



REQUEST FOR PROPOSALS: COST OF UTILITY RATE ANALYSIS

Issue Date: Tuesday, October 29, 2024

Submission Deadline: Monday, December 2, 2024, at 4:00 PM MDT

Questions Deadline: Thursday, November 21, 2024, at 4:00 PM MDT

RFP # 2024-06

RFP Coordinator: Jake Nostrom

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110 South Main

Springville, UT 84663

INTRODUCTION

Springville City, Utah, invites qualified professional Consultants to submit proposals to conduct a cost-of-service rate analysis for three (3) of the City's Enterprise Funds: Culinary Water, Pressurized Irrigation, and Wastewater Utility Funds. The Request for Proposals intends to set forth the minimum acceptable requirements for responses to this Request.

SCOPE OF WORK

The City is looking for a detailed utility cost of service study followed by a rate design development process that will provide justifiable and equitable methodologies for appropriate user fees that are adequate to fully fund the expenses associated with the utility systems, equipment repair and replacement, and capital projects. This will include a review and evaluation of the City's current operating revenues and expenses and a comparison to other regional utility rate structures.

- 1) Services to be performed by Consultant:
 - a) Meet with City Staff members to collect and review available information used in the utility rate analysis for the City's three enterprise funds: Culinary Water, Pressurized Irrigation, and Wastewater Utility Funds.
 - b) Review the proposed capital improvement plan and total projected project costs.
 - c) Review financial history, including revenues, expenses, and current rate and fee structure.
 - d) Review historical account and operational cost information and calculate future costs for the ten-year study period, including consumption, capacity, and operational forecasts.
 - e) Examine the customer database and review current customer classifications
 - f) Identify usage by customer class and rate schedule.
 - g) Evaluate fixed and consumption components of the rate to ensure fund sustainability during economic downturns.
 - h) Prioritize Capital Improvement funding needs from the City's ten-year CIP budget, facility improvement plans, and other supplemental improvements that the City may deem warranted.
 - i) Develop a forecast of annual revenue requirements.
 - j) Recommend rates for a ten-year period to generate the revenue needed with costs distributed equally by customer category. Provide "sample bills" for all customer categories illustrating recommended rate increases.

- k) Recommend changes/amendments to the current rate schedule. Understand foreseeable future enhancements. These enhancements may require a phased implementation strategy.

TIMELINE REQUIREMENTS

The consultant shall initiate work as soon as the contract is awarded. The consultant will provide regular updates to the City regarding progress on the analyses and recommendations and request any additional information. The consultant will meet with City staff to review the draft report and recommendations before issuing their final report to City Council. The City expects the study to be completed and presented to the management team no later than February 10, 2025.

OTHER CONSIDERATIONS

All documents, reports, and records relating to the work performed under the Professional Services Agreement must be retained at the consultant's expense for a minimum of five (5) years unless Springville City notifies the Consultant in writing of the need to extend the retention period. The consultant must also make all documents available to the appropriate parties upon request.

PROPOSAL RESPONSES

- 1) Introductory Letter: Provide an introductory letter containing the name and address of the organization, including the name, address, telephone number, and e-mail address of the contact person who will be authorized to make representations for the organization. Please submit one hard copy of your proposal no later than Monday, December 2nd, 2024, at 4:00 PM MDT to:

Holly Wilkinson, Finance Controller
Springville City
110 South Main St.
Springville City, UT 84663

- 2) Scope of Work: Discuss the Consultant's ability to complete each task outlined in the Scope of Work section described above. Proposals should not exceed 10 pages in length.

- 3) Cost: Detail the proposed all-inclusive cost for the Services. Provide a cost for each task identified above. Cost for Services, must be submitted in a table included within the proposal.
 - 4) Schedule: Describe, in sufficient detail, the Consultant's ability and availability to perform the Services, including a schedule that includes individual phases as applicable. The proposed project schedule should list important dates, times and locations of meetings and submittals. Identify internal methods that will be used for project schedule control.
 - 5) Qualifications and Personnel:
 - a) Provide information on the following areas of interest and an outline of the Consultant's background, qualifications, and ability to perform the scope of services. Identify any sub-contractors proposed for the project.
 - b) Identify the project manager and provide contact information.
 - c) Provide acknowledgment of the Consultant's ability to complete the scope of work by the established deadline.
 - 6) References:
 - a) Identify three completed projects of a similar nature, preferably with direct involvement of municipal governments in Utah. Each project listed shall include the name of the agency, project manager, phone number, and description of work performed.
 - 7) Additional Data:
 - a) Proposals may include any other information the Consultant deems essential to the evaluation.
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REVIEW AND SELECTION PROCEDURE

A proposal evaluation committee of City Staff will review each proposal. The following evaluation criteria and the weighted grading percentage will be used in selecting a consultant:

- a) Cost, 30%;
- b) Commitment of Senior Staff to the Project, 15%;
- c) Relevant qualifications and experience of key personnel, 15%;
- d) Knowledge of pertinent in Springville City, 10%;
- e) Proposed schedule and ability to meet applicable deadlines 20%;
- f) Overall responsiveness to this RFP, 10%.

GENERAL INFORMATION

Springville City reserves the right to reject any or all proposals for any reason. Minor irregularities of the proposal may be waived at the discretion of the City. Please note that the Consultant's ability to complete the project within the anticipated completion period will be considered in the selection processes. The lowest-cost proposal will not necessarily be selected.

Terms of Contract: The successful Consultant will be required to enter into a written agreement with the City to provide the Services. If the selected Consultant and the City are unable to negotiate an acceptable agreement, then another Consultant will be selected by the Public Works Director or designee.

Public Information: It shall be understood that all proposals, responses, inquiries, or correspondence relating to or in reference to this RFP, and all reports, charts, and proposals or referencing information in response to this RFP shall become the property of the City and will not be returned. The City will use discretion with regard to the disclosure of proprietary information contained in any response but cannot guarantee the information will not be made public. As a governmental entity, the City is subject to making records available for disclosure.