

**CITY OF BETHLEHEM**  
**INTER-DEPARTMENTAL CORRESPONDENCE**

**SUBJECT:** Request for Approval by City Council of Contract Award or Contract Price Increase Pursuant to City Ordinance, Article 121.05 (a)

Project or Contract Reference: Customer Class Demand Study

**TO:** City Council, all members, and Council Solicitor

**FROM:** Edward J. Boscola, P.E. Director of Water and Sewer Resources

**DATE:** January 2, 2019

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On behalf of the Administration, pursuant to City Ordinances, Article 121.05, I request City Council's approval of the following recommendation of the referenced contract award or price increase.

- Check Type of Contract or Change:

The contract is for over \$50,000 and required to be bid under the Third Class City Code. We have advertised the above referenced project and received qualified bids. We recommend award of the contract to the bidder identified and for the reasons stated below.

The recommendation is for a price increase of 10% or more for an existing contract over \$50,000 that was previously bid and awarded under the Third Class City Code.

The contract is for the engagement of professional services. We have received one (1) proposal for professional services in connection with above referenced requirement for professional services. We recommend award of the contract to Gannett Fleming Valuation and Rate Consultants, LLC.

- Is the contract appropriation or price increase included in this year's budget?  yes  no  
2019 Water Fund Operating Budget.

- Identify contract funding sources (general fund, grants, loans, etc.....):

Account #2006-42055 – Water General Expenses – Professional Services

- The name and address of the recommended Professional Service Provider are:

Gannett Fleming Valuation and Rate Consultants, LLC  
P.O. Box 67100

Harrisburg, PA 17106-7100

- Term of contract or estimated completion date, subject to standard extensions:

The contract shall run from the Notice to Proceed until February 28, 2020.

- Description of project or scope of services to be provided:

GFVRC, LLC will conduct a Customer Class Demand Study in response to the settlement in the City's last water rate case which requires the City to submit to the PA PUC a customer class load analysis as part of the next base rate case including:

- Reviewing the sampling of customers selected for monitoring.
  - Accessing, compiling and organizing the monthly data collected by the City.
  - Analyzing and interpreting the results of the data.
  - Calculating the estimated demand factors for each customer classification; and
  - Preparing a written report summarizing the findings of the study.
- State the actual or estimated price to the City or the proposed Department budget allowance for the initial term; and state payment rate per unit of service if applicable:

\$60,000.00

- Number of renewal term options and duration of each renewal, if any:

None.

- Maximum dollar value of all renewals provided for beyond the original term as if all renewals were exercised:

- N/A

- Reasons for recommendation of Administration and Council approval of contract Amendment:

- Gannett Fleming conducted the Feasibility Study for conducting a customer class demand study for the City.
- Gannett Fleming has conducted Customer Class Demand Studies for four major water utilities in PA of which all studies were accepted by the PA PUC.
- Gannett Fleming conducted the same study for the City in the late 1990's.
- Gannett Fleming has prepared a Cost of Service Allocation Study for the City which depends on the findings of the Demand Study.

Please approve this recommendation by passing the accompanying resolution. A vote of final approval is requested at the first City Council agenda listing of this matter.

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By:

  
\_\_\_\_\_

Department Head

Copies To: Mayor  
Director of Administration  
Director of Budget and Finance  
Law Bureau  
Purchasing Bureau  
Controller  
Attachment: proposed resolution

RESOLUTION NO. \_\_\_\_\_

Authorization for Contract or Amendment under Article 121.05(a)

BE IT RESOLVED by the Council of the City of Bethlehem that the Mayor and the Controller and/or such other City officials as deemed appropriate by the City Solicitor, are hereby authorized to execute a Contract or Amendment and such other agreements and documents as are deemed by the City Solicitor to be necessary and/or related thereto, with the following named contractor, for the uses and purposes indicated in the supporting Recommendation of Award of Bid or Contract dated January 2, 2019:

1. Name of Contractor: Gannett Fleming Valuation and Rate Consultants, LLC.
2. Project or Contract Reference: Conduct Customer Class Demand Study

Sponsored by \_\_\_\_\_  
\_\_\_\_\_

ADOPTED by Council this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
President of Council

ATTEST:

\_\_\_\_\_  
City Clerk