

DATE SUBMITTED 06/10/2016
 SUBMITTED BY Interim City Manager
 DATE ACTION REQUIRED 06/15/2016

Agenda Item No D-1
 CITY COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()

**IMPERIAL CITY COUNCIL
 AGENDA ITEM**

**SUBJECT: DISCUSSION/ACTION: PROFESSIONAL SERVICES AGREEMENT
 – WATER, SEWER AND CAPACITY RATE STUDY.**

1. APPROVAL TO ENGAGE PROFESSIONAL SERVICES WITH BARTLE WELLS ASSOCIATES IN THE AMOUNT OF \$59,920.

DEPARTMENT INVOLVED: COMMUNITY DEVELOPMENT, FINANCE, PLANNING

BACKGROUND/SUMMARY:

The city last commissioned a rate study back in 2008 that was performed by PMC. A Prop 218 hearing was held and new rates implemented. The City is in need of a new study and during the month of May the city solicited RFPs for a Water, Sewer, and Capacity Fee Rate Study. Three professional services firms responded (summary results below). Upon completion of the review process, City staff has determined that all three proposals meet the qualifications and requirements, and each would assist the City with the 218 public notice/hearing requirements.

(copies of the proposals are available in the City Clerk’s Office)

FISCAL IMPACT:

Bartle Wells Associates \$59,920.
 Urban Futures, Inc. \$125,131.
 Raftelis Financial Consultants, Inc. \$83,946.

STAFF RECOMMENDATION: Approval is recommended to authorize the City Manager to execute a professional services agreement between Bartle Wells Associates and City of Imperial to conduct a Water, Sewer, and Capacity Rate Study in the amount of \$59,920.

MANAGER’S RECOMMENDATION:

MANAGER’S INITIAL JG

MOTION:

SECONDED: APPROVED () REJECTED ()
 AYES: DISAPPROVED () DEFERRED ()
 NAYES:
 ABSENT: REFERRED TO:



Request for Proposal

City of Imperial Utility Rate Study

Important Dates

Proposal Due: May 27, 2016
Award of Contract: June 15, 2016

City of Imperial
Finance Department
420 South Imperial Avenue
Imperial, CA 92251

Phone: (760)355-4372
Fax: (760)355-4718

1. Overview

The City of Imperial, California invites qualified professional firms to submit proposals to conduct a cost of service rate study for the City's water and wastewater utility and recommend changes to the rate structure and rate adjustments to fully cover the cost of operating, maintaining and upgrading the water and wastewater systems.

2. Background

The city of Imperial owns and operates its own water and wastewater system providing service within its jurisdictional boundaries and within unincorporated portions of the city. The City conducted a utility study in 2009 and as a result, water rates were tiered with an increase of 35% in FY 09-10, 24% in FY 10-11, 11.75% in FY 11-12, and by CPI for the subsequent FY's of 11-12 through 13-14. The Wastewater rates were increased by 50% in FY 09-10 and by CPI for the subsequent FY's of 10-11 through 13-14. There have been no increases to the rates since FY 14-15.

Regarding capacity, in 2011 there was an increase to both water and wastewater capacity of 3%. There have been no increases to the capacity fees since FY 12-13.

Each study is based on a comprehensive review of factors that can affect percentage increases. These include the City's water and sewer funds and budgets, Integrated Facilities Master Plan, capital improvement plans, Capital Financing Plan, water and sewer improvement feasibility studies, customer classes, current usage data, and the future planned growth of the district.

The studies identify various direct costs included in the City's budget and make recommendations to improve equity in the application of overhead between the water and wastewater enterprises. In addition the studies evaluate the City meter service fee structure/ align operating costs with the fixed revenues inherent in the meter service fee. This is in order to quantify the costs of future expansion and ensure current rate structures meet statewide and City goals and best meet the City's operational needs. Existing water connection fees are in particular focused on in order to maintain any changes for buy-in's and new demands placed upon the City's operational capacity.

3. Scope of Work

In preparing a response to this Request of Proposal (RFP), the Consultant shall address the following specific components that should be included in the scope of work. The final scope of work will be coordinated with City staff and the selected Consultant.

A. Services to be performed by Consultant

1. Meet with City Staff members to collect and review available information and review the methodology to be used in the development of the recommended rate structures for water and wastewater services.
2. Review historical account and operational cost information and calculate future costs for the 5-year study period of (FY 2016-17 through FY 2021-22) including consumption, capacity and operational forecasts.
3. Prioritize Capital Improvement funding needs from the City's Five-Year CIP budget and facility improvement plans, and other supplemental improvements that the City may deem warranted.
4. Develop a forecast of annual revenue requirements.
5. Recommend rate structure that will generate the level of revenue needs with a distribution of those costs on an equitable basis by customer category. Provide "sample bills" for all customer categories illustrating recommended rate increases.
6. Evaluate and recommend rate structure that address water conservation pricing, tiered rates, and drought surcharges.
7. Development of a potential water capacity charge that shall be based on a nexus between new development and the cost to accommodate it.
 - a. The recommended water capacity charge must consider and make the following provisions for the following factors:
 - i. Water system value
 - ii. Water system capacity
 - iii. Projected water demands

If the consulting team feels additional studies may be necessary, they should be listed and clearly identified as optional in the scope of work and cost proposal.

