

PUBLIC WORKS AND UTILITIES COMMITTEE

09-0669R

RESOLUTION AUTHORIZING AGREEMENT WITH LATHAM & ASSOCIATES, INC., FOR PROFESSIONAL SERVICES RELATED TO THE POTENTIAL SALE OF DULUTH STEAM DISTRICT NO. 1 IN THE AMOUNT OF \$80,000.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to enter into a professional services agreement, a copy of which agreement is on file in the office of the city clerk as Public Document No. _____, with Latham & Associates, Inc., for advice and assistance in developing a request for proposals and evaluating the responses thereto pertaining to the potential sale of Duluth Steam District No. 1 in the amount of not to exceed \$80,000, payable from Fund 540, Agency 920, Organization 1495, Object 5319.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

STATEMENT OF PURPOSE: This resolution authorizes an agreement with Latham & Associates, Inc., to assist the city in developing an appropriate request for proposals for the possible sale of the Downtown steam district, for insuring that the request is circulated to appropriate parties in the industry and in evaluating the proposals received by the city.

Previously, the city had contracted with Latham to assist the city in determining whether it would be practically possible to sell the steam district at a price and in such a manner as to be advantageous to the city and the taxpayers and the result of that work is the determination that it should be possible. The next phase is to actually put the district "on the market" through an RFP process and see how the market responds.

The process proposed under the agreement is a two-phased process. During the first phase, Latham will assist the city in developing a general RFP which will be widely circulated throughout the universe of potential purchasers and will request enough general information from proposers to help the City determine who would be seriously interested in purchasing and operating the district on a long-term basis and who has the experience and the resources to do so. From these initial responses, Latham will assist the city in developing a "short list" of proposers who will be able to best fulfill the needs of the city and the steam customers.

Those proposers included in the "short list" will then be required to provide a more specific response, including proof of financial capacity, proof of ability to operate and commitments for such long-term operation of the district. Latham will assist the city in evaluating these responses and will make a final recommendation of whether or not to sell the district and which if any of the proposals should be accepted.