CITY OF BUCKEYE

REQUEST FOR QUALIFICATIONS
RFQ: 418001

Water Rate Study

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Date Issued: August 30, 2017
Pre-Proposal Conference: September 11, 2017 at 11:00 AM
Last Day for Inquires: September 21, 2017 at 5:00 PM
RFQ Due Date: September 28, 2017 at 4:00 PM

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Request for Qualifications #418001
Water Rate Study
SECTION 1 - INTRODUCTION

The City of Buckeye is currently seeking Statements of Qualifications from qualified, licensed firms interested in conducting a Water Rate Study as described below in Section 2.

The estimated budget for the project is $100,000.00.

SECTION 2 – PROJECT SUMMARY/SCOPE OF WORK

A. STUDY OBJECTIVES

The study will be performed in conformance with the following policy directions:

1. Evaluate the existing water, wastewater, and effluent rate structures for conformance with existing statutory regulations and make recommendations for any changes that are necessary to achieve compliance.

2. Identify the various direct costs included in the City’s budget and make recommendations for any changes necessary to ensure those direct operational costs are properly aligned with the appropriate enterprise fund or water classification (potable, non-potable, sewer, effluent) within the water enterprise fund.

3. Evaluate the existing overhead distribution formulas and develop recommendations that will improve fair distribution in the application of overhead between the water, wastewater and effluent enterprises and among the various water classifications in the water enterprise fund.

4. Develop an understanding of the cost of serving and the benefits derived by various water classifications and make recommendations as necessary to achieve reasonable distribution/proper alignment between the various water classifications.

5. Evaluate the City’s meter service fee structure and make recommendations to better align fixed operating costs with the fixed revenues inherent in the meter service fee.

6. Evaluate and quantify the costs of future expansion proposed for the non-potable distribution system and quantify the benefits, both tangible and intangible, of that expansion to both the potable and non-potable water classifications.

7. Review the City’s existing water commodity rate structure within each water classification and develop recommendations for improvements that will ensure the structure promotes realization of various City initiatives.

8. Evaluate the existing water connection fee and make recommendations for any changes with new capacity and a new water resource impact fee to offset potable demand for future new service locations.
B. STUDY REQUIREMENTS

Any recommendations made must consider or make provision for the following factors:

a. Current and future cost of providing water, wastewater and effluent services in conformance with established or anticipated changes to standards and regulations.
b. Changes in projected demands.
c. Availability of water supply.
d. Age and condition of water, wastewater and effluent systems and the need to fund long-term capital replacement.
e. Changes in various systems as proposed in the Water/Wastewater Master Plan.

1. Develop an understanding of the existing rate structures and the assumptions underlying cost distribution to the various rate categories.
2. Develop an understanding of the City reserve policy and other financial policies and ensure any recommendations for changes in rates meet the cash flow objectives of those policies.
3. Assess existing customer service fee structure and identify other potential areas for service and system charges (shut-down activities, back-flow devices, plan reviews, water and sewer service shut-offs, etc.) and recommend changes, if appropriate.
4. Develop an understanding of the Water/Wastewater Master Plan and Capital Improvement Plan and the impacts of those plans on future rates.
5. Develop an understanding of the costs and both the tangible and intangible benefits realized by operating the existing water, wastewater and effluent systems and quantify the expected changes that will occur with implementation of the City’s 5-year CIP plan.
6. Develop a proposed rate schedule that reflects the Council’s priorities and contains a forecast for proposed rates over a 5 year period that can be integrated into the City’s existing Capital Improvement Plan.
7. Develop a rate projection that forecasts rates to 30 years based on expected cost increases over time including increases in the cost of imported water. Must have ability to run CIP scenarios and quickly show impact on rates.
8. Reserve analysis must be part of the model.
9. Provide justifications for any special classes of customers under the recommended rate structure.
10. Demonstrate that any alternative rate structure is easy to understand and administer and can be accommodated within the existing billing system.
11. Demonstrate that any proposed modifications to the rates and fees are in keeping with the City’s adopted Water/Wastewater Master Plan and other policy documents.
12. Modify the existing rate model or deliver a new spreadsheet model that reflects any
changes to the rate structure accepted by the Council and provide training to staff in running “scenarios” that will allow staff to fully understand how the model operates and how the results of various future recommendations that may be proposed can be illustrated.

