

CITY OF AUBURN



Memorial City Hall – 24 South Street – Auburn, New York – 13021

Request For Proposal (RFP)

Sewer and Water Rate Study

Proposals are due by 4:00 p.m., Friday, February 12, 2016
Department of Engineering Services
24 South Street
Auburn, NY 13021



Douglas A. Selby, City Manager
William H. Lupien, Jr., P.E., Superintendent of Engineering Services
Vicky L. Murphy, Director of Municipal Utilities

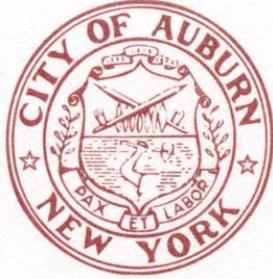
Prepared By: City of Auburn Department of Engineering Services (315) 255-4129, Fax: (315) 253-3243

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1.0 Advertisement

Telephone: 315-255-4129
Fax: 315-253-3243



**CITY OF AUBURN
DEPARTMENT OF ENGINEERING SERVICES
Memorial City Hall
Third Floor, Engineering Department
24 South Street
Auburn, New York 13021**

REQUEST FOR PROPOSAL

**Sewer and Water Rate Study for
City of Auburn Department of Municipal Utilities**

The City of Auburn Department of Engineering will receive and open proposals:
Friday, February 12, 2016 at 4:00 P.M.

The City of Auburn reserves the right to reject in whole or in part any and all Proposals. Qualifications shall not exceed three (3) double sided pages. The qualification portion of this request is an additional document and is not part of the proposal.

An original, three (3) copies, and one electronic copy of all proposals and qualifications are to be submitted to:

Attention: Seth Jensen, P.E.

**City of Auburn
Department of Engineering Services
Memorial City Hall
24 South Street
Auburn, NY 13021
Phone: (315) 255-4129
Fax: (315) 253-3243
Email: sjensen@auburnny.gov**

ATTENTION:

Failure to indicate "Request for Proposal: Sewer and Water Rate Study" on the outside of the submittal envelope might necessitate the premature opening of the proposal which might compromise its confidentiality. To be considered for this work, the selected firm must not have worked for the City or any of the affected Towns within the last year, nor can they currently be working for the City or affected Towns.

Additional paper or electronic copies of this RFP may be obtained by email or written request.

1.0 Introduction

Background Information

The City of Auburn, New York, (“the City”) is looking to secure a financial and rate consultant to develop a comprehensive user charge analysis for the City's water and sewer system.

The City, located in Cayuga County New York, provides water and wastewater services for the residential, commercial, and industrial customers within the City limits. In addition to the City of Auburn customers, the City provides water and/or wastewater services for a growing number of customers in the Towns of Aurelius, Sennett, Throop, Fleming, Owasco, and the Cayuga County Water Authority (Service Area).

Municipalities	Water Service	Sewer Service
Town of Sennett	Yes	Yes
Town of Throop	Yes	No
Town of Aurelius*	Yes	Yes
Town of Fleming	No	Yes
Town of Owasco	No	Yes
Cayuga County Water Authority*	Yes	No

*Municipal Entity provides water to additional communities within Cayuga County.

In support of the City's ongoing discussions with the service area and in an attempt to provide fair and equitable bill structure of all users the City is requesting your firm to provide a proposal addressing the scope of services noted in this RFP.

Existing Documentation and Historical Studies

The City of Auburn can provide system mapping and past reports for the consultants use. The following reports can be made available upon request:

- Cost of Service Study for the Potential Consolidation of Water and Sewer Systems, August 12, 2011. Completed by Amawalk Consulting Group LLC.
- Final Draft Cost of Services Analysis for Cayuga Regional Water and Sewer Authority Implementation Project, August 2011. Completed by Amawalk Consulting Group and CRA Infrastructure & Engineering, Inc.
- Tributary Community Wet Weather Flow Study, June 2011. Completed by CRA Infrastructure & Engineering, Inc.
- Multiple plans including the City water purification plant, pumping stations and distribution system as well as the Wastewater Treatment Facility, Combined Sewer Overflows and sanitary sewer distribution system inside the City of Auburn.

General Information

Auburn is a city located in central New York with a population of approximately 27,000 and its own water and sewer systems. Within the city, the rates are structured the same for all customer

classes. Outside the city, with few exceptions, the rates are structured the same for all customer classes. City customers account for approximately 70 percent of water and sewer use. Additional utility information is available at your request.

Water – The water system has approximately 9,000 meters which include residential, industrial, governmental, commercial, and wholesale water district customers. The current rates and financial statements are available upon request.

