

CITY OF UMATILLA

**P. O. BOX 130
UMATILLA, OR 97882**

REQUEST FOR PROPOSAL

**CONSULTING SERVICES TO ANALYZE AND UPDATE
WATER AND WASTEWATER UTILITY RATES &
SYSTEM DEVELOPMENT CHARGE FEES**

INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:

**City of Umatilla
Attn: Melissa Ince
P.O. Box 130
Umatilla, OR 97882**

**Deadline for Proposals is: February 25, 2018
5:00 P.M.**

INTRODUCTION

The City of Umatilla is requesting proposals from qualified consultants to conduct a two part analysis. The first component of this project will be a comprehensive water and sewer study. The goal of this study is to independently assess and evaluate the City's existing water delivery and sewer service cost structure and provide a new 10-year plan with rates and guidelines. The broad objective of the study is to adequately fund water and sewer utility operations and infrastructure costs and promote conservation, while minimizing rates to the greatest degree possible. The study will be based on a comprehensive review of the City of Umatilla's water and sewer funds and budgets, customer classes, current usage data, future planned growth of the City, Water and Sewer Master Plans, Umatilla Maximum Beneficial Reuse Feasibility Analysis document, and any other information deemed necessary.

A second component of this project will be a review of existing Systems Development Charges (SDC's) for Water and Sewer and a recommendation on the implementation of a SDC for parks and recreation.

DESCRIPTION

The City of Umatilla is located on the south side of the Columbia River adjacent to the McNary Dam, approximately 25 miles south of the Tri-Cities and 5 miles north of the City of Hermiston. It is in farming country and its economy has historically been supported by agriculture and agriculture-based enterprises. The construction of data centers within City limits over the past 7 years has transitioned the City from primarily a residential service provider to a major industrial water and wastewater provider. The City is in the process of completing final design and construction bid documents for a discharge pipeline which enables us to separate industrial wastewater from the data centers and re-use that water for irrigation purposes. A major state prison is also served by the City of Umatilla water and wastewater system. The current population is 7,320 (including the prison population of 1,875). Service is provided to approximately 1,570 water accounts and 1,480 sewer accounts. Electronic water meters have been installed on the majority of the City's water accounts. The City's total budgeted revenues/expenditures for fiscal year 2018/2019 are \$1.7M/\$1.6M for the water fund and \$6.1M/\$4.7M for the sewer fund. The City uses Caselle accounting software on a Windows based server.

BACKGROUND

The current water rate structure was created in the mid 1990's and is essentially a uniform rate structure with a base rate relating to meter size and a consumption charge per 1,000 gallons. These rates have been increased during the past 8 years in order to keep up with increased material and personnel costs and aging infrastructure replacement.

The current sewer rate structure was also created in the 1990's and is a flat rate for single family residential services, flat rate per each 7,000 gallons usage for commercial and

hotel/motel services, and a similar fee for industrial users to be negotiated as a separate contract.

The City has SDC's for Water and Wastewater that were established in 1998 and have not been updated since. The City has never assessed an SDC for parks and recreation but feels it is imperative to study the impact the growth and development is having on our current park infrastructure.

SCOPE OF WORK

Study Objectives

1. Propose a rate schedule that is fair and objective, reflects costs of service, and promotes conservation.
2. Propose a fee schedule for new service connections that is fair and objective and fully recovers the cost of construction, engineering, and planning.
3. Develop a sound financial rate structure for ten years of operation, maintenance, capital replacement, infrastructure growth and expansion and future regulatory requirements.
4. Provide guidelines for rate definitions of customer classes, including non-standard connections, i.e. multi-family properties on one meter, mobile home parks
5. Review Systems Development Charges (SDC's) for Sewer, Water and Parks & Recreation and make recommendations, if needed, in order to fully fund future improvements to the utility systems that are needed as a result of new development and regulatory requirements.

Study Requirements

1. The recommended rate structure shall be based on cost of service and shall be sufficient to meet the short and long-term revenue requirements of the City of Umatilla water and sewer utility.
2. The study shall recommend rate structures that consider and make provision for the following factors:
 - a) Current and future cost of providing utility service in accordance with established and anticipated standards and regulations.
 - b) Projected demands.
 - c) Availability of supply
 - d) Age and condition of the system and the need to fund long-term capital improvement and replacement for the supply, treatment, and distribution infrastructure.
 - e) Impact of current and future environmental regulations.

- f) A base rate and decreasing block rates for conservation.
- 3. The recommended rate structures shall provide identification of revenues appropriated to major funded activities and infrastructure.
- 4. The recommended rate structures shall be consistent with industry practice for utility rates in the State of Oregon.
- 5. The study shall provide at least two recommended alternatives for commercial sewer rates based upon high BOD or FOG.
- 6. The recommended rate structure shall result in no decrease in stability of the revenue stream to the utility, as compared to the current structure.
- 7. The recommended rate structure shall be easy to administer and understand.
- 8. The proposed rate structure must work with the City's automated billing system.
- 9. The recommended rate structure shall be planned for at least ten years.
- 10. The sewer component shall adjust for landscape watering, for example, by basing rates on a winter period when landscape watering is minimal.

