

RECEIVED

BUDGET, FINANCE & AUDIT COMMITTEE
DALLAS CITY COUNCIL COMMITTEE AGENDA

2016 JAN 15 PM 12: 50

CITY SECRETARY
DALLAS, TEXAS

TUESDAY, JANUARY 19, 2016
CITY HALL
COUNCIL BRIEFING ROOM, 6ES
1500 MARILLA
DALLAS, TEXAS 75201
1:00 P.M. – 2:30 P.M.

Chair, Councilmember Jennifer S. Gates
Vice-Chair, Councilmember Philip T. Kingston
Deputy Mayor Pro Tem Erik Wilson
Councilmember Rickey D. Callahan
Councilmember Scott Griggs
Councilmember Lee M. Kleinman

Call to Order

1. Consideration of the minutes from the January 4, 2016 Budget, Finance and Audit Committee meeting

BRIEFINGS

2. Dallas Water Utilities: Enterprise Fund Overview Jody Puckett, Director
Dallas Water Utilities
3. Stormwater Utility: Fund Overview & Rate Study Update Sarah Standifer, Director
Trinity Watershed Management
4. Litter Maintenance Services for Park and Recreation Mike Frosch, Director
Business Development and Procurement Services
5. Grounds Maintenance Services at Parks, Airports and Other City Owned Properties Mike Frosch, Director
Business Development and Procurement Services

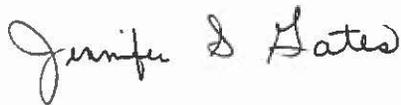
UPCOMING AGENDA ITEMS

January 27, 2016 City Council Meeting

- A. Agenda Item #5: Authorize the first twelve-month renewal option to the contract to provide labor and materials for minor home repairs through the People Helping People Program administered by the Housing/Community Services Department – Miko Trucking, Inc. – Not to exceed \$155,292 – Financing: 2015-16 Community Development Block Grant Funds (subject to appropriations)
- B. Agenda Item #6: Authorize a three-year service contract for maintenance, support, parts and hardware for the supervisory control and data acquisition systems at three treatment water and two wastewater treatment plants - CDM Smith, Inc., most advantageous proposer of three - Not to exceed \$2,397,350 - Financing: Water Utilities Current Funds (subject to annual appropriations)

- C. Agenda Item #9: Authorize a three-year service contract for the removal and disposal of waste collected in sand traps, grease traps, interceptors and septic tanks – Stericycle Environmental Solutions, Inc. in the amount of \$819,002 and Liquid Environmental Solutions of Texas, LLC in the amount of \$39,895, lowest responsible bidders of two – Total not to exceed \$858,897 - Financing: Current Funds \$401,591, Aviation Current Funds \$369,879, Sanitation Current Funds \$72,584, Water Utilities Current Funds \$14,843 (subject to annual appropriations)
- D. Agenda Item #10: Authorize the purchase of mobile/folding stage equipment and accessories for the Kay Bailey Hutchinson Convention Center Dallas - Sico America, Inc. through the National Intergovernmental Purchasing Alliance Company - Not to exceed \$1,153,260 - Financing: Convention and Event Services Capital Construction Funds
- E. Agenda Item #11: Authorize supplemental agreement no. 6 to increase the service contract for upgrades to the Citizen Request Management System - Motorola Solutions, Inc. - Not to exceed \$114,000, from \$1,912,853 to \$2,026,853 - Financing: Current Funds

Adjourn



Jennifer S. Gates, Chair
Budget, Finance & Audit Committee

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding economic development negotiations. Section 551.087 of the Texas Open Meetings Act.

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

Budget, Finance & Audit Committee

Meeting Record- DRAFT

Meeting Date: January 4, 2016

Convened: 1:07 pm

Adjourned: 2:16 pm

Committee Members Present:

Jennifer S. Gates, Chair
Philip T. Kingston, Vice-Chair

Erik Wilson
Rickey D. Callahan

Lee M. Kleinman
Scott Griggs

Committee Members Absent:

N/A

Other Council Members Present:

N/A

Staff Present:

Jeanne Chipperfield
Craig D. Kinton
Rick Galceran
Kelly High

Mike Frosch
Edward Scott
Stephanie Cooper
Jerry Ortega

Dennis Ware
Jack Ireland
Barbara McAnich
Raymond Lee

Errick Thompson
Robert Sims
Richard Wagner

Filicia Hernandez
Lance Sehorn
Nick Fehrenbach

Others Present:

N/A

AGENDA:

Call to Order

1. Consideration of the December 7, 2015 Minutes

Presenter(s):

Information Only: _

Action Taken/Committee Recommendation(s):

A motion was made to approve the December 7, 2015 minutes. Motion passed unanimously.

Motion made by: Philip T. Kingston

Motion seconded by: Rickey D. Callahan

3. FY 2015-16 Street Work Plan Program

Presenter(s): Dennis Ware, Director, Street Services

Information Only: X

Action Taken/Committee Recommendation(s):

Councilmember Gates requested an update on the status of completed street work to the Budget, Finance and Audit Committee in June, 2016.

2. Atmos Energy Corporation: Dallas Annual Rate Review

Presenter(s): Nick Fehrenbach, Manager of Regulatory Affairs, Office of Financial Services

Information Only: _

Action Taken/Committee Recommendation(s):

Councilmember Kingston recommended a Conservation and Energy Efficiency Program as a separate program for the City of Dallas to be represented as a line item on Atmos bills. Councilmember Gates supported the recommendation and requested surveying citizens for input.

Budget, Finance & Audit Committee

Meeting Record- DRAFT

UPCOMING AGENDA ITEMS:

January 13, 2016 City Council Meeting

- A. Agenda Item #3: Authorize a construction services contract to demolish and replace the existing leachate storage tank at the McCommas Bluff Landfill - Texas Aquastore, Inc., lowest responsible bidder of two - Not to exceed \$172,094 - Financing: Sanitation Current Funds (subject to appropriations)**

A motion was made to forward to the City Council on Wednesday, January 13, 2016. Motion passed unanimously.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- B. Agenda Item #4: Authorize an acquisition contract for the purchase, design and installation of five computerized control units at Lake Fork Pump Station and two display units at Iron Bridge Pump Station - WHECO Electric, Inc., most advantageous proposer of four - Not to exceed \$178,606 - Financing: Water Utilities Capital Construction Funds (subject to appropriations)**

A motion was made to forward to the City Council on Wednesday, January 13, 2016. Motion passed unanimously.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- C. Agenda Item #5: Authorize a three-year service contract for parts and labor for machine shop equipment - Jamet Incorporated, only bidder – Not to exceed \$214,965 – Financing: Water Utilities Current Funds (subject to annual appropriations)**

A motion was made to forward to the City Council on Wednesday, January 13, 2016. Motion passed unanimously.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- D. Agenda Item #6: Authorize a three-year service contract for vent and hood maintenance and cleaning services at Love Field – Hood Specialists, lowest responsible bidder of two - Not to exceed \$230,163 - Financing: Aviation Current Funds (subject to annual appropriations)**

A motion was made to forward to the City Council on Wednesday, January 13, 2016. Motion passed unanimously.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- E. Agenda Item #7: Authorize a three-year service contract for periodic inspections, repairs, parts and preventive maintenance for overhead and gantry cranes - Royal Arc Welding Company, lowest responsible bidder of two - Not to exceed \$428,645 - Financing: Current Funds (\$79,235), Water Utilities Current Funds (\$300,180), Stormwater Drainage Management Current Funds (\$48,570) and Sanitation Current Funds (\$660) (subject to annual appropriations)**

A motion was made to forward to the City Council on Wednesday, January 13, 2016. Motion passed unanimously.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

Budget, Finance & Audit Committee

Meeting Record- DRAFT

- F. Agenda Item #8: Authorize a three-year service contract for citywide locksmith services - Joe East Enterprises, Inc. dba A-1 Locksmith, Inc., lowest responsible bidder of three - Not to exceed \$702,745 - Financing: Current Funds (\$450,829), Aviation Current Funds (\$150,743), Water Utilities Current Funds (\$100,022) and Stormwater Drainage Management Current Funds (\$1,151) (subject to annual appropriations)**

A motion was made to forward to the City Council on Wednesday, January 13, 2016. Motion passed unanimously.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- G. Agenda Item #10: Authorize a three-year master agreement for the purchase of plastic sewer couplings and lateral cleanouts – Beeco, Inc. in the amount of \$149,437, Fortiline, Inc. in the amount of \$14,716, Ferguson Enterprises in the amount of \$4,484 and HD Supply Waterworks, LTD in the amount of \$1,132, lowest responsible bidders of five - Total not to exceed \$169,769 - Financing: Water Utilities Current Funds**

A motion was made to forward to the City Council on Wednesday, January 13, 2016. Motion passed unanimously.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- H. Agenda Item #11: Authorize a three-year master agreement for the purchase of aluminum sign blanks to be used by Street Services - Vulcan, Inc., lowest responsible bidder of five - Not to exceed \$1,596,317 - Financing: Current Funds**

A motion was made to forward to the City Council on Wednesday, January 13, 2016. Motion passed unanimously.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- I. Agenda Item #12: Authorize the purchase of a telescoping passenger stairway for Love Field – Boyer Ford Trucks, Inc. through the General Services Administration - Not to exceed \$80,955 – Financing: Aviation Current Funds**

A motion was made to forward to the City Council on Wednesday, January 13, 2016. Motion passed unanimously.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

- J. Agenda Item #13: Authorize the sale of one trackloader and one loader through a public auction on December 2, 2015 to Nighthawk Construction in the amount of \$27,500 and Roy Hufstutler in the amount of \$21,100, highest bidders of sixteen - Revenue: \$48,600**

A motion was made to forward to the City Council on Wednesday, January 13, 2016. Motion passed unanimously.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

Budget, Finance & Audit Committee

Meeting Record- DRAFT

- K. Agenda Item #14: Authorize (1) the rejection of bids received for various valves and valve parts for water and wastewater treatment plants; and (2) the re-advertisement for new bids - Financing: No cost consideration to the City**

A motion was made to forward to the City Council on Wednesday, January 13, 2016. Motion passed unanimously.

Motion made by: Rickey D. Callahan

Motion seconded by: Erik Wilson

Adjourn

Jennifer S. Gates, Chair
Budget, Finance & Audit Committee

Memorandum



CITY OF DALLAS

DATE January 15, 2016

TO Members of the Budget, Finance & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT Dallas Water Utilities: Enterprise Fund Overview

On January 19, 2016 the Budget, Finance and Audit Committee will be briefed on Dallas Water Utilities: Enterprise Fund Overview. The briefing is attached for your review.

Please let me know if you need additional information.

A handwritten signature in black ink, appearing to read 'Mark McDaniel'.

Mark McDaniel
Assistant City Manager

Attachment

c: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Rosa A. Rios, City Secretary
Craig D. Kinton, City Auditor
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager

Dallas Water Utilities: Enterprise Fund Overview

Budget, Finance & Audit Committee
January 19, 2016



Purpose

This briefing provides an overview of City of Dallas Water Utilities

Outline

- Background
- Services Provided
- Cost to Deliver Services
- Capital Improvement Program
- Appendix
 - Business Plan Objectives
 - Debt Service
 - Trends
 - Forecast
 - Key Focus Areas

Background

Establishment of City of Dallas Water Utilities – Enterprise Fund

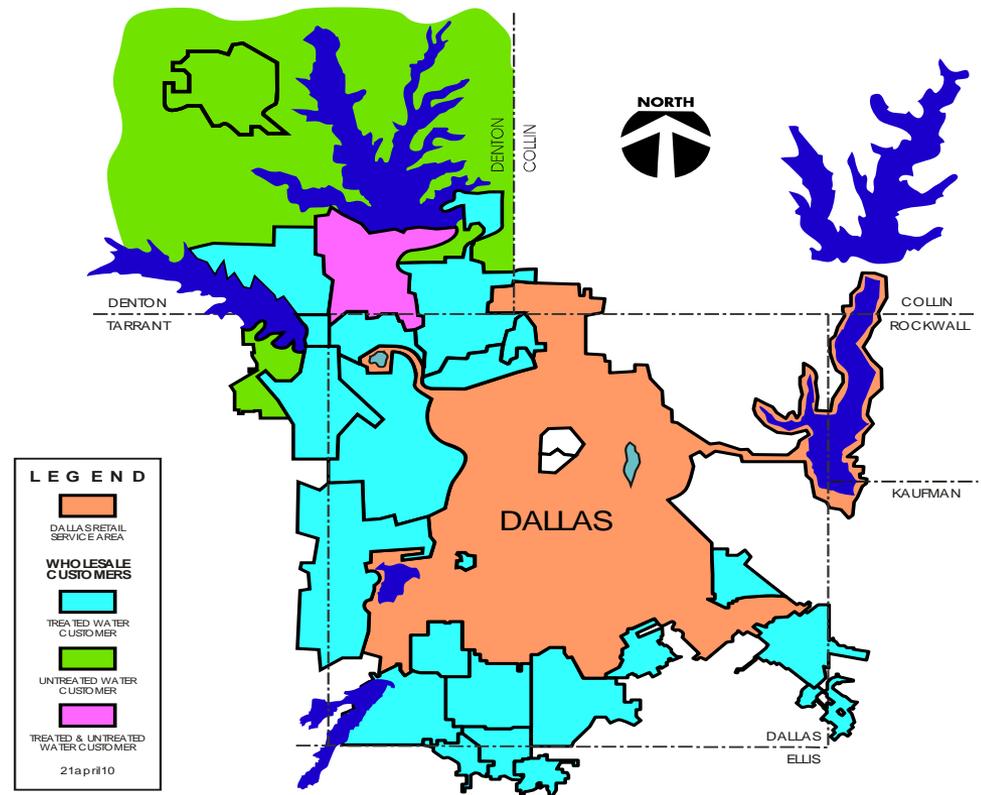
- Water Supply Company was founded in 1881
- Dallas City Charter, Chapter II, Section 34, Powers of the City provides for the right to erect, own, maintain and operate a waterworks and sanitary sewer system, or any part thereof, for the use of the city and its inhabitants, and to regulate such system
- In 1882 Dallas City Council voted that a separate water fund be established and that Water Department funds be separated from the General Fund
- The ordinance established the Department as a non-profit corporation within the City structure, and is still in place today

Dallas Water Utilities Revenues

- The department is owned and operated by the City of Dallas, and is self-supporting through the sale of water and wastewater services
- The Dallas City Charter provides in Chapter XI, Section 14 that all water and wastewater costs shall be paid for from customer services revenues
- DWU's budget is completely funded through the rates charged for water and wastewater services provided to customers. Rates are based on the cost of providing the services

Dallas: A Regional Water Supplier for Over 75 Years

- Under the Texas Constitution and State law, all surface water is owned by the State of Texas
- Dallas' 1959 Long Range Water Supply Plan was updated in 1975, 1989, 2000, 2005 and 2014
 - The 1959 study recommended that Dallas supply water to surrounding cities
- Dallas has been granted extensive water rights by the State in return for its promise to serve a defined area approved by Council and included in the State water plan which includes customer cities



Services Provided

DWU's FY2015-16 Budget Includes the Following Services

- 151.5 BG of water treated and delivered
- 60.0 BG of wastewater treated
- Capital Improvement Program of \$219.3M
- Continuation of plant improvements at Eastside Water Treatment Plant and replacement of aged water and wastewater mains
- Meets all State and Federal water and wastewater quality requirements
- Meets all Financial Management Performance Criteria (FMPC)
 - Based on year end forecast for FY15's revenues and expenses
 - Maximum Year coverage for FY16 is 1.78
 - Maximum Year coverage against Prior Year Revenues is 1.30

Services Provided by Dallas Water Utilities



• Water Production and Delivery

- Provide high quality potable water that meets all State and Federal regulatory requirements
- Provide drinking water and fire protection to over 2.4 million in the City of Dallas, 23 customer cities and DFW Airport
- 24/7 operations and maintenance of:
 - 7 reservoirs, (6 connected)
 - 3 water treatment plants with a combined capacity of 900 MGD
 - 23 pump stations
 - 9 elevated and 12 ground storage tanks
- Maintain approximately 4,925 miles of water mains in the distribution system
- Value of water assets \$3.2 Billion

Services Provided by Dallas Water Utilities



- **Wastewater Collection and Treatment**

- Provide wastewater collection, transport, treatment and discharge to meet Federal and State regulatory requirements
- Provide wastewater service for over 2.1 million customers in the City of Dallas and 11 wholesale customer cities
- 24/7 operations and maintenance of:
 - Two wastewater treatment plants with a combined capacity of 260 MGD
 - 15 wastewater lift stations
- Maintain approximately 4,017 miles of wastewater mains in the sanitary sewer system
- Value of wastewater assets \$2.0 Billion

Services Provided by Dallas Water Utilities



• Customer Account and Planning Services

- Maintain adequate water supply to meet projected demands
- Provide planning, design and construction of capital projects to assure adequate and appropriate improvements within the water and wastewater systems
- Provide monthly meter reading, billing and account maintenance service for over 300,000 customer accounts
- Ensure accurate accountability of funds and prudent management of the department's financial resources
- In addition to water and wastewater operations, DWU manages Vital Statistics and Special Collections Divisions
- Conducts retail and wholesale cost of service studies and rate development ensuring that the City of Dallas is properly reimbursed for services provided by developing and monitoring the annual operating and capital budgets
- DWU collects revenues totaling \$850 M each year

Cost to Deliver Services

Operating & Capital Budgets

Dallas Water Utilities Budget Focus



- Costs are driven by infrastructure requirements for both renewal and growth
- Continues the focus on maintaining infrastructure and conserving resources through:
 - Water and wastewater systems maintenance/replacement
 - Annual replacement of aged water and wastewater mains
 - Pro-active detection of water system leaks
 - Water conservation efforts
 - Continual evaluation of trends in costs such as power, fuel, and chemicals
 - Implementation of the Integrated Pipeline Project
 - Implementation of master plan and major maintenance recommendations for capital improvements program (CIP)



Water System Efficiencies

- Well-run utilities maintain their infrastructure through proper levels of inspection, repair and replacement
- Three pronged effort to actively manage water distribution system
 - Leak detection
 - Main break and service repairs
 - Main replacement
- Accurate measurement of water delivered
 - Meter testing
 - Meter repair
 - Meter replacement

Major Maintenance Initiatives

- Leak Detection Program
 - System surveyed every 2.5 years by 8 leak detection crews
 - Since FY05 inception
 - Surveyed 27,144 miles of pipeline
 - Located 2,759 unknown leaks
 - Saved an estimated 3.5BG
- Wastewater Mains
 - Increased large wastewater main assessment and replacement program
 - Clean 38.5% of system annually
 - Television inspection of 5.7% of system annually
 - “Cease the Grease” public outreach initiative aimed at reducing Fats, Oil and Grease related Sanitary Sewer Overflows



Water/Wastewater Main Replacement Program

- Dallas Water Utilities has approximately 4,925 miles of water pipelines and 4,017 miles of wastewater mains
- Pipe size, type of pipe material, soil condition, break frequency, regulatory requirements, system overflows, and system demands are used in the replacement process
- Once identified, the pipe segments are prioritized and placed in the pipeline inventory database for replacement
- Annual planned main replacements in FY16 is 75 miles



Meter Maintenance Program



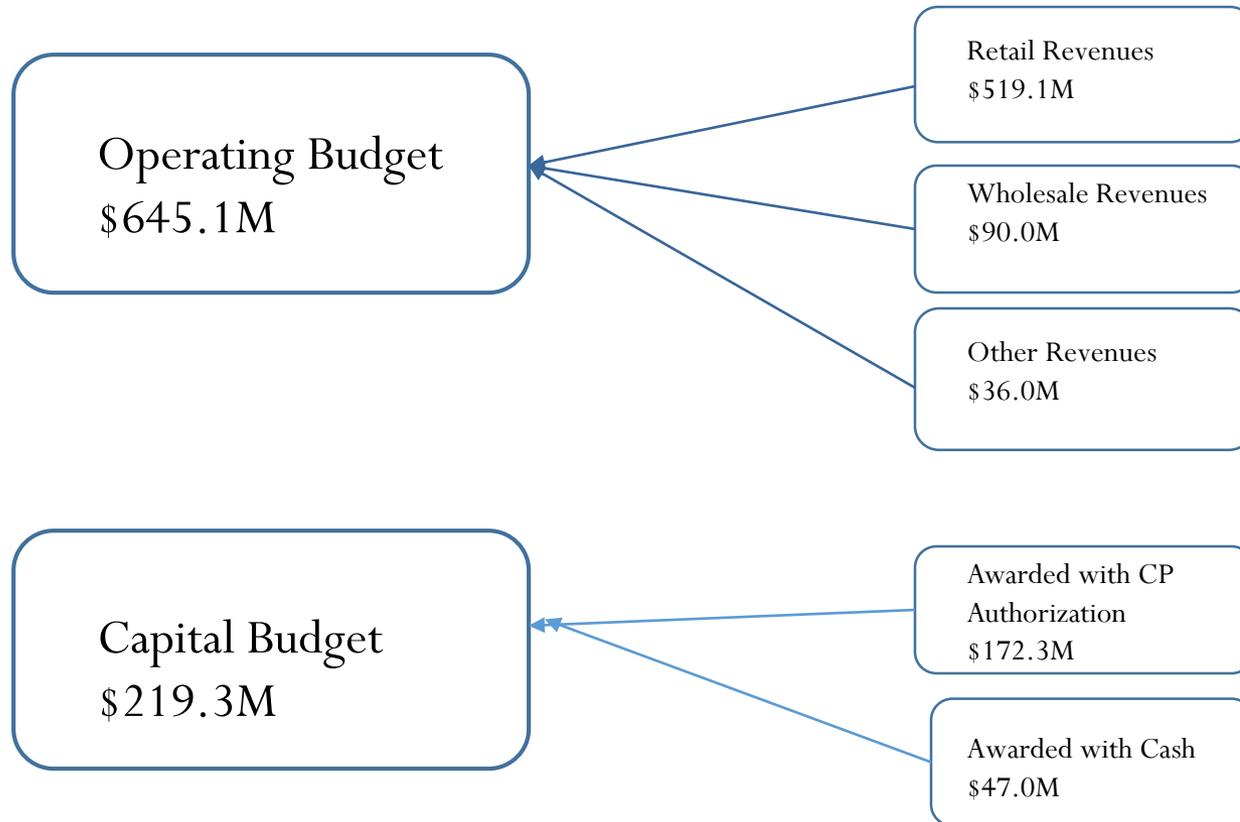
- Meter maintenance program has
 - Eight two-man crews working on large meters
 - 65 employees work on small meters
- FY 2015 Metrics
 - 29,251 total meters exchanged
 - Tested 1,563 large meters
 - Exceeds two-year test goal
- Goal to replace meters every 10 to 15 years
- Three year master agreement awarded by Council on Dec 9, 2015 provides the opportunity to expand advanced meter reading capabilities

Rehabilitation Focus Shows Results

- Goals and Benefits
 - Efficient use of water supply
 - Recovers production capacity and costs
 - Reduced liability and damage to property
 - Improved environmental quality
- Unaccounted For Water was 7.37% for FY14 and 9.35% for FY15 with an industry goal of 10% or less
- Since 2001 DWU has achieved the following:
 - Percent of system older than 50 years has been reduced from 48% to 42%
 - Main breaks per mile has decreased from 0.6 to 0.3
- Sanitary sewer overflows per 100 miles of main are 3.0% compared to the national average of 6.2%

FY16 Budgets and Funding Sources

(in millions)

