



TO: Honorable Mayor & Members of the Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: May 6, 2014

TITLE: Motion to award a twenty month contract for consultant services – revenue enhancement

Recommendation

It is recommended that the City Commission award a twenty month contract for revenue enhancement consultant services to ISI Water Company d/b/a Water Company of America (WCA) utilizing Pinellas County contract 112-0170-R(KR).

Background

The City provides water and sewer service for over 58,000 accounts. Each account holder pays for this service based upon information contained in the utility billing system (such as type of use, service provided, etc.) and from the field (such as water meter readings). Inevitably, a certain percentage of accounts contain incorrect information and are incorrectly billed or under billed.

Water Company of America will locate, assess and correct utility billing problems and discrepancies related to water and sewer, thereby recovering lost revenue for the City. For its work, WCA will receive a 46% proportional share of the realized increased revenue for the period of the contract. There are no other fees and there is no payment to WCA if the corrections do not result in an increase in revenue for the City.

The table below shows the total estimated increased revenue, WCA’s share of the revenue, and the net amount earned by the City.

	Estimated Increased Revenue	WCA Share (46%)	Net Revenue
May 2014 - September 2014	\$229,167	\$105,417	\$123,750
October 2014 - September 2015	\$550,000	\$253,000	\$297,000
October 2015 - December 2015	\$137,500	\$63,250	\$74,250
Total	\$916,667	\$421,667	\$495,000

Resource Impact

The impact to the City is contingent upon the amount of additional revenue realized as a result of errors identified by WCA. Based on the estimated increased revenue, there will be a positive fiscal impact to the City for the current fiscal year in the estimated amount of \$123,750. The recognition of this additional revenue and the associated expense for this contract is contingent upon approval of the consolidated budget amendment CAM 14-0479.

Strategic Connections:

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management

This item advances the *Fast Forward Fort Lauderdale Vision Plan 2035: We are United*

Related Cam: # 14-0479

Attachment:

Exhibit 1 – Agreement

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