

Town of Exeter, New Hampshire
Public Works Department
REQUEST FOR QUALIFICATIONS
RFQ #01-15

CONSULTING SERVICES
WATER AND WASTEWATER SYSTEM RATE STUDY

INVITATION:

Qualified consultants are invited to submit Statements of Qualifications (SOQ), plainly marked RFQ #01-15, "Water and Wastewater System Rate Study" on the outside of the mailing envelope, addressed to the Public Works Department, 13 Newfields Road, Exeter, NH 03833. SOQs will be accepted until 3:00 pm on April 8, 2015.

FUNDING

This effort will be funded by water and sewer enterprise funds.

PROJECT BACKGROUND/PURPOSE

The Town provides water and sewer services to approximately 3,600 accounts, including both commercial and residential, within the Town of Exeter. A small number of accounts exist beyond Exeter's boundaries in the Towns of Stratham and Hampton. The Town of Exeter, like many New Hampshire seacoast towns, has experienced relatively steady, although slowing in recent years, rates of growth. This growth has resulted in increased demands on Exeter's services. In addition, the Town has embarked on a significant upgrade of its water and sewer infrastructure, but has outdated assessment fees for both that date back to the 1990s and early 2000s. These fees need to be updated to reflect current conditions and to address anticipated costs for additional upgrades to be made in the next five to ten years. The facilities and services that the Town considers to have been impacted by growth and that are the focus of this rate study are categorized as water treatment and distribution systems, the sanitary sewer system, wastewater treatment and disposal facilities, and stormwater separation projects.

The purpose of this rate study is to update or replace the Town's existing rate model along with addressing a number specific rate-related questions that have been raised over the last several years. Those issues include the potential changes to the existing three-tiered, increasing rate structure, flat rate charges for special cases, service charges, impact fees, condominium metering, irrigation/deduct meters, anticipated construction of a new approximately \$50 million wastewater treatment and disposal facility (under the terms of an Administrative Order from the U.S. Environmental Protection Agency), and the impact these changes and anticipated construction may have on water and sewer revenues and costs for system users. The intent of the study is to produce an updated rate and fee structure that creates a fair, equitable and sustainable funding system for the water and sewer utilities.

MATERIALS FOR REVIEW:

The following reports, schedules and budget information are available on the Town's website at <http://www.exeternh.gov/rfps> under the project heading.

1. Town Capital Improvement Program 2015 - 2020
2. Town of Exeter Fee Schedule, Revised April 9, 2014
3. 2014 Water and Sewer debt schedules
4. 2015 Water and Sewer budgets

Additional information is available on the Town's web site at <http://www.exeternh.gov>.

TECHNICAL SCOPE OF SERVICES

The following is a general summary of the anticipated project components. These components may be updated and will be refined by the Town after selection of the consultant.

Overview:

1. Determine the cost of current and projected future system services for water and wastewater operations and develop a set of preliminary rate and fee structure alternatives that will accurately reflect the cost of service. A rate model alternatives analysis shall be performed in consultation with the Town and an alternative shall be selected. The selected alternative should be modeled to provide recommended rates and fees including system development charges for fiscal years 2016 through 2020.
2. An impact analysis of these rate and fee structures must be prepared to show what the effects on customers of each class and usage level will be relative to finances, insurance, taxes and benefits. Revenue and cost projections for the five (5) years to be studied must be included. A final rate and fee structure (including overhead charges) will be developed after presentations to and deliberations by the Town's Board of Selectmen after consultation with the Water & Sewer Advisory Committee.
3. The consultant will develop a user-friendly computer program in a format acceptable to the Town for calculating the specific rates, costs and revenues in any given year. The model must allow for adjustments to be made in response to changes in general economic conditions. The computer program will be turned over to the Town's ownership and use, relinquishing all intellectual property rights and proprietary interests to the Town for its free use. A minimum of two four-hour onsite training sessions in the use of this program will be required. The staff most qualified to receive training will be identified by the Town.
4. A public involvement/outreach component of this project will be developed in consultation with the selected consultant. The intent of this task will be to inform and solicit input from the water and sewer systems users, Town staff, public officials, and business owners about the rate study process and cost of service for the water and sewer systems. Presentations by the consultant will also be required at Town Board of Selectmen meetings and at other meetings as directed by the Town.

5. The final report will document the key elements considered in making the fee and rate recommendations and review the science of the model.

Objectives:

Study and develop a rate model for use by the Town through:

1. determining the cost of system services with the intent of establishing usage rates and fee schedule;
2. evaluating alternative rate structures;
3. updating or replacing the existing rate model to allow adjustment for changes in general economic conditions;
4. preparing a 5-year forward-looking financial plan for:
 - implementing capital improvements and associated debt service;
 - accumulating capital reserves to fund scheduled replacements and upgrades of critical equipment and systems; and
 - funding anticipated water and sewer operations budgets.

Anticipated Scope of Services:

1. Review and evaluate all pertinent reports, studies or other documents pertaining to the establishment of water and sewer assessment fees in Exeter, describing current infrastructure conditions and future needs, as well as EPA and DES mandates impacting the Exeter system.
2. Review and assess the current administrative Service Fee and Tier Structure of the Town's water and sewer rate model.
3. In consultation with Town representatives, analyze alternative rate models for selection of a preferred alternative by the Town and provide supporting rationale for the selected method.
4. Provide a draft written report evaluating the current fees and recommending a future schedule of fees and implementation. The report should also include a section detailing the pros and cons of the current assessment fee system and its functionality.
5. Meet with the Water & Sewer Advisory Committee to review the report and recommendations.
6. Meet with the Board of Selectmen to review the report and recommendations.
7. Produce a final report discussing methodologies and related fee schedules that provide for a process or method of calculating the reasonably defensible assessment fee for the future.
8. Final deliverables will include Word and Excel documents providing Town personnel with the necessary guidance and procedures to modify and update the rate structure in the future.

Meetings, Communications and Training

- Kickoff meeting -- discuss study goals and objectives with project team, refine scope and review schedule milestones;
- Public Workshop – Prepare for, advertise and develop outreach materials to present to the public at an open forum. This workshop is intended to be informational and means to further describe the water and wastewater systems, their operational costs, water and sewer usage patterns, regulatory compliance issues, and anticipated capital improvement. The forum will also allow for public input into the process to identify key user concerns.
- Final Report and Presentation of recommendations together with delivery of the rate model tool to Water Sewer Advisory Committee then to the Board of Selectmen;
- On-site training of the rate tool.

It is anticipated that the Town’s website will enable the selected consultant a portal to deliver information to the general public about the rate setting process, place presentation materials, and potentially solicit public input.

Rate Tool Components

The Rate Tool shall be created in a user-friendly format acceptable to the Town, and shall include, at a minimum:

- Updated O&M Budget Work Sheet
- Updated Revenue Sources and Water Use Demographics
- Updated Planned Capital Improvements and Resulting Debt Service
- A 5-Year Look Ahead for Selected Rate Structure Alternatives

Report

- Prepare and submit a draft report and rate tool to Town Staff (After First Public Outreach Workshop);
- Upon receipt of comments, update draft report and rate tool (After Second Public Outreach Workshop).
- Prepare, submit and present the final report and rate tool. Final Report will, at a minimum:
 - Identify and Evaluate Alternative Rate Structures;
 - Summarize public outreach component of the project;
 - Develop rate tool work sheets for selected alternatives;
 - Perform user charge predictions for selected alternatives; and
 - Prepare comparison summary of analysis and predicted user charges.

Required Contents of the Statement of Qualifications (SOQ)

Statement of Qualifications shall be limited to 30 pages. Five (5) copies of the SOQ shall be submitted and include the following information:

1. Firm (team) Experience (for each firm in the team):

Describe relevant experience in each of the following primary areas of focus:

- Water and Sewer Rate Study experience.

- Familiarity with the Exeter Water and Wastewater Division's operations, existing customer demographics and issues.
- Public outreach experience.
- If project team is made up of a number of firms provide examples of previous successful collaborations with team members.

The firm's experience shall be summarized in a matrix format. In addition, detailed project descriptions of no more than five reference projects of similar size and scope containing the majority of the focus areas listed above shall be included. The project descriptions shall be current and limited to a maximum of one full page per project, along with client references and up-to-date contact information (name, title, organization, phone, and email).

2. Project Team:

List each member of the proposed Project Team along with their:

- Firm affiliation
- Area of specialty
- Office location
- Total years of experience
- Years with current firm

One member of the Project Team must be assigned as the Project Manager who will act as the primary client contact and who shall be involved in day to day management of the Project. All resumes shall be included and limited to a maximum of two pages per team member.

Ranking of Qualifications

Each SOQ will be reviewed and ranked according to the following criteria:

- Firm's experience and references of successfully completed similar projects - Maximum of 50 points
- Proposed project team - Maximum of 40 points
- Quality of SOQ package - Maximum of 10 points

SCHEDULE

Anticipated Project Timeline

- April 2015 – Statement of Qualifications Due, Interviews
- May 2015 – Consultant Selected
- May 2015 – Kickoff Meeting, Initial Data Collection and Initial Analysis
- July 2015 – Draft Report and Draft Rate Tool
- August 2015 – Updated Draft Report and Updated Draft Rate Tool
- September 2015 – Final Report and Recommendations to Water Sewer Advisory Committee then Board of Selectmen

The overall level of effort and final schedule will vary based on the negotiated scope and work tasks.

TOWN ROLE

Town staff will be responsible for administering the project. Representatives of the Town's Public Works Department and Water & Sewer Advisory Committee will provide input and assistance with any necessary field work and review all deliverables from the effort.

SELECTION AND CONTRACT DOCUMENT

The Town will follow a qualifications based selection (QBS) process. After review of all responsive SOQs using the criteria outlined above, the Town may select up to three (3) firms to submit work and cost proposals and to interview. Upon selection, the highest ranking firm will be invited to negotiate a Scope of Services and fee with the Town. When the contract is executed by both parties, the Consultant will be instructed to commence the work described in the contract. If the Town is unable to reach agreement with the highest ranking firm, the Town will enter into negotiations with the next highest ranking firm. The Town reserves the right, at its sole discretion to negotiate directly with the selected firm(s) for additional project work.

RESERVATION OF RIGHTS

The Town reserves the right to undertake such investigation as it deems necessary to evaluate the qualifications of the firm and to evaluate the qualifications submitted. Firms may be requested to execute releases for information. Failure to provide a release upon request will result in disqualification. The Town reserves the right to reject any or all SOQs, proposals, to waive technical or legal deficiencies, and to accept any proposal that it may deem to be in the best interest of the Town and to negotiate the terms and conditions of any proposal leading to execution of a contract. The Town reserves the right, at its sole discretion, to negotiate directly with the selected firm(s) for additional project work.

ADDITIONAL INFORMATION

Requests for additional information should be directed to Jennifer Perry, Director of Public Works at (603) 773-6157 or jperry@exeternh.gov.

Addenda to this RFQ, including written answers to questions, will be posted on the Town website at <http://www.exeternh.gov/rfps> under the project heading. Firms submitting qualifications should check the web site daily for addenda and updates after the release date. Firms should print out, sign and return addenda with the proposal. Failure to do so may result in disqualification.