



# CITY OF SAN MATEO

City Hall  
330 W. 20th Avenue  
San Mateo CA 94403  
[www.cityofsanmateo.org](http://www.cityofsanmateo.org)

## Agenda Report

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Agenda Number: 7

Section Name: {{section.name}}

Account Number: 72-4651

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**TO:** City Council  
**FROM:** Alex Khojikian, City Manager  
**PREPARED BY:** Public Works Department  
**MEETING DATE:** October 07, 2024  
**SUBJECT:**  
Administration of Sewer Service Charge — Agreement

### **RECOMMENDATION:**

Adopt a Resolution to approve an alternative purchasing procedure to award a three-year professional service agreement with NBS Government Finance Group for administration of the sewer service charge in an amount of \$100,050; and authorize the Public Works Director to execute the agreement in substantially the form presented.

### **BACKGROUND:**

Sewer service rates and charges are established annually to pay sewer collection and treatment operating expenses, debt service, and capital improvement expenses. The process includes calculating the charge for over 28,000 customer accounts, preparing the account roll for submission to the County, and providing ongoing customer response services, including 8 a.m. to 5 p.m. phone and email support for all sewer service ratepayers.

To provide the above services in a timely and efficient manner, the City has utilized the services of NBS Government Finance Group (NBS) to supplement internal staff resources. Since 2007, NBS has supported City staff by providing information technology services, financial analysis, Proposition 218 mail notice services, billing data submission to the County, and front-line customer support. Before contracting with NBS, the sewer charge was calculated internally on the former AS400 system by the City's Information Technology (IT) department. The IT and the Public Works Departments have found that contracting out these services meets their long-term needs. In addition, the unique professional services NBS provides streamline the sewer rate collection process for staff and customers.

In accordance with Municipal Code section 3.60.070(h)(3), staff negotiated with NBS as they provide a specialized range of consultant services related to managing the sewer service charge and collection process, financial analysis for bond disclosures. NBS is familiar with the City's procedures, and use of NBS' services allows for continuity. The new agreement remains competitive with an increase of approximately eight percent from the current agreement.

### **BUDGET IMPACT:**

Sufficient funds are budgeted for this three-year agreement in the Sewer Fund Public Works Administrative Services Operating Budget.

### **ENVIRONMENTAL DETERMINATION:**

Approval of this agreement is not a project subject to CEQA, because retaining assistance to prepare sewer rate charges, collection, and related customer services is a fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines Section 15378(b)(4).)

**NOTICE PROVIDED**

All meeting noticing requirements were met.

**ATTACHMENTS**

Att 1 – Proposed Resolution

Att 2 – Agreement

**STAFF CONTACT**

Alonso Barahona, Management Analyst II

[abarahona@cityofsanmateo.org](mailto:abarahona@cityofsanmateo.org)

650-522-7334

Jamie Perez, Business Manager

[jperez@cityofsanmateo.org](mailto:jperez@cityofsanmateo.org)

650-522-7242