

# Sanitary Sewer Rate Study

## REQUEST FOR PROPOSAL

RFP 0906

*September 28, 2009*



## **I. General Information**

The Village of Sussex, Wisconsin (Village) is requesting proposals and qualifications from professional firms to perform a comprehensive Sanitary Sewer Rate Study. The intent of the study is to independently assess and evaluate the Village's existing sewer rates and to provide a new rate structure for the next five years.

The Village of Sussex, Wisconsin, is a government agency located in Southeastern Wisconsin about 19 miles northwest of Milwaukee. The Village was incorporated on September 12, 1924 and currently has a population of 10,045. The Village employs over 34 FTEs and has 9 departments with a 2009 budget of approximately \$6.5 million.

Some of the services that the Village provides to its citizens include police, fire, ambulance, public works, infrastructure construction and maintenance, storm sewer, wastewater, water, parks, recreation programs, library, planning and development, building inspection, and general government services.

## **II. Sewer Overview**

The Village's treatment plant is a 5.1 MGD regional activated sludge facility that serves the Village of Sussex, the Town of Lisbon, the Town of Lisbon Sanitary District, the Village of Lannon, Richmond School District, Hamilton School District, and a portion of the Village of Menomonee Falls. Wastewater is conveyed to the wastewater treatment plant by gravity and lift stations. The regional facility collection area contains 9 lift stations as part of its infrastructure: 3 are in Sussex, 3 are in the Town of Lisbon; 2 are in the Village of Lannon, and 1 is in the Village of Menomonee Falls. Also, trucked-in holding tank and septic waste from the surrounding communities is hauled to the 2 receiving stations. The current plant underwent an extensive expansion that was completed in 2009. The expansion increased the average daily flow capacity from 3.2 MGD to 5.1 MGD. The Village financed this reconstruction with a clean water loan through the State of Wisconsin. Rates were last increased in 1997, and the Utility rates were decreased in 2002. The Village sets its sanitary sewer rates separately from its Water Utility. The Sanitary Sewer Utility falls under the jurisdiction of the Village Board and the Technical Advisory Committee through the intermunicipal agreement. The Water Utility is run by an independent Water Commission. The Water Utility bills and collects the Sewer Utility revenues associated with its collection system. Fees are based on water usage for the Village of Sussex Utility customers and metered wastewater flow for the Town of Lisbon Sanitary District, Village of Lannon, Richmond School District, and the Village of Menomonee Falls. The Hamilton School District is charged based on a flat fee billed twice a year. Also, the Sewer utility independently bills sewer haulers who use the plant.

## **III. Selection Process**

Responses to the RFP will be evaluated by a selection committee comprised of Village personnel. The evaluation committee will review the RFP's and make a recommendation to the Board of Public Works and then the Village Board for approval. The responses will be evaluated on, but not limited to, the following criteria:

- A. The proposer's demonstrated understanding of the Village's requirements and responsiveness to the RFP.
- B. The professional qualifications and related experience of the persons assigned to the Village.
- C. The prior experience in providing services to similar public sector entities and references.
- D. The charges for services.

To be considered, three (3) copies of a proposal must be received by 4:00 p.m. local time on Thursday, October 22, 2009. Late proposals will not be accepted. Clearly mark proposals "Sanitary Sewer Rate Study" on the lower left-hand corner of the envelope. The cost proposal should be contained within the proposal but in separate sealed envelope. It should be clearly labeled "Price Proposal". The Village of Sussex reserves the right to reject any or all proposals submitted. Proposals should be mailed or delivered to:

Eric Nitschke, Director of Public Works  
Village of Sussex  
N64 W23760 Main Street  
Sussex, WI 53089

Upon receipt of this Request for Proposal, any questions or comments should be directed to Eric Nitschke by October 15, 2009. Answers will be posted on the Village's website within 48 hours of the receipt of request.

A proposal submitted as a result of this request for proposal will be considered a marketing investment on the part of the respondent. No respondent will be compensated for the proposal.

The Village will maintain the proposal as proprietary and confidential information before proposal opening. Thereafter, the proposal shall be kept confidential to the extent permitted by the public record laws of the State of Wisconsin.

#### **IV. Time Schedule**

The Village intends to use the following timetable in the selection process for the purchase of this service.

<u>EVENT:</u>	<u>TIMEFRAME:</u>
• Deadline for receipt of proposals	Thursday, October 22, 2009
• Proposal review period	Through October 29, 2009
• Selection of recommended vendor	On or before October 29, 2009
• BPW and Village Board consideration	November 9 and 10, 2009
• Preliminary completion of the rate study	April 14, 2010
• New rates become effective	July 1, 2010

#### **V. TERMS AND CONDITIONS**

The Village reserves the right to reject any or all proposals.

The Village reserves the right to request clarification of information submitted and to request additional information of one or more applicants.

Any proposal may be withdrawn up until the date and time set above for receipt of the proposals. Any proposal not so withdrawn, or corrected in accordance with the Village's purchasing policy, shall constitute an irrevocable offer, for a period of ