

**MEMORANDUM**

**DATE:** January 6, 2022

**TO:** THOMAS C. ESQUEDA, City Manager  
City Manager's Office

**FROM:** CHERYL BURNS, MPA, Senior Management Analyst **CB**  
Department of Public Utilities

**SUBJECT:** UNIQUE QUALIFICATIONS OF HF&H CONSULTANTS, LLC TO  
PROVIDE FINANCIAL CONSULTANT SERVICES FOR DPU SOLID  
WASTE MANAGEMENT DIVISION

The purpose of this memorandum is to request the City Manager establish HF&H Consultants, LLC as a uniquely qualified professional consulting services provider to develop five-year rate plans for the Solid Waste Management Division. City Manager approval is necessary pursuant to Administrative Order 06-19, which would thereby allow the Department of Public Utilities (DPU) to dispense with the City's standard Request for Qualifications Process and enter into an agreement with the provider for consulting services.

On June 16, 2016, City Council awarded an agreement to HF&H Consultants, LLC for solid waste rate consulting services to develop a five-year rate plan for the Solid Waste Management Division, following a competitive bidding process.

Five-year rate plans were completed for the Solid Waste Management Division in September 2018. DPU asked Council for authorization to proceed with a Proposition 218 rate-setting process on October 11, 2018, but authorization was not granted. On January 31, 2019, DPU presented a workshop to City Council outlining the need for rate adjustments for each division, however there was no direction to move forward with the rate setting process at that time.

On December 5, 2019, DPU executed a First Amendment to Agreement with the consultant to extend the term of the agreement to December 31, 2021, to complete the project. Due to other priority issues that have arisen in the City over the last couple years, including responses to the COVID-19 pandemic, the rate-setting process has not moved forward.

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Thomas Esqueda, City Manager  
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Too much time has passed for the original rate studies that were completed in 2018 to retain their validity. New regulations and other factors have continued to impact Solid Waste Management Division finances, so the rate study will need to be re-assessed and updated to incorporate these factors. These updates could not be completed prior to the expiration of the previous agreement on December 31, 2021.

HF&H Consultants, LLC is a qualified financial consulting service provider with expertise in rate setting for solid waste utilities and has an extensive knowledge of DPU's solid waste operations and finances. The consultant has spent the last five years developing a comprehensive understanding of the nuances related to Fresno's solid waste operations while analyzing and advising on all aspects of rate structures. HF&H Consultants, LLC also has a thorough knowledge of the regulations imposed by Senate Bill 1383, which significantly impact solid waste operations and finances. All work performed by HF&H Consultants, LLC to date has been completed to DPU's satisfaction in a timely and professional manner.

DPU has obtained updated proposals from the consultant to perform the necessary tasks to update the rate studies. HF&H Consultants, LLC's qualifications, combined with the consultant's understanding of the nuances of Fresno's solid waste operations, and the work already completed to analyze Solid Waste Management Division finances, make HF&H Consultants, LLC uniquely qualified to reassess and update the rate studies for the Solid Waste Management Division.

Approved                       Denied

  
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Thomas Esqueda, City Manager

  
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Date