



# **Presentation to City of Houston Budget and Fiscal Affairs Committee: Citywide Fee Cost of Service Study**

Finance Department

April 30, 2013



# Purpose

- Ensure accuracy of user fees.
  - Review existing recovery level to validate charges for services as determined by departments.
  - Conduct independent cost of service calculations.
- Study to include market conditions, costs of neighboring cities and cities of similar sizes in Texas and nationally.
- Basis for further process improvements.



# Scope

- Fees approved by Council ordinance, including CPI escalation increases.
- Fees not included in this study:
  - Water and sewer fees
  - Certain airport fees
  - Fees set by statutory or contractual requirements.



# Number of Fees by Department

Department	# Fees	Department	# Fees
ARA	160	HPL	14
City Controller	5	Mayor Office	4
City Secretary	5	Municipal Courts	6
Finance	29	DON	3
HFD	86	Parks	301
HHS	231	Planning	26
HAS	80	PWE	521
HPD	52	SWD	12
		<b>TOTAL</b>	<b>1535</b>



# RFQ Timeline

- RFQ issued 1/8/13
- Pre-submission conference 1/23/13
- Vendor clarification requests 1/28/13
- 3 Clarification letters issued:
  - 1/23/13 1/30/13 2/1/13
- Proposals due 2/6/13
- Vendor Presentations 3/4/13
- Council consideration (est.) 5/15/13



# Vendor Outreach

- Strategic Purchasing Department (SPD) posted the RFQ.
- 80 vendors viewed the RFQ.
- Three vendors responded to RFQ.
- Two vendors made presentation to evaluation committee.
- Evaluation panel consisted of representatives from Finance, ARA and PWE.



# Contract Synopsis

- Estimated cost of contract \$200-250k.
- Services to be completed in 9 months.
- Cost of contract will be paid based revenue generated upon study completion.
- Next steps: Finance staff will update data upon study completion.