



WATER AND SEWER UTILITY RATE STUDY/SYSTEM PARTICIPATION FEES UPDATE REQUEST FOR PROPOSALS

City of Bainbridge Island is requesting proposals from qualified consultants for a water and wastewater utility rate study and updating the City's system participation fees.

Proposals should include:

- General statement of the project understanding.
- Project team including proposed subconsultants
- The project team's experience in water and sewer utility rate studies and development of system participation fees
- The experience of the proposed project manager and individuals who will be working on the project.
- A proposed task list and level of effort for each task.
- A schedule for completing the project.
- An approach to managing and completing the project.
- An approach to communicating with the client.

Proposals shall be 25 pages maximum, 8 ½ x 11, double-sided, 12-point font, pages or less including any resumes and/or cover letter. Five (5) copies of the proposal shall be delivered to City of Bainbridge Island, 280 Madison Ave. N., Bainbridge Island, WA 98110, Attn: Barry Loveless. Questions concerning this request should be directed to Barry Loveless at 206-842-2016.

Project Title: Utility Rate Study/System participation fees Update

Proposals Due: 4:00 p.m. February 2, 2018

Any firm failing to submit information in accordance with the procedures set forth in the Request for Proposals may not be considered responsive and may therefore be subject to disqualification by the City.

UTILITY RATE STUDY/SYSTEM PARTICIPATION FEES UPDATE

REQUEST FOR PROPOSALS

I. INTRODUCTION

- A. This Request for Proposals ("RFP") outlines the information necessary to understand the consultant selection process and the required documentation a Proposer must submit. After reviewing this RFP, any firm that determines it has the necessary expertise and experience and could successfully perform the required services may submit its Submittal, addressing the items set forth herein. A general overview of the selection process is as follows:

1. Submittals shall deliver to the City no later than **4:00 p.m. on February 2, 2018**, after which time they will be reviewed and evaluated. The Submittal shall be delivered to:
City of Bainbridge Island
280 Madison Avenue North
Bainbridge Island, WA 98110
Attn: Barry Loveless
 2. The City may, at its option, contact a Consultant and ask clarifying questions concerning the Proposer's Submittal.
 3. At the City's option, the City may conduct interviews with Proposers qualifying as finalists.
- B. The purpose of this RFP is to obtain a qualified consultant team to provide professional services to conduct a cost of service rate study for the water and wastewater utility, and update the City's system participation fees. A preliminary scope of services is provided as follows.

II. PROJECT BACKGROUND

A. Project Background

The City of Bainbridge Island provides water and sewer service to separate and limited areas of the full-incorporated island. The City operates three separate sewer collection systems, one sewer treatment plant, and two separate water systems. Over the past two years the City has completed an updated the Water System Plan (www.bainbridgewa.gov/765) and General Sewer Plan (www.bainbridgewa.gov/450).

The most recent utility rate study for the City was completed in 2010 and is available at: www.bainbridgewa.gov/DocumentCenter/View/9633.

III. PROCUREMENT PROCESS

A. General Information

1. Compliance with Legal Requirements.
 - a. The procurement of these consultant services will be in accordance with applicable City, federal, state and local laws, regulations and procedures. The City reserves the right to reject any and all Submittals received. Any Consultant failing to submit information in accordance with the procedures set forth herein may not be considered responsive and may therefore be subject to disqualification by the City.
 - b. In accordance with the provisions of this RFP, The City will evaluate the Submittals. The final selection, if any, will be that Consultant Team which, in the opinion of the City, best meets the requirements set forth in the RFP and is determined to be the most highly qualified for the services requested.
2. Clear & Concise Submittal. Proposers are discouraged from submitting lengthy Submittals. The City requests that Submittals be concise and clearly written containing only essential information.
3. Costs borne by Consultants. All costs incurred in the preparation of a Submittal and participation in this RFP and negotiation process shall be borne by the proposing firms.
4. Public Disclosure. Once in the City's possession, Submittals shall become property of the City and considered public documents under applicable Washington State laws. All documentation that is provided to the City may be subject to disclosure in accordance with Washington State public disclosure laws.