C. EACH STUDY’S ELEMENTS

In making its rate recommendations, the final report shall explicitly include the following elements and analysis:

1. **Current Rate Structure:** Assess the current rate structure’s suitability for sustaining cost recovery based on customer demands.

2. **Proper Alignment/Reasonable distribution:** Assess the proper alignment/reasonable distribution of recommended water and sewer rates for all types of property ownership.

3. **Conservation Impacts:** Assess the interaction between the water conservation elements of the recommended rates and their impacts on the ability to fund water, wastewater and effluent operations, as well as their impact on the economic well-being of the community.

4. **Drought or Loss of Supply Rate Structure:** Assess the impact on a rate structure due to drought, loss of supply or other water shortage factors. Evaluate and recommend a drought pricing program that mimics the different water stages of the City’s emergency water supply shortage plan and continues to fund water operations and capital projects.

5. **Environmental Regulation:** The study shall include an assessment of the revenue stream generated by the recommended rates and their ability to continue to fully fund water, wastewater, and effluent system costs under the impacts of future water quality and statutory regulations and standards.

6. **Other Service Charges:** Assess existing customer service fee structure and identify other potential areas for service and system charges (shut-down activities, back-flow devices, plan reviews, water and sewer service shut-offs, etc.) and recommend changes, if appropriate. Assessment is to note any resulting increase in liability that the City may incur as a result of assessing the fees.

7. **Electronic Rate Model:** Provided an easy-to-use electronic rate model for the City to use in future rate setting.

D. SERVICES TO BE PROVIDED BY CONSULTANT

1. Conduct a detailed review of the existing water and sewer rates and status of the water, wastewater and effluent funds, and develop a general familiarity with the City’s billing system.

2. Meet or confer with staff as needed and attend up to three meetings with the City Council
at a workshop session to present the interim status of the study and obtain their input. Attend the public hearing where the water, wastewater, and effluent rates are considered for adoption.

3. Conduct analyses as required to address the scope of work.

4. Preliminary Report
   a. Prepare preliminary study report and tentative rates.
   b. Submit 10 copies of each report, plus one reproducible copy.
   c. Present preliminary report and tentative rates to the City Council at a Workshop Session.

5. Draft Final Report
   a. Incorporate changes pursuant to comments received at the City Council Workshop Session.
   b. Submit 10 copies of each report, plus one reproducible copy.
   c. Present preliminary report and tentative rate structure to the City Council at a regularly scheduled Council meeting.

6. Final Report
   a. Incorporate changes pursuant to comments received at the City Council presentation.
   b. Submit 10 copies of each report, plus one reproducible copy.
   c. Provide an electronic copy with report in MS Word format, with spreadsheets in Excel format.
   d. Present the final report and recommended rates to the City Council, Directors, and members of the public at a regularly scheduled City Council formal public hearing.

7. Supply a time schedule for developing the preliminary and final reports. Provide an easy-to-use electronic rate model for the City to use in future rate setting.

E. SERVICES TO BE PROVIDED BY THE CITY

The services to be provided by the City include, but are not necessarily limited to the following:

1. Furnish all reasonably available records and information, including financial reports, budget, consumption data, meter sizes and customer classes.
2. Provide a copy of the Water/Wastewater Master Plan.
3. Provide information on the most recent Capital Improvement Project lists.
4. Provide staff support and assistance as required and agreed to in advance of the studies.

SECTION 3 - PRE-SUBMITTAL CONFERENCE

The pre-proposal conference has been scheduled for September 11, 2017, at 11 AM at Buckeye City Hall. The address is 530 East Monroe Avenue, Buckeye, AZ 85326, 1st Floor Executive Conference Room. Attendance is encouraged but not required.
SECTION 4 – SUBMITTAL REQUIREMENTS

Firms interested in this RFQ should submit a Statement of Qualifications, in an original and five (5) copies by 4:00 pm, local time September 28, 2017. Three-ring binders are preferred. In addition, submit a complete copy of the Qualifications on a Thumb Drive using a searchable “.pdf” file format. Your submission must conform to the following: The original and all copies of the submittal will be appropriately labeled as such. Each set shall be organized using the tabs specified below. Firm/s will be selected through a qualifications-based selection process based on the criteria below.

Submittals must be received by the specified time. On the submittal package, please display: firm name, project title, and project number. All submittals should be addressed to:

City of Buckeye
530 East Monroe Avenue
Buckeye, AZ 85326
Attn: Erin Gilbert

Submittal Cover Letter (one (1) page cover letter)
TAB A: Project Experience (one page per project, maximum of five (5) projects)
TAB B: Past Performance Questionnaire (one form per projects identify in TAB A)
TAB C: Key Personnel Resumes (one page per resume, plus organizational chart)
TAB D: Method of Approach (25 pages)

COVER LETTER
Within the one-page cover letter, include your firm’s full company name, address, phone number and the email address for your firm’s contact person for the RFQ. Adherence to the maximum page criterion is critical: each page side (maximum 8-1/2” x 11”) with criteria information will be counted. Do not use 11” x 14” or 11” x 17” size sheets (e.g., fold-outs) unless specifically authorized. Pages that have project photos, charts and/or graphs will be counted towards the required number of pages. Front and back covers, Table of Contents pages, and divider (tab) pages will not be counted unless they include qualifications information that could be considered by the selection panel. Resumes should provide information for key staff (no company profiles) and should not include project pictures or general firm information. Any additional company information or non-key staff information included in the resume section will be counted against the maximum page requirement. Do not submit additional information not listed herein. Font size may not be less than 10 point.

TAB A - PROJECT EXPERIENCE (30 points)
Identify at least three (3) but no more than five (5) projects where you were the Primary Consultant. Demonstrate the experience of your firm and/or proposed team, including all sub-consultants, on projects same/similar to that described in this solicitation for same/similar services. The projects submitted should also demonstrate that the consultant and/or the team have performed a same/similar type of services to be considered relevant.
TAB B - PAST PERFORMANCE QUESTIONNAIRE (20 points)
For each project submitted in TAB A, complete a Past Performance Questionnaire, ATTACHMENT (1). The firm is directed to provide this form to the project owner or Point of Contact. Instruct the owner to complete the form and return the form with your submission.

TAB C - EXPERIENCE OF KEY PERSONNEL (20 points)
For each key person identified, list their length of time with the firm and at least two comparable projects in which they have played a primary role. There are no limitations on the number of key positions the firms may provide. However, at a minimum the firm must provide the primary consultant, and at least one (1) person from each sub-consultant identified. Each resume is limited to one (1) page;

Include an organizational chart (maximum 2 pages) at the end of this tab, chart may be submitted in 11”X17”. Provide an organization chart that depicts the project team organization and lines of authority. Clearly indicate superior/subordinate reporting relationships; Provide names of each position and identification of firm or sub-consultant.

TAB D - METHOD OF APPROACH (30 POINTS)
Describe the firm’s approach to performing the required Services in the Scope of Work described above.

At a minimum your submission should include the following:

1. Project initiation and management
2. Rate Design Analysis
3. Utility Economic Model
4. Cost of service analysis
5. Rate Development
6. Findings and Recommendations
7. Information concerning electronic rate model
8. Provide a Project Work Plan/schedule showing key project milestones and deliverables.
   The schedule shall demonstrate firm’s ability to meet the designated milestones.