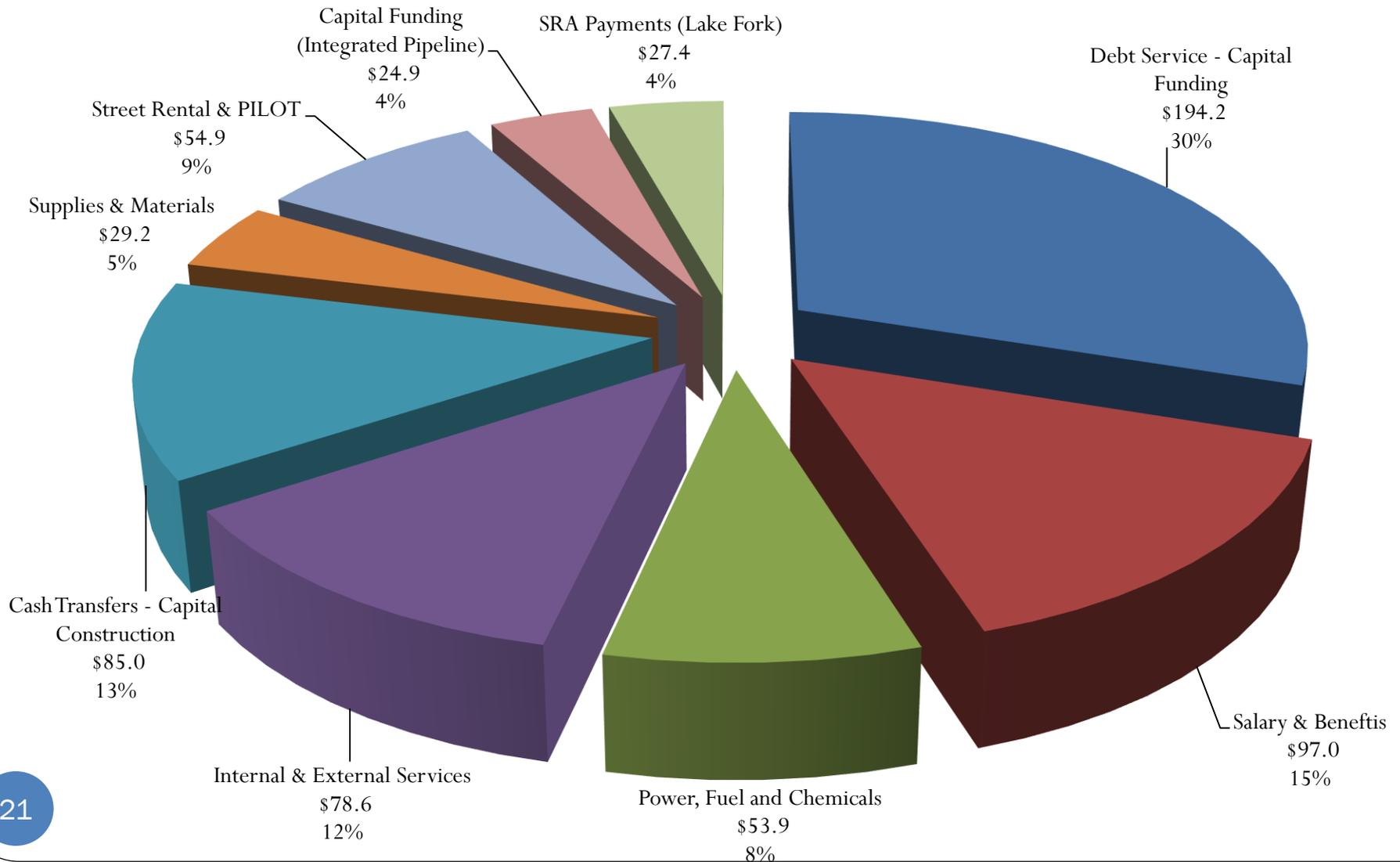


Total Budgets
\$864.4M

Total Funding Sources
\$864.4M

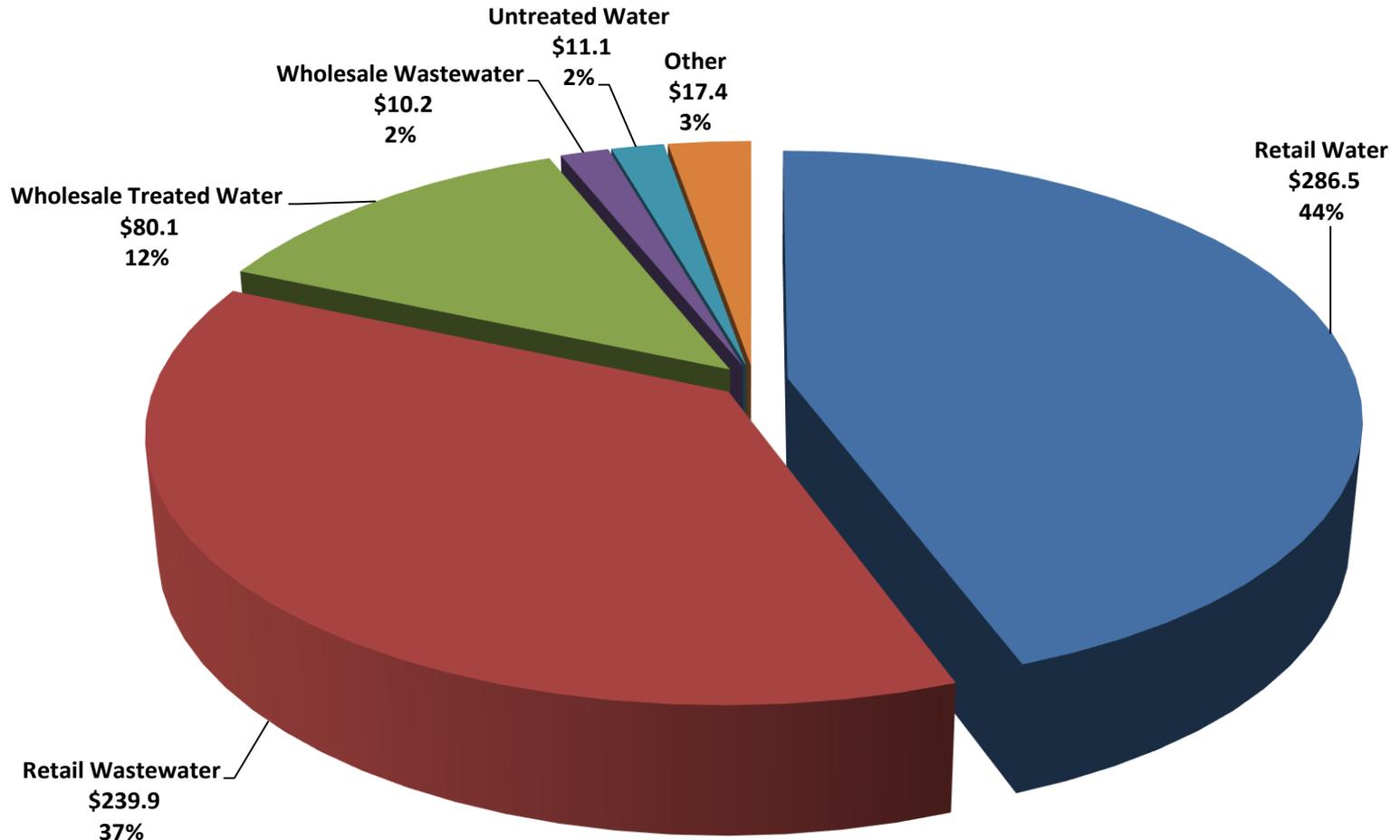
Major Components of FY16 Operating Budget

(in millions)



Sources of FY16 Operating Budget Revenues

(in millions)



Retail – Inside City Customers

Wholesale – Outside City Customers

Other includes late fees, interest income, contributions, etc.

Impact of Proposed FY16 Rate Adjustment to Residential Water and Sewer Bills

Customer Usage in Range	Average Bill at Current Rates	Proposed Average Rates	Proposed Increase	% Increase	Number of Customers Impacted	% of Customers in Range
0 to 4,000 gallons	\$23.75	\$24.83	\$1.08 ^a	4.6%	80,127	33.8%
4,001 to 10,000 gallons	\$53.93	\$56.56	\$2.63 ^b	4.9%	97,782	41.2%
10,001 to 15,000 gallons	\$79.73	\$83.81	\$4.08 ^c	5.1%	27,145	11.4%
Above 15,000 gallons (Includes conservation tier rate)	\$199.29	\$212.03	\$12.74 ^d	6.4%	<u>32,207</u>	<u>13.6%</u>
Total					237,261	100.0%

Data based on January 2014 through December 2014 usage

^a Average water and sewer use: 2,137 gallons

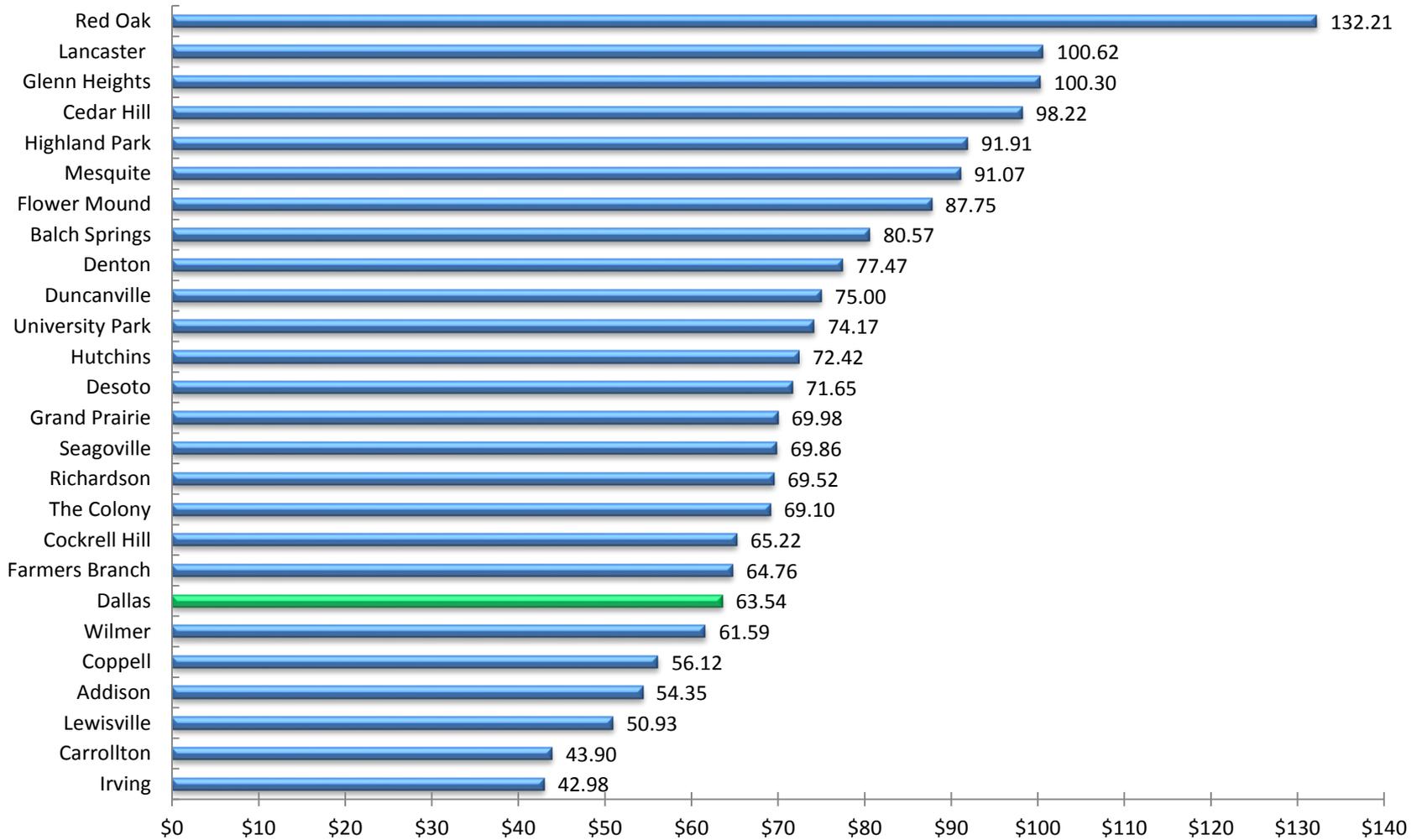
^b Average water use 6,608 gallons and sewer use: 5,500 gallons

^c Average water use 12,275 gallons and sewer use: 5,500 gallons

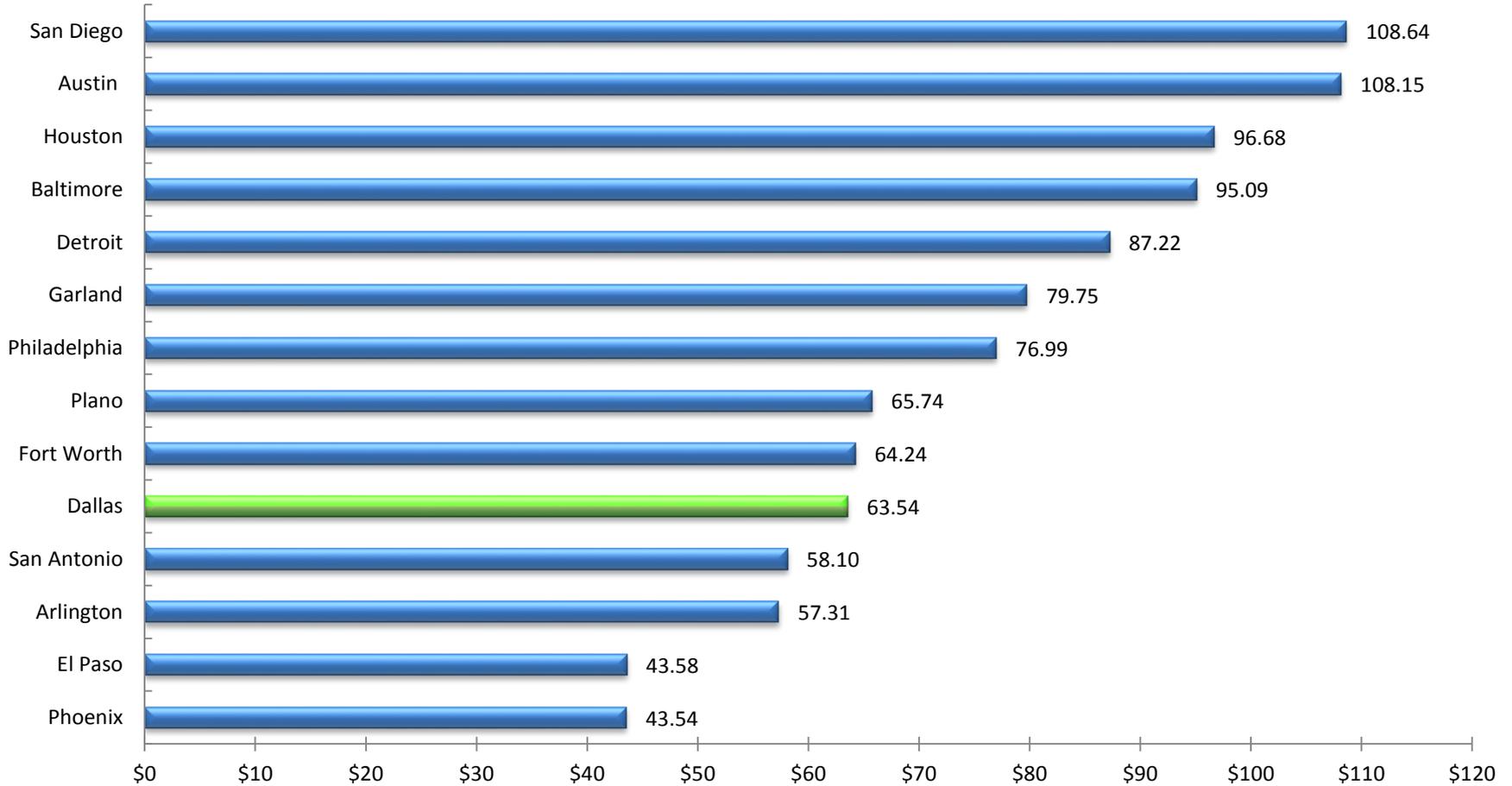
^d Average water use 28,709 gallons and sewer use: 5,500 gallons

While the typical monthly residential water and sewer bill has increased an average of 4.5% a year since FY07, the impact varies by rate tier as shown above.

Average Monthly Water & Wastewater Residential Bills
Dallas Rates Compared to Customer Cities
 (Based on 5/8" Meter; 8300 Gallons/Month; 5,500 Gallons Winter Month Average)

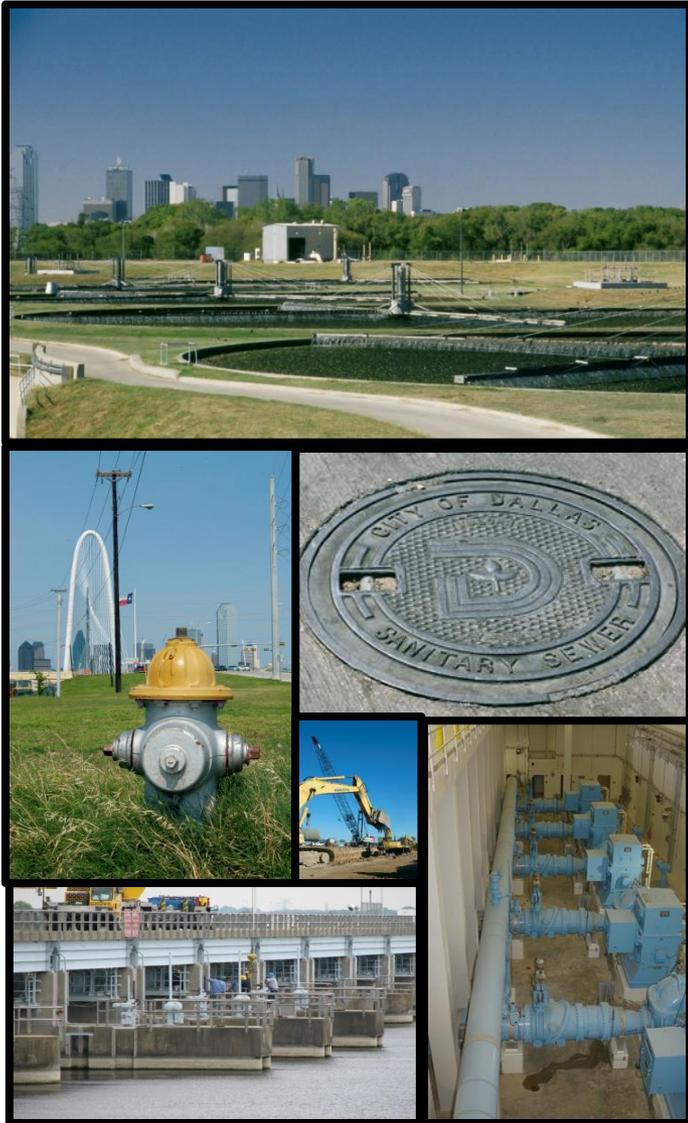


Average Monthly Water & Wastewater Residential Bills
Dallas, Index and Selected Cities
(Based on 5/8" Meter; 8,300 Gallons/Month; 5,500 Gallons Winter Month Average)



Capital Improvement Program

Capital Program Development



- Utilizes 10 year capital improvement program (CIP) supported by system master planning to prioritize and schedule projects
 - 10Year CIP used to facilitate timely, efficient, economical operation of the City's water and wastewater system
 - Enables the Department to focus its efforts so that available resources can provide a safe, dependable water supply which meets demand levels and regulatory requirements
 - Enables the Department to provide advance level wastewater treatment in the most cost effective manner while adhering to all state and Federal regulations
- Council approves Capital Program funding annually as part of the budget process
- Capital Program is typically funded by a combination of cash and debt

FY2015-16 Major Capital Projects

- W & WW Pipeline Replacement and Pump Station Program
 - Renewal of aging assets that are beyond or nearing their life expectancy for improved reliability
 - Improvement projects in support of development and sustainable growth
 - East Side and Elm Fork WTP Improvements
 - Process change at treatment facilities to enhance treated water quality and meet regulatory requirements as it relates to the chemical and biological stability of the treated water
 - Replacement of equipment and chemical feed facilities to realize savings in power and chemical use
 - Renewal of aging infrastructure for improved reliability
 - Central and Southside WWTP Improvements
 - Process improvements to meet regulatory requirements
 - Renewal and/or replacement of aging infrastructure for improved reliability
 - Replacement of equipment and automation improvements to realize savings in power and chemical use
 - CIP includes
 - Rehab and Replacement \$164.4M
 - Growth \$19.9M
 - Regulatory \$35.0M
- \$219.3M

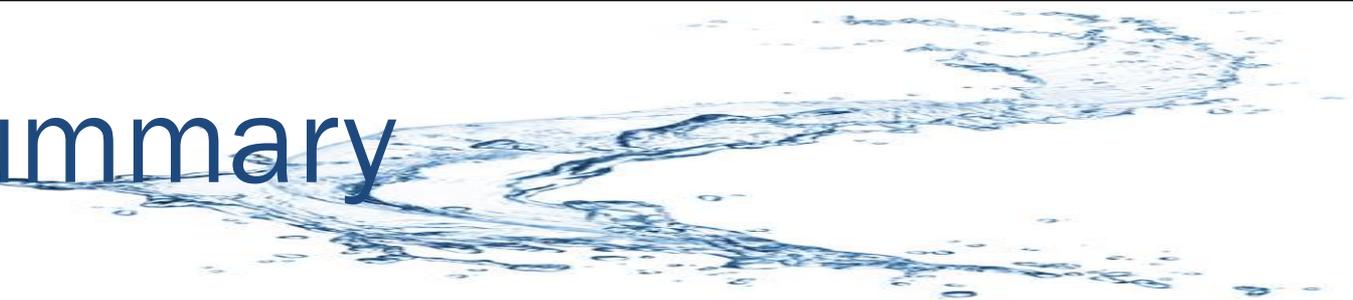
Funding Process for the Capital Budget

- The Water Utilities utilizes cash and short-term financing in the form of commercial paper to fund capital improvement projects
- Once a project is awarded, as invoices are received, commercial paper is actually borrowed or drawn down
 - Awards for projects in one fiscal year will have an expense impact to debt in the next year
- Revenue bond sales occur to retire outstanding commercial paper
- A revenue bond sale of \$125.0M is planned in FY2016 to retire \$125.0M of commercial paper.
 - The budget also includes \$2.6M for commercial paper fees and \$1.0M in commercial paper interest costs

Funding for the Capital Budget

- Commercial Paper (CP)
 - Short term debt
 - Majority of funding for projects with > 30 year life
 - Similar to a line of credit
 - Provides flexibility with funding available as needed for projects up to a pre-established ceiling
 - Two programs available for a total of \$600
- Revenue Bonds
 - Typically issued annually
 - 30 year term
 - Generally used to retire CP borrowed
 - Can be used to award CIP projects
 - Revenue bond sales approved by City Council
- Cash Funding
 - 20% of Capital Program is funded with cash (FMPC)
 - Subject to revenue availability

Summary

A decorative graphic of a water splash in shades of blue, positioned behind the title and extending across the top of the slide.

- City of Dallas Water Utilities is a non-profit enterprise department owned and operated by the City of Dallas
- DWU is a regional provider of water and wastewater services for 2.4 million people in Dallas and 27 nearby communities
- DWU provides planning, design and construction of capital projects to assure adequate and appropriate improvements within the water and wastewater systems to meet future demands and regulatory requirements
- DWU's operating and capital expenses are completely funded through the rates charged for water and wastewater services provided to customers. Rates are based on the cost of providing the services.
- DWU keeps a focus on maintaining infrastructure and conserving resources while planning for the future

APPENDIX

Business Plan Objectives

Debt Service

Trends

Forecast

Key Focus Areas

Business Plan Objectives

Key Objectives for FY2017-2020

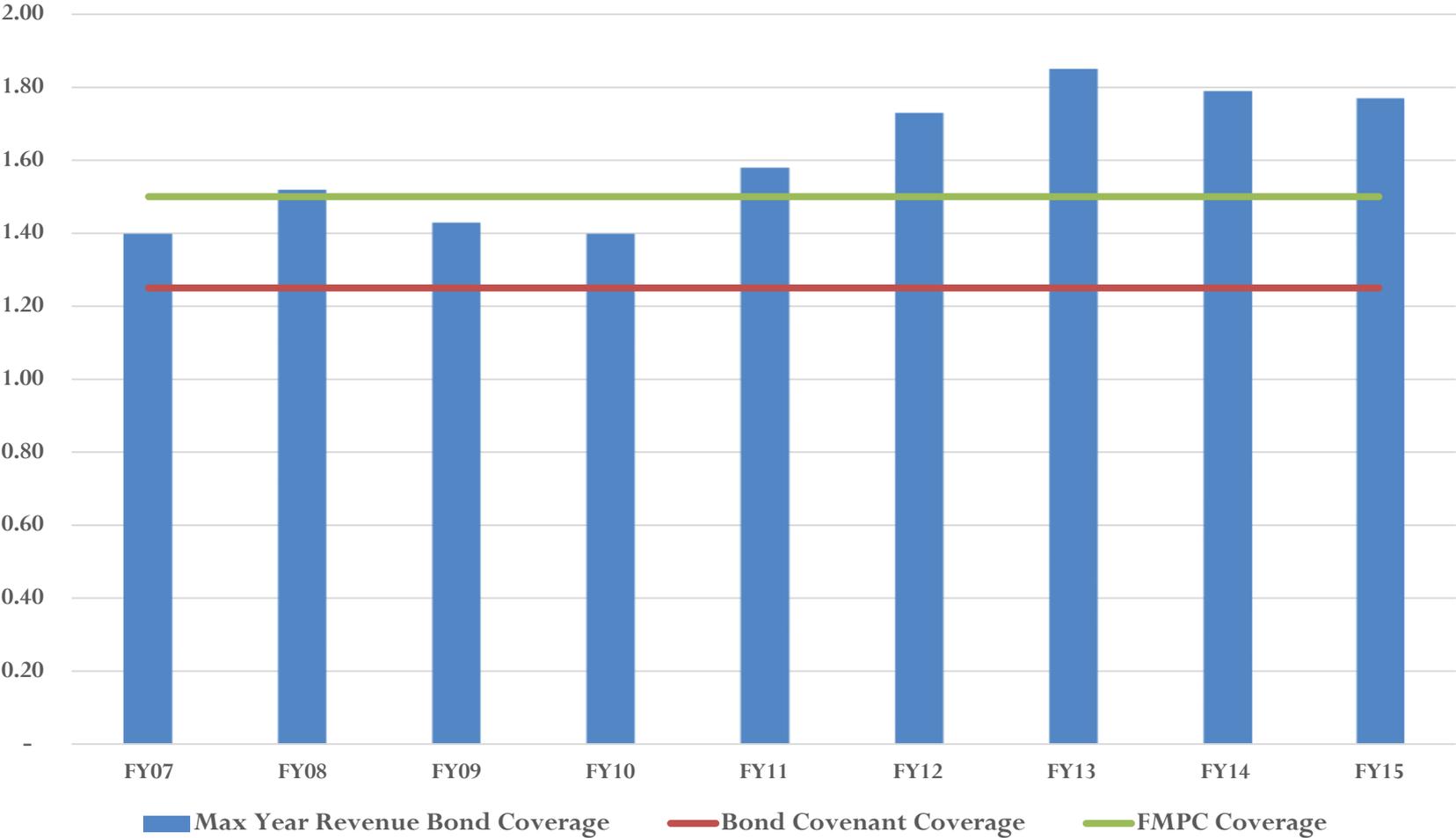
- Continue strategic planning effort throughout DWU
 - Develop implementation plan for the 2014 Long Range Water Supply Plan
 - Review status/progress of Wastewater Collection and Distribution system master plans
 - Continue water conservation efforts by implementation of the Water Conservation Work Plan
- Improve technology tools to support DWU initiatives
 - Develop implementation schedule for the Business Technology Master Plan
 - Develop project plan for DWU work order management system
 - Replace obsolete personal computers (PC Refresh Program)
- Review impact of growth in long term debt
 - Utilize options for state funding of capital projects
- Improve overall revenue recovery versus budget in light of climate variations
 - Evaluate and update rate model
 - Evaluate revenue recovery of fixed versus variable costs
- Reduce time to on board an employee
 - Participate in City wide internal review of hiring process
- Improve the processes associated with meter reading and customer data availability
 - Create project cost benefit of extending the existing Automated Meter Reading (AMR) program

Debt Service

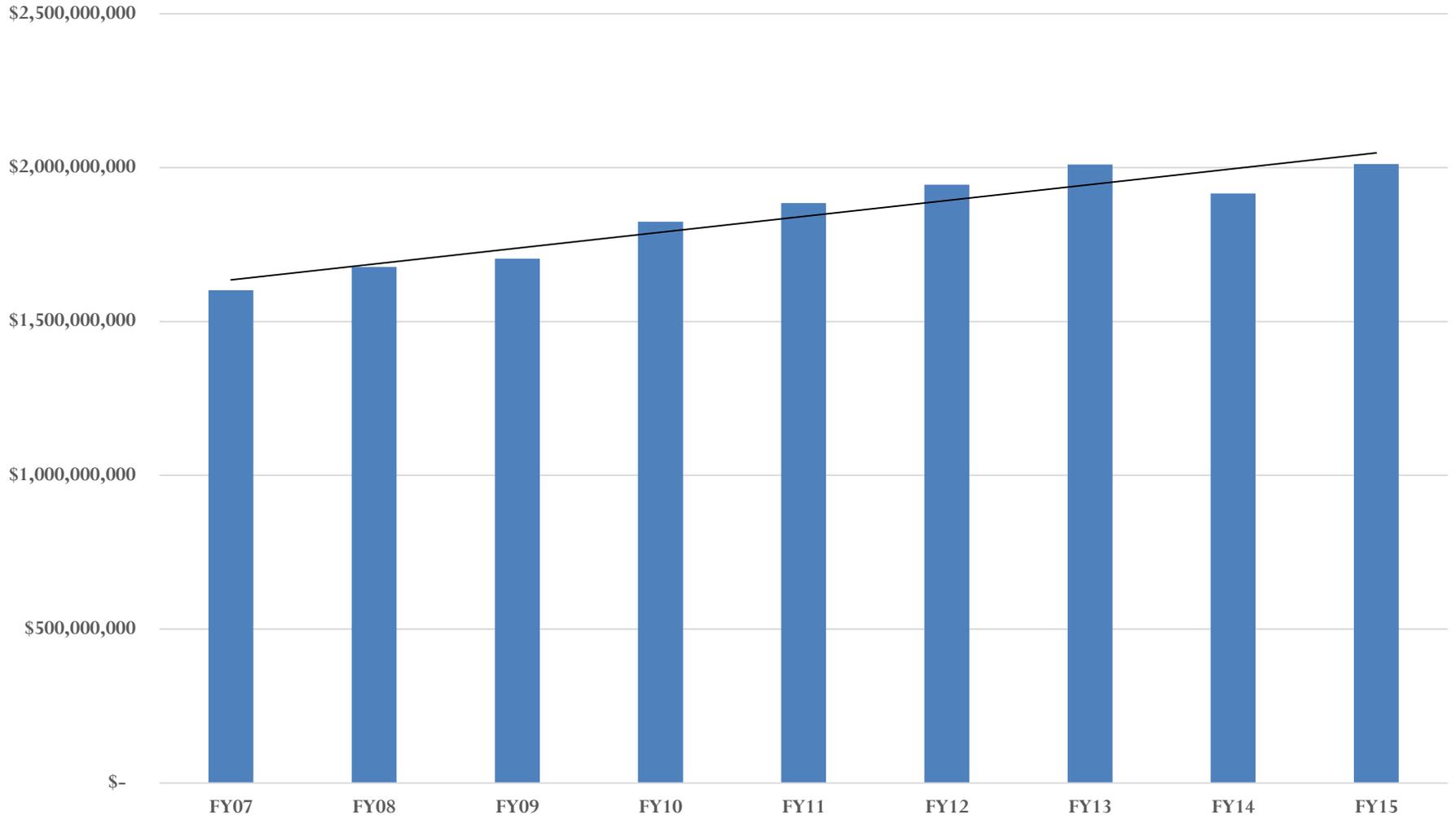
Established Standards for DWU Debt Service

- DWU financial criteria state that net revenues should be 1.5 times maximum annual bond requirements at the end of each fiscal year.
- Revenue bond ordinances require net revenues equal to at least 1.25 times maximum future revenue bond principal and interest requirements
- Commercial Paper coverage requirements state that net revenues should be 1.10 times the maximum future annual principal and interest payments requirements
- DWU has maintained a Aa1 bond rating from Moody's and a AAA bond rating from Standard & Poor's

Historical Debt Service Coverage Ratios



Outstanding Revenue Bond Debt



Average annual increase in outstanding revenue bond debt of 3.2%

Financial Management Performance Criteria

- Current revenues will be sufficient to support current expenditures including debt service and other obligations of the system.
- Long-term debt will be used only for capital expansion, replacement and improvement of plant, not for current expenses.
- Short-term debt, including tax-exempt commercial paper, will be used as authorized for interim financing of projects which will result in capital improvements. The authorization of tax-exempt commercial paper will be limited to 20 percent of the ten-year capital improvement program in effect at the time of commercial paper program authorization. No commercial paper program will be authorized for more than ten years. Outstanding tax-exempt commercial paper will never exceed the amount authorized by Council.
- Contingency reserves will be appropriated at a level sufficient to provide for unanticipated, nonrecurring expenditures.
- Debt financing for capital projects will not exceed the expected useful lives of the assets, and in no case shall the term exceed 30 years.
- An unreserved cash balance will be maintained such that it provides a minimum quick ratio of 1.50 and at least 30 days of budgeted expenditures for operations and maintenance in net working capital.
- Net revenues available for debt service should be at least 1.5 times the maximum annual principal and interest requirements of relevant outstanding revenue bonds at the end of the same fiscal year, and at least 1.3 times maximum-year requirements at all times, measured during a fiscal year using the previous year net revenues available for debt service.

Financial Management Performance Criteria (FMPC) (cont.)

- Current revenues which are more than operating expenses and debt service will be used for capital expenditures and other water and wastewater purposes.
- Funds available from current rates in each fiscal year for system rehabilitation, replacement, and expansion will be appropriated equal to or more than financial statement depreciation expense reasonably expected in the same year.
- Capital financing will be provided through a combination of revenue bonds, current revenues, contributed capital, and short-term debt. An equity to debt ratio of at least 20 percent should be maintained on all capital projects.
- Retail cost of service studies will be performed at least every two years and reviewed annually. Rate adjustments will be recommended when required, but normally, no more frequently than annually.
- Wholesale treated water rates for customer cities and other governmental entities will be determined on the basis of the inter-city agreement of 2010. Wholesale wastewater and untreated water rates will be determined on the basis of contractual agreements with wholesale customers. Rates shall be adjusted annually if cost of service studies indicate a need therefor.
- Funds generated by Dallas Water Utilities will be used solely for the development, operation, and maintenance of the water and wastewater utility system.

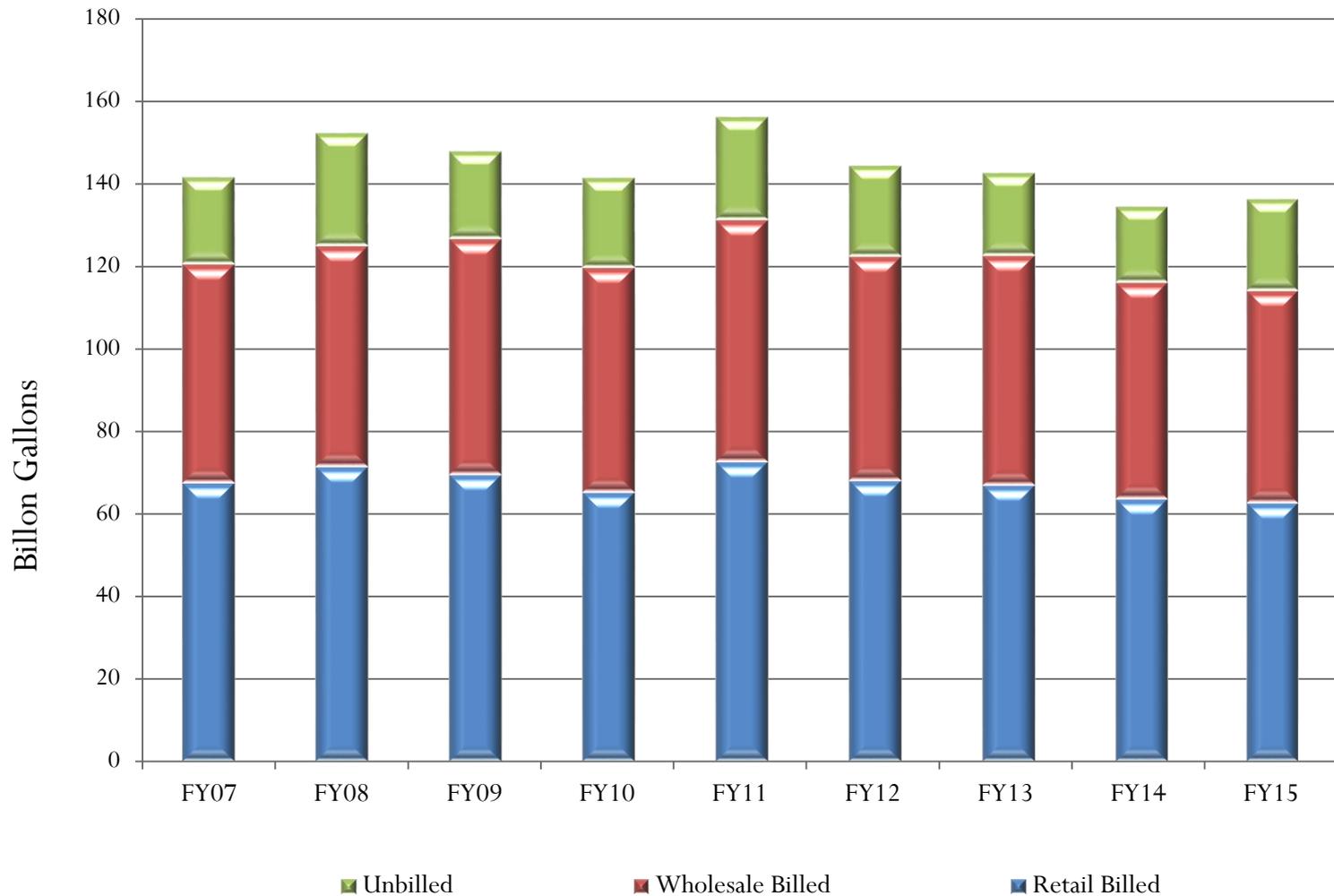
Trends

Comparison of FY07 and FY16 Operating Budgets

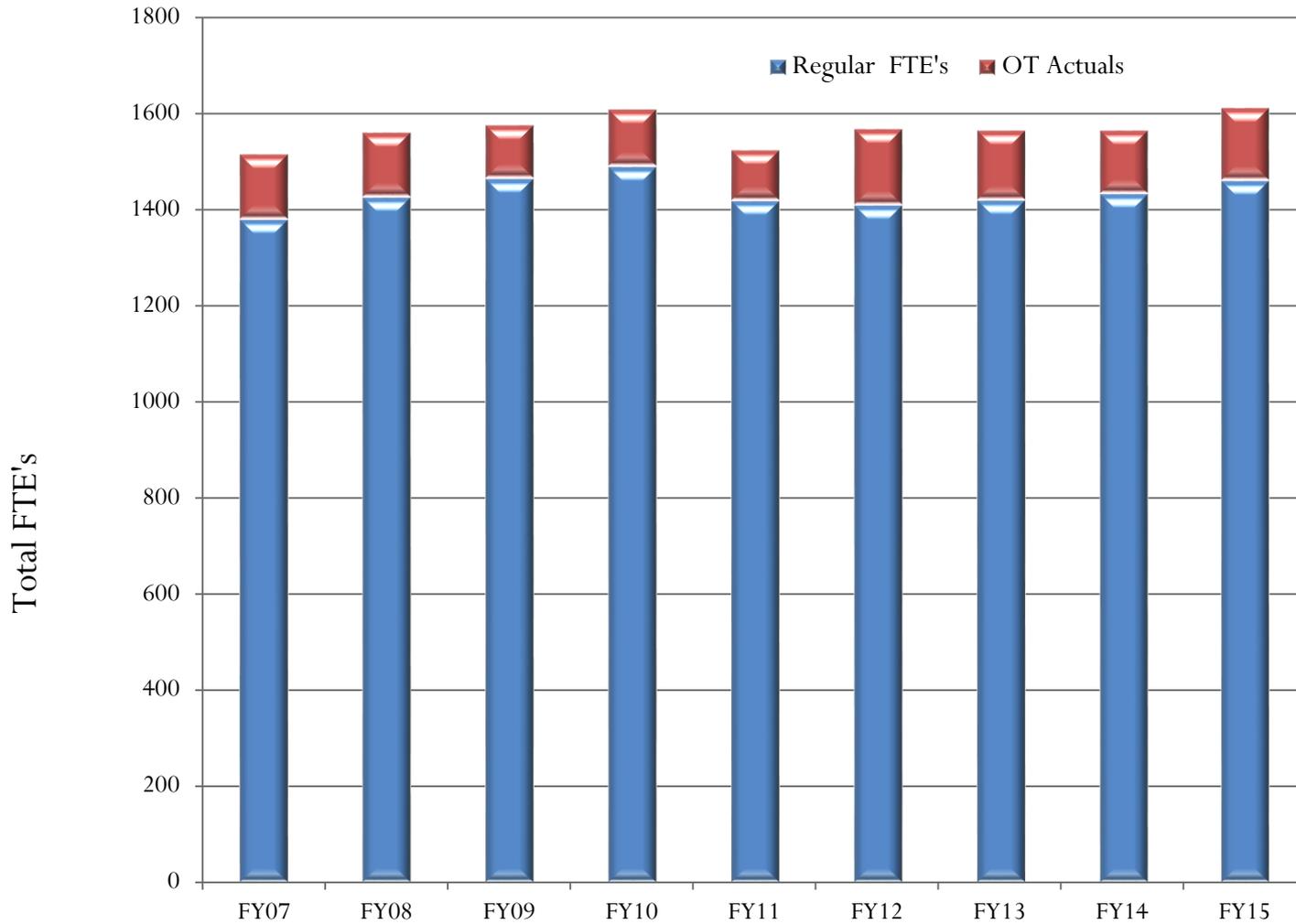
(in million dollars)

	FY07	FY16	Change
Debt Service - Capital Funding	\$173.1	\$194.2	\$21.1
Salaries and Benefits	\$87.7	\$97.0	\$9.4
Power, Chemicals, Fuel, Supplies & Materials	\$86.7	\$83.1	(\$3.6)
Cash Transfers to Capital Construction	\$49.3	\$85.0	\$35.7
Internal & External Services	\$48.4	\$78.6	\$30.3
Street Rental & PILOT	\$18.5	\$54.9	\$36.4
SRA Payments	\$2.1	\$27.4	\$25.3
Integrated Pipeline Project	<u>\$0.0</u>	<u>\$24.9</u>	<u>\$24.9</u>
Total	\$465.6	\$645.1	\$179.5

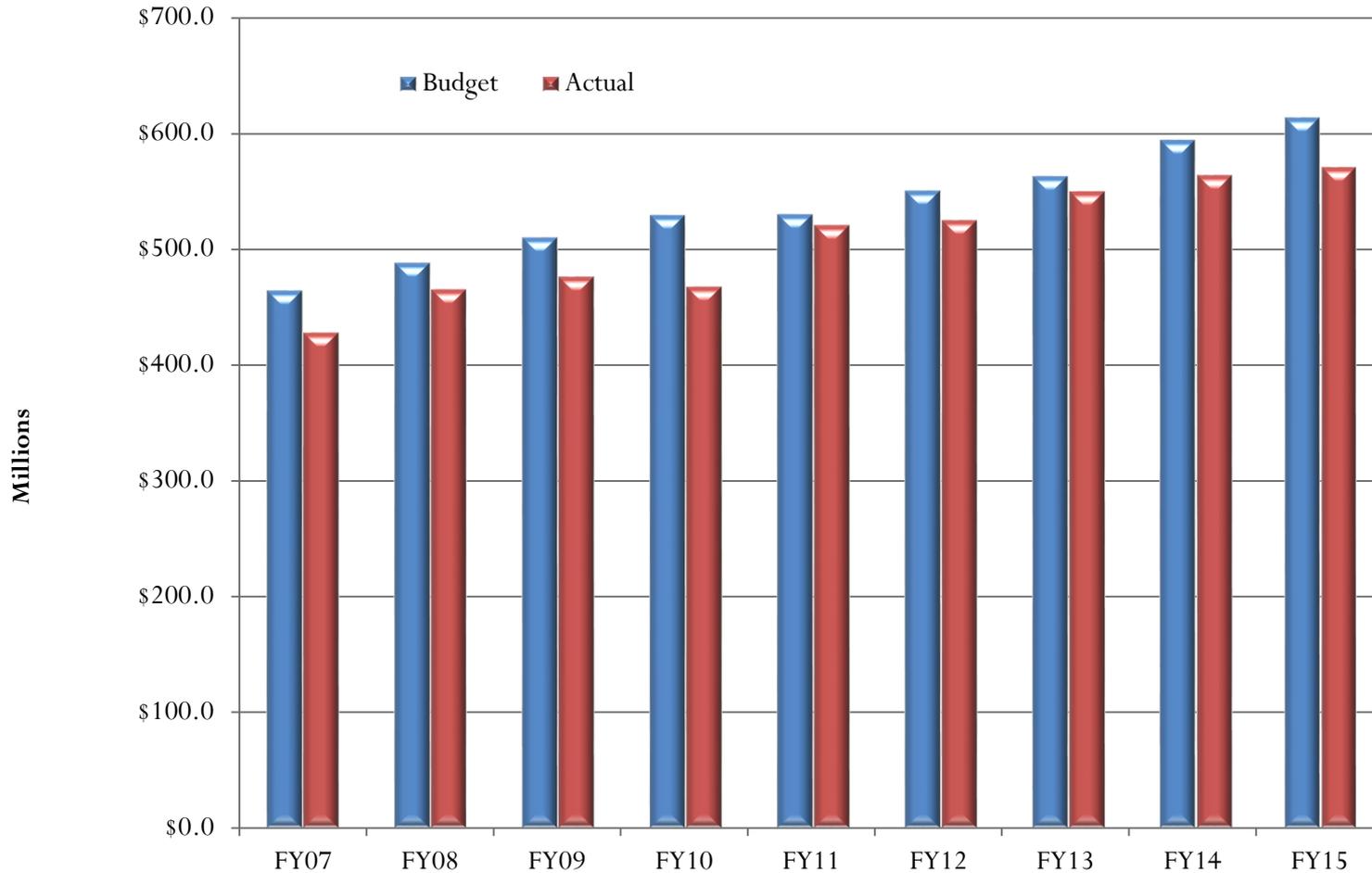
Historical Treated Water Consumption



Historical Regular and Overtime FTEs



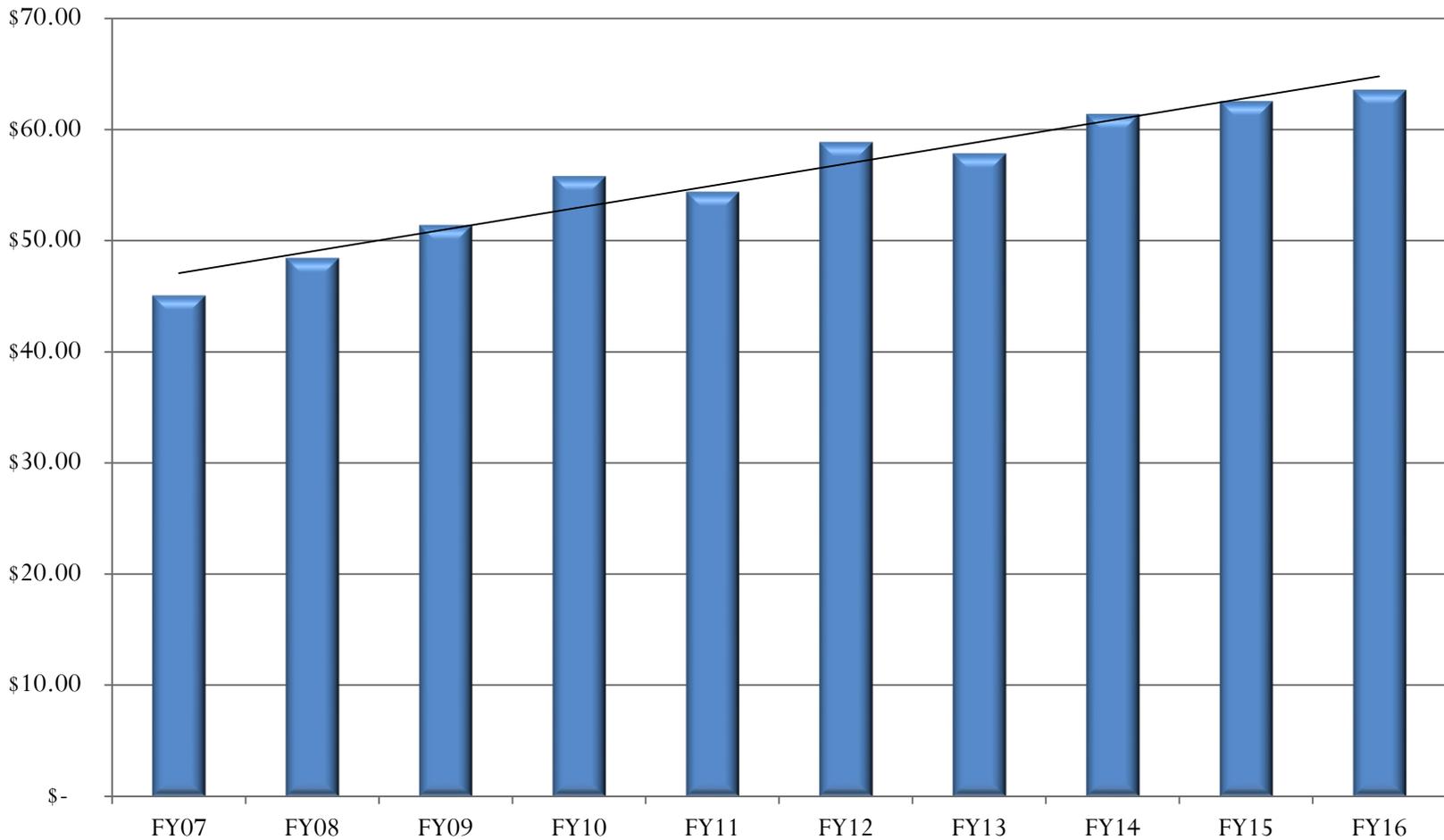
Comparison of Revenues - Budget vs. Actual



On average, actual revenues 5.7% less than budgeted revenues

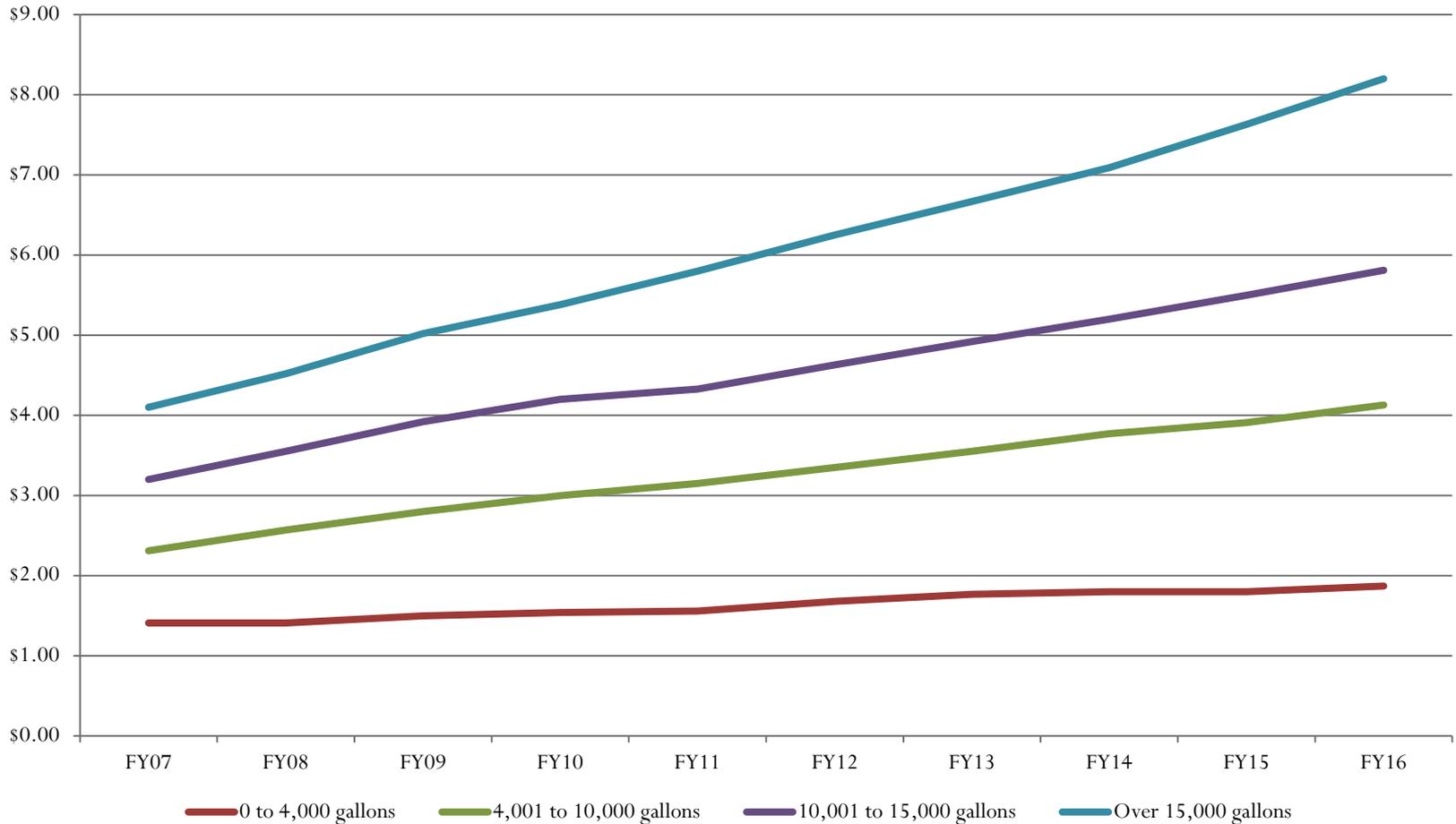
Typical Monthly Water & Sewer Residential Bill

FY2007 -2016



Based on 5/8th inch meter, 8,300 gallons water and Winter Months Average for Sewer.
On average, typical bill has increased 4.5% annually

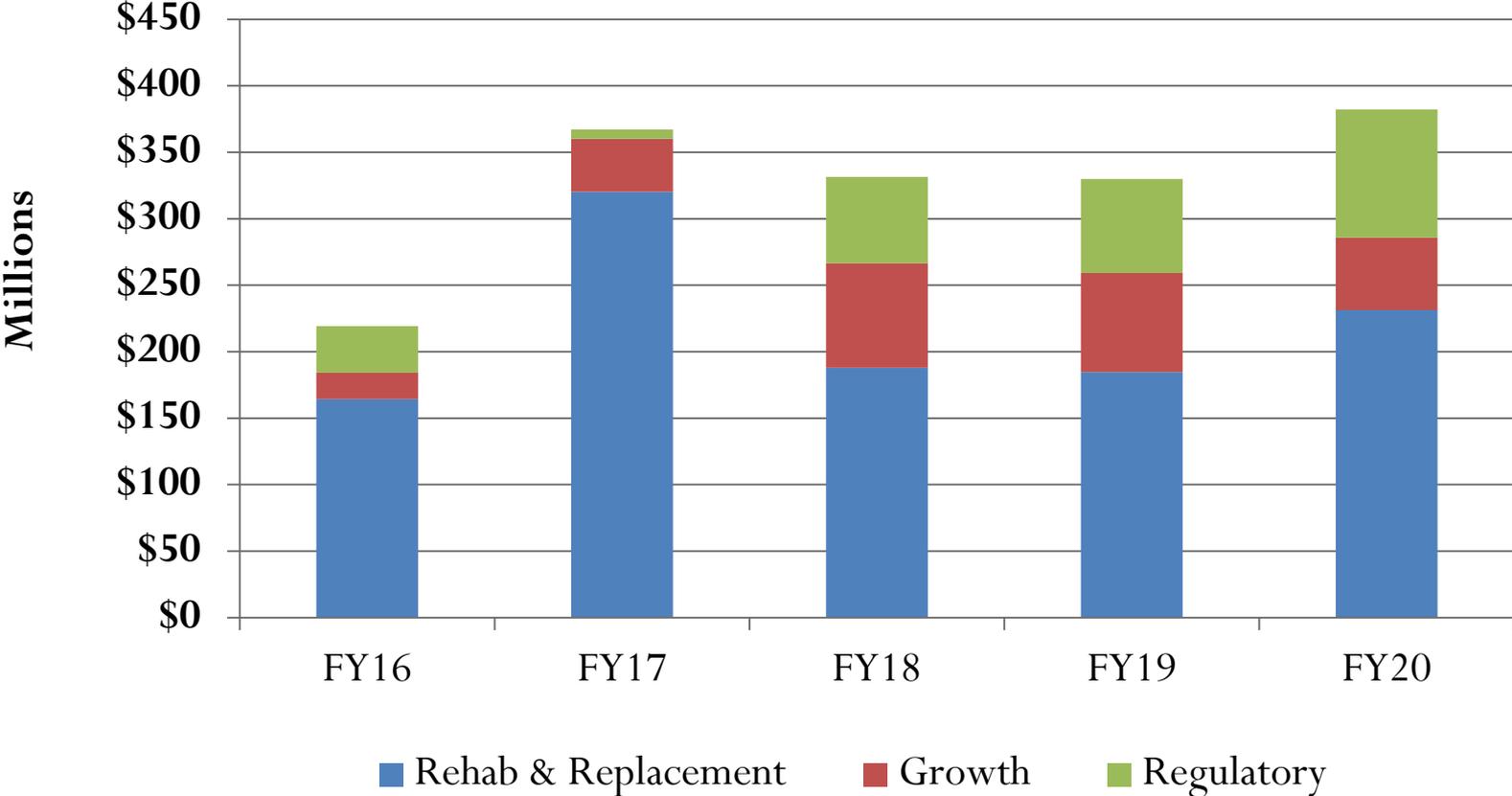
Comparison of Residential Water Rates by Tier



From FY07 to FY16, the 0 to 4,000 gallon rate increased an average of 3.6% a year while the Over 15,000 gallon rate increased an average of 11.1%

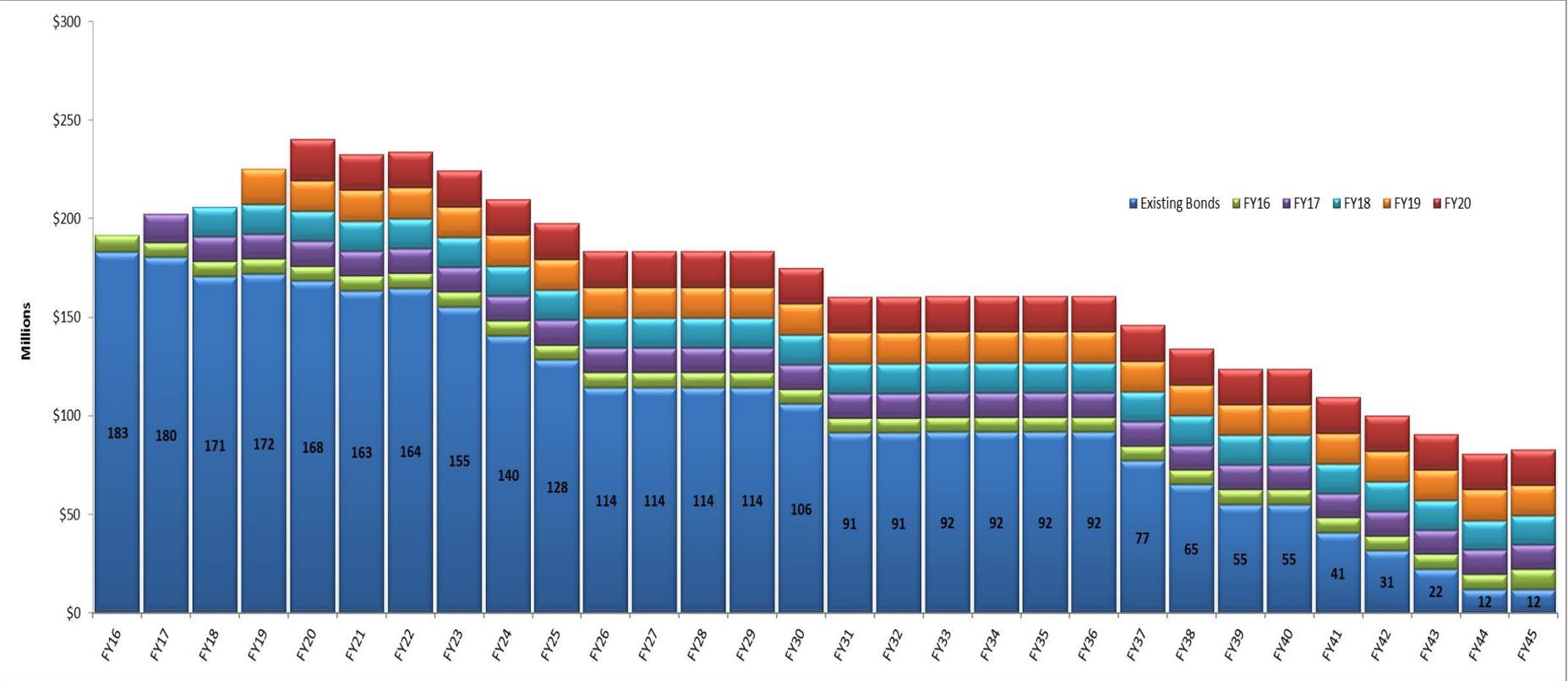
Forecast

Major Components of Projected Capital Budget

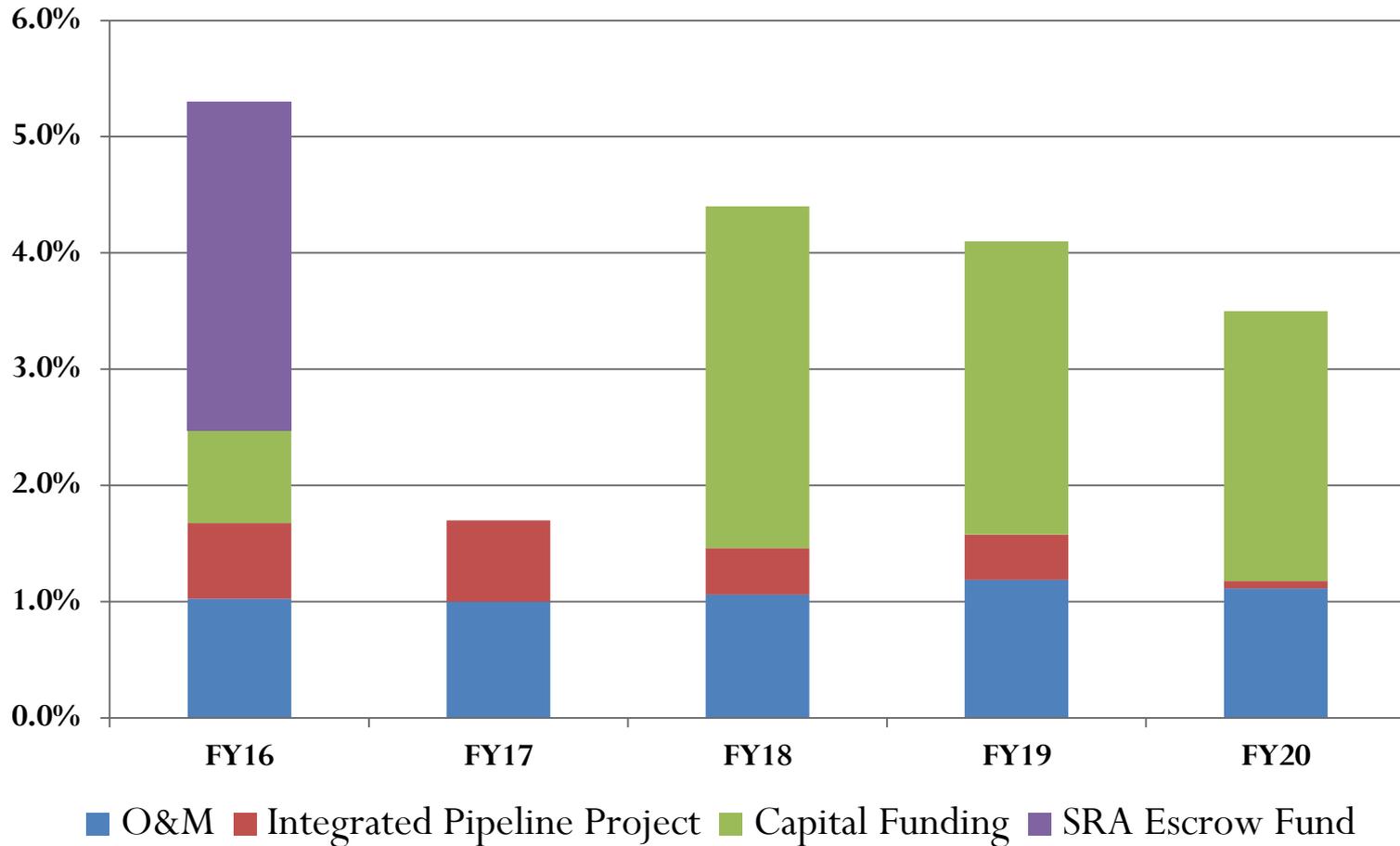


Note: Does not include cost of additional future water supply acquisitions

DWU Current and Proposed Debt Service through Fiscal Year 2020



Major Components of Projected Retail Revenue Increases



Note: Dallas Estimated Share of IPL project is \$832M; with estimated capital savings of \$196M

Wholesale revenues are estimated to increase an average of 4.4% annually

Key Focus Areas

Key Focus Area: Economic Vibrancy

□ **Water Production and Delivery**

Water Production and Delivery is responsible for the operation and maintenance of the City's potable water system which includes seven raw water impoundments, four raw water pump stations, raw water transmission, seven dams, three purification plants, high service pumping facilities, ground and elevated storage reservoirs and the water distribution system.

□ **Water Capital Funding**

Water Capital Funding makes the annual principal and interest payments on outstanding revenue bonds, issues revenue bonds to retire outstanding commercial paper, transfers to the general obligation debt fund for annual payments on outstanding equipment notes for Water Utilities replacement fleet, transfers cash from operating revenues to the capital construction fund for capital improvements that can not be funded with debt, and ensures the cash, or “net revenue” requirements, to meet and maintain the City’s Financial Management Performance Criteria (FMPC).

□ **Water Utilities Capital Program Management**

Capital Program Management is responsible for capital improvement projects from inception through start-up. This includes long-range capital budget planning, development of project scopes of work, negotiation and administration of consultant engineer services, studies, determination and evaluation of alternatives, determination of right-of-way and other special requirements, detailed design plans and specifications, advertisement and award processes, administration and inspection of construction, development of "as-built" mapping, testing and start-up of the improvements.

Key Focus Area: Clean, Healthy Environment

□ **Wastewater Treatment**

Wastewater Treatment utilizes an overall management strategy to better manage wastewater flows generated annually by the citizens of Dallas and 11 customer cities, promote reliable, robust, well managed treatment processes essential to achieve optimization of the treatment facilities, reduce sanitary sewer overflows, and evaluate options for the re-use of DWU's highly treated effluent to augment existing water supplies to meet future water demand.

□ **Water Conservation**

Water Conservation addresses short-term and long-term water shortages, provides environmental protection, reduces drought rationing danger and mitigates the high costs of new water system improvements. The Water Conservation Program serves as an operational tool to achieve efficient use of water through practices and measures that reduce consumption and water losses and increase water recycling.

□ **Wastewater Collection**

Wastewater Collection is responsible for operating, maintaining, and improving the sanitary sewer system (over 4,020 miles of pipe, facilities and associated components) in order to collect and transport wastewater produced by residences and businesses to the treatment plants. Services are available on a twenty-four hour per day, seven days per week basis.

Key Focus Area: E - Gov

□ **Water Utilities Customer Account Services**

Water Utilities Customer Account Services provides customer relations, monthly utility billings for over 300,000 accounts, payment processing, credit and collection services, customer information, and meter associated services for all water, wastewater, sanitation, and storm water customers. This program also provides for customer relations, service inquiries, and billing and revenue collection for the City's 27 wholesale customers. Annual revenues of over \$600 million are received for all utilities.

□ **Water Planning, Financial and Rate Services**

Water Planning, Financial and Rate Services provides technical, financial, and analytical support for long range system capital planning; annual operating budget, cost of service and rate development. This program ensures that the City has water both now and in the future to meet the needs of the citizens of Dallas and customer cities, while maintaining and acquiring water rights as needed. This program is also responsible for development and monitoring of the Department's annual operating budget for departmental revenues and expenditures of over \$600 million, wholesale and retail cost of service studies and rate development.

Key Focus Area: E - Gov

□ DWU General Expense

DWU General Expense includes the following payments to the general fund: street rental based on 6% of the utilities retail revenues; general fund indirect cost reimbursement based on the Water Utilities proportionate share of cost for the general government services such as Office of Financial Services, Procurement and Business Development, City Attorney's Office, City Manager's Office, and use of City owned buildings; PILOT is payment in lieu of taxes; liability and property insurance; Worker's Compensation; and payments to other City departments for services provided.

□ City GIS Services

City GIS Services maintains and delivers information to citizens and staff through Geographic Information System (GIS) technology. Services include but are not limited to the development and maintenance of the internet map describing City services, the data to route emergency response vehicles, information used by the 3-1-1 Customer Service system, data for the Pavement Management Program, and data supporting stormwater permit compliance reporting.

□ Vital Statistics

The Bureau of Vital Statistics registers and issues certified copies of birth and death certificates to qualified applicants in accordance with Texas Department of Health Services; enforces regulations established by the Texas Administrative Code; issues burial transit and cremation permits that allow a body to be transported to another state; and preserves the vital records.

Memorandum



CITY OF DALLAS

DATE January 15, 2016

TO Members of the Budget, Finance & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT Stormwater Utility: Fund Overview & Rate Study Update

On January 19, 2016 the Budget, Finance and Audit Committee will be briefed on Stormwater Utility: Fund Overview & Rate Study Update. The briefing is attached for your review.

Please let me know if you need additional information.

A handwritten signature in black ink, appearing to read 'Mark McDaniel'.

Mark McDaniel
Assistant City Manager

Attachment

c: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Rosa A. Rios, City Secretary
Craig D. Kinton, City Auditor
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager

Stormwater Utility: Fund Overview & Rate Study Update

Budget Finance & Audit Committee

January 19, 2016



Purpose

- Overview of Regulatory History
- Overview of the Stormwater Utility
- Update on-going rate study
- Seek committee direction on rate study next steps

Stormwater Regulatory History

Regulatory History

1972 - Federal Clean Water Act passed to limit raw sewage and other pollutants flowing into rivers, lakes, and streams

1987 - Federal Clean Water Act amended requiring permits for stormwater discharges into waterways

1990 - The first phase of the stormwater regulations concerning Municipal Separate Storm Sewer Systems (MS4), construction and industrial facilities was implemented for large cities

Regulatory History

1991 - Dallas City Council approved City Code 2-167 establishing a Stormwater Drainage Utility, initial fee schedule, initial permit and Stormwater Drainage Utility *Ordinance* 21059

1997 - EPA issued initial NPDES MS4 stormwater permit to the City of Dallas (in place until February 2006)

2003 - EPA initiated an investigation of City's Stormwater Program for non-compliance with Federal and State regulations

Regulatory History

2004 - EPA Administrative Order and Notice of Violation concerning City violations of Clean Water Act, Resource Conservation and Recovery Act (RCRA), and Chapter 26 of the Texas Water Code

2006 - Texas Commission on Environmental Quality (TCEQ) issued the TPDES MS4 permit to City of Dallas; City negotiated and entered into EPA's mandated **Environmental Management Consent Decree** which dictated specific program activities and staffing requirements

2011 - City issued five-year NPDES MS4 permit effective October 1

Regulatory History

TCEQ MS4 Permit(WQ0004396000 - 8 Key Elements:

- ▶ System Operations and Maintenance
- ▶ Post Construction Stormwater Control Measures
- ▶ Illicit Discharge Detection and Improper Disposal
- ▶ Pollution Good Housekeeping for Municipal Operation
- ▶ Industrial and High Risk Runoff
- ▶ Construction Site Runoff
- ▶ Public Education/Outreach/Public Involvement and Participation
- ▶ Water Quality Monitoring, Evaluation and Reporting



Regulatory History

The Consent Decree requires:

- Penalty, Notice and General Activities
 - Industrial and construction inspection/enforcement
 - Operations and maintenance of flood control and stormwater infrastructure
 - Quantified levels of staffing and Stormwater Management activities
- Environmental Management System
- Supplemental Environmental Projects
- Semi-annual Reporting

NOTE: If any of the above requirements are not met, financial and criminal penalties may be enforced.

Overview

Overview

- Current rate structure based on available data at time of utility implementation
- Assumed impervious area based on premise type (Appendix A)
- Minimum monthly charge \$5/parcel unless exempted by state law

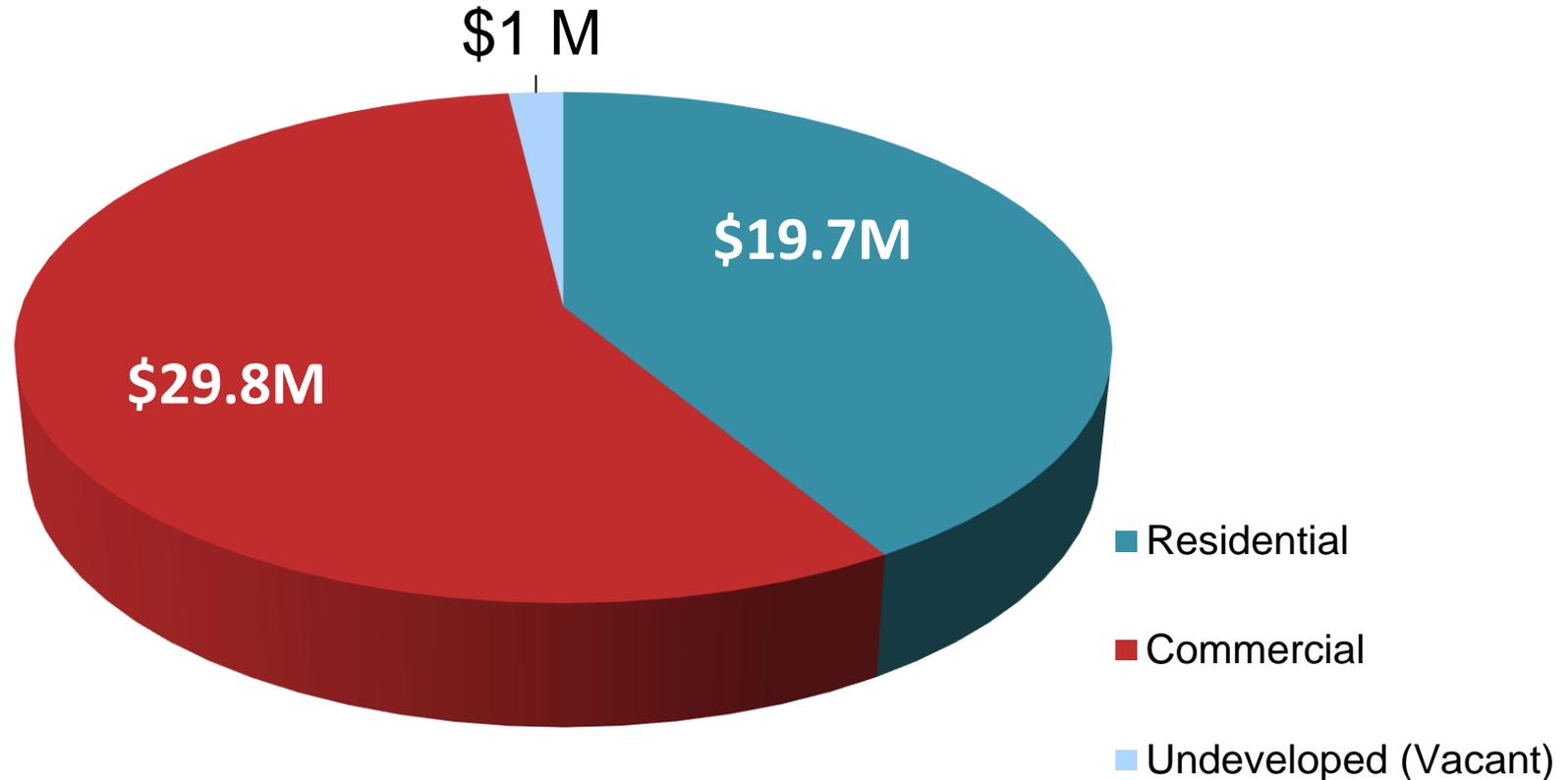
Overview

Rate classes

Rate class	Fee basis and calculation
Residential	Tiered rate structure based on <u>lot</u> area
Commercial	Per 100 square foot (sq ft) of assumed impervious area by premise type
Vacant	Per 100 sq ft of 20% assumed impervious area

Billing Summary (FY 2016)

Breakdown by Revenue (\$50.5M)



Overview

Rates by Residential Lot size

▶ Up to	6,000 sf	\$ 3.65 / Mo.
▶ 6,001 –	8,000 sf	\$ 5.77 / Mo.
▶ 8,001 –	17,000 sf	\$ 7.77 / Mo.
▶ 17,001 –	215,000 sf	\$13.87 / Mo.
▶ More Than	215,000 sf	\$43.87 / Mo.

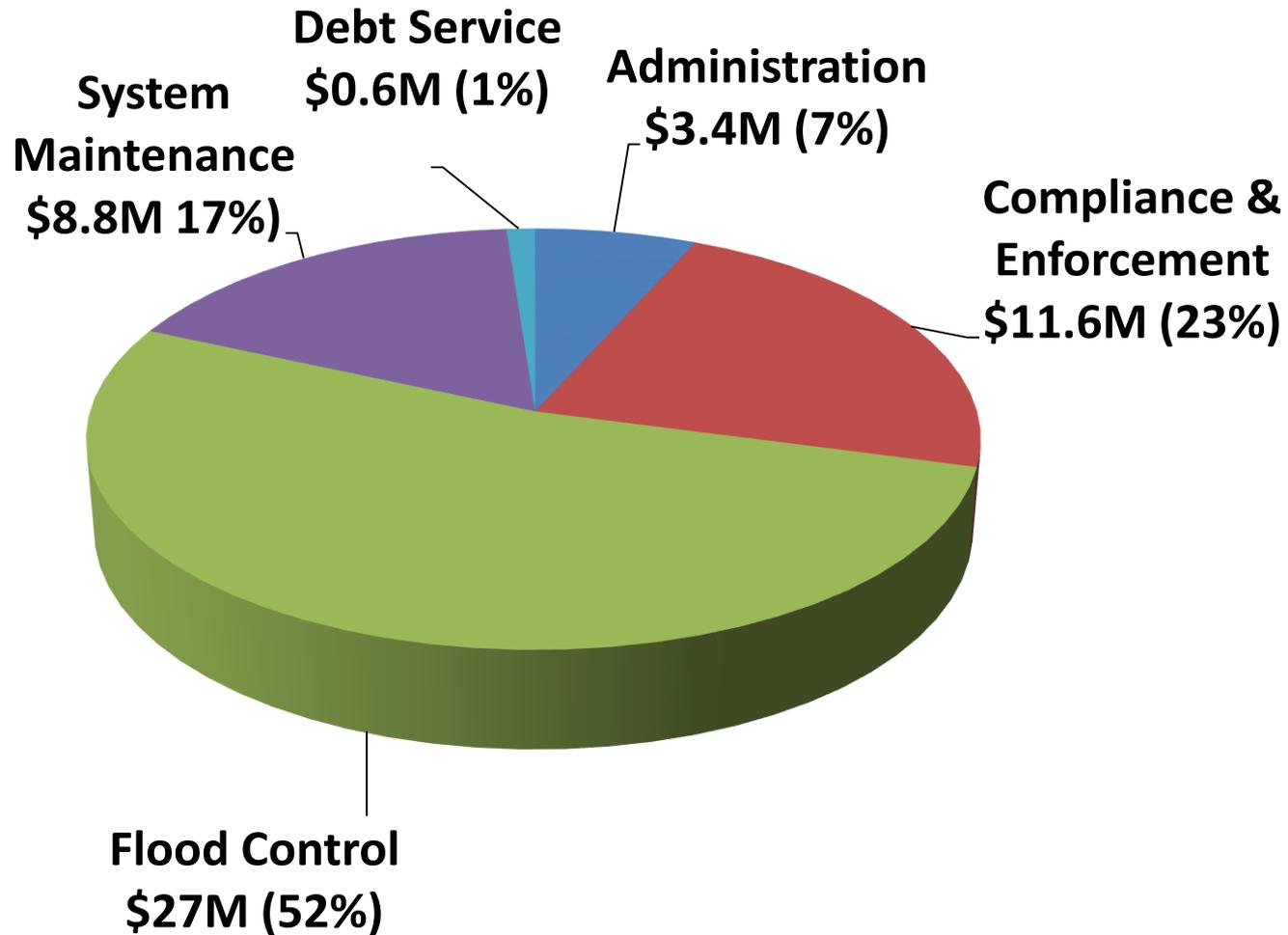
Vacant and commercial property rates are calculated based on square footage and a runoff coefficient (\$0.1589 per 100 sq. ft. of impervious area). Minimum charge of \$5 per month; vacant properties have a maximum charge of \$57.10.

Overview

Stormwater utility fee revenues are used to:

- Ensure compliance with state and federal regulations
- Promote improved water quality
- Maintain stormwater drainage and flood protection systems (see examples in Appendix B)

FY15-16 Adopted Budget



FY15-16 Adopted Budget



Compliance & Enforcement \$11.6M

Stormwater Management Program

Surface Water Monitoring

Compliance Inspections and Nuisance
Abatement

Environmental Training/Education

Flood Control \$27M

Levee, Pump Stations, and Sumps

Floodplain Management

Citywide Channel Maintenance

Citywide Inlet and Storm Sewer Pipe
Maintenance



FY15-16 Adopted Budget



System Maintenance \$8.8M

Debris and Litter Removal

Storm Drainage Maintenance Activities

Curb and Gutter Repair

Vegetation Management

Debt & Administration \$4M

Debt Service

Billing and Customer Service

Geographic Information System Support

Communication and Information Systems Support



Major Maintenance & Reserve Fund

Major maintenance and reserve fund created in FY11 addresses:

- Major maintenance projects spanning more than one fiscal year
- Fleet purchases as necessary
- Emergency repairs to storm sewer infrastructure that impacts public safety

Examples of Major Maintenance Projects

- Pavaho Wetlands (Supplemental Environmental Project Consent Decree)
- Zoo Wetlands (Supplemental Environmental Project Consent Decree)
- Simpkins Remediation
- Levee flattening
- Maintenance roads
- Major debris removal across various creeks, channels and desiltation projects in various retention basins

Stormwater Utility Rate Study Update

Rate Study

- City hired Raftelis Financial Consultants to review the Stormwater Utility rate structure and associated fees
- Consultants have assessed the program and are recommending a change in the rate structure
- Proposed rate structure utilizes measured impervious area data to assess fees
- Remains revenue neutral

Recommendations – Stormwater Utility Fee

- More than 80% of stormwater utilities base rates off of impervious area, using GIS data to manage the impervious data (Appendix A and C)
- Utilize the City's available GIS data to implement a rate structure based on measured impervious area
- Requires changing the rate structure from utilizing parcel size and type assumption to tiered and unit rate structure based on impervious area

Recommendations - Advantages

- Empowers citizens and businesses to make decisions regarding development/redevelopment:
 - Encourages greening of neighborhoods and developments
 - Lowers the stormwater runoff footprint
- Reduces need for individualized adjustments and potential errors

Recommendations - Advantages

- More equitably distributes the costs
- Better defines properties' stormwater run-off
- Promotes environmental quality
- Coincides with needs to manage impervious area data

Recommendations - Advantages

- Data-driven fee is current industry standard and best practices
- Clarifies billing adjustment processes and reduces requirement for site visits
- Enhanced customer service with interactive website

Expected Billing Summary Under Proposed Rate Structure

- Proposed rates are designed to capture same revenue as current rates
- Effort still needed to measure impervious surface associated with very recent development, but has been estimated in proposed rates

Recommendation

Proposed rate structure

Element of rate structure	Recommendation
Basis of charge	Change to measured impervious area
Unit of charge	Change to 1,000 sq ft impervious area units for nonresidential customers
Minimum charge	Retain – equitably recover costs from all properties
Residential tiers	Change – base on impervious area, not lot size

Recommendation

Proposed Single Family Residential Rates

Impervious Area	Monthly Rate
Up to 2,000 sq ft	\$3.25
2,000 - 3,500 sq ft	\$5.17
3,500 - 5,500 sq ft	\$7.75
More than 5,500 sq ft	\$12.67

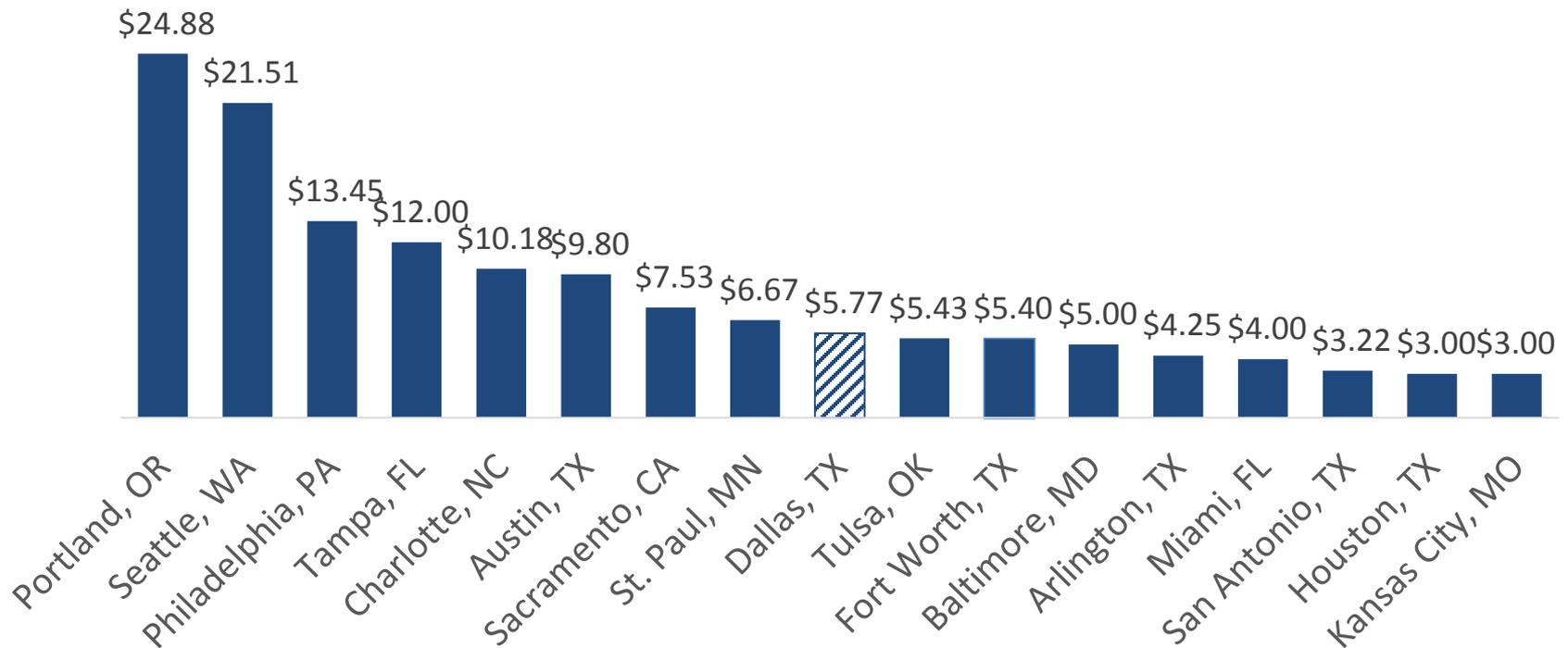
Recommendation

Proposed Nonresidential Rates

Impervious Area	Monthly Rate
Per 1,000 sq ft	\$1.75

Residential Rate Comparison

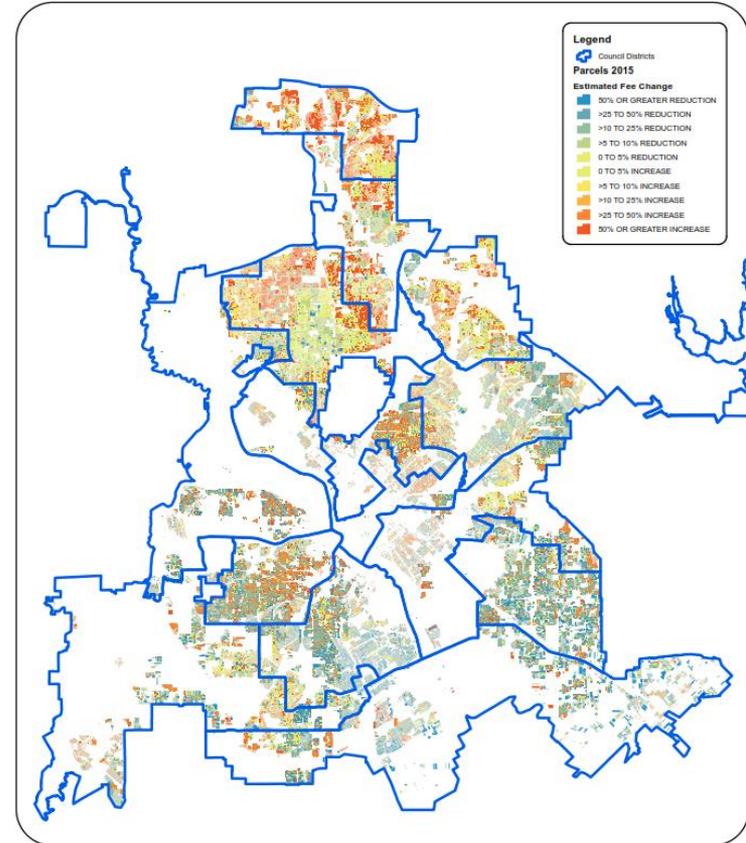
Average Monthly Residential Rates



Single Family Residential Impact

Single Family Residential Impact

- Approximately 70% of single family residential customers will see a decrease in their monthly stormwater fee



Example: Residential

Properties lightly developed compared to assumed would pay less

Current Tier 3 Monthly Fee: \$7.77

Proposed Tier 1 Monthly Fee: \$3.25



Example: Residential

Properties moderately developed compared to assumed would remain relatively the same

Current Tier 2 Monthly Fee: \$5.77

Proposed Tier 2 Monthly Fee: \$5.17



Example: Residential

**Properties heavily
developed compared to
assumed would pay more**

Current Tier 1 Monthly Fee: \$3.65

Proposed Tier 3 Monthly Fee: \$7.75



Non-Single Family Residential Impact

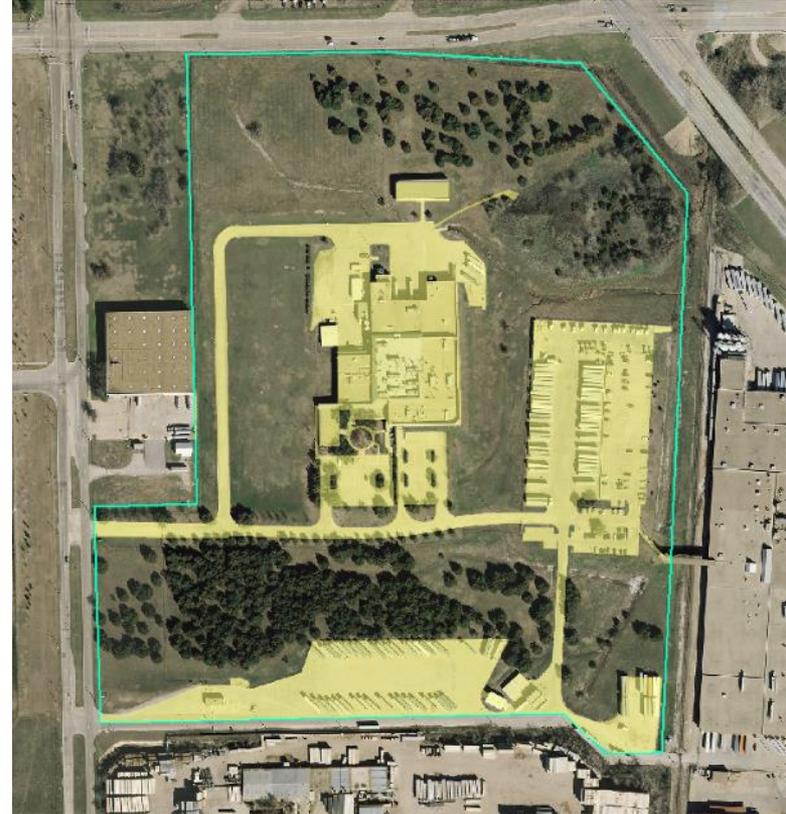
Non-Residential Fee Change Considerations

- Current rate structure determines an assumed impervious area for non-residential parcels based on premise type (type of property usage)
- Proposed rate structure would bill non-residential parcels based on measured impervious area instead of assumed impervious area

Example: Office Building – Campus Style

Current Monthly Fee: \$3,520

Proposed Rate Structure: \$1,255



Example: Warehouse

Current Monthly Fee: \$184

Proposed Rate Structure: \$147



Example: Office Building – High Rise

Current Monthly Fee: \$94

Proposed Rate Structure: \$103



Example: Shopping Center

Current Monthly Fee: \$623

Proposed Rate Structure: \$737



Next Steps

Next Steps

- Should committee concur with recommendations, team will complete necessary interfaces and outreach efforts to citizens and businesses
- Complete impervious measurements for newer development
- Future Council discussions may arise as incentives for urban design initiatives are explored

Next Steps

- Continue development of associated data and systems improvements and interface, training and support for rate structure change
- Hold public meetings, if applicable
- Develop interactive website for customers to look up fee, if applicable
- Amend ordinance to accommodate new rate structure (if implemented) and reflect changes to state law
- Approve as part of budget process
- Go live with new fee - target October 2016

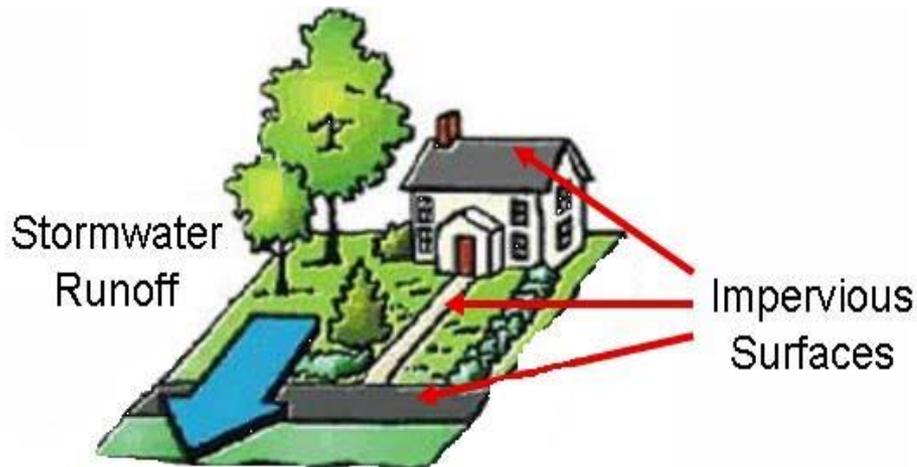
Requested Action

- Seek recommendation from Budget, Finance & Audit Committee to proceed with recommended action; or
- Make no changes to rate schedule and revisit with a future fee study

Appendix A

Impervious Area

- Hard surface areas such as buildings, roads, and sidewalks that repel stormwater
- Amount of runoff is directly related to the amount of impervious surfaces



Appendix B – Stormwater Utility System

Dallas Stormwater Utility System

- 6,050 square miles of Trinity River watershed
- 2,138 acres of Trinity floodway
- 65,000 inlets
- 1,800 miles storm sewers
- 11,000 drainage outfalls
- 168 miles creeks and channels
- 30 miles levees
- 22 pump stations with 70 pumps
- 6 pressure sewers
- 100 inline stormwater interceptors



Dallas Stormwater Utility System

- 41 flooded roadway warning system sites
- 89 rainfall and/or stream ALERT gauge sites
- 23 Supervisory Control and Data Acquisition (SCADA) sites
- 150 civil defense sirens
- 5 flood warning sirens
- 200 retention/detention ponds and lakes
- 60,000 service requests annually



Overview – Stormwater Utility

Provides funding for 15 departments that assist with meeting permit related activities:

City Attorney's Office
City Manager's Office
Code Compliance
Communication
Information Systems
Court & Detention
Services
Dallas Fire-Rescue
Dallas Police Department

Dallas Water Utilities
Equipment and Building Services
Office of Environmental Quality
Park and Recreation
Public Information Office
Public Works
Streets Services
Trinity Watershed Management

Appendix C – Rate Study Information

Rate Study

- Raftelis Financial Consultants was selected in 2013
 - Performed more than 500 rate studies, financial plans, etc.
 - Have reviewed and implemented recommendations at many of the largest and most successful utilities nationwide:
 - Philadelphia
 - Charlotte-Mecklenburg
 - Baltimore
 - Northeast Ohio
 - Specific implementation expertise for public outreach, stormwater billing, collections, customer service, data maintenance

Fee Study

Project tasks include:

- Match parcels to accounts
- Recommend rates
- Perform customer impacts analysis
- Develop stormwater billing interface
- Develop web portal
- Public outreach

Rate Study Scope of Work

Work to date

- ✓ System assessment
- ✓ Reviewed billing accounts and GIS data analysis
- ✓ Recommend rates
- ✓ Impact analysis
- ✓ Interface development begun

Future work

- Public outreach
- Complete data update and interface development
- Implementation

Examples of Stormwater Activities Performed by Departments

Capital Drainage and Flood Control improvements

Drainage system maintenance

Environmental Management System

Flood control operations

Floodplain Management

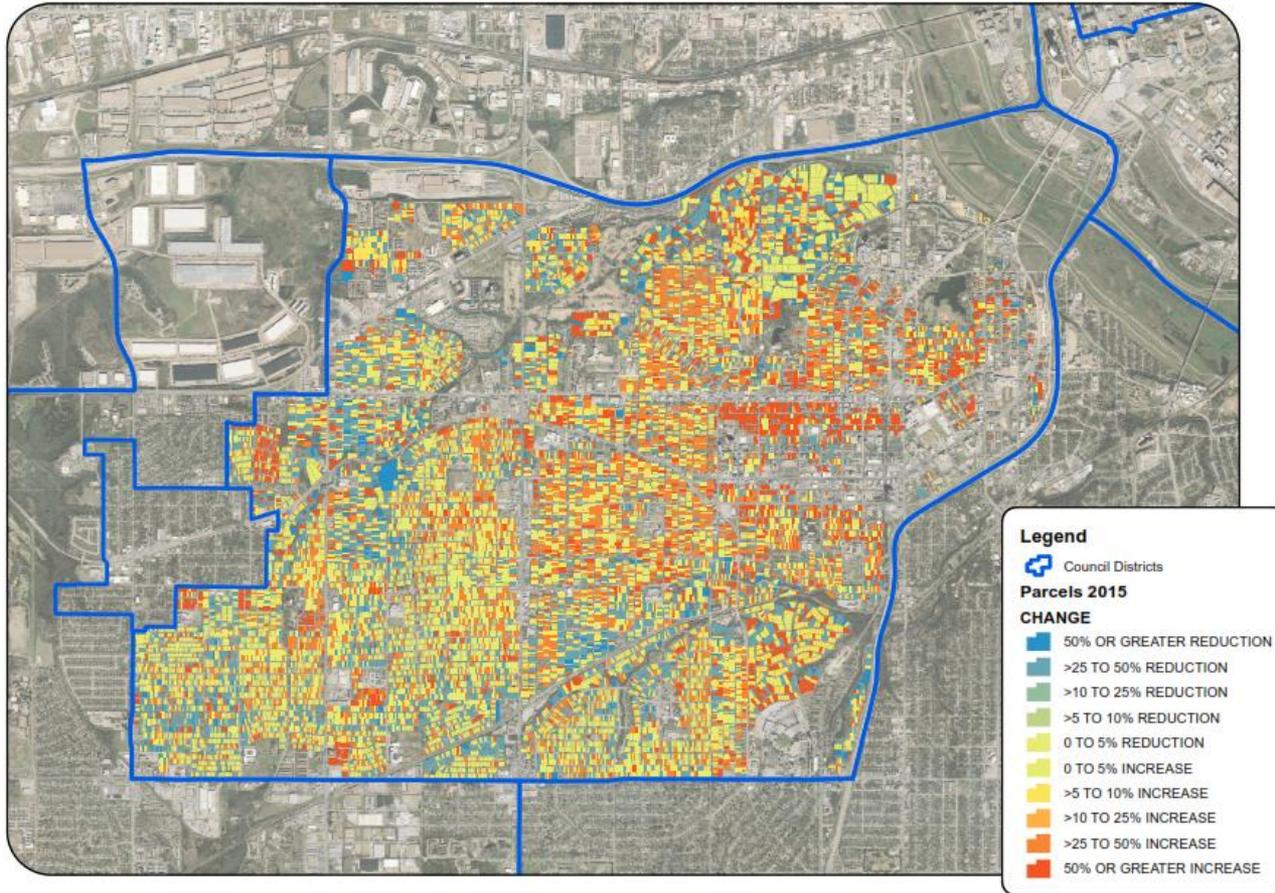
Hazardous spill response

Illegal dumping

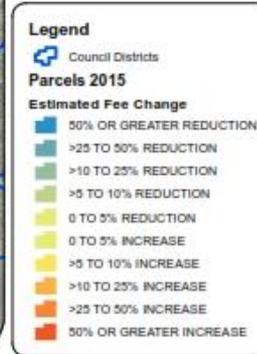
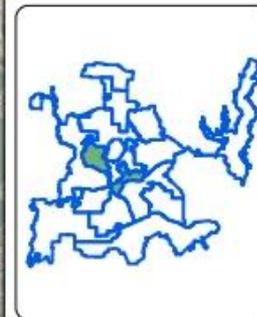
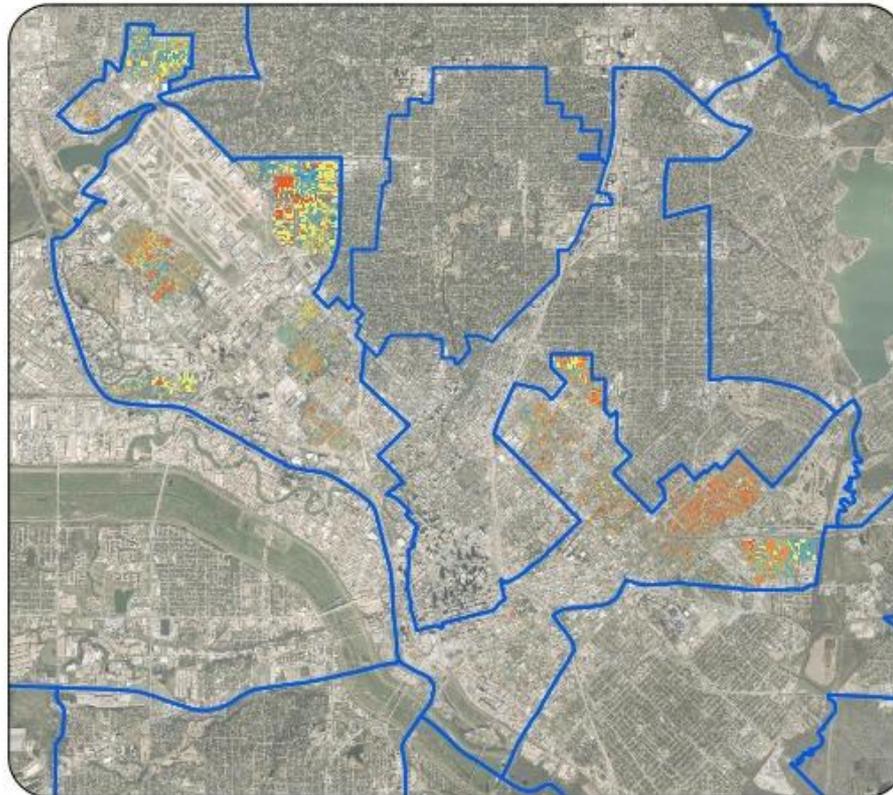
Inspection and enforcement

- ▶ IT and billing support
- ▶ Levee maintenance
- ▶ Litter control
- ▶ Post flood clean-up
- ▶ Public education/outreach
- ▶ Street sweeping
- ▶ Water quality monitoring and reporting

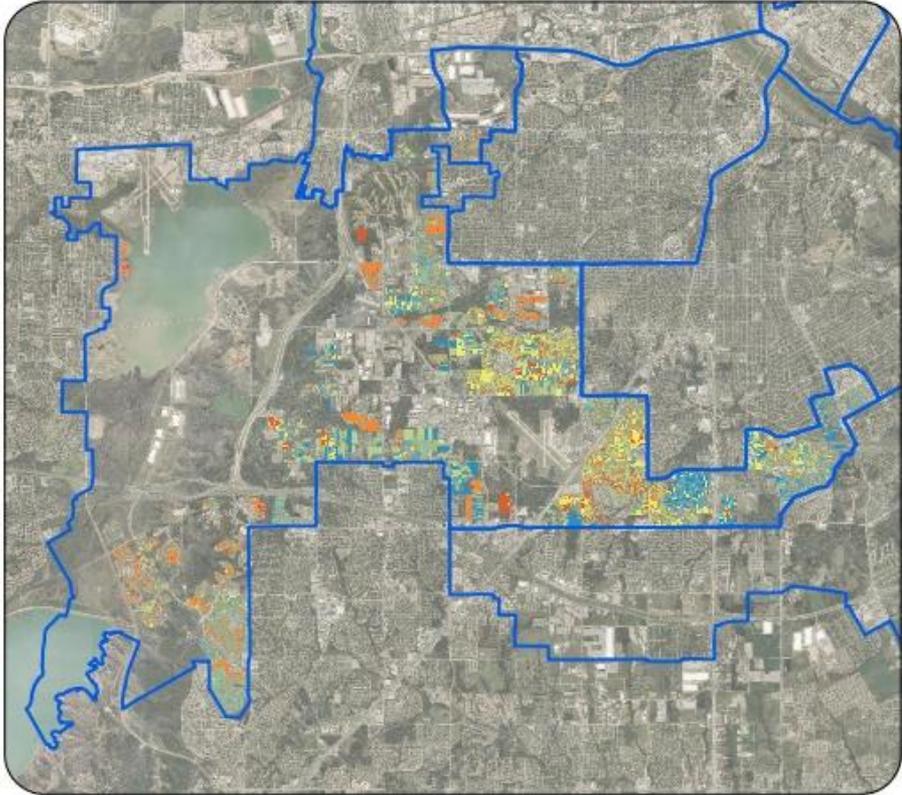
Council District 1
Single Family Residential Properties
Stormwater Rate Structure Change Impact



Council District 2
Single Family Residential Properties
Stormwater Rate Structure Change Impact



Council District 3
Single Family Residential Properties
Stormwater Rate Structure Change Impact



Legend

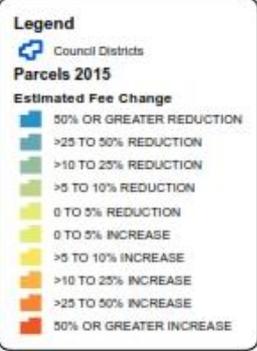
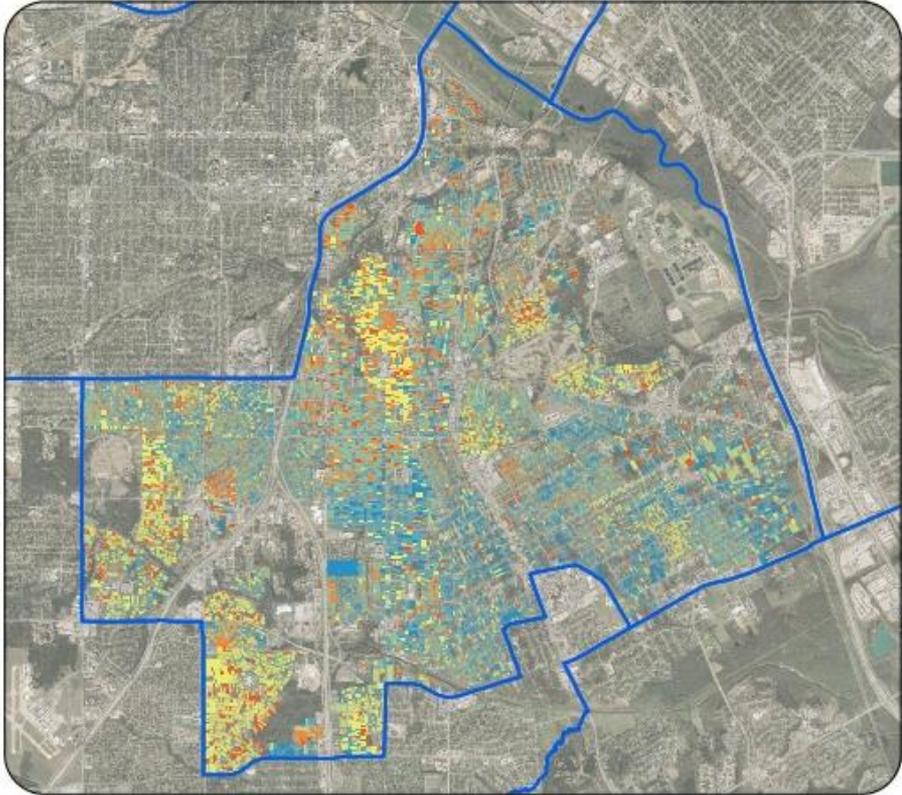
- Council Districts

Parcels 2015

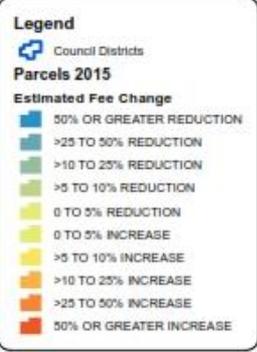
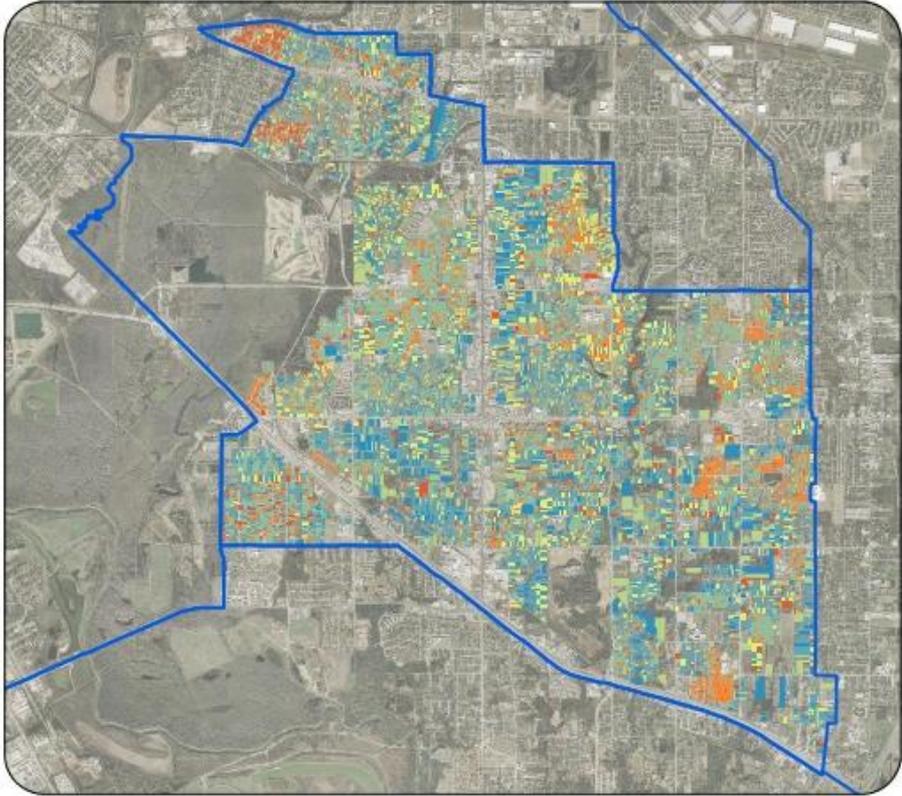
Estimated Fee Change

- 50% OR GREATER REDUCTION
- >25 TO 50% REDUCTION
- >10 TO 25% REDUCTION
- >5 TO 10% REDUCTION
- 0 TO 5% REDUCTION
- 0 TO 5% INCREASE
- >5 TO 10% INCREASE
- >10 TO 25% INCREASE
- >25 TO 50% INCREASE
- 50% OR GREATER INCREASE

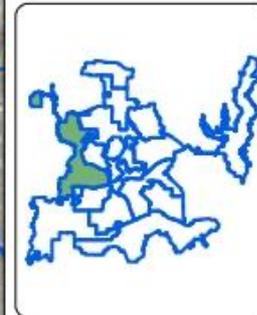
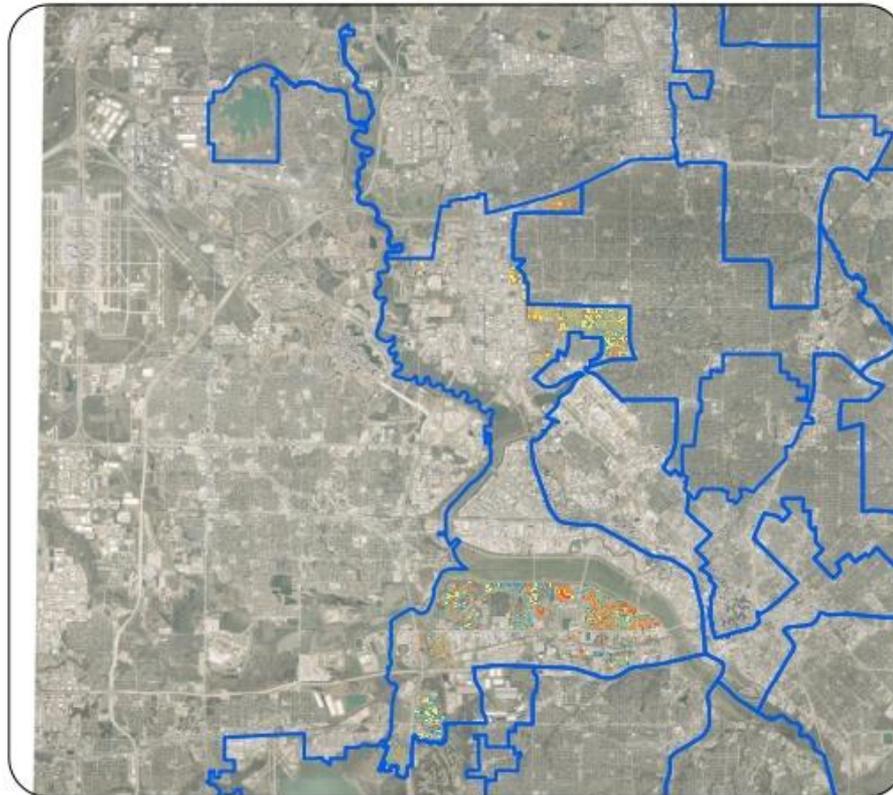
Council District 4
Single Family Residential Properties
Stormwater Rate Structure Change Impact



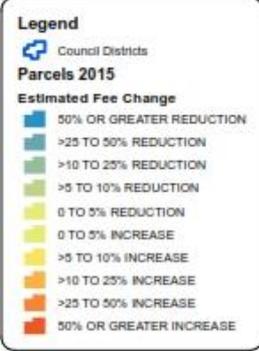
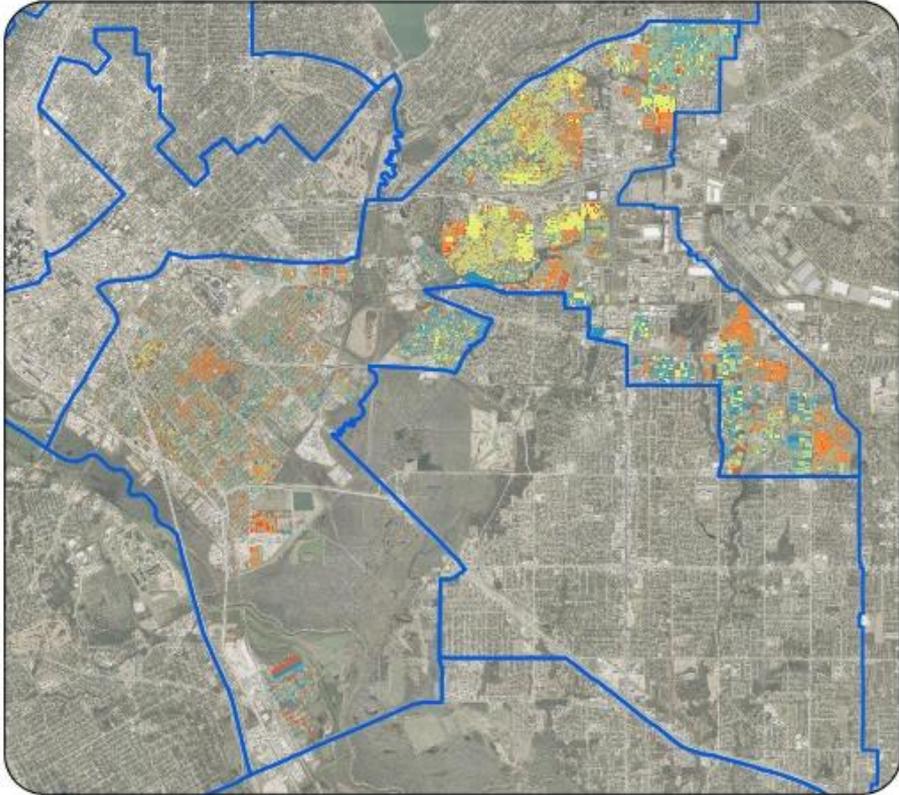
Council District 5
Single Family Residential Properties
Stormwater Rate Structure Change Impact



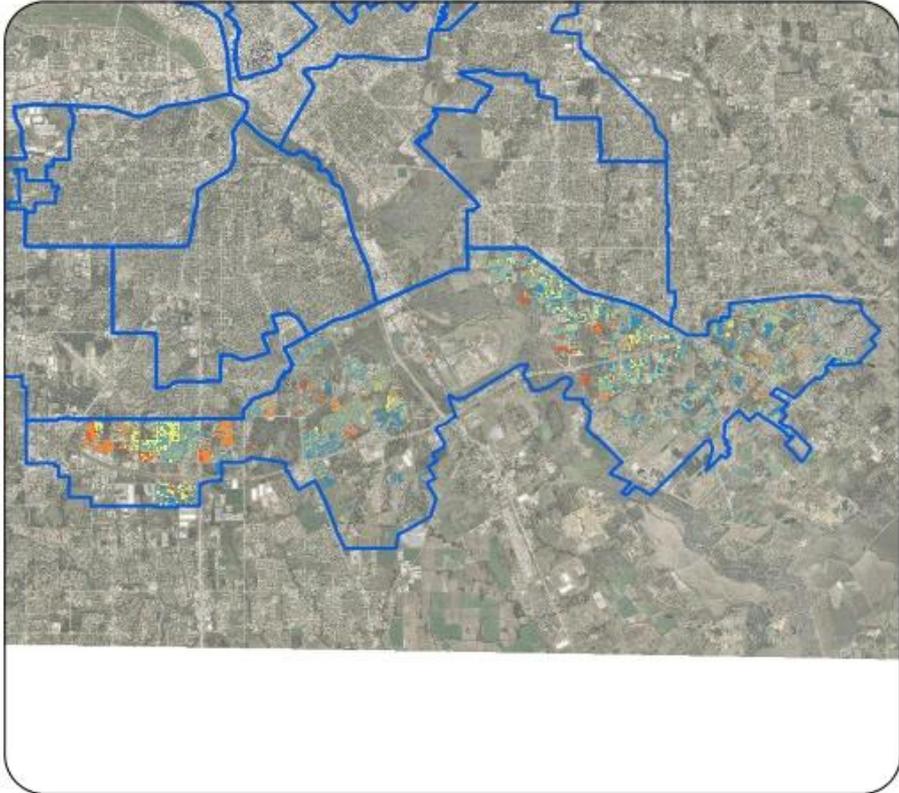
Council District 6
Single Family Residential Properties
Stormwater Rate Structure Change Impact



Council District 7
Single Family Residential Properties
Stormwater Rate Structure Change Impact



Council District 8
Single Family Residential Properties
Stormwater Rate Structure Change Impact



Legend

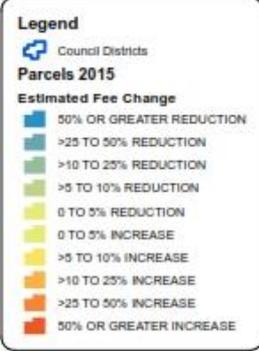
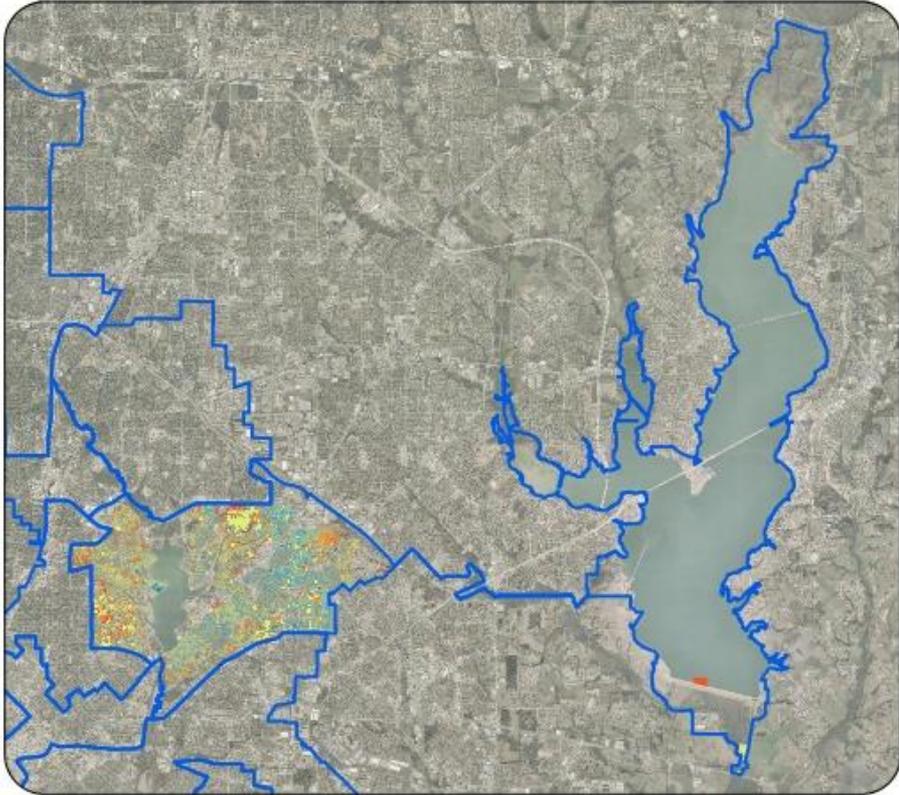
- Council Districts

Parcels 2015

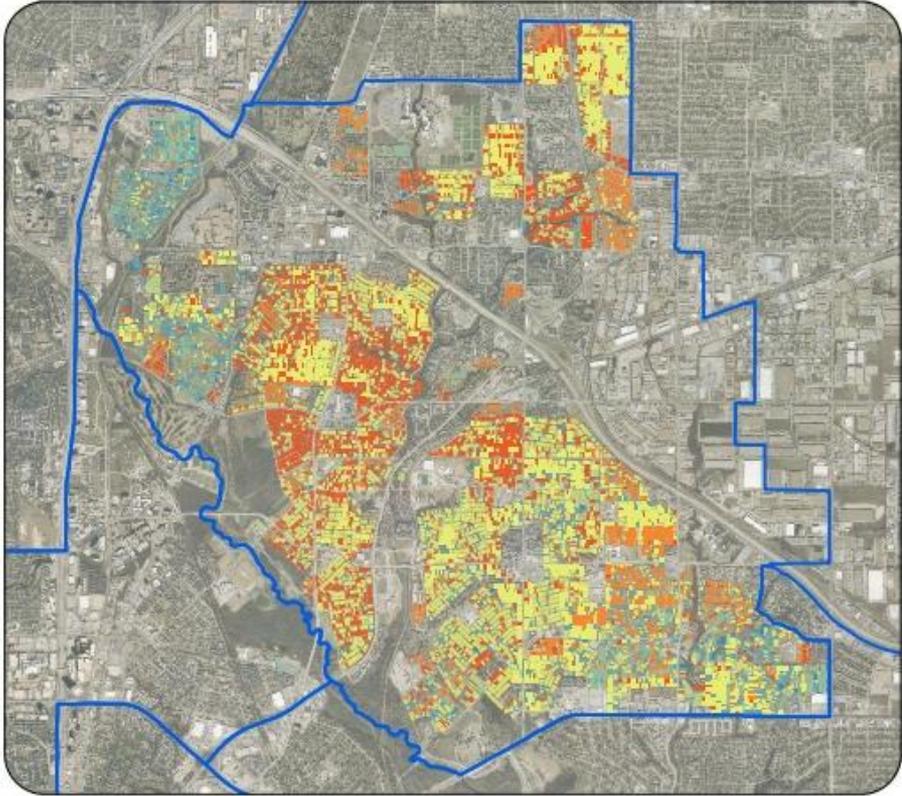
Estimated Fee Change

- 50% OR GREATER REDUCTION
- >25 TO 50% REDUCTION
- >10 TO 25% REDUCTION
- >5 TO 10% REDUCTION
- 0 TO 5% REDUCTION
- 0 TO 5% INCREASE
- >5 TO 10% INCREASE
- >10 TO 25% INCREASE
- >25 TO 50% INCREASE
- 50% OR GREATER INCREASE

Council District 9
Single Family Residential Properties
Stormwater Rate Structure Change Impact



Council District 10 Single Family Residential Properties Stormwater Rate Structure Change Impact



Legend

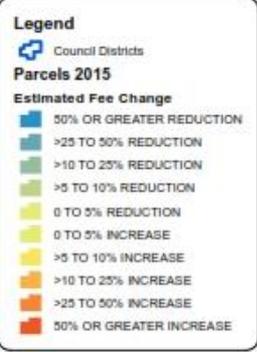
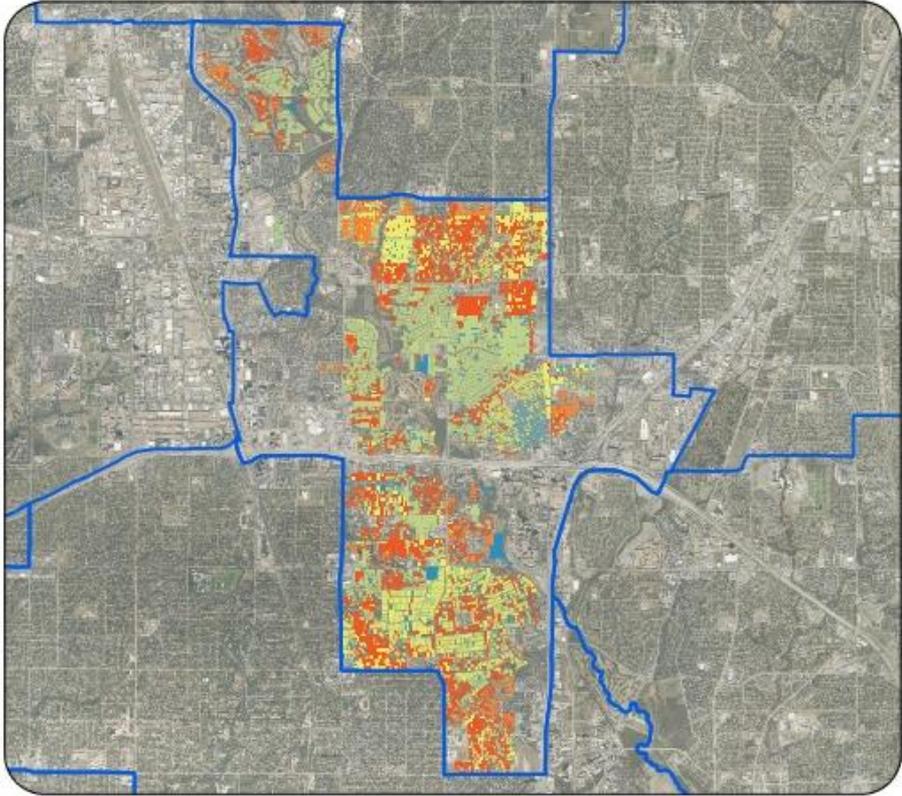
- Council Districts

Parcels 2015

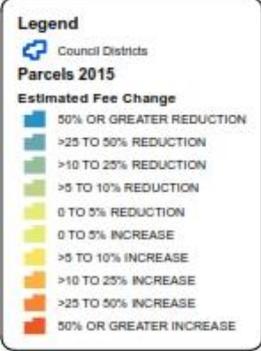
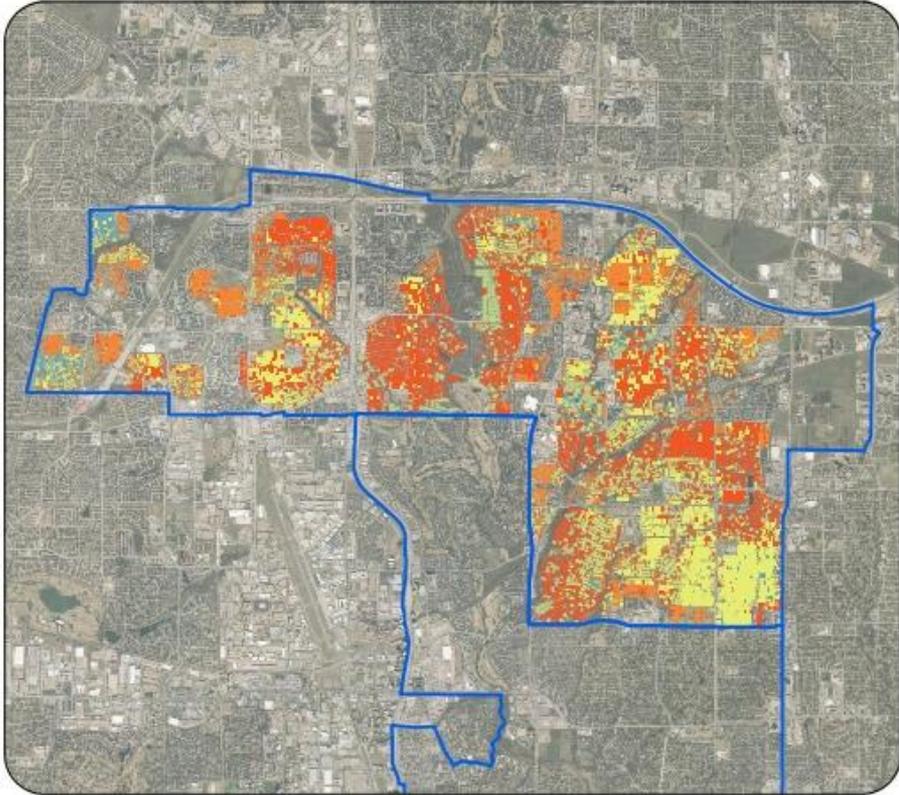
Estimated Fee Change

- 50% OR GREATER REDUCTION
- >25 TO 50% REDUCTION
- >10 TO 25% REDUCTION
- >5 TO 10% REDUCTION
- 0 TO 5% REDUCTION
- 0 TO 5% INCREASE
- >5 TO 10% INCREASE
- >10 TO 25% INCREASE
- >25 TO 50% INCREASE
- 50% OR GREATER INCREASE

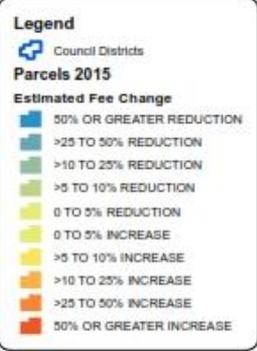
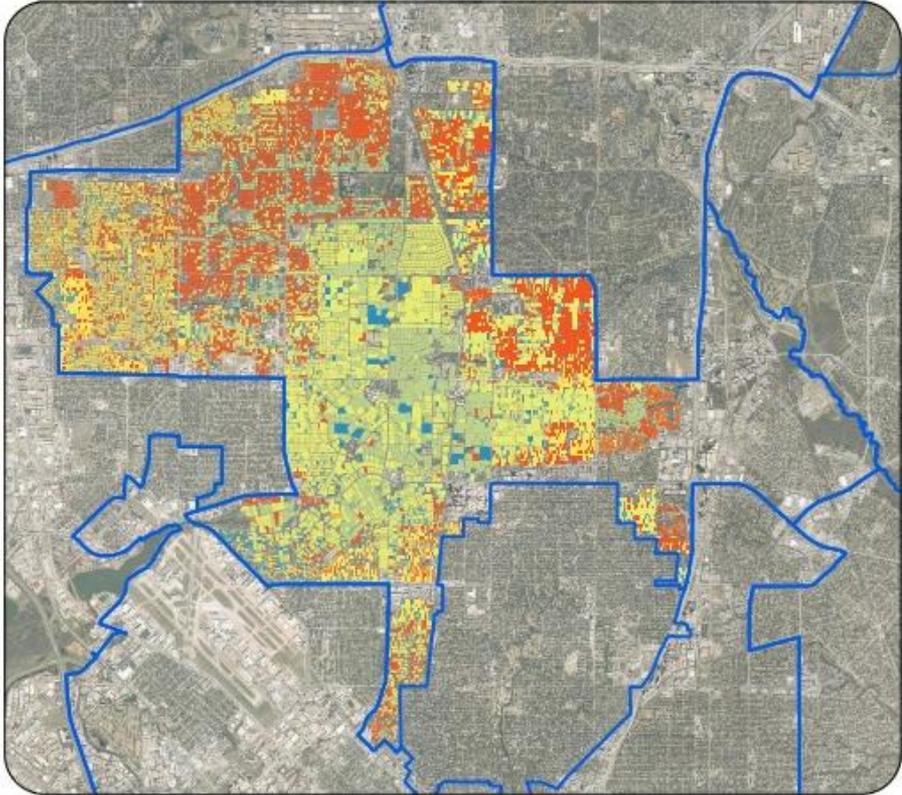
Council District 11
Single Family Residential Properties
Stormwater Rate Structure Change Impact



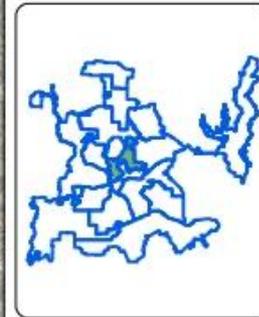
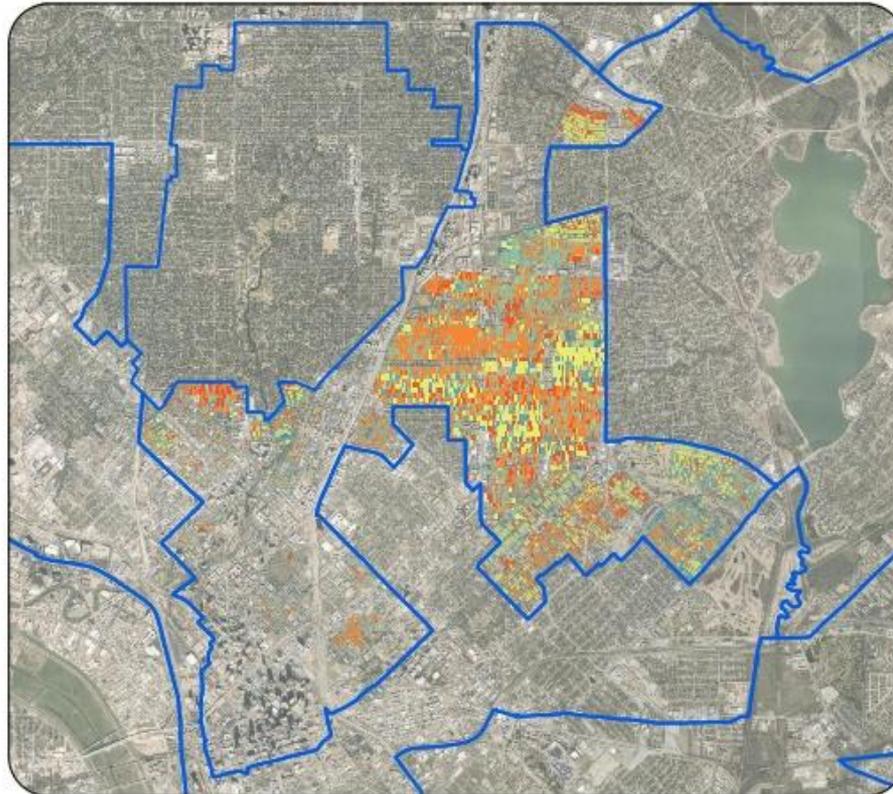
Council District 12
Single Family Residential Properties
Stormwater Rate Structure Change Impact



Council District 13
Single Family Residential Properties
Stormwater Rate Structure Change Impact



Council District 14 Single Family Residential Properties Stormwater Rate Structure Change Impact



Legend

- Council Districts

Parcels 2015

Estimated Fee Change

- 50% OR GREATER REDUCTION
- >25 TO 50% REDUCTION
- >10 TO 25% REDUCTION
- >5 TO 10% REDUCTION
- 0 TO 5% REDUCTION
- 0 TO 5% INCREASE
- >5 TO 10% INCREASE
- >10 TO 25% INCREASE
- >25 TO 50% INCREASE
- 50% OR GREATER INCREASE

Appendix D – Debt Service

How Would Additional Debt Service Affect the Current Rate?

If the Utility paid all the Flood Protection and Storm Drainage - General Obligation Bond Debt Service is approximately \$23.8M annually in debt service(\$18.8M increase). This would require a fee increase of 37%.

Residential Property Area Rates

- ▶ Up to 6,000 sf \$ 3.65 / Mo. - **New Rate = \$5.00**
- ▶ 6,001 – 8,000 sf \$ 5.77 / Mo. - **New Rate = \$7.90**
- ▶ 8,001 – 17,000 sf \$ 7.77 / Mo. - **New Rate = \$10.64**
- ▶ 17,001 – 215,000 sf \$13.87 / Mo. - **New Rate = \$19.00**
- ▶ More Than 215,000 sf \$43.87 / Mo. - **New Rate = \$60.10**

Vacant and commercial property is calculated based on square footage and a runoff coefficient (\$0.1589 per 100 sq ft of impervious area) – **(New rate of \$0.2177 per 100 sq ft)**

Note: Fees, unlike property taxes, are not tax deductible

How Would Additional Debt Service Affect the Proposed Rate?

If the Utility paid all the Flood Protection and Storm Drainage - General Obligation Bond Debt Service is approximately \$23.8M annually in debt service (\$18.8M increase). This would require a fee increase of 37%.

Residential Property Area Rates

- ▶ Up to 2,000 sq ft \$ 3.25 / Mo. - **New Rate = \$4.45**
- ▶ 2,001 – 3,500 sq ft \$ 5.17 / Mo. - **New Rate = \$7.08**
- ▶ 3,5001 – 5,500 sq ft \$ 7.75 / Mo. - **New Rate = \$10.62**
- ▶ More Than 5,500 sq ft \$12.67 / Mo. - **New Rate = \$17.36**

Vacant and commercial property fees are calculated based on actual impervious area (\$1.75 per 1,000 sq ft of impervious area).

(New rate of \$2.40 per 1,000 sq ft)

Memorandum



CITY OF DALLAS

DATE January 15, 2016

TO Members of the Budget, Finance & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT Litter Maintenance Services for Park and Recreation

The January 27, 2016 Council Agenda includes an item to award a three-year service contract for litter maintenance services for Park and Recreation – Good Earth Corporation in the amount of \$5,504,968 and T. Smith’s Lawn Service, LLC in the amount of \$2,608,751, lowest responsible bidders of four - Total not to exceed \$8,113,719 - Financing: Current Funds (subject to annual appropriations)

This solicitation closed prior to the wage floor policy approved by City Council on November 10, 2015 by Resolution No. 15-2141. Prior to Council approval of the wage floor, City contracts did not include language that required contractors to identify their rate of pay or the number of employees assigned on City contracts. During Council briefings and discussion, staff provided a list of contracts in the evaluation phase. This contract was included and is one of the last service contracts to be considered prior to the new wage floor policy.

Although the City did not require a wage floor within the specifications, staff requested both recommended bidders’ minimum rate of pay for the project. The chart below provides the responses provided from both recommended vendors.

Vendor Name	Recommended Award	Minimum Rate	Average Rate
Good Earth Corporation	\$5,504,968	\$9.00/hour	\$10.00/hour
T. Smith’s Lawn Service, LLC	\$2,608,751	\$10.37/hour	N/A

This service contract will be used for regular litter maintenance service in virtually every park within the six park maintenance districts. Contractors will perform services on a predetermined maintenance frequency established by the department. Maintenance frequencies vary in each park based on the amount of traffic and the time of year. Adjustments to the schedule can be made based on variable needs, such as special events and spray ground activity. The service contract also includes a provision for litter maintenance performed on an emergency response basis.

This item is being considered by the Park Board on January 21, 2016. The current contract for litter maintenance service is scheduled to expire on March 31, 2016.

Please let me know if you need additional information.



Jeanne Chipperfield
Chief Financial Officer

c: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager

Memorandum



CITY OF DALLAS

DATE January 15, 2016

TO Members of the Budget, Finance & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT Grounds Maintenance Services at Parks, Airports and other City-owned Properties

The January 27, 2016 Council Agenda includes an item to award a three-year service contract for grounds maintenance services at parks, airports and other City owned properties - Good Earth Corporation in the amount of \$2,403,441 and Urban Landscaping & Irrigation in the amount of \$774,908, lowest responsible bidders of three - Total not to exceed \$3,178,349 - Financing: Current Funds (\$2,546,621) and Aviation Current Funds (\$631,728) (subject to annual appropriations)

This solicitation closed prior to the wage floor policy approved by City Council on November 10, 2015 by Resolution No. 15-2141. Prior to Council approval of the wage floor, City contracts did not include language that required contractors to identify their rate of pay or the number of employees assigned on City contracts. During Council briefings and discussion, staff provided a list of contracts in the evaluation phase. This contract was included and is one of the last service contracts to be considered prior to the new wage floor policy.

Although the City did not require a wage floor within the specifications, staff requested both recommended bidders' minimum rate of pay for the project. The chart below provides the responses provided from both recommended vendors.

Vendor Name	Recommended Award	Minimum Rate	Average Rate	M/WBE Firm
Good Earth Corporation	\$2,403,441	\$9.50/hour	\$10.50/hour	No
Urban Landscaping & Irrigation	\$774,908	\$10.37/hour	N/A	Yes

This service contract will be used for grounds maintenance service for parks, airports and other City owned properties. This contract will allow for services on a predetermined maintenance schedule established by the departments. The service contract will also have a provision for emergency responses.

This service contract will provide grounds maintenance service in 130 parks located in all six park maintenance districts, Fair Park, Bahama Beach Water Park, Love Field, Love Hub Parking Garage and Executive Airport. The contractors will perform these services on a predetermined maintenance frequency established by the City. Fleet and Building Service centers are serviced on an as needed basis. Maintenance frequencies vary for each property based on the type of turf area and the time of year. Adjustments to the schedule can be made based on variable needs, such as special events and weather conditions.

This solicitation was structured in a manner which required bidders to submit a response using unit pricing. This bid resulted in a 14.3% increase over comparable unit prices for the bid awarded in 2012. The current contract for grounds maintenance service is scheduled to expire on March 31, 2016.

Please let me know if you need additional information.



Jeanne Chipperfield
Chief Financial Officer

c: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager

AGENDA ITEM # 5

KEY FOCUS AREA: E-Gov

AGENDA DATE: January 27, 2016

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Housing/Community Services

CMO: Jeanne Chipperfield, 670-7804
Alan Sims, Chief of Neighborhood Plus, 670-1611

MAPSCO: N/A

SUBJECT

Authorize the first twelve-month renewal option to the service contract to provide labor and materials for minor home repairs through the People Helping People Program administered by the Housing/Community Services Department – Miko Trucking, Inc. – Not to exceed \$155,292 – Financing: 2015-16 Community Development Block Grant Funds (subject to appropriations)

BACKGROUND

This action does not encumber funds; the purpose of a service contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This service contract will continue to provide labor and materials for minor home repairs through the People Helping People (PHP) Program. The PHP Program is designed to help low-income, elderly (62 or older) and disabled residents receive minor exterior home repairs. Available funds will serve households that meet low-income level guidelines established by the U.S. Department of Housing and Urban Development (HUD). It is estimated that each repair will average \$900.00 per household based on previous history of the program, however each household is allowed a maximum of \$5,000.00. The contracted vendor will be a supplement to volunteers, and will be used when special expertise is required. The goal of this year's program is to assist approximately 200 households utilizing grant funds.

