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**August 8, 2024, City Council Regular Meeting**

**Title**

15. Authorize the City Manager to Execute a Contract for Consultant Services with Stantec Consulting in the Amount of \$300,000 to Conduct a Stormwater Utility Implementation Study. In an effort to more effectively and equitably address the City's drainage issues, including increased maintenance requirements related to our aging and expanding drainage systems, and future impacts related to climate change, City staff has been evaluating a potential funding option whereby the revenue from a future Stormwater Utility user fee program (if enacted by City Council) would be dedicated solely to stormwater management service delivery. (Stormwater)

**Strategic Priority**

Infrastructure

**Description**

This contract is for the procurement of consultants services from Stantec Consulting Services in the amount of \$300,000. The services involve conducting a stormwater utility study, in an effort to more effectively address historic drainage issues, including increased maintenance requirements for the City's aging and expanding drainage system, and future impacts related to climate change. City staff has been evaluating a potential Stormwater Management Program (SWMP) funding option whereby the revenue generated would be dedicated solely to stormwater management service delivery. A User Fee Program would utilize funding mechanisms to ensure drainage issues are addressed in the most comprehensive, proficient, and equitable manner for the citizens and businesses within the City. This includes applying for Federal Grants, utilization of SPLOST Funds, General Fund Appropriations (i.e. property and sales taxes).

Historically, most local governments fund their Stormwater Management Program (SWMP) services via General Fund appropriations. However, within the last 10 to 20 years, there has been a shift in the service delivery and funding model regarding SWMP services. A Stormwater (SW) Utility is an operational and financial program that formalizes municipal stormwater management service delivery and funding under a defined "user fee for service" model. The first SW Utility was set up in Griffin, Georgia in 1998 and today there are approximately 75 active SW Utility programs in the State of Georgia. It should be noted that several neighboring coastal Georgia cities have implemented a SW Utility over the last 15 years including Garden City, Richmond Hill, Statesboro, Brunswick, and Hinesville.

A SW Utility operates like other municipal utility user fees such as water, sewer, and sanitation. Under a SW Utility program, service delivery and the associated cost for services is more equitably paid based on the customer's impact or demand for services imposed on the City's SWMP. In general, the SW Utility concept operates such that the quantity and quality of stormwater runoff generated by the customer's site correlates to the SWMP services provided by the City such that customer sites with greater quantities of runoff pay a proportionally higher fee for the associated SWMP services provided. If the SW Utility is implemented in the future, it would serve as a dedicated funding mechanism for the SWMP service delivery and cost recovery, as well as reduce the annual General Fund appropriations related to the Stormwater Department.

The SW Utility Set-Up and Implementation Request for Proposal (RFP) procurement encompassed the tasks and steps necessary for future SW Utility implementation if City Council decides that the SW Utility concept is appropriate for the City's utility customers and the Stormwater Department's future service delivery plan. The RFP requires that the selected consultant evaluate the City's SWMP level of service, cost of service, and extent of service as it exists currently and as it would be enacted under a future SW Utility program. The RFP also requires that the selected consultant develop a project prioritization process to assist City staff in deploying resources to drainage projects based on an established process and criteria. Lastly, the RFP requires the consultant to engage the community via a robust Public Education & Outreach (PE&O) Plan regarding the City SWMP services and expenses, as well as the potential to operate and fund the City's future SWMP via the SW Utility concept. It should be noted that the requested action by City Council at this time is to consider the award of this RFP only, and that the request of City Council to authorize implementation of the SW Utility and user fee program would come later after the consultant completed the project work tasks.

Throughout the project execution, the consultant and City staff will periodically update City Council and the City Manager's office as the project progresses over the next 18 to 24 months. Based on the operational and financial analysis of the City's SWMP, as well as feedback from City Council and the community, the City staff will utilize the consultant's information to put forth a future recommendation for City Council action to authorize implementation of the SW Utility program concept in the City of Savannah. It is important to emphasize that authorization to implement the SW Utility and user fee program would be undertaken via a separate, formal action by City Council that would involve public hearings related to adoption of a SW Utility Ordinance.

The method used for this procurement was the request for proposals (RFP), which evaluates criteria in addition to cost. The proposals were evaluated on the basis of the proposer's qualifications and experience, project scope of work/work plan, schedule, and DBE participation. Three (3) proposals were received in response to this RFP. All proposals were reviewed and fully evaluated by a selection committee of City staff. This event had an established goal of 20% DBE and 10% LDBE and all proposers were compliant. The recommended proposer submitted 20.10% DBE participation at the subcontractor level by utilizing Symbioscity in the 20.10% (Savannah, GA)(A). The proposal was advertised, opened, and reviewed. Delivery: As needed. Terms: Net 30 days.

The proposers are:

B.P. Stantec Consulting Services (Alpharetta, GA) <sup>(D)</sup>	\$300,000
02. Raftelis Financial Consultants (Charlotte, NC) <sup>(D)</sup>	\$280,180
03. Black & Veatch Corporation (100 Bull Street, Suite 200, Savannah, GA) <sup>(E)</sup>	\$298,198

A pre-bid meeting was conducted and four (4) vendors attended. (D) Indicates non-local, non-DBE-owned business. (E) Indicates local, non-DBE-owned business, while having a business tax certificate less than a year.

Local vendors notified via the supplier portal: Yes

Total sent: 629

Total received: 3

### **Recommendation**

Approval

### **Contact**

Zack Hoffman, Director, Stormwater Management Department

### **Financial Impact**

Expenditure of \$300,000 from the Capital Improvement Fund

### **Review Comments**

### **Attachments**

[Exhibit 1: Funding Verification - Stormwater Utility Study.pdf](#)

[Exhibit 2: Purchasing Notes - Stormwater Utility Study.pdf](#)