B. Schedule

1. Anticipated Schedule. The selection process is anticipated to proceed as outlined below and is subject to change:

February 2, 2018 Submittals Due (4:00 p.m.)
February 5, 2018 (week of) Select Finalists
February 5-12, 2018 (weeks of) Interview, if necessary
March 6, 2018 City Council approval of selected consultant

2. Notification. The City will notify appropriate firms of changes in the RFP and Notice of Selection.
3. Addenda. In the event it becomes necessary to revise any part of the RFP, addenda will be provided to all firms still under consideration at the time the addendum is issued. If any firm has reason to doubt whether the City is aware of the firm's interest, it is the responsibility of the firm to notify the City to be sure that addenda are received.

C. Negotiations

1. At the completion of the selection process, the selected Consultant will enter into contract negotiations with the City. Negotiation of a contract will be in conformance with applicable federal, state and local laws, regulations and procedures. The negotiated cost and pricing data, once agreed to by the City and the Consultant, shall form the basis for a billing/payment provision.
2. At the beginning of negotiations, the selected Consultant and City shall meet to establish a Negotiation Schedule. Negotiations shall begin with the Scope of Work (SOW) identified in the Qualifications Statement and the Work Plan Level of Effort (LOE) submitted by the selected Proposer. A Project Schedule shall accompany all revisions to the SOW and LOE. The SOW, LOE and Project Schedule should be interrelated and identify tasks and subtasks by the same numbers.
3. If the City and selected Consultant cannot come to terms on LOE and SOW after three (3) revisions to the SOW and LOE, the City may discontinue negotiations and go to next highest ranked Proposer. Failure to reach agreement after three (3) revisions demonstrates an inability to reach agreement within a reasonable timeframe.

D. Cost and Pricing Data

1. The selected consultant shall provide the following information within **five (5) business days** after Notice of Selection has been received. Failure to provide such information in a timely manner may result in the City determining to discontinue negotiations with the selected Consultant and start negotiations with the next highest ranked Consultant.
 - a. **Direct Salaries.** Selected consultant and its subconsultants shall submit the following information:
 - (1) List of employees, in alphabetical order (last name first), with job classification, rate of pay and salary review date.
 - b. **Overhead Rates.** Selected consultant and its subconsultants shall provide the following information:
 - (1) Provide current audited overhead schedule, audit report, and cost detail by general ledger account.
 - (2) Provide a listing of all personnel who will perform work on this Project whose salaries, in full or in part, are included in overhead for the current and previous year. For each person identify his or her title, classification, position in company and salary rate.

- c. **Billing Rates.** Submit only for certain qualifying small firms.
 - (1) Small firms that do not have an accounting system in place, that identifies direct and indirect costs separately, generally use billing rates. Fully burdened billing rates, which include labor, overhead costs and profit are allowed on a case-by-case basis for those firms that typically use this method for billing purposes.
- d. **Other Direct Cost(s).**
 - (1) Identify all Other Direct Cost(s) (ODC) for this project and the rationale used as a basis for this cost.
 - (2) For each ODC, provide the unit prices and/or rates with supporting rationale, historical data and estimating methodology used to validate these rates.
 - (3) Failure to identify ODC results in a presumption that there are no ODC.
- e. **Profit.** Selected consultant and its subconsultants shall provide the following:
 - (1) Proposed profit;
 - (2) Rationale and justification for the proposed profit rate.
- f. **Markup on Subconsultant Costs and ODC.** Selected consultant and its subconsultants shall provide the following:
 - (1) Proposed markup on subconsultant costs and ODC;
 - (2) Rationale and justification for the proposed markups.

IV. INSURANCE REQUIREMENTS

- A. Prior to execution of the Agreement, the Selected Consultant shall file with the City certificates of insurance and endorsements from the insurer(s) certifying to the coverage of all insurance required in accordance with the City's standard agreement.