SECTION 5 - SELECTION PROCESS
This Request for Qualifications (RFQ) is being conducted pursuant to A.R.S. § 34-604. The process is to evaluate and score the qualifications submitted in response to this RFQ, then rank the firms in descending order of score in a short list. The successful firm/s will be selected through a qualifications based selection process. Interested firms will submit a Statement of Qualifications (SOQ). A Selection Panel will evaluate each SOQ according to the criteria set forth in Section 4 above. The City will select a firm(s) based on the SOQ’s received; formal interviews may not be conducted. The City may conduct a due diligence review on the firm(s) receiving the highest evaluation.
A "Selection Committee" will be comprised of City employees and one person who is an architect or engineer registered pursuant to ARS 32-121. These members may be employees of City or outside consultants. The selection committee will review, evaluate, and score the RFQ responses in accordance with the evaluation criteria established above.

The City may then decide if necessary to conduct interviews of firms to make final selections.

The City will then award a Consulting Contract to the highest-ranked firm.

SECTION 6 - GENERAL INFORMATION

City Rights. The City of Buckeye reserves the right to reject any or all Statements of Qualifications, to waive any informality or irregularity in any Statement of Qualifications received, and to be the sole judge of the merits of the respective Statements of Qualifications received.

Acceptance of Evaluation Methodology. By submitting its Qualifications in response to this SOQ, respondent acknowledges and accepts the evaluation process, the established criteria and associated point values, and that determination of the “most qualified” firm(s) will require subjective judgments by the City.

Release of Project Information. The City shall provide the release of all public information concerning this project, including selection announcements and contract award. Those desiring to release information to the public must receive prior written approval from the City.

Contact with City Employees. All firms interested in this project (including the firm’s employees, representatives, agents, lobbyists, attorneys, and subcontractors) will refrain, under penalty of disqualification, from direct or indirect contact for the purpose of influencing the selection or creating bias in the selection process with any person who may play a part in the selection process, including the evaluation panel, the City Manager, Department Heads and other City staff. This policy is intended to create a level playing field for all potential firms, assure that contract decisions are made in public and to protect the integrity of the selection process. All contact on this selection process should be addressed to the authorized representative identified in Section 4 above.

Data Confidentiality. Except as specifically provided in the Contract, the Contractor or its subcontractors shall not divulge data to any third party without prior written consent of the City.

Legal Worker Requirements. The City of Buckeye is prohibited by A.R.S. § 41-4401 from awarding a contract to any contractor who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). The contractor and each subcontractor shall comply with all federal immigration laws and regulations related to their employees and compliance with the stated law. The City of Buckeye retains the legal right to inspect the papers of any contractor or
subcontractor employee who is awarded a contract to ensure that the firm or subcontractor is complying with the law.

**Lawful Presence Requirement.** Pursuant to A.R.S. §§ 1-501 and 1-502, the City of Buckeye is prohibited from awarding a contract to any natural person who cannot establish that such person is lawfully present in the United States. To establish lawful presence, a person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. This requirement does not apply to business organizations such as corporations, partnerships or limited liability companies.

**Protest Procedures.** Firms wishing to respond to disqualification or a procurement outcome may refer to The Procurement Code of the City of Buckeye, Section 24-3-16 which governs protest procedures utilized throughout the selection process.

**Suspension/Debarment.** By submitting a proposal in response to this solicitation, the respondent is certifying that it is neither debarred nor suspended nor under consideration for suspension or debarment by any federal, state or local government or agency. If a respondent is not able to so certify, the respondent must submit a letter that identifies the agency involved and a contact and explains why respondent is suspended or debarred or being considered for suspension or debarment.

**Questions.** Questions pertaining to this selection process or contract issues should be directed, in writing, to Erin Gilbert, Purchasing Agent, Construction and Contracting Division at egilbert@buckeyeaz.gov. All questions must be received no later than seven (7) days in advance of the SOQ due date. Responses to questions that materially change the scope or intent of this SOQ will be issued via Addendum on the City of Buckeye website. The City will not notify Respondents of posting of addenda. Therefore, it is the Respondents’ sole responsibility to check the website periodically for all issued addenda. Failure to include acknowledgement of all addenda may be cause for rejection of the proposal.
PAST PERFORMANCE QUESTIONNAIRE

(See following pages)