



City Council Meeting – March 18, 2019 Staff Responses to Council Questions

Before each Committee of the Whole or City Council meeting, questions that have been posed by the City Council relating to the agenda for that evening will be posted to the [City's website](#). Below are the responses to this week's questions.

Agenda Item 10. Municipal Bills for Payment

1) Reimbursement for Starcom Radios, \$267,490.66

Q: What do all the reimbursements to various cities for Starcom radios represent?

A: Please note, this is a Tri-Com expense authorized by the Tri-Com Board of Directors. The Tri-Com budget is separate from the City of Geneva budget.

The reimbursements for Starcom were pre-determined allocations, out of Tri-Com reserve funds, for fire agencies to purchase radios and equipment. This allocation was based on a three-year average of calls for service. The police radios were purchased in full so this reimbursement, along with a federal grant, allowed the fire departments to move forward on this project as well.

2) Milsoft Utility Solutions, \$6,000

Q: What is Windmilmap support paid to Milsoft Utility Solutions?

A: This is the annual software license fee for the GIS mapping required for the Electric Utility that was completed last year and was the first step in the Outage Management System (OMS).

3) City of Batavia, \$4,944.02

Q: Why do we pay the City of Batavia for New World annual maintenance?

A: The server for the police version of New World is hosted in Batavia and is maintained by them. All participating agencies share in the cost of maintaining the server. This is a separate system from the City's New World ERP system.

4) Gaido & Fintzen, \$250.00

Q: Why was this not covered by the retainer?

A: The retainer agreement specifies those types of items that are covered and an hourly rate for those items not covered (such as, purchase/sale of property, annexations, and other non-routine items). As stated previously (see Dec. 17, 2018 City Council packet questions), the details regarding these expenses are covered under the attorney/client privilege and therefore the detail is not published. Should a member of the City Council require additional information they should contact the City Administrator.

Agenda Item 11. Committee of the Whole Items of Business

a) Approve Resolution No. 2019-24 Authorizing Execution of a Contract with Kramer Tree Specialists, Inc. in an Amount Not to Exceed \$1,987,328.80 for a Five-Year Contract for City Brush and Leaf Collection Services.

Q: Is there any data on contract duration and rates and how they relate? For example, is a bid for a one-year contract higher than a three-year contract divided by three or a five-year contract divided by five?

A: Given the wide variety of contracts that the City lets, this type of analysis is difficult. We can make anecdotal assumptions, for example, the last two roadway improvement projects both came in under the engineer's estimate. Since the same three contractors bid on both years, the costs were not reduced due to increased competition. Fuel and asphalt have been stable, so the only variable that changed was the timing of the bid issuance. This can lead to a conclusion that the earlier contract issuance had some factor on the lower costs since the contractors had crews/equipment at the ready.

The length of the contract typically is based on what factors/variables want to be controlled and the risk tolerance for market volatility. For example, when fuel at \$4 (or more) a gallon, a long-term contract would be inadvisable because the higher fuel costs presumably would have driven up the project costs. Fuel prices are relatively stable now, and the market outlook indicates that fuel will be a stable commodity in the near future. Therefore, locking in contractors for projects that utilize significant amounts of fuel is a good strategy. For example, refuse and recycling (five years), street sweeping (three years), and Wastewater Treatment Plant solids disposal (three years) are all contracts that primarily utilize heavy trucks to complete the projects and therefore locking in project costs up front when fuel process are reasonable makes sense. Other projects have significant variables, such as the sidewalk/curb contract, or sewer lining contract since they can be spread over a significant area and have fluctuating unit quantities. These projects make sense to have shorter duration contracts (seasonal) since the quantities are not known until just before the bid is issued. Finally, some contracts are relatively stable but can have some volatility due to technological or climatic demands, such as the mosquito abatement contract, which when issued allowed for an automatic renewal with the consent of both parties.

Q: How much staff time goes into requesting/reviewing bids and contract negotiations? What else is entailed?

A: Due to the nature of the project, the amount of staff time spent on preparing the documents and the review of the supplied bids/proposals vary. The Road Program takes close to 200 staff time hours to review candidate streets, review structural core samples, prepare unit quantities, review unit specifications, develop the bid packet and then review the supplied bids for accuracy. If the bid includes exceptions, then those exceptions have to be researched and either approved or rejected. If it is a new project, such as the facility assessment, staff development of that process began eight months ago that included multiple representatives from every City department to develop what was to be included, followed by interviews of the potential candidates until one proposal was brought to the Committee of the Whole meeting.