



Legislation Text

File #: 31339, Version: 2

Fiscal Note

Two sets of potential cash flows are related to this Agreement. The first set is related to a licensing fee for using the City's name and logo. These revenues are projected at \$18,034.63 in the first year of the agreement, followed by \$9,017.31 in each of the second and third years (if the Agreement is extended beyond the first year). Total licensing fee revenues are therefore expected to total \$36,069.25 over three years, which would accrue to the General Fund. The second set of potential cash flows is related to royalties. Royalties could range from \$0.50 to \$1.00 per month per enrolled property. At the \$0.50 rate, revenues of \$11,562 would be expected in 2013, followed by \$25,455 in 2014 and \$32,880 in 2015. The City, however, has the option to decline the royalty payments and pass the related savings directly to the citizens. In the proposed Agreement, the City would exercise this option and decline the royalty payments. Total revenues from this agreement would therefore be limited to the licensing fees, which are expected to total \$36,069.25 over three years as noted above.

Title

SUBSTITUTE Resolution Authorizing the Mayor and City Clerk to execute an Agreement with Utility Service Partners Private Label, Inc. (USPPL) dba Service Line Warranties of America (SLWA) for a Sanitary Sewer Lateral Warranty Program to be made available to interested homeowners at no cost to the City.

Body

WHEREAS, the City issued a Request for Qualifications/Request for Proposals for a Sanitary Sewer Lateral Warranty Program to be made available to interested homeowners at no cost to the City; and

WHEREAS, the purpose of this program is to provide City of Madison homeowners access to an affordable option to limit their out-of-pocket costs to restore service to their privately owned failed, broken and/or obstructed sanitary sewer service line; and

WHEREAS, the City received two responses to its Request for Qualifications/Request for Proposals; and

WHEREAS, a team evaluated proposals and conducted interviews of both proposers; and

WHEREAS, the team determined that the USPPL best meets the City's and its citizens needs; and

WHEREAS, the proposal from USPPL provides for a brand licensing fee for the use of the City's name and logo, to be paid to the City in the amount of \$36,069.25 payable over three (3) years with 50% provided in the first year, and 25% for the next two subsequent years if the City opts to renew; and

WHEREAS, the proposal from USPPL also offered three (3) license payment options to the City ranging from \$0.50 to \$1.00 per month per enrolled home owner as well as providing the City the option to decline royalty payment and pass savings directly on to participating home owners to reduce their cost of participating in this program;

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to sign, on behalf of the City, a contract with USPPS dba SLWA for a Sanitary Sewer Lateral Warranty Program to be made available to interested homeowners at no cost to the City and to include the following terms:

1. The City declines any royalty payment so that the savings are passed on to the homeowner in the form of lower rates for warranty coverage;

2. The Agreement shall include a termination for convenience clause;
3. The Agreement shall be for a term of one (1) year, with the possibility for four (4) one (1) year extensions at the option of the City.