

Legislation Text

File #: BILL NO. 21-213, **Version:** 1

An Ordinance approving the award of RFQ No. 2021-076 for professional engineering services for a Stormwater Utility Rate and Implementation Study to Black & Veatch Management Consulting, LLC, for an amount not to exceed \$457,662.00, and authorizing the City Manager to execute an agreement for the same. (PWC 10/11/21)

Issue/Request:

An Ordinance approving the award of RFQ No. 2021-076 for professional engineering services for a Stormwater Utility Rate and Implementation Study to Black & Veatch Management Consulting, LLC, for an amount not to exceed \$457,662.00, and authorizing the City Manager to execute an agreement for the same.

Key Issues:

- A stormwater utility was recommended by the 2004 Citizen Stormwater Task Force, the 2009 LS 360 Strategic Plan, and the 2019 iGNITE Comprehensive Plan.
- The City's Public Works Committee has thoroughly researched and reviewed the benefits of a stormwater utility in addressing the significant unfunded and ongoing stormwater maintenance needs of the community.
- Funding for a Stormwater Utility Rate and Implementation Study (hereinafter "Study") was authorized pursuant to Ordinance No. 9104 on March 16, 2021.
- City staff publicly advertised RFQ No. 2021-076 to conduct a qualification-based selection process for professional services to perform the Study.
- After submittal reviews and interviews with firms, Black and Veatch Management Consulting, LLC (hereinafter "Engineer") was determined the most qualified firm to undertake such an assignment.
- Following successful scope and fee negotiations, the City desires to enter into an agreement with the Engineer for the Study.

Proposed Committee Motion:

I move to recommend to City Council approval of an Ordinance approving the award of RFQ No. 2021-076 for professional engineering services for a Stormwater Utility Rate and Implementation Study to Black & Veatch Management Consulting, LLC, for an amount not to exceed \$457,662.00, and authorizing the City Manager to execute an agreement for the same.

Proposed City Council Motion:

FIRST: I move for a second reading of an Ordinance approving the award of RFQ No. 2021-076 for professional engineering services for a Stormwater Utility Rate and Implementation Study to Black & Veatch Management Consulting, LLC, for an amount not to exceed \$457,662.00, and authorizing the City Manager to execute an agreement for the same.

SECOND: I move for adoption of an Ordinance approving the award of RFQ No. 2021-076 for professional engineering services for a Stormwater Utility Rate and Implementation Study to Black & Veatch Management Consulting, LLC, for an amount not to exceed \$457,662.00, and authorizing the City Manager to execute an agreement for the same.

Background:

The concept of a Stormwater Utility began following the 1987 Clean Water Act amendments that mandated, without funding, regulation of stormwater quality to mitigate pollution. However, as commonly seen among municipalities, the local community stormwater issues focus primarily on flooding concerns.

As Lee's Summit has grown, stormwater management has become more challenging because significant stormwater infrastructure has been added without corresponding adjustments in staffing or funding. One of the early steps in Lee's Summit was conducting an extensive stormwater master plan from 1997-2003. That study identified numerous flooding issues within each watershed. In 2004, a citizen's task force was created to develop strategies to address many of those issues. One of task force recommendations included creating a stormwater utility.

Elected officials and City staff have continued efforts to address local flooding issues. These concerns led to a successful 2007 bond issue and 2017 CIP Sales Tax renewal election that provided funding to address some structural flooding issues. The structural flooding mitigation funds are not sufficient to address all reports of structural flooding. None of these dedicated revenues have addressed rehabilitation or upgrading existing stormwater infrastructure, nor have the dedicated revenues addressed water quality issues to ensure compliance with mandated state and federal regulations.

Starting in 2015, City Council re-started the exploration of a stormwater utility. Several presentations and discussions, mostly with the Public Works Committee, developed support among elected officials to pursue the steps of establishing a stormwater utility. The main goal of the utility is to create additional, dedicated revenue to manage and improve the City's stormwater infrastructure. This goal aligns with the iGNITE Comprehensive Plan that specifically cites "Protect Water Quality" as an objective within the Sustainable Environment plan element. The stormwater utility will also support many other plan elements, such as infrastructure.

