

DEL PASO MANOR WATER DISTRICT

1817 Maryal Drive, Suite 300
Sacramento, CA 95864



REQUEST FOR PROPOSALS

For

COST OF SERVICE ANALYSIS

Proposal Issue Date

August 28, 2017

Proposal Submittal Due Date

4:00PM September 25, 2017

Documents available
www.delpasomanorwd.org

DEL PASO MANOR WATER DISTRICT

REQUEST FOR PROPOSALS

TABLE OF CONTENTS

I. INTRODUCTION 1
A. General Information 1
B. Background..... 2
C. Term of Engagement 2

II. SCOPE OF SERVICES 3
A. General 3
B. Cost of Services..... 3
C. Financial Analysis 3
D. Proposed Rates 3
E. Customer Education and Outreach 4

III. PROPOSAL REQUIREMENTS 5
A. General Requirements 5
B. Submission of Proposals..... 5

V. EVALUATION PROCEDURES 7
A. Review of Proposals 7
B. Evaluation Criteria..... 7
C. Oral Presentation 8
D. Final Selection 8

VI. CONDITIONS GOVERNING THE REQUEST FOR PROPOSALS..... 8
A. Right to Reject Proposals..... 8
B. Receiving Time / Late Proposals..... 8
C. Acceptance of Conditions Governing this RFP..... 8
D. Incurring Cost..... 8
E. Proposer’s Rights to Withdraw Proposal 8
F. Best and Final Offer 9
B. Manner of Payment..... 9
C. Insurance 9

I. INTRODUCTION

A. General Information

Del Paso Manor Water District serves a portion of the Arden Arcade area within the unincorporated portion of Sacramento County. The District occupies approximately 1.3 square miles and has approximately 1800 customers. The District provides potable water to residential, commercial and institutional customers. There is a mixture of flat rate and metered accounts, with the most being flat rate, based on lot size.

Del Paso Manor Water District is organized under the California Water Code (Section 30000 *et seq.*). A five-member board of directors, elected at large, provides governance. Directors serve four year terms, and every two years - concurrent with installation of the newly elected board, they select board officers.

The District is requesting proposals from qualified firms to provide a cost of services analysis, a review of the financial and reserve status for the regular operations and maintenance of the District, and projected needs for the operations, including current debt service, accrued unfunded pension liabilities, unfunded "other post employment benefits" (OPEB), and the development of proposed rates to meet those expenses.

To be considered, seven copies of a proposal must be received by **4:00 p.m. on September 25, 2017** addressed to:

Debra Sedwick
General Manager
1817 Maryal Drive Ste. 300
Sacramento, CA 95864

Proposals received after the above date and time will not be considered.

B. Background

The District's Board last approved rate adjustments on April 14, 2010. That action implemented three years of rate increases each May through 2012.

In early 2017, the Board proposed rates based on a rate model which included the District's projected budgets for "operations and maintenance" and "capital improvements to address aging infrastructure". On May 5th, the Board decided not to move forward with the proposed rate increase due to the number of protests the District received.

The District, through this RFP, seeks to develop an independent analysis of the cost of service for daily "operations and maintenance" costs, including current debt service, costs for the District's pension and OPEB liabilities, and rebuilding the District's reserves. The District wants to ensure transparency to customers in this process and to continue to deliver reliable service in a fiscally responsible and sustainable manner.

C. Term of Engagement

It is anticipated that the engagement will be completed within 6-8 months. The following are proposed milestones. Your proposal must include a detailed schedule of milestones that allows new rates to be implemented in 2018, including time to make necessary modifications to the billing system and an outreach effort.

Proposal Due Date	September 25, 2017
Presentation (if needed)	October 2, 2017
Award of Contract	October 6, 2017
Contract Completed	October 16, 2017
Kick Off Meeting	October 18, 2017
Cost of Service and financial reviews completed	January 2018
Draft Rate Options Developed	February 2018
Board/Community Workshop	Early March 2018
Finalize Rates	End of March 2018
Community Workshop(s)	April 2018
Board Approval of Prop 218 Process	Early May 2018
Board Approval of Rates	June 2018

The selected consultant will prepare monthly updates that may be presented verbally or in writing.

II. SCOPE OF SERVICES

A. General

The District is seeking proposals from qualified firms to perform a detailed cost of services, financial, and rate analysis. The selected firm will be required to thoroughly understand District finances, financial status, and the base cost to deliver reliable service. The recommended rates will be developed to ensure a fiscally sound District that is able to deliver reliable water in a financially responsible manner to its customers. Additionally, the selected consultant may be required to assist the District in an education/outreach effort related to the recommended water rates based upon the cost of services analysis.

