

Agenda Report

TO: CITY COUNCIL

DATE: JANUARY 10, 2005

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH MAXIMUS, INC. FOR THE PREPARATION OF A COMPREHENSIVE FEE AND RATE STUDY FOR CITY SERVICES

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to enter into a contract, without competitive bidding pursuant to City Charter Section 1002(F), contracts for professional or unique services, with Maximus, Inc. for the preparation of a comprehensive fee and rate study, in an amount not to exceed \$100,000.

BACKGROUND

The City of Pasadena, like other municipal organizations, provides a variety of services to the public. In accordance with state law, the amount the City may charge for these services is limited to no more than the cost of providing them.

In order to determine the cost of providing city services, periodic studies, which document direct and indirect costs, are required. The last such study performed for the City was in 1992. Since that time, fees have generally been adjusted by a percentage amount equivalent to changes in the Consumers Price Index.

As the main cost component in the provision of city services is the cost of personnel and since personnel costs have tended to increase at a rate greater than the Consumers Price Index, it is very likely that the fees charged for services currently are not recovering the full cost of providing such services.

Accordingly, staff has undertaken a competitive selection process to identify a qualified consulting firm to perform a comprehensive fee and rate study for the city. A request for proposals was sent to six firms, three of which responded. The proposals were evaluated based on criteria set forth in the request for proposals. Based on the evaluation, which is summarized on attachment A, Maximus, Inc. was determined to be best qualified to perform the needed

services. Based on this, staff is requesting City Council authorization to enter into a contract.

As part of the scope of services, Maximus, Inc. will:

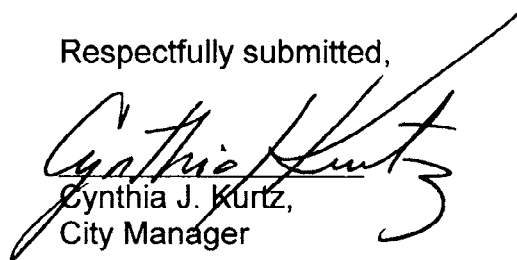
- Establish the full cost of providing various city services, including citywide indirect costs;
- Identify fair and legitimate opportunities to increase City revenues;
- Maintain compliance with state laws regarding local government fees;
- Identify existing or potential subsidies within current City fees and services.

It is anticipated that the study will take approximately 20 weeks to complete. Any actual adjustments to fee rates must be approved by the City Council.

FISCAL IMPACT

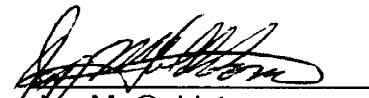
Sufficient funds are available in the fiscal year 2005 operating budget.

Respectfully submitted,



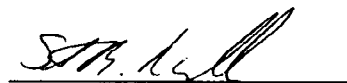
Cynthia J. Kurtz,
City Manager

Approved by:



Jay M. Goldstone
Director of Finance

Prepared by:



Steve Mermell
Budget Administrator

Attachment A

Proposer	Experience of Firm & Project Team – 70 points max	Cost of Service – 20 points max	Local Preference – 5 points	Small/Micro Business Preference – 5 points	Total – 100 points
Maximus, Inc.	70	16	0	0	86
Revenue Cost Specialists	65	15	0	0	80
CBIZ Accounting & Tax Advisory, Inc.	60	20	0	0	80