A stormwater utility rate and implementation study is the first step in creating a stormwater utility. Following Council's March 2021 authorization to fund a stormwater utility rate study, City staff issued RFQ No. 2021-076 to solicit qualifications from consulting firms. Black and Veatch was selected unanimously as the most qualified firm by the selection committee.

The proposed scope of services outlines a comprehensive process that involves public involvement, Council guidance, technical analysis of impervious areas, discussions regarding levels of service, financial analysis, and funding strategies. The scope is presented in two phases.

Phase 1, the basic services, will perform the work necessary to present a stormwater utility funding proposal to voters. In simple terms, the goal of Phase 1 is to be able to inform voters and elected officials so that the goals, objectives, and funding request are clearly understood. A voter should be able to clearly understand the fee structure, how much it would cost per the types of services provided, and how the City would manage the utility. Phase 1 basically starts with a blank canvas. In order to scope the work, some key assumptions had to be made. For example, in the scope, two levels of service scenarios will be developed. These scenarios could be very similar to the levels of service the Public Works Committee reviewed in 2016-2020. The levels of service should clearly identify the costs necessary to support the desired level of service. Then for each level of service, Black and Veatch will analyze two funding strategies based on recurring billing. This does not preclude City staff from analyzing alternative funding associated with simpler strategies such as a flat fee, sales tax, etc., necessary to support a level of service scenario.

Public engagement will involve four meetings with a Stormwater Advisory Committee (SWAC) and four meetings at City Council, along with other means of soliciting public input. The SWAC will include both City staff and attempt to recruit key stakeholders from the community and local residents. In order to successfully startup a utility, somewhere along the line, a “public champion” needs to be found to help convey the necessity of such program and educate the community on its merits and benefits. Open dialogue and transparent data should help build this trust during Phase 1 of the study.

Phase 1 will take about 8 to 12 months to complete. This could lead to a municipal election in August 2022, or spring 2023, as appropriate.

Phase 2 is presented as an optional service because this would only take place after a successful completion of Phase 1 and consideration of approved funding for utility implementation. Phase 2 would be the services for implementation. A successful Phase 1 and approved revenue basis would show the public support for the proposed level of service, rate structure, and any other prescriptive elements. Implementation requires filling many details such as policies, appeals process, customer service processes, customer care, staff training, managing growth in the system, revenue collection, create data management tools, public interface with data tools, etc. If Phase 1 is not successful, then Phase 2 of the contract will not occur.

A stormwater utility study is the first step in developing and evaluating a stormwater utility that best fits stormwater management goals and strategic plan for the City of Lee’s Summit.

Impact/Analysis:

If not approved, the City cannot pursue a stormwater utility.

Timeline:

Start: December 2021

Finish: April 2023

Other Information/Unique Characteristics:

RFQ No. 2021-076 was advertised on May 3, 2021 via PublicPurchase.com and the City’s web site. 1,011 firms were notified, 55 firms viewed the RFQ, 49 firms downloaded the RFQ documents and 3 firms submitted responses by the closing date of May 24, 2021. City staff reviewed and ranked the three submittals, and

conducted interviews with all three firms. Black and Veatch was unanimously evaluated as the best qualified firm.

Michael Park, Director of Public Works

Recommendation: Staff recommends approval.

Committee Recommendation: The Public Works Committee voted unanimously 4-0 (Councilmember Edson "Absent"), to recommend to City Council approval of an Ordinance approving the award of RFQ No. 2021-076 for professional engineering services for a Stormwater Utility Rate and Implementation Study to Black & Veatch Management Consulting, LLC, for an amount not to exceed \$457,662.00, and authorizing the City Manager to execute an agreement for the same.