Sewer – The sewer system has approximately 25 meters which include industrial, commercial, and wholesale sewer district customers. Most bills are based on monthly water usage. The current rates and financial statements are available upon request.

2.0 Scope of Services

Phase I – Cost of Service Analysis (COS)

The COS shall comprise of the following financial and engineering tasks:

- 1) **Data Acquisition and Analysis:** This Phase shall include the collection and tabulation of various data. Written data requests to each outlying municipality in the service area shall be prepared and distributed. A list providing description of all data required for completion of the COS to include, but not be limited to, the following; financial data, asset data, flow data, billable flow data, operations data, industrial pretreatment data, and customer data. If some of the data required is unavailable the consultant shall work closely with the Municipalities and City to determine a proxy for such data or other acceptable industry standard solution.
- 2) **Historical Financial Trending:** Based on the data collected above, the financial condition and relevant fiscal trends shall be analyzed. This exercise shall be aimed at identifying major cost categories and the historical context of the analysis. It is anticipated that the trending analysis will focus on major budget categories including capital costs for the purpose of forecasting future operational costs. Additionally it will identify any budgetary, organizational, or financial shifts that have occurred or may within the next 5 years.
- 3) **Customer Consumption Projections:** Under this phase the consultant shall trend and forecast consumption based on customer class. Projections will be based on historical trends and anticipated growth rates within the service area. Accurate consumption forecasts will be used to predict future revenues. Much of these forecast discussions will rely on service area user input so depending on the towns and county input conservative industry standard assumptions may be required.
- 4) **Test Year Development and Revenue Requirements Forecast:** Based on historical trending and flow projections, revenue requirements shall be developed for a "test year," which will be the basis of the COS. The revenue requirements of the "test year" will be allocated in subsequent phases among the various customer classes to establish a fair and equitable water and wastewater rate for the service area. The

revenue requirements shall include all operations and maintenance (O&M), depreciation, return, and other annual expenses. Furthermore, the "test year" will be the basis of a 5-year forecast of revenue requirements such that rates can be estimated over the same period.

- 5) **Distribution of Utility Costs to Customer Classes:** The City's O&M, depreciation, return, and other annual expenses shall be arranged and tabulated in a form that can be allocated to the various customer classes within the entire service area. The proportion of each functional category costs that were assigned to the various customer classes will be combined to determine the total cost responsibility of each class. This process shall allocate the appropriate proportion of utility costs to each customer class based on the cost of serving the specific class. This will result in the most equitable and industry accepted COS for the purpose of establishing a service area water and sewer rate.
- 6) **Water and Wastewater Rate Determination:** The final step in the COS is to determine a volumetric unit (100cf) cost for each customer class based on the total cost of serving each class, and the respective flow contributed for each class. Fire protection fees/rates, availability fees/rates, backflow protection fees/rates and capital expenditures shall also be considered. The objective of this phase is to establish rates that are reasonably commensurate with the cost of providing service. Rate schedules are designed to meet average conditions for major customer classes or achieve specific objectives such as equity between in-City and outside-City customers. These policy discussions/ decisions will be considered closely with the City as the COS results are developed. Ultimately, the COS results will be compared to existing rates and any substantive differences examined with a recommended approach to improve the rate structure as necessary.
- 7) **Surcharge Rate Structure Review and Update:** The consultant shall review and update the existing surcharges. Any recent future surcharges due to changes and/or loss of industry shall be considered. Existing surcharges shall be reviewed or updated to accurately reflect the true cost of treating/removing the various contaminants that may be discharged. Moreover, any planned development within the service area and potential economic opportunity of receiving high strength waste from new industry, an appropriate surcharge fee schedule is critical. The consultant shall work closely with the City to develop surcharges that appropriately recoup any added costs associated with the potential additional contaminant loading or pumping requirements while attempting to remain economically attractive to an industry that might want to avoid pretreatment costs.

In addition to a Surcharge Rate Structure Review and Update, the consultant will review the City's Industrial Pretreatment Program. The City currently manages the Industrial Pretreatment Program for the Towns at no additional cost. The objective of this phase is to establish fees for this management, based either on the complexity or number of industries within a Town and to establish permit fees per facility within the City and within the Towns.

- 8) Presentation of Results and Summary Report Preparation: Upon completion of the analysis, the consultant shall prepare a summary report that describes the analysis performed, the findings, and results of the study and any recommendation relative to the City' water and wastewater rates. In addition the consultant shall prepare a PowerPoint presentation for the City Council and/or Stakeholders Meetings. Up to 3 presentations of material may be required.

