

**CITY OF ST. JOHNS
REQUEST FOR PROPOSAL
WATER/SEWER RATE STUDY
2017**

The City of St. Johns will receive sealed requests for proposal for providing the City of St. Johns an assessment of revenue requirements to comprehensively determine cost of service and rates for water service and sanitary sewage disposal service until **11:00 a.m., October 13, 2017** in the office of the City Clerk, City of St. Johns, 100 E. State Street, Suite #1100, P.O. Box 477, St. Johns, Michigan, 48879-0477, at which time and place all proposals will be opened and read aloud.

Four copies of the request for proposal shall be submitted. Specifications are on file at the office of the City Clerk. To request the documents or if you have questions regarding the process, contact the City of St. Johns Clerk's Office at (989) 224-8944, ext. 223 or by e-mail mseavey@ci.saint-johns.mi.us.

The City of St. Johns reserves the right to reject any or all proposals and to waive any defects in the proposals in the best interest of the City of St. Johns and to accept the proposal which, in the opinion of the commission, best serves the interest and needs of the City of St. Johns.

If only one proposal is received said proposal will be presented unopened to the city commission at their next regular meeting. The city commission, at said meeting, may or may not open and/or award based on the sole proposal in the city commission's discretion.

The City of St. Johns does not discriminate on the basis of race, color, age, religion, sex, disability, and national origin; nor does it discriminate on the basis of handicap status and activities, as to employment or the provision of services. The City of St. Johns is an equal opportunity employer.

Please mark your envelope: **"UTILITIES RATE STUDY"**.

Mindy J. Seavey
City Clerk

Requirements

The City of St. Johns seeks the services of a professional firm with experience and knowledge relating to assessing revenue requirement to comprehensively determine cost of service and rates for water service and sanitary sewage disposal service. The City is requesting that firms express their interest in providing the services herein by submitting a detailed proposal valid for at least 90 days. Firms shall submit proposals describing the ability to provide the following:

- Review the current rate structure and rates charged for water service and sewage disposal service for sufficiency.
- Determine revenue requirements and cost of service allocation.
- Review current long- and short-term debt obligations of the water and sewer fund.
- Review annual operation and maintenance expenses of the water and sewer fund to ensure all operational expenses are being factored into the calculated rates.
- Review current MERS pension plan liability for the Water/Sewer fund and incorporate a component in the rates to reduce this liability in the coming years.
- Review and evaluate the cash flow to ensure it is adequate to pay for the Capital Improvement Program.
- Develop an equitable and suitable rate schedule taking into account those factors listed above, including appropriate cash balances and in compliance with MDEQ recommendations and the 3-part test established by the Bolt v Lansing decision.
- Prepare a summary, recommendation, and presentation to City Commission upon approval of the Administration.

Background

The City of St. Johns operates both water distribution and waste water collection systems for residential, commercial, and industrial customers. There are approximately 3,150 active utility accounts.

Project Description

The purpose of this project is to conduct a comprehensive water and sewer rate study. It is expected that the successful firm will draw conclusions and make recommendations to the City of St. Johns so as to develop a secure financial plan for the future of the water and sewer fund and the activities that fund supports.

Preliminary Scope of Work

After receiving written approval by the City to proceed, the Consultant will provide a plan to prioritize the work, perform the work, and record the work performed. The following tasks shall be included as a minimum:

- Meet with appropriate City of St. Johns staff including the Department of Public Services (DPS), Finance Department, City Manager, and others to review records and collect data as necessary.
- Provide all materials, labor, supplies, supervision, insurance, and other accessories and services to complete the work.
- Perform the work to assure conformance with all applicable Federal, State, and Local accounting rules and rate recommendations per MDEQ and Bolt v Lansing decision.

- Document, on an as-needed basis, the actual work performed and provide a status report to the City of St. Johns DPS. Copies of individual status reports shall be provided to the appropriate managers in other divisions, the Finance Department, and City Manager.

Proposal Preparation and Submission

Prepare and submit four (4) copies of your detailed proposal signed by an officer of your firm by 11 a.m. on October 13, 2017. All proposals shall be sealed and the envelope clearly labeled: **UTILITIES RATE STUDY** with your company's name in the return address of the envelope.

In separate sealed envelopes, please provide four (4) copies of your detail proposed fee structure for this utility rate study. Fee structure shall include the costs for a one-year rate design and the cost per year thereafter. All fee structure submittals shall be sealed and the envelope clearly labeled: **FEE STRUCTURE** with your company's name in the return address of the envelope.

All questions or concerns regarding this RFP shall be submitted in writing or via email no later than October 9, 2017 to Patrick Clifford, Treasurer at the City of St. Johns, PO Box 477, St. Johns, MI 48879 or pclifford@ci.saint-johns.mi.us.

Submit these materials to:

City of St. Johns
Attn: Mindy Seavey, City Clerk
100 E State St, Suite 1100
St. Johns, MI 48879
Phone: 989-224-8944

The Detailed Proposal should include, in the following order:

- A summary, not to exceed three pages in length, which highlights the important elements of your proposal.
- A work plan which describes your structured approach to accomplishing the required tasks in conformance with all applicable Federal, State, and City rules, regulations, ordinances, and laws.
- A list of additional services which you feel are necessary or desirable in order for the City of St. John's DPS to achieve its goals for delivery of quality service to its customers; any such additional services shall be clearly identified as additional so as not to interfere with evaluation or understanding of the scope of the proposal.
- A complete list of deliverables that will be provide during the contract.
- A proposed work schedule for complying with project requirements, which includes all work hours by classification and by task.
- A description of the organization of the project team, including sub-contractor participation.
- The Consultant shall designate a Project Manager who shall direct and coordinate the services as described herein and provide the expertise necessary to accomplish the project requirements. A resume emphasizing the completed projects similar in nature and scope to the project described herein and all projects currently involved in shall be submitted for the Project Manager of this project. The Project Manager in this proposal will be considered by the City as committed to the project, should your firm be selected.

- A statement of the proposed fee based upon time and expense charged to the project including a “not to exceed” amount for all phases of the project. Indicate expense reimbursement and hourly labor rates by classification and overhead or multiplier.
- A list of at least five (5) references for which similar work has been performed, especially those for whom compliance with cost of service standards was required.
- Any other information which you believe would be helpful to the City of St. Johns in evaluating your firm’s qualifications and experience.

Selection Criteria

The selection team will review all detailed proposals and may conduct interviews with each of the three (3) top-rated firms, if warranted. Final selection will be based on:

- The firm’s ability to provide the required services.
- The qualifications and performance history submitted by the firm in the Detailed Proposal as it relates to innovative methods of controlling costs, quality of work and other information relevant to this project, including verification of references.
- The credentials of key personnel in managing a project involving utility rate studies.
- The firms’ understanding of the scope of services as demonstrated in the Detailed Proposal.
- The present workload of the firm and the availability of staff for this project.
- The appropriateness of the firm’s Fee Proposal to the level of services to be provided.
- The firm’s ability to follow the directions in the request for Detailed Proposal.
- Any other relevant information that the City of St. Johns may legally consider in making its decision.

The City of St. Johns reserves the right to reject any and all bids. Further, the City is not bound to accept the lowest bid but rather, the best bid submitted for the work to be performed and the qualifications of the bidder.