V. EVALUATION AND SELECTION CRITERIA

- A. All Submittals will be evaluated by a Consultant Selection Panel ("Panel"), which will be responsible for ranking of the Submittals. The criteria outlined below will be used in evaluating the Submittals and determining the most qualified Consultant. A total of **100 points** (excluding a potential interview) has been assigned to the Evaluation Criteria. The maximum points possible will follow each criterion listed. The points indicate relative weight or importance given to each criterion. Evaluators will use the points to score each Submittal. Each evaluator will put the scores in rank order, with the highest scored Consultant first, the second highest scored Consultant second, etc. This ranking will then be totaled. From the ranking, the City intends to recommend the most qualified Proposer to the City Council for approval to begin negotiations.
- B. The City may determine that the ranking is close and an interview with the top ranked firms may be necessary. Interviews will have a maximum of **50 points**. The number of Proposers to participate in interviews, if any, will be determined by the City based on the recommendation of the evaluation. The City may choose to use different criteria for the interview, in which case the finalists will be so notified in writing. The interview process may or may not include a Consultant presentation and the Consultants will not be given questions to prepare for in advance of the interview.

VI. DOCUMENTATION

- A. The prime Consultant shall submit **five (5) bound copies** of the Submittal.
- B. Submittals shall be 25 pages or less, including any resumes and cover letter.
- C. The Submittal shall consist of the following parts:

1. **Letter of Interest.** The Letter of Interest shall contain the following information:
 - RFP Title;
 - Consultant's name, mailing address, contact person, telephone and fax numbers; and
 - Complete list of proposed subconsultants.
2. **Qualifications Statement.** The submittal shall include:
 - General statement of the understanding of the scope of services.
 - An approach to the project.
 - The project team's experience in water and wastewater utility rate studies and system participation fee calculations.
 - The experience of the proposed project manager and individuals who will be working on the project.
 - A proposed task list and level of effort for each task, (refer to proposed scope of work).
 - Approach to managing and completing the project.
 - Approach to communicating with the client.
 - The submittal shall be presented in a clear, comprehensive and concise manner and shall be submitted in a complete package by the prime Consultant.

Scope of Services

This project includes a cost of service rate study, proposed rate design and updated system participation fees for water and wastewater.

The Consultant will provide backup documentation of work products as appropriate to adequately record the Consultant's work, including assumptions made, regulation interpretations, methodology used, calculations, rationale supporting recommendations, and meeting or conversation records.

All draft and final deliverables are to be provided to the City in the following formats:

1. Five bound copies
2. One unbound, camera-ready copy
3. One electronic copy (Microsoft Word and Excel for all financial tables and models)

The City will create and distribute additional copies of the deliverables as required.

Task 100 – Initial project meeting

Obtain an understanding of the studies goals, objectives, issues and concerns of both parties.

Task 200 – Data collection

Accumulate necessary data to conduct the water and sewer rate study and calculate system participation fees.

Task 300 – Prepare Rate Study

Task 310 - Determine revenue requirements

Task 320 - Cost of service

Develop a fair and equitable allocation of costs to the various classes of service for the water and wastewater systems. Provide a summary of the average unit costs (cost based rates) by customer class, for each system.

Task 330 - Rate design analysis

From the cost of service study above develop rate design options for each utility.

Task 340 – Work papers and written report

Provide a draft and final written report and a copy of all workpapers used in the preparation of the study

Task 350- Workshops, meeting and public hearings

Attend up to five (5) public committee/council meetings to:

- Review of revenue requirements/Cost of service
- Review rate design
- Public hearing on proposed rates

Task 400 – Update System Participation Fees**Task 410 – Review and Update Existing Water and Sewer System Participation Fees**

Develop cost-based fees based on existing capacity of the City's infrastructure along with the capital plans of the water and sewer utilities as it relates to growth.

Task 420 – Work papers and written report

Provide a draft and final written report and a copy of all workpapers (in appropriate electronic format) used in the preparation of the study.

Task 430 - Workshops, meeting and public hearings

Attend up to five (5) public committee/council meetings on review of current and proposed system participation fees and methodology for development.