



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

411 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6425

August 20, 2019

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. RFP FM19-082 and award a contract to Revenue and Cost Specialists, LLC, of Fullerton, CA, to conduct citywide user fee and cost recovery studies, in the amount of \$408,000, with a five percent contingency in the amount of \$20,400, for a total contract amount not to exceed \$428,400, for a period of four years, with the option to renew for two additional one-year periods; and, authorize the City Manager, or designee, to enter into the contract, including any necessary amendments. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with Revenue and Cost Specialists, LLC, of Fullerton, CA, to conduct citywide user fee and cost recovery studies. The selected consultant will initiate work with an initial, high-level overview of the City of Long Beach's (City) fees and meet with City staff to identify areas most in need of cost analysis. Following this initial phase, the consultant will then develop a cost recovery model specific to the City using a standardized methodology and approach to assessing fees and charges. This model will allow for the calculation of a service's actual costs and will be in a user-friendly format that will allow City staff to continue to update expenditures and revenues to assess future costs of service and subsidy levels. The proposed contract also includes staff training and, if needed, consultant support for additional analysis and updates to cost recovery models.

A Request for Proposals (RFP) was advertised in the Long Beach Press-Telegram on March 25, 2019, and 5,215 potential proposers specializing in citywide user fee and cost recovery studies were notified of the RFP opportunity. Of those proposers, 29 downloaded the RFP via the City's electronic bid system. The RFP document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. A RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 28 local, minority, and women-owned business groups. Four proposals were received by the deadline of April 26, 2019. Of those four proposals, none were Minority-owned Business Enterprises (MBEs), Women-owned Business Enterprises (WBEs), certified Small Business Enterprises (SBEs), or Long Beach businesses (Local).

A selection committee comprised of representatives from the Financial Management, Parks, Recreation, and Marine, Development Services, and Health and Human Services Departments determined that Revenue and Cost Specialists, of Fullerton, CA (not an MBE, WBE, SBE or Local), was the most qualified firm to provide the services. In addition to meeting the City's needs as outlined in the RFP, the firm was selected based on their experience in performing comparable engagements for nearly 40 years, their in-depth understanding of fee analyses that is defensible, and their approach that includes a flexible team that is committed to timely deliverables, continuous onsite meetings, and timely communication.

Local Business Outreach

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download the RFP specifications. Through outreach, 568 Long Beach vendors were notified to submit proposals, of which none downloaded nor submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson on August 5, 2019, Purchasing Agent Tara Yeats on July 24, 2019, and by Budget Management Officer Rhutu Amin Gharib on August 5, 2019.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP FM19-082 and award the contract concurrently is requested on August 20, 2019, to ensure citywide user fee and cost recovery studies are initiated expeditiously.

FISCAL IMPACT

The contract will not exceed \$428,400, and is based on the estimated number of hours required to complete departmental fee studies and cost recovery models for each department. In addition, the proposed contract amount also includes consultant costs for staff training to utilize the models and, if needed, consultant support for additional analysis and annual model updates.

The cost for each departmental fee study will be funded by the department and fund under evaluation. It is anticipated that departments will be able to absorb costs within current budgeted appropriation. However, staff will continue to monitor and assess funding sources on a case by case basis as the studies move forward, and will report back to the City Council if any additional appropriation increase is needed. During the first year of the contract, the total cost is estimated at \$123,080, which includes cost recovery studies for Development Services, Parks, Recreation and Marine, and the Health and Human Services Departments. This cost will be absorbed by these departments within their existing resources in various funds. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

HONORABLE MAYOR AND CITY COUNCIL

August 20, 2019

Page 3

SUGGESTED ACTION:

Approve recommendation.


Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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APPROVED:



PATRICK H. WEST
CITY MANAGER