Phase II – Future Rate Adjustment Protocol

In addition to determining a fair and equitable rate under the COS, the consultant shall develop in conjunction with the City a framework for future sewer and water rate adjustments. This may include not only the various customer classes and in-City rates, but also consider the service area municipality's rates or other out-of-City rates. Such methodology shall be based on the principles used during the COS but shall be aimed at simplifying the process such that it is less involved and can be done on an annual basis.

Phase III – Inter-Municipal Negotiations

Under this phase, senior staff members shall be available to assist City personnel as necessary, to present the results from the COS and Capacity Valuation to the Towns and County Authority. Further, such staff shall be available to assist the City and its Legal Counsel in any meetings and/or negotiations with the Towns and County Authority in their efforts to develop a new rate agreement.

4.0 RFP Review Team

The City of Auburn will conduct a comprehensive review of each qualification and proposal of work received. The review team will be comprised of various City staff, Town designees, Cayuga County representatives, and City Council members.

5.0 No Warranty

Respondents are required to examine the RFP, specifications, and instructions pertaining to the services requested. Failure to do so will be at the Respondent's own risk. It is assumed that the Respondent has made full investigation so as to be fully informed of the extent and character of the services requested and of the requirements of the specifications. No warranty is made or implied as to the information contained in the RFP, specifications, or instructions.

Respondents are responsible for implementation of all health and safety measures taken to complete the required services. The City assumes no responsibility for the health and safety of Respondent, Respondent employees, or other associated personnel.

6.0 Method of Selection

All firms will be judged as whether they are responsive to the RFP, qualified to perform the scopes of work, and deemed responsible. The City reserves the right to short list the firms and

interview at a later date.

All acceptable Proposals will be evaluated according to the following point system:

Company Qualifications:	40 points
Overall Capabilities of Firm	(10)
Experience with sewer rate studies	(10)
Experience with water rate studies	(10)
Experience with inter-municipal rate studies	(10)
Management and Staffing:	30 points
Project schedule	(10)
Experience of Proposed Manager and Staff	(20)
Cost:	30 points
Reasonableness of Lump Sum Proposal fee	(25)
<u>Reasonableness of Professional Rates and fees</u>	<u>(5)</u>
Maximum Point Total	100 points

7.0 Format of Reports/Deliverables

All deliverables will be per industry standards, electronic and hard-copy submitted to the City as directed by the City. All electronic deliverables will be submitted as a single file, to include all appendices and figures. The report portion of this file, excluding any appendices and figures, should be searchable.

8.0 Ownership of Work Product

All work products produced by the consultant, the City, or by any third-party working for the consultant or the City resulting from this RFP are the sole property of the City.

The City shall be the owner of all digital data, graphics and documents, as well as all hardcopy and publishable documentation resulting from the design and reports.

The City has the right to use, distribute, or dispose of the work products without the consent of the consultant.

9.0 Submissions and Selections

Qualifications

Each firm is asked to provide a list of the 10 most current water and/or sewer rate studies performed for a municipality or public utility entity in the water/wastewater industry. This section should not exceed 3 pages total. Points of contact and references for each of the 10 projects shall be provided and will be contacted as part of the review process. Preference will be given to firms who have completed the 10 water and/or sewer studies in the past five years

for entities similar to Auburn with respect to population served, customer classes and composition (meaning the utilities are comprised of water and wastewater treatment facilities not just collection and conveyance systems).

Staffing

Each firm is asked to provide no more than 5 critical staff persons each with a resume not to exceed 1 page per person. Additionally, the consultant shall indicate the project lead staff person. Change in primary staffing without the written approval of the City during the project may result in termination of contract. Staffing availability and project schedule shall be provided in this section.

Proposal Cost

The consultant shall include all items as indicated in Section 3.0 Scope of Services. The City reserves the right to delete sections of the scope as necessary to remain within budget. If additional items are or cost effective measures associated with the scope of services, the consultant shall indicate these as additional scope items in their proposal. Individual rates and cost multipliers shall be submitted in the proposal as well. All overhead associated with printing, travel, mileage, etc. shall be included in the lump sum of each scope item.

10.0 Schedule

Within 14 days of receipt of proposals, the City will evaluate the submissions and select a consultant to assist in completing the rate study. The City will then seek Council approval at its next scheduled Common Council meeting. Once an agreement has been executed the consultant must complete the work scope within 120 calendar days. A schedule for this project is as follows:

- | | |
|-------------------------------------|-------------------|
| 1) Issue RFQ | January 15, 2016 |
| 2) Qualifications Due | February 12, 2016 |
| 3) Hire team to complete Rate Study | February 19, 2016 |
| 4) Complete Rate Study | April 30, 2016 |
| 5) Stakeholder Meeting | Early May |
| 6) Council Presentation | Early May |

11.0 Equal Employment Opportunity Provisions

Companies and their subcontractors will not discriminate on the basis of race, color, national origin, or sex in the award and performance of this contract.

