



## RESOLUTION 2015-058

### AMENDING THE EXISTING CONTRACT WITH MURRAY SMITH & ASSOCIATES (MSA) TO INCLUDE A SANITARY FEE AND SYSTEM DEVELOPMENT CHARGE (SDC) RATE STUDY AS PART OF THE SANITARY MASTER PLAN UPDATE

**WHEREAS**, under Resolution 2015-007, City Council authorized the City Manager to enter into contract with MSA to provide professional services in updating the City's existing Sanitary Sewer Master Plan; and

**WHEREAS**, the Scope of Work under the original MSA contract did not include performing a sanitary fee and SDC rate study component as City staff had intended to conduct this study at a later date; and

**WHEREAS**, conditions changed and City staff concluded that to perform the sanitary fee and SDC rate study under the existing MSA contract to be more cost effective, efficient, and timely; and

**WHEREAS**, the State of Oregon Revised Statutes (ORS 279C.115) states, "A contracting agency may enter into a contract for architectural, engineering, photogrammetric mapping, transportation planning or land surveying services or related services directly with a consultant if the project described in the contract consists of work that has been substantially described, planned or otherwise previously studied or rendered in an earlier contract with the consultant that was awarded under rules adopted under ORS 279A.065 and the new contract is a continuation of the project."; and

**WHEREAS**, the proposed contract amendment complies with ORS 279C.115, and City staff have negotiated and received a Scope of Work and Fee Schedule (attached as Exhibit A); and

**WHEREAS**, the FY2015-16 budget allocates funds necessary for the completion of this work.

#### **NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:**

**Section 1.** The City Manager is authorized to amend the existing Professional Services Contract with MSA by including a sanitary fee and SDC rate study as part of the contract scope of work.

**Section 2.** The contract amendment with MSA increases the existing contract amount of \$121,900 by an additional \$21,250, for an amended contract amount of \$143,150.

**Section 3.** The City Manager is authorized to spend additional project funds beyond the contract amount for unforeseen and unanticipated issues, up to the budgeted amount of \$151,900.

**Section 4.** This Resolution shall be effective upon its approval and adoption.

**Duly passed by the City Council this 7<sup>th</sup> day of July 2015.**

  
Krisanna Clark, Mayor

Attest:

  
Sylvia Murphy, MMC, City Recorder

# **EXHIBIT A**

## **PROPOSED SCOPE AND FEE FOR AMENDMENT NO. 1 SANITARY SEWER MASTER PLAN UPDATE CITY OF SHERWOOD, OREGON**

### **INTRODUCTION**

This additional scope of services is for professional engineering services between Murray, Smith & Associates, Inc. (MSA) and the City of Sherwood, Oregon (City) required to provide a rate and systems development charge (SDC) study as part of the Sanitary Sewer Master Plan Update (Plan), currently under preparation by MSA.

MSA is currently providing the City with an updated Sanitary Sewer Master Plan including sewer collection system capital improvement recommendations and budget-level capital cost estimates. The Plan's current scope of services does not include impacts to existing rate and SDCs. The City desires to perform this analysis as part of the master plan process, and include in the final master plan document.

### **ADDITIONAL SCOPE OF SERVICES**

#### **Task 6 Sanitary Sewer Rate and SDC Study Update**

Under this task, MSA will provide the services of Galardi Rothstein Group (GRG) to update the City's rates and system development charges (SDCs) as part of the Sanitary Sewer Master Plan Update. MSA and GRG will provide the following services:

##### ***Task 6.1 – Financial Analysis***

Historical revenues and expenditures for the system will be reviewed for the past 3 years to identify significant cost and revenue factors and trends. Annual system requirements (capital and operating) will be projected for the 10-year planning period (10 years). Capital improvement funding strategies and sources will be reviewed and identified. Revenues under existing rates and projected increases from Clean Water Services (CWS) will be forecast for the study period. Miscellaneous revenues, including revenue from SDCs, interest income, and other charges, will be projected and deducted from total requirements to determine the amount of annual revenue required from user rates.

A computerized financial planning model will be developed so that alternative capital phasing and policy and forecast assumptions may be evaluated against the need for any additional local rate increases. A recommended plan will be developed that balances the City's financial policies and objectives and capital improvement priorities.

##### ***Task 6.2 – System Development Charge Analysis***

For each identified capital improvement, hydraulic modeling data will be reviewed to determine the portion of the improvement needed for growth versus existing development. Using system planning data, the future growth in equivalent dwelling units (EDU) will be

estimated. The resulting SDC will be compared against the local portion of the CWS SDC. If a higher SDC is calculated, the City may elect to charge a supplemental SDC, in addition to the regional SDC.

**Task 6.3 - Meetings and Presentations**

Attend up to 3 meetings with staff to develop financial plan framework and SDC methodology and assumptions, and present preliminary results. Attend up to 2 meetings with the City Council to present the findings and recommendations.

**Task 6.4 - Documentation**

Prepare separate stand-alone reports for the rate analysis and SDC methodology. A summary of the findings from the rate analysis report will be incorporated into the final Master Plan document. Draft and final versions of the stand-alone reports will be provided in electronic PDF format.

**BUDGET**

The overall not-to-exceed budget estimate for this additional scope of services is \$21,250 as shown in Table 1. The work provided in this Scope of Services will be billed on a time and expense basis.

**Table 1.  
 City of Sherwood  
 Sanitary Sewer Master Plan Update  
 Amendment No. 1  
 Fee and Labor Estimate**

	Project Manager S. Roundy \$148	ESTIMATED FEES			
		Labor	Subconsultant GRG Financial	Expenses	Total
<b>Task 1: Project Management</b>					
1.4. Subconsultant Coordination	4	\$ 592	\$ -	\$ 72	\$ 664
<b>Task 6 Subtotal</b>	<b>4</b>	<b>\$ 592</b>	<b>\$ -</b>	<b>\$ 72</b>	<b>\$ 664</b>
<b>Task 6. Stormwater Rate and SDC Study Update</b>					
6.1 Financial Analysis	2	\$ 296	\$ 5,258	\$ 40	\$ 5,594
6.2 SDC Analysis	2	\$ 296	\$ 4,224	\$ 40	\$ 4,560
6.3 Meetings	12	\$ 1,776	\$ 4,180	\$ 400	\$ 6,356
6.4 Documentation	8	\$ 1,184	\$ 2,750	\$ 142	\$ 4,076
<b>Task 6 Subtotal</b>	<b>24</b>	<b>\$ 3,552</b>	<b>\$ 16,412</b>	<b>\$ 622</b>	<b>\$ 20,586</b>
<b>TOTAL - ALL TASKS</b>	<b>28</b>	<b>\$ 4,144</b>	<b>\$ 16,412</b>	<b>\$ 694</b>	<b>\$ 21,250</b>