B. Timeline Requirements

Consultant shall initiate work by early July 2016 with a completion date of September 30, 2016. This schedule enables the City to conduct a beneficial community engagement process as well as required public hearings for rate increases. If adopted, rate increase would go into effect on December 1, 2016 – calculated for the January 1, 2017 printed bill.

C. Reporting and Communication

1. The consultant will meet continuously during the on-site field work process with the City Manager, Finance Director, and Public Services Director to discuss issues, concerns, preliminary findings and recommendations.
2. The consultant will provide regular updates to the City regarding process on the analyses and recommendations and request any additional information or direct need to complete the project on time and within budget.
3. Prior to issuing their final report, the consultant will meet with the City Manager, Finance Director, and Public Services Director to review the draft report and recommendations to be presented to the City Council.

D. Other Considerations

1. All working papers, reports, and records relating to the work performed under the Professional Services Agreement must be retained, at the consultant's expense, for a minimum of five (5) years, unless the Firm is notified in writing by the City of Imperial of the need to extend the retention period.
2. The consultant will be required to make working papers available upon request to the appropriate parties.
3. The consultant will be required to attend at least one City Council meeting to present the rate study and answer any questions the Council may have regarding the study or recommendations.

4. Proposal Content

Proposal responses must adhere to the requirements outlined in this section. The original proposal and each subsequent copy must be submitted on paper, properly bound, appropriately tabbed and labeled in the following order:

1. **Introduction:** Provide a cover letter and introduction including the name and address of the organization with the name, address, telephone and fax numbers, and e-mail address of the contact person who will be authorized to make representations for the organization. A one- to two-page Executive Summary shall be provided with an overview of the proposal, its highlights, and the approach to successfully completing this project.
2. **Scope of Work and Schedule:** Discuss each task outlined in Section 3 above with a cost estimate and cost proposal for the project including a breakdown of costs by each task requested in service to be performed. Include a scope of work and schedule of completion.
3. **Qualifications and Personnel:** Describe the firm's resources, experience and capabilities as follows:
 - a. Provide an outline of the firm's background, qualifications, and ability to perform the scope of services required. Identify any sub-contractors proposed for the project.
 - b. Provide a list and/or organizational chart to identify the person(s) who will be primarily responsible for contact with the City.
 - c. Identify all key project personnel, their relationship to the project, relevant qualifications and experience, and their level of effort toward completing all needed tasks. Include a description of specific projects similar to this request and the specific tasks performed by the project personnel.
 - d. Provide a brief outline of the firm's current workload, staffing and ability to meet the schedule and deadlines described in this RFP.
4. **References:** Identify at least 5 (five) successfully completed projects of a similar nature, preferably with direct involvement of municipal governments in California. Each project listed shall include the name of the agency, project manager, phone number, and description of work performed. Consulting projects currently underway may also be submitted for consideration.
5. **Additional Data:** This section will be limited to five (5) pages. Proposals may include any other information the Consultant deems essential to the evaluation of the qualifications and proposal statements.

5. Proposal Submittal

To be considered, please submit three (3) copies of your proposal by to:

City Clerk's Office
City of Imperial
420 South Imperial Avenue
Imperial, CA 92251

All proposals shall be submitted in sealed envelope(s) and shall be clearly marked:

“SEALED PROPOSAL – DO NOT OPEN WITH REGULAR MAIL.”

Proposals received after the due date and time will be returned unopened. Faxed proposals will not be accepted. Hand carried proposal will be accepted before the response due date during normal business hours.

Questions regarding this Request for Proposal may be directed to Laura Gutierrez, Finance Director, City of Imperial, 420 South Imperial Avenue, Imperial, CA 92251 or via email at lgutierrez@cityofimperial.org. All questions should be submitted in writing no later than Friday, May 20, 2016, and all prospective consultants will receive copies of the questions and responses.

6. Review and Selection Procedure

A proposal evaluation committee comprised of City Staff will review each proposal. The following evaluation criteria will be used in selecting a Consultant:

1. Experience with similar efforts;
2. Commitment of Senior Staff to the Project;
3. Relevant qualifications of key personnel;
4. Familiarity with applicable State and Federal laws;
5. Knowledge of local issues in the City of Imperial and the Imperial Valley region;
6. Proposed schedule and ability to meet applicable deadlines;
7. Overall responsiveness to this RFP.

The City of Imperial reserves the right to reject any or all proposals for any reason. Minor irregularities of the proposal may be waived at the discretion of the City.

Please note that the ability of the Consultant to complete the overall project within the anticipated completion period will be considered in the selection process. The lowest cost proposal will not necessarily be selected.