B. Cost of Services

The cost of services analysis will determine the cost characteristics for providing reliable water service. The cost of services analysis will be used to ensure that costs are equitably distributed to ratepayers in compliance with Proposition 218 and to ensure that established rates adequately cover costs to provide reliable service. Calculations used in the cost of services analysis will include administrative overhead, operations, and maintenance.

C. Financial Analysis

The financial analysis will build from the cost of services analysis and analyze the existing financial status of the District, including current reserve levels and recent use of reserves, to determine appropriate reserve levels to meet current bond covenants. This analysis will also take into account unfunded pension and OPEB liabilities.

D. Proposed Rates

During this phase, the selected consultant will develop proposed rates for water service that are in compliance with Proposition 218 (California Constitution Articles XIII C & D). The selected consultant will also update and make recommendations related to other miscellaneous fees and charges imposed by the District.

A final analysis will compare proposed rates for each enterprise with that of neighboring agencies.

The District's current fees and charges can be found in Attachment A.

A final component of this engagement may be assisting District staff with customer education and outreach for customers to have a better understanding of the costs associated with providing sustainable water service.

E. Meeting Attendance

The selected consultant should anticipate attending and presenting at up to three (3) Board meetings. This is in addition to meetings with staff or committee members to review and present work in progress. Proposed budget for attendance at required meetings may either be included in the Not to Exceed amount for each step above or proposed separately.

III. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals **must be received in writing by 4:00 p.m. on Friday, September 1st** to debrasedwick@sbcglobal.net or

Debra Sedwick, General Manager
1817 Maryal Drive, Ste. 300
Sacramento, CA 95864 Fax (916) 487-8534

Answers to questions received will be posted online no later than September 8, 2017 at <http://www.delpasomanorwd.org> under Projects/Construction. It is the proposer's responsibility to ensure that they access and review any questions and answers posted. The District is not responsible to notify individual potential bidders of the availability of questions and answers beyond this notice.

CONTACT WITH PERSONNEL OF THE DISTRICT OTHER THAN ABOVE REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

2. Addendums – The District may post Addendums to the RFP online at the District's website (www.delpasomanorwd.org). It is the potential proposer's responsibility to access any addendums and ensure that stated requirements are met.

B. Submission of Proposals

The following material is required to be received by 4 p.m., September 25, 2017 for a proposing firm to be considered:

Seven (7) copies of the Proposal to include the following:

1. Title Page

Title page showing the request for proposals' subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal.

2. Table of Contents

3. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 90 days.

4. Key Personnel

Describe the staffing model your firm will use to fulfill the Scope of Work. Provide resumes of all key personnel who will be assigned to the District. Any changes to the key personnel must be approved by the District prior to award.

5. References

List a minimum of three (3) references for whom comparable services were provided. Provide names and contact information as well as a summary of key results achieved.

6. Qualifications and Experience

Describe your firm's qualifications to complete this Scope of Work. Explain why your firm is the best to deliver this Scope of Work and provide examples of your firm's work.

7. Detailed proposal

The detailed proposal should follow the order in Section II – Scope of Services and should provide sufficient detail to understand how the scope will be accomplished.

8. Costs

Costs proposals must include a "Not to Exceed" amount for each item in Section II – Scope of Services as well as a breakdown of hourly rates by position that will be assigned to the District. Any cost not explicitly proposed will be ineligible for payment.

V. EVALUATION PROCEDURES

A. Review of Proposals

Proposals submitted will be evaluated by key District personnel and/or appointed committee. The District reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposal evaluated for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a) The firm is licensed to practice in California.
- b) The firm has no conflict of interest with regard to any other work performed by the firm for the District.
- c) The firm adheres to the instructions in this Request for Proposals on preparing and submitting the proposal.

2. Technical Qualifications

- a) The firm's past experience and performance on comparable engagements.
- b) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- c) Quality of the plan and approach to complete the Scope of Services.
- d) Demonstrated results of projects with similar Scopes of Service.

3. Costs:

Cost of completing the required Scope of Services. The District will select the firm with the highest overall ranking after considering both technical qualifications and price. For this RFP, Technical Qualifications will have a higher weight than Price.

C. Oral Presentation

During the evaluation process, the District may, at its sole discretion, request any one, all, or no firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the District may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selection

The District will recommend a contract to the Board based upon the recommendation of District staff reviewing the proposals.

VI. CONDITIONS GOVERNING THE REQUEST FOR PROPOSALS

A. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

The District reserves the right without prejudice to reject any or all proposals.

B. Receiving Time / Late Proposals

It is the responsibility of proposer to see that their proposal is submitted with sufficient time to be received by the District prior to the proposal closing time. Late proposals will be returned unopened to the sender. Postmarks are not accepted; all responses must be received by the District by the deadline.