All the potential companies must demonstrate a commitment to the effective implementation of an affirmative action plan or policy on equal employment opportunity. The potential company must insure equal employment opportunity to all persons and not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical disability, mental disorder, ancestry, marital status, criminal record, or political beliefs. The company must uphold and operate in compliance with Executive Order I 1 246 and as

amended in Executive Order I 1 375, Title VI and VII of Civil Rights Act of 1964, the Equal Employment Opportunity Act of 1972, the Fair Employment Practices Act, and the American with Disabilities Act of 1990.

In response to this RFP, companies should furnish detailed statement relative to their Equal Employment Opportunity practices and any statistical employment information that it deems appropriate, relative to the composition of its work force or its subcontractors.

12.0 Insurance Requirements

1. The company shall carry and maintain in full force and effect for the duration of this contract, and any supplement thereto, appropriate insurance. The company agrees to protect and defend, indemnify, and hold the City and its employees free and harmless from and against any and all losses, claims, liens, demands and causes of action of every kind and character including the amount of judgments, penalties, interest, court costs, and legal fees incurred by the City in defense of same, arising in favor of taxes, claims, liens, debts, personal injuries including employees of the City, death or damages to property (including property of the City) and without limitations by enumeration, all other claims, or demands of every character occurring and caused in whole or in part by any negligent act or omission of the company, any one directly or indirectly employed by the company or anyone for whose acts company may be liable regardless of whether or not it is caused in part by the City. Company will designate and provide the City with the identity of a person or persons in companies employ who shall be responsible for handling claims from the public efficiently and expeditiously.
2. Insurance similar to that required by the company shall be provided by or on behalf of all subcontractors to cover its operation(s) performed under this contract, and included in all subcontracts.
3. Insurance certificates must be presented at the time of project award, documenting overage for the following:
 - A. Worker's Compensations and Employers Liability in accordance with State of New York requirements, with a minimum limit of:
 - a. \$1,000,000 each accident for bodily injury by accident
 - b. \$1,000,000 each employee for bodily injury by disease
 - c. \$1,000,000 policy limit for bodily injury by disease
 - B. Public Liability Insurance: Comprehensive General Liability, (bodily injury, personal injury, and property damage liability) including company's contingent Completed operations and contractual liability with a minimum:
 - a. \$1,000,000 each occurrence
 - b. \$1,000,000 personal and advertising injury
 - c. \$2,000,000 general aggregate; and
 - d. \$1,000,000 products/completed operations aggregate
 - C. Comprehensive Automobile Liability Insurance. Covering all owned, hired, and rented

vehicles and equipment, with limits of liability of not less than \$1,000,000 for injuries to, or death of one or more persons resulting from any one occurrence and property damage limit of liability of not less than \$500,000 per occurrence.

All insurance certificates must name the City of Auburn as an additional insured on the policy.

13.0 Deadline for Submission

An original, three (3) copies, and one electronic copy of all proposals are to be submitted to:

**City of Auburn
Department of Engineering Services
Memorial City Hall
24 South Street
Auburn, NY 13021
Attn: Seth Jensen, P.E.
Phone: (315) 255-4129
Fax: (315) 253-3243**

ATTENTION: Failure to indicate "Request for Proposals: Sewer and Water Rate Study" on the outside of the submittal envelope might necessitate the premature opening of the Proposal which might compromise its confidentiality.

Proposals are due no later than **4:00 p.m. local time on February 12, 2016** by mail or delivery. The proposals must be sealed in an envelope with the title of this proposal and the Respondent's name, address and telephone number clearly marked on the envelope.

The above deadline is firm as to the date and hour. The City will treat as ineligible for consideration any submission that is received after that deadline. All submissions become the property of the City and will not be returned.

14.0 Instructions for Submission of Inquiries

Questions and inquiries regarding the Proposal will be accepted via email sjensen@auburnny.us (Seth Jensen) until 4:00 p.m. on 2/9/16. All questions responded to by the City will be forwarded as an addenda to this RFP at least two (2) days prior to the date that submissions are due. Questions and inquiries shall be submitted to:

**City of Auburn
Department of Engineering Services
Memorial City Hall
24 South Street
Auburn, NY 13021
Attn: Seth N. Jensen, P.E.
Phone: (315) 255-4129
Fax: (315) 253-3243**