBEs for subconsultant services should additional services be needed.
- One of the subcontractors on the selected team is a minority woman-owned business.

Council Goal(s):
- A Financially Resilient City
- A Clean and Healthy Environment

Committee(s):
- Presentations were made to the Finance and Human Resources Committee on January 25 and March 22, 2022, regarding stormwater services and potential fee increases where this project was introduced.
- The Committee heard the stormwater presentations and on March 22, 2022, unanimously recommended to move forward to full Council.

Pro(s):
- The selected firm will perform a review of the City's current stormwater program as well as future stormwater needs, and will determine the appropriate level of service and fee assessment linking existing and future needs, financing, and policies.
- This study will also provide recommendations for potential funding scenarios based on public engagement and input.
- Successful completion of the project will assist in ensuring the proper level of investment in the program and efficient use of funding so that core service delivery is consistently provided to the community.
- With outside professional analysis of the stormwater program, we will be able to determine how our program compares to those in similar municipalities.

Con(s):
- Although the study is necessary to inform direction and growth of the program, costs associated with the study could otherwise be used to fund stormwater system improvements.

Fiscal Impact:
- Funding for this project is already budgeted in the Stormwater Operating Fund for Fiscal Year 2022-23.

Suggested Motion:
- Motion to adopt a resolution authorizing the City Manager to execute a contract with Raftelis Financial Consultants, Inc. in the amount of $300,000.00 and to enter into change orders to this contract, if needed, not to exceed a contingency amount of $45,000.00 (15%) for a total budget of $345,000.00 for the Stormwater Program Analysis and Fee Study.

Attachment(s):

- Resolution

RESOLUTION NO. 22-_____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH RAFTELIS FINANCIAL CONSULTANTS, INC. FOR THE STORMWATER PROGRAM ANALYSIS AND FEE STUDY

WHEREAS, the City of Asheville has authority pursuant to Article 3 of Chapter 160A of the North Carolina General Statutes to enter into contracts for services with other entities; and

WHEREAS, pursuant to N.C.G.S. § 143-129, responses were solicited for professional services to lead, facilitate, and implement a stormwater utility fee study that assesses the current stormwater program and future needs to determine the appropriate level of service and fee assessment while also incorporating public engagement and input; and

WHEREAS, Raftelis Financial Consultants, Inc. of Charlotte, North Carolina was the highest scoring submitting firm; and

WHEREAS, the amount of the proposal is $300,000.00, and funding for the project is allocated within the Stormwater Operating Fund for Fiscal Year 2022-23;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to execute on behalf of the City of Asheville a contract in the amount of $300,000.00 with Raftelis Financial Consultants, Inc. and to enter into change orders to this contract, if needed, not to exceed a contingency amount of $45,000.00 (15%) for a total budget of $345,000.00 for the Stormwater Program Analysis and Fee Study.

Read, approved, and adopted on this, the 28th day of June, 2022.

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City Clerk Mayor

Approved as to form:

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City Attorney