BACKGROUND (Continued)

Once a home is verified as meeting the guidelines of the program, a Housing/Community Services Inspector is sent out to the home to assess the work to be done. The inspector then provides a work write up to the contractor to execute the repairs. Some examples of repairs provided under this program are:

- Roofing install/repair
- Repair porches and steps
- Painting exterior
- Install/repair ramps and handrails
- Remove unsafe garages and sheds

This renewal option meets the wage floor rate of \$10.37 approved by City Council on November 10, 2015 by Resolution No. 15-2141.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On January 26, 2011, City Council authorized the twelve month renewal option to provide labor for minor home repairs for the People Helping People Program for the period January 27, 2011 through January 26, 2012, by Resolution No. 11-0261.

On April 25, 2012, City Council authorized a one-year service contract, with a one-year renewal option, for general home repairs under the People Helping People Program administered by Housing/Community Services by Resolution No. 12-1167.

On April 24, 2013, City Council authorized Supplemental Agreement No. 1 to exercise the one-year contract renewal for general home repairs under the People Helping People Program administered by Housing/Community Services by Resolution No. 13-0698.

On November 12, 2014, City Council authorized a one-year service contract, with two one-year renewal options, to provide labor and materials for minor home repairs through the People Helping People Program administered by the Housing/Community Services Department by Resolution No. 14-1874.

Information about this item will be provided to the Budget, Finance and Audit Committee on January 19, 2016.

FISCAL INFORMATION

\$155,292.00 – 2015-16 Community Development Block Grant Funds (subject to appropriations)

ETHNIC COMPOSITION

Miko Trucking, Inc.

White Female	0	White Male	0
Black Female	0	Black Male	11
Hispanic Female	3	Hispanic Male	21
Other Female	0	Other Male	0

OWNER

Miko Trucking, Inc.

Michael Robinson, President

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize the first twelve-month renewal option to the service contract to provide labor and materials for minor home repairs through the People Helping People Program administered by the Housing/Community Services Department – Miko Trucking, Inc. – Not to exceed \$155,292 – Financing: 2015-16 Community Development Block Grant Funds (subject to appropriations)

Miko Trucking, Inc. is a local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use their own workforce.

PROJECT CATEGORY: Other Services

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$155,292.00	100.00%
Total non-local contracts	\$0.00	0.00%
TOTAL CONTRACT	\$155,292.00	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

None

Non-Local Contractors / Sub-Contractors

None

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$0.00	0.00%
Total	\$0.00	0.00%	\$0.00	0.00%

January 27, 2016

WHEREAS, on January 26, 2011, City Council authorized the twelve month renewal option to provide labor for minor home repairs for the People Helping People Program for the period January 27, 2011 through January 26, 2012, by Resolution No. 11-0261; and,

WHEREAS, on April 25, 2012, City Council authorized a one-year service contract, with a one-year renewal option, for general home repairs under the People Helping People Program administered by Housing/Community Services by Resolution No. 12-1167; and,

WHEREAS, on April 24, 2013, City Council authorized Supplemental Agreement No. 1 to exercise the one-year contract renewal for general home repairs under the People Helping People Program administered by Housing/Community Services by Resolution No. 13-0698; and,

WHEREAS, on November 12, 2014, City Council authorized a one-year service contract, with two one-year renewal options, to provide labor and materials for minor home repairs through the People Helping People Program administered by the Housing/Community Services Department by Resolution No. 14-1874;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager is authorized to execute the first of two twelve month renewal options to the service contract with Miko Trucking, Inc. (VS0000010476) to provide labor and materials for minor home repairs through the People Helping People Program administered by the Housing/Community Services Department, in an amount not to exceed \$155,292.00, upon approval as to form by the City Attorney. If the service was bid or proposed on an as needed, unit price basis for performance of specified tasks, payment to Miko Trucking, Inc. shall be based only on the amount of the services directed to be performed by the City and properly performed by Miko Trucking, Inc. under the contract.

Section 2. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$155,292.00 (subject to appropriations) from Service Contract number BE1604.

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

KEY FOCUS AREA: E-Gov

AGENDA DATE: January 27, 2016

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Water Utilities

CMO: Jeanne Chipperfield, 670-7804
Mark McDaniel, 670-3256

MAPSCO: N/A

SUBJECT

Authorize a three-year service contract for maintenance, support, parts and hardware for the supervisory control and data acquisition systems at three water treatment plants and two wastewater treatment plants - CDM Smith, Inc., most advantageous proposer of three - Not to exceed \$2,397,350 - Financing: Water Utilities Current Funds (subject to annual appropriations)

BACKGROUND

This action does not encumber funds; the purpose of a service contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This service contract will provide as needed maintenance, support, parts and hardware for the supervisory control and data acquisition (SCADA) systems at Water Utilities' three water treatment plants and two wastewater treatment plants. The SCADA systems located at these five locations allow for automated control of plant functions, data logging and regulatory reporting of plant operations. These systems have been installed over the past ten years and require periodic maintenance. Maintenance includes patches, updates, technical and customer service support to ensure compliance with state or federal requirements.

Water Utilities provides water and wastewater service to approximately 2.4 million customers in the Dallas service area of approximately 700 square miles.

BACKGROUND (Continued)

A seven member committee from the following departments reviewed and evaluated the proposals:

- Trinity Watershed Management (1)
- Water Utilities (2)
- Communication and Information Services (2)
- Business Development and Procurement Services (2)*

*Business Development and Procurement Services evaluated cost and Business Inclusion and Development Plan.

The successful proposer was selected by the committee on the basis of demonstrated competence and qualifications under the following criteria:

- Cost 30%
- Capability and Expertise 20%
- Technical Match 20%
- Business Inclusion and Development Plan 15%
- Overall Approach 15%

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 623 email bid notifications to vendors registered under respective commodities. To further increase competition, BDPS uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, notifications were sent by the BDPS' ResourceLink Team (RLT) to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

The recommended vendor meets the wage floor rate of \$10.37 approved by City Council on November 10, 2015 by Resolution No. 15-2141.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 8, 2012, City Council authorized a three-year service contract for maintenance and support for the supervisory control and data acquisition systems at five water and wastewater treatment plants by Resolution No. 12-1881.

On January 14, 2015, City Council authorized an increase to the service contract for maintenance and support for the supervisory control and data acquisition systems at five water and wastewater treatment plants by Resolution No. 15-0110.

Information about this item will be provided to the Budget, Finance and Audit Committee on January 19, 2016.

FISCAL INFORMATION

\$2,397,350.00 - Water Utilities Current Funds (subject to annual appropriations)

M/WBE INFORMATION

- 95 - Vendors contacted
- 95 - No response
- 0 - Response (Bid)
- 0 - Response (No bid)
- 0 - Successful

623 - M/WBE and Non-M/WBE vendors were contacted

The recommended awardee has fulfilled the good faith requirements set forth in the Business Inclusion and Development (BID) Plan adopted by Council Resolution No. 08-2826 as amended.

ETHNIC COMPOSITION

CDM Smith, Inc.

White Male	42	White Female	10
Black Male	3	Black Female	4
Hispanic Male	4	Hispanic Female	1
Other Male	19	Other Female	4

PROPOSAL INFORMATION

The following proposals were received from solicitation number BUZ1513 and opened on July 22, 2015. This service contract is being awarded in its entirety to the most advantageous proposer.

*Denotes successful proposer

<u>Proposers</u>	<u>Address</u>	<u>Score</u>	<u>Amount</u>
*CDM Smith, Inc.	8140 Walnut Hill Lane Suite 1000 Dallas, TX 75231	92%	\$2,397,350.00
Signature Automation, LLC	14679 Midway Road Suite 205 Addison, TX 75001	87%	\$2,544,200.00

PROPOSAL INFORMATION (Continued)

<u>Proposers</u>	<u>Address</u>	<u>Score</u>	<u>Amount</u>
Prime Controls, LP	1725 Lakepointe Drive Lewisville, TX 75057	81%	\$2,437,380.00

OWNER

CDM Smith, Inc.

Tim Wall, President
Douglas Varner, Vice President

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize a three-year service contract for maintenance, support, parts and hardware for the supervisory control and data acquisition systems at three water treatment plants and two wastewater treatment plants - CDM Smith, Inc., most advantageous proposer of three - Not to exceed \$2,397,350 - Financing: Water Utilities Current Funds (subject to annual appropriations)

CDM Smith, Inc. is a local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use their own workforce.

PROJECT CATEGORY: Other Services

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$2,397,350.00	100.00%
Total non-local contracts	\$0.00	0.00%
TOTAL CONTRACT	\$2,397,350.00	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

None

Non-Local Contractors / Sub-Contractors

None

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$0.00	0.00%
Total	<u>\$0.00</u>	<u>0.00%</u>	<u>\$0.00</u>	<u>0.00%</u>

January 27, 2016

WHEREAS, on August 8, 2012, City Council authorized a three-year service contract for maintenance and support for the supervisory control and data acquisition systems at five water and wastewater treatment plants by Resolution No. 12-1881; and,

WHEREAS, on January 14, 2015, City Council authorized an increase to the service contract for maintenance and support for the supervisory control and data acquisition systems at five water and wastewater treatment plants in the amount of \$388,750.00, from \$1,555,000.00 to \$1,943,750.00, by Resolution No. 15-0110;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager is authorized to execute a service contract with CDM Smith, Inc. (089614) for maintenance, support, parts and hardware for the supervisory control and data acquisition systems at three water treatment plants and two wastewater treatment plants for a term of three years in an amount not to exceed \$2,397,350.00, upon approval as to form by the City Attorney. If the service was bid or proposed on an as needed, unit price basis for performance of specified tasks, payment to CDM Smith, Inc. shall be based only on the amount of the services directed to be performed by the City and properly performed by CDM Smith, Inc. under the contract.

Section 2. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$2,397,350.00 (subject to annual appropriations) from Service Contract number BUZ1513.

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

KEY FOCUS AREA: Clean, Healthy Environment

AGENDA DATE: January 27, 2016

COUNCIL DISTRICT(S): All

DEPARTMENT: Business Development & Procurement Services
Aviation
Equipment & Building Services
Park & Recreation
Police
Sanitation Services
Water Utilities

CMO: Jeanne Chipperfield, 670-7804
Ryan S. Evans, 671-9837
Jill A. Jordan, P.E., 670-5299
Willis Winters, 670-4071
Eric Campbell, 670-3255
Joey Zapata, 670-3009
Mark McDaniel, 670-3256

MAPSCO: N/A

SUBJECT

Authorize a three-year service contract for the removal and disposal of waste collected in sand traps, grease traps, interceptors and septic tanks - Stericycle Environmental Solutions, Inc. in the amount of \$819,002 and Liquid Environmental Solutions of Texas, LLC in the amount of \$39,895, lowest responsible bidders of two - Total not to exceed \$858,897 - Financing: Current Funds (\$401,591), Aviation Current Funds (\$369,879), Sanitation Current Funds (\$72,584) and Water Utilities Current Funds (\$14,843) (subject to annual appropriations)

BACKGROUND

This action does not encumber funds; the purpose of a service contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This service contract will provide for the removal and disposal of waste collected in sand traps, grease traps, interceptors and septic tanks throughout the City. State law requires the City to operate holding tanks or “traps” to collect contaminated water, grease run-off and other debris from specific drains citywide. The traps range in size from 25 gallons to 14,000 gallons. The waste collected in these traps is prohibited from being discharged into the sanitary sewer system.

BACKGROUND (Continued)

This contract provides for servicing of sand traps found in vehicle and equipment wash bays throughout the City, grease traps associated with commercial kitchens such as Bahama Beach Water Park, Love Field restaurant facilities, and Fair Park venues, interceptors for the pre-treatment of stormwater found at Sanitation transfer stations, and septic tanks found at older City facilities.

This contract also provides for servicing as needed and emergency cleaning of the sand traps, grease traps, interceptors and septic tanks. They are cleaned and the waste is properly disposed of per State laws and regulations.

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services used its procurement system to send out 758 email bid notifications to vendors registered under respective commodities. To further increase competition, Business Development and Procurement Services uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, notifications were sent by the Business Development and Procurement Services' ResourceLINK Team (RLT) to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

The recommended vendor meets the wage floor rate of \$10.37 approved by City Council on November 10, 2015 by Resolution No. 15-2141.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 12, 2012, City Council authorized a three-year service contract for the removal and disposal of waste collected in sand traps, grease traps, interceptors and septic tanks by Resolution No. 12-2967.

Information about this item will be provided to the Budget, Finance and Audit Committee on January 19, 2016.

FISCAL INFORMATION

\$401,591.00 - Current Funds (subject to annual appropriations)

\$369,879.00 - Aviation Current Funds (subject to annual appropriations)

\$ 72,584.00 - Sanitation Current Funds (subject to annual appropriations)

\$ 14,843.00 - Water Utilities Current Funds (subject to annual appropriations)

M/WBE INFORMATION

183 - Vendors contacted
183 - No response
0 - Response (Bid)
0 - Response (No bid)
0 - Successful

758 M/WBE and Non-M/WBE vendors were contacted

The recommended awardees have fulfilled the requirements set forth in the Business Inclusion and Development (BID) Plan adopted by Council Resolution No. 08-2826 as amended.

ETHNIC COMPOSITION

Stericycle Environmental Solutions, Inc.

White Male	4	White Female	1
Black Male	8	Black Female	0
Hispanic Male	4	Hispanic Female	0
Other Male	1	Other Female	1

Liquid Environmental Solutions of Texas, LLC

White Male	191	White Female	43
Black Male	131	Black Female	21
Hispanic Male	114	Hispanic Female	25
Other Male	20	Other Female	14

BID INFORMATION

The following bids were received for solicitation number BP1514 and were opened on October 30, 2015. This service contract is being awarded to the lowest responsive and responsible bidders by group.

*Denotes successful bidders

<u>Bidders</u>	<u>Address</u>	<u>Amount of Bid</u>
*Stericycle Environmental Solutions, Inc.	2131 Progressive Dr. Dallas, TX 75212	Group 1 - \$352,931.00 Group 2 - \$466,071.00 Group 3 - \$ 53,552.00
*Liquid Environmental Solutions of Texas, LLC	7651 Esters Blvd. Suite 200 Dallas, TX 75063	Group 1 - No Bid Group 2 - \$488,911.00 Group 3 - \$ 39,895.00

OWNERS

Stericycle Environmental Solutions, Inc.

Charles A. Alutto, President
John Simpson, Vice President

Liquid Environmental Solutions of Texas, LLC

Alan Viterbi, President
Patrick J. Reilly, Vice President
William Bergastrom, Treasurer

BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize a three-year service contract for the removal and disposal of waste collected in sand traps, grease traps, interceptors and septic tanks - Stericycle Environmental Solutions, Inc. in the amount of \$819,002 and Liquid Environmental Solutions of Texas, LLC in the amount of \$39,895, lowest responsible bidders of two - Total not to exceed \$858,897 - Financing: Current Funds (\$401,591), Aviation Current Funds (\$369,879), Sanitation Current Funds (\$72,584) and Water Utilities Current Funds (\$14,843) (subject to annual appropriations)

Stericycle Environmental Solutions, Inc. and Liquid Environmental Solutions of Texas, LLC., are local, non-minority firms have signed the "Business Inclusion & Development" documentation, and propose to use their own workforces.

PROJECT CATEGORY: Other Services

LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$858,897.00	100.00%
Total non-local contracts	\$0.00	0.00%
TOTAL CONTRACT	\$858,897.00	100.00%

LOCAL/NON-LOCAL M/WBE PARTICIPATION

Local Contractors / Sub-Contractors

None

Non-Local Contractors / Sub-Contractors

None

TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local & Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%
Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$0.00	0.00%
Total	\$0.00	0.00%	\$0.00	0.00%

January 27, 2016

WHEREAS, on December 12, 2012, City Council authorized a three-year service contract for the removal and disposal of waste collected in sand traps, grease traps, interceptors and septic tanks by Resolution No. 12-2967; and,

WHEREAS, on December 7, 2015, Administrative Action Nos. 15-7246 and 15-7334 authorized extension of the service contract for three months from December 12, 2015 to March 10, 2016;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS

Section 1. That the City Manager is authorized to execute a service contract with Stericycle Environmental Solutions, Inc. (VS90420) in the amount of \$819,002.00 and Liquid Environmental Solutions of Texas, LLC (246988) in the amount of \$39,895.00 for the removal and disposal of waste collected in sand traps, grease traps, interceptors and septic tanks for a term of three years in a total amount not to exceed \$858,897.00, upon approval as to form by the City Attorney. If the service was bid or proposed on an as needed, unit price basis for performance of specified tasks, payment to Stericycle Environmental Solutions, Inc. and Liquid Environmental Solutions of Texas, LLC shall be based only on the amount of the services directed to be performed by the City and properly performed by Stericycle Environmental Solutions, Inc. and Liquid Environmental Solutions of Texas, LLC under the contract.

Section 2. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$858,897.00 (subject to annual appropriations) from Service Contract number BP1514.

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

AGENDA ITEM # 10

KEY FOCUS AREA: Culture, Arts and Recreation and Educational Enhancements

AGENDA DATE: January 27, 2016

COUNCIL DISTRICT(S): 2

DEPARTMENT: Business Development & Procurement Services
Convention and Event Services

CMO: Jeanne Chipperfield, 670-7804
Ryan S. Evans, 671-9837

MAPSCO: 45P

SUBJECT

Authorize the purchase of mobile/folding stage equipment and accessories for the Kay Bailey Hutchinson Convention Center Dallas - Sico America, Inc. through the National Intergovernmental Purchasing Alliance Company - Not to exceed \$1,153,260 - Financing: Convention and Event Services Capital Construction Funds

BACKGROUND

This action will allow for the purchase of mobile/folding stage equipment and accessories for the Kay Bailey Hutchinson Convention Center Dallas (KBHCCD). This equipment will expand and upgrade the existing 20 year old stage equipment which serves as an essential function for events and conventions being held at the KBHCCD. This brand of stage riser will be used in conjunction with the existing stage risers and will allow for the purchase of additional mobile/folding stage equipment such as:

- 680 - 4' x 8' stage decking
- 50 - 2 and 3 step risers
- 20 - 6 step articulated risers with wheels and guardrails
- 430 - various height drapes
- 270 - various height guard rails

The National Intergovernmental Purchasing Alliance Company (NIPA) conforms to the requirements of Texas Statutes that are applicable for competitive bids and proposals, in accordance with the Interlocal Cooperation Act, Chapter 791, Texas Government Code. In addition, NIPA receives bids from manufacturers and dealers throughout the United States.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Budget, Finance and Audit Committee on January 19, 2016.

FISCAL INFORMATION

\$1,153,260.00 - Convention and Event Services Capital Construction Funds

ETHNIC COMPOSITION

Sico America, Inc.

White Male	104	White Female	30
Black Male	16	Black Female	0
Hispanic Male	6	Hispanic Female	1
Other Male	22	Other Female	2

OWNER

Sico America, Inc.

Ken Steinbauer, President
Pam Johnson, Vice President
Keith Dahlen, Secretary

January 27, 2016**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

Section 1. That the purchase of mobile/folding stage equipment and accessories for the Kay Bailey Hutchison Convention Center Dallas is authorized with Sico America, Inc. (VS86700) through the National Intergovernmental Purchasing Alliance in an amount not to exceed \$1,153,260.00.

Section 2. That the Purchasing Agent is authorized, upon appropriate requisition, to issue a purchase order for mobile/folding stage equipment and accessories for the Kay Bailey Hutchison Convention Center Dallas. If a formal contract is required for this purchase instead of a purchase order, the City Manager is authorized to execute the contract upon approval as to form by the City Attorney.

Section 3. That the Chief Financial Officer is hereby authorized to disburse funds from the following appropriation in an amount not to exceed \$1,153,260.00:

<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Object</u>	<u>Amount</u>	<u>Encumbrance</u>
0082	CCT	W056	4710	\$1,153,260.00	POCCT123283

Section 4. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

KEY FOCUS AREA:	E-Gov
AGENDA DATE:	January 27, 2016
COUNCIL DISTRICT(S):	All
DEPARTMENT:	Business Development & Procurement Services Communication and Information Services
CMO:	Jeanne Chipperfield, 670-7804 Mark McDaniel, 670-3256
MAPSCO:	N/A

SUBJECT

Authorize supplemental agreement no. 6 to increase the service contract for upgrades to the Citizen Request Management System - Motorola Solutions, Inc. - Not to exceed \$114,000, from \$1,912,853 to \$2,026,853 - Financing: Current Funds

BACKGROUND

This increase will allow for upgrades to the existing Citizen Request Management System (CRMS). CRMS is used to log, document, route and track service requests for non-emergency services submitted to 311 by citizens via telephone or the City's website.

The updated version of CRMS will include a number of features and functions which significantly improves ease of use and enhanced ad-hoc reporting capabilities.

Improvements provided by this upgrade include:

- Improved functionality in electronically submitting service requests, photographs and service request status for mobile users
- Enhanced data file administration
- Allow the City to send service outage announcements via social media networks such as Facebook and Twitter

Upgrading the current CRMS software will enhance the manner in which service requests are logged, documented and routed. Most importantly, this upgrade will provide significant enhancements to the City's efforts in effectively responding to and resolving service requests.

During FY 14-15, approximately 52,000 service requests were entered via the City's website and approximately 28,000 service requests were entered via the City's mobile application.

BACKGROUND (Continued)

This supplemental meets the wage floor rate of \$10.37 approved by City Council on November 10, 2015 by Resolution No. 15-2141.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 27, 2012, City Council authorized a five-year service contract for maintenance, support and upgrades for the Citizen Request Management System by Resolution No. 12-1713.

Information about this item will be provided to the Budget, Finance and Audit Committee on January 19, 2016.

FISCAL INFORMATION

\$114,000.00 - Current Funds

ETHNIC COMPOSITION

Motorola Solutions, Inc.

White Male	3,239	White Female	962
Black Male	227	Black Female	120
Hispanic Male	349	Hispanic Female	161
Other Male	706	Other Female	297

OWNER

Motorola Solutions, Inc.

Gregory Q. Brown, Chairman
Gino A. Bonanotte, Executive Vice President

January 27, 2016

WHEREAS, on June 27, 2012, City Council authorized a five-year service contract for maintenance, support and upgrades for the Citizen Request Management System by Resolution No. 12-1713; and,

WHEREAS, on January 23, 2013, Administrative Action No. 13-5122 authorized supplemental agreement no.1 to the service contract with Motorola Solutions, Inc. to expand the original scope of effort for the service request purge process to include a requirement; and,

WHEREAS, on May 15, 2014, Administrative Action No. 14-6101 authorized supplemental agreement no. 2 to the service contract with Motorola Solutions, Inc. to add photo blocking in the citizen 311 mobile application; and,

WHEREAS, on December 15, 2014, Administrative Action No. 14-7246 authorized supplemental agreement no.3 to the service contract with Motorola Solutions, Inc. to add professional services to create an interface between the Citizen Request Management System (CRMS) and the chameleon software used at the Dallas Animal Shelter; and,

WHEREAS, on March 23, 2015, Administrative Action No. 15-5622 authorized supplemental agreement no.4 to the service contract with Motorola Solutions, Inc. to add Cognos reports and training for the Citizen Request Management System (CRMS); and,

WHEREAS, on April 23, 2015, Administrative Action No. 15-5970 authorized supplemental agreement no.5 to the service contract with Motorola Solutions, Inc. to add application enhancements to the Citizen Request Management System (CRMS);

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That following approval as to form by the City Attorney, the City Manager is hereby authorized to execute supplemental agreement no. 6 to increase the service contract for upgrades to the Citizen Request Management System with Motorola Solutions, Inc. (033581) in the amount of \$114,000.00, increasing the contract from \$1,912,853.00 to \$2,026,853.00.

January 27, 2016

Section 2. That the Chief Financial Officer is hereby authorized to disburse funds from the following appropriation in an amount not to exceed \$114,000.00:

<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Object</u>	<u>Amount</u>	<u>FY</u>	<u>Encumbrance</u>
0198	DSV	1665	3070	\$114,000.00	2016	CTDSV16CRMSV4

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.