Services to be Provided by Consultant

Draft Report:

- 1. Conduct a detailed review of the existing water and sewer rates and status of the utility, and develop a general familiarity with the City's billing system.
- 2. Confer with staff as needed.
- 3. Prepare a preliminary proposal and attend one meeting (evening) with the City Council for a working session to present the proposal and obtain their input.
- 4. Hold a public meeting during one evening to obtain comments on the proposal.
- 5. One additional public meeting may be required.

Final Report:

- a) Incorporate changes based on comments received at the first presentations.
- b) Submit 10 copies, plus one reproducible copy.

c) Provide a disc or drive with the report in MS Word format, with spreadsheets in Excel format.

d) Present the final report and recommended rate structure to the City Council and members of the public at a regular Council meeting.

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, budgets, and consumption data.
2. Provide a loaner copy of the Water and Sewer Plans.
3. Provide staff support as required and agreed to in advance of study.

PROPOSAL CONTENT

The City of Umatilla requires the proposer to submit a concise proposal clearly addressing all of the requirements outlined in this RFP. Proposal must include, at a minimum, the following sections **in the order indicated:**

- 1) Information Page – Include project name, name of firm submitting the proposal, contact information for the person that will act as project leader including name, title, address, telephone and fax numbers, and email address.
- 2) Description of Study Understanding - Outline of the proposer's understanding of the study and summarizing the basic approach to the rate study and revenue program.
- 3) Methodology - Descriptions which enable the City of Umatilla to assess the proposer's capability to conduct this study in a structured and efficient fashion.
- 4) Scope of Work - Details with specific task descriptions to demonstrate that the proposer has considered all aspects of the study and that the proposer will cover them thoroughly.
- 5) Timetable – A timetable which identifies the main elements of the project, according to the Scope of Work, and projected completion dates throughout the project period. This timetable will be used to pre-notify City staff of their required involvement and the timing of same. The complete draft report shall be submitted to the City within 90 days after award of contract. The City recognizes that performance by consultant is dependent upon performance by City. The City shall make schedule adjustments to reflect any delays caused by City. The final report, in hard copy and in Microsoft Word format on a disk, shall be submitted to City within 30 days of receipt of City comments.

6) Personnel - Resumes of the individual(s) assigned to the study and other staff personnel available to support the study. Particular attention should be given to the proposer's organization which provides internal service for supporting the study team, and facilitates quality assurance auditing of the study work.

7) Qualifications - Description of the organization, covering background experience connected with wastewater rate studies, as well as other rate studies and revenue programs.

8) Representative Study Descriptions and Client References -Submit descriptions of similar assignments which were conducted by the proposer, including other agency's contact name and telephone number.

9) Cost Estimates of Consulting Fee - Each proposal shall include a cost estimate for providing services. Cost estimates shall be placed in a separate sealed envelope on which is written: RFP Cost Estimate City of Umatilla - Water and Wastewater Rate and Fee Study (Name of your firm) (Date)

10) A copy of a proposed contract may be attached. Proposers shall provide evidence of professional liability insurance.

SUBMITTAL DATE & INFORMATION

Proposals are due no later than 5:00 p.m., Monday, February 25, 2019, and must be received by that time and date. Proposal postmark dates and times will not be considered as meeting that deadline. Proposers must send six (6) bound copies of their proposal, one (1) unbound copy, and one (1) separately sealed fee proposal envelope to:

City of Umatilla
PO Box 130
700 6th Street
Umatilla, OR 97882
Attn: Melissa Ince

Proposals shall be clearly marked: "Water and Sewer Rate & Fee Study — City of Umatilla."

The City is not responsible for proposals that are delinquent, lost, mismarked, and sent to an address other than that given above, or sent by mail or courier service. The City reserves the right, after opening the proposals, to reject any or all proposals, or to accept the proposal(s) that in its sole judgment is (are) in the best interest of the City.

SELECTION PROCEDURE

Subsequent to the deadline for acceptance of proposals, the City will evaluate the Technical Proposal and will determine rankings based upon materials submitted and oral interviews (if deemed necessary by the City) using the selection criteria indicated below. If an agreement cannot be reached with the top ranked firm, the City will contact the firm with the next ranked Technical Proposal and attempt to negotiate with that firm. The process will be repeated until an agreement is reached.

The selected firm will be notified of the final approval of the contract by the City Council. Firms not selected will be notified following the approval of the contract by the City Council.

Following award of contract, all proposals will become public record. A minimum of one proposal from each proposing firm will be retained, all other copies will be recycled.

SELECTION CRITERIA

The Consulting Team selected for this project should have demonstrated experience in revenue requirement analysis and system development charge analysis. Selection will be based on the following:

- a. Consultant's understanding of the City's desires and general approach to the project as demonstrated in the project description and scope of work. 25%
- b. Completeness of the work included in the Proposal. 15%
- c. Consultant's experience with projects of similar complexity and function. 15%
- d. Demonstrated ability of the Consultant to perform high quality work, to control costs and to meet schedules. 15%
- e. Qualifications of the Consultant's staff being assigned to this project. 15%
- f. Unique or special capability. 15%