C. Acceptance of Conditions Governing this RFP

Submission of a proposal constitutes acceptance of the Evaluation Factors contained in this RFP.

D. Incurring Cost

Any cost incurred by the proposer in preparation, transmittal, presentation of any proposal or material submitted in response to this RFP shall be borne solely by the proposer. Any cost incurred by the proposer for set up and demonstration or for interviews shall be borne solely by the proposer.

E. Proposer's Rights to Withdraw Proposal

Proposers will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. Any request must be submitted in writing.

F. Sub-consultants

Use of sub-consultants must be clearly explained in the proposal and identified by name. Prime consultants shall be wholly responsible for the entire performance whether or not sub-consultants are used. Substitution of sub-consultants must be approved in writing by the District.

G. Best and Final Offer

The District reserves the right to request Best and Final Offers from any or all proposers. This will be the only opportunity to amend or modify proposals based on feedback from the District. Information from competing proposals will not be disclosed to other proposers prior to submission of a Best and Final Offer.

H. Disclosure of Proposal Contents

All proposals are subject to the provisions of the California Public Records Act, California Government Code section 6250 et seq., and any information submitted with a response is a public record subject to disclosure, unless a specific exemption applies.

I. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's cost proposal. Interim billings shall cover a period of not less than a calendar month.

J. Insurance

Proposer shall maintain such insurance as will protect it from claims under Workers' Compensation laws, and such liability insurance as will protect against claims for damages for bodily injury, including death, and damages to property in accordance with the terms of the Agreement. Coverage of which is to be no less than \$1,000,000/\$2,000,000 per occurrence/aggregate, with the District named as an additional insured.

The proposing firm must be willing and able to obtain an errors and omissions insurance policy for coverage of no less than \$1,000,000 per occurrence for the willful or negligent acts of the firm and its officers, employees and agents. Proposer shall maintain evidence of coverage in an updated form during the term of the Agreement.

Water Service Charges

A. Residential (single family):

Lot Size	Current	5/1/2010	5/1/2011	5/1/2012
0 - 5000 sq ft	13.60	13.60	14.60	15.75
5001 - 8000 sq ft	17.80	17.80	19.05	20.60
8001 - 11000 sq ft	21.00	21.00	22.45	24.20
11001 - 14000 sq ft	24.10	24.10	25.80	27.85
14001 - 17000 sq ft	27.30	27.30	29.20	31.45
17001 - 20000 sq ft	30.40	30.40	32.55	35.10
over 20000 sq ft	30.40 + 1.05 per 1000 sq ft	30.40 + 1.05 per 1000 sq ft	32.55 + 1.12 per 1000 sq ft	35.10 + 1.21 per 1000 sq ft

B. Residential (multi-resident premises, e.g., duplexes and apartments):

Multi-resident Premises shall be billed at the flat charge per dwelling unit plus a per 1000 sq. ft. of property charge.

Lot Size	Current	5/1/2010	5/1/2011	5/1/2012
0 - 5000 sq ft	24.60	24.60	26.35	28.45
5001 - 8000 sq ft	28.80	28.80	30.80	33.30
8001 - 11000 sq ft	32.00	32.00	34.20	36.90
11001 - 14000 sq ft	35.10	35.10	37.55	40.55
14001 - 17000 sq ft	38.30	38.30	40.90	44.20
17001 - 20000 sq ft	41.40	41.40	44.25	47.80
over 20000 sq ft	41.40 + 1.05 per 1000 sq ft	41.40 + 1.05 per 1000 sq ft	44.25 + 1.12 per 1000 sq ft	47.80 + 1.21 per 1000 sq ft

C. Commercial Metered Service:

Metered water shall be delivered at the usage rate per 100 cu. ft. plus the appropriate Readiness to Serve Charge.

Readiness to Serve Charge				
Meter size	Current	4/16/2010	4/16/2011	4/16/2012
5/8"	15.10	15.10	15.10	15.10
1"	21.00	21.00	21.00	21.00
1.5"	30.40	30.40	30.40	30.40
2"	61.45	61.45	61.45	61.45
3"	114.25	114.25	114.25	114.25
4"	186.05	186.05	186.05	186.05
6"	320.20	320.20	320.20	320.20
Usage Charge (per 100 cu ft)				
	0.69	0.81	0.86	0.95

D. Commercial Flat Rate Service:

Service Size	Current	4/16/2010	4/16/2011	4/16/2012
5/8"	23.05	23.05	24.65	26.60
1"	31.80	31.80	34.05	36.75
1.5"	46.00	46.00	49.20	53.15
2"	93.15	93.15	99.65	107.60

E. Service Maintenance Charge:

Service Size	Current	4/16/2010	4/16/2011	4/16/2012
Residential up to 1"	N/A	16.00	19.20	23.05
Residential 1" + (per 1")	N/A	16.00	19.20	23.05
Duplex (each side)	N/A	16.00	19.20	23.05
Extra Tap (per 1")	N/A	16.00	19.20	23.05
Commercial up to 1"	N/A	16.00	19.20	23.05
Commercial 1 1/2"	N/A	32.00	38.40	46.10
Commercial 2"	N/A	51.20	61.45	73.75
Commercial 3"	N/A	96.00	115.20	138.30
Commercial 4"	N/A	160.00	192.00	230.50
Commercial 6"	N/A	320.00	384.00	461.00

F. Water Service Outside District Boundaries:

The charge for water service (including Private Fire Protection Service: outside the boundaries of the District shall be twenty percent higher than the rate for similar service within the District's boundaries.

G. Service and Other Charges:

1. The fee for the District to locate a Service Connection:

(a) Service line location (1) with a minimum notice of two full working days, and (2) with the work to be accomplished between 8:00 a.m. and 4:00 p.m. on a regular workday, shall be at no charge.

(b) Service line location (1) with less than the required minimum notice, but (2) with the work to be accomplished between 8:00 a.m. and 4:00 p.m. on a regular work day, shall be at the rate of \$120.00 per hour per person, with a minimum charge of \$60.00.

(c) Service line location with the work to be accomplished between 4:00 p.m. and 8:00 a.m. or on a Saturday, Sunday, or District holiday, at the rate of \$120.00 per person with a minimum charge of \$120.00.

2. District labor shall be charged at the rate of \$120.00 per person per hour per person.

3. District equipment (backhoe/loader) shall be charged at the rate of \$210.00 per hour (with operator).

4. The inspection fee (section 353) shall be \$120.00 per hour per person, with a minimum charge of \$120.00.

5. The service restoration fee (sections 412 and 1201) shall be \$60.00. The minimum meter installation fee (section 500) shall be \$1050.00.

6. The enforcement action service charge (section 412) shall be \$60.00.

7. The penalty under citation for violating the water conservation regulations (section 414) shall be equal to the amount of the monthly water charge to the Premises for which the violation occurred for the month in which the violation occurred, or \$90.00, whichever is greater.

8. The deposit for testing a meter (section 505) shall be \$90.00 for up to a one-inch meter, and \$175.00 for any meter greater than one-inch.

9. The monthly rate for Private Fire Protection Service (section 704) shall be:

Service Size	Current	4/16/2010	4/16/2011	4/16/2012
4"	41.50	50.00	52.00	54.00
6"	62.10	75.00	78.00	81.00

8"	83.10	100.00	104.00	108.00
10"	104.15	125.00	130.00	135.00

10. The charge for Temporary Water Service (section 505) supplied through a fire hydrant (section 801) shall be, at the option of the District, (a) at the rate per 100 cubic feet,

	Current	4/16/2010	4/16/2011	4/16/2012
Usage Charge per 100 cf	1.05	1.22	1.29	1.43

with a minimum charge of \$17.30, and (b) a flat rate of \$60.00 for a Temporary Water Service permit, which shall be in effect for a maximum of one year. There shall also be a charge of \$120.00 per meter for installing and removing a temporary meter to a hydrant, and a \$60.00 charge for each additional move of a meter from one hydrant to another. A refundable deposit of \$875.00 for the meter shall also be charged.

11. The charge for a returned check (section 1104) shall be \$30.00.

12. The charge for failing to provide the District actual notice of a change in ownership (section 1206) shall be \$60.00.

13. Capacity Charges:

Capacity		5/1/2010	5/1/2011	5/1/2012
1"	N/A	7,000.00	7,050.00	7,100.00
1.5"	N/A	14,000.00	14,100.00	14,200.00
2"	N/A	22,400.00	22,560.00	22,720.00
3"	N/A	42,000.00	42,300.00	42,600.00
4"	N/A	70,000.00	70,500.00	71,000.00
6"	N/A	140,000.00	141,000.00	142,000.00
8"	N/A	252,000.00	253,800.00	255,600.00
10"	N/A	406,000.00	408,900.00	411,800.00
12"	N/A	602,000.00	606,300.00	610,600.00
Apartments (above capacity charge + per unit charge)				
per unit	N/A	4,200.00	4,230.00	4,260.00
Fire Service Capacity				
4"	N/A	1,500.00	1,500.00	1,500.00
6"	N/A	1,600.00	1,600.00	1,600.00
8"	N/A	1,700.00	1,700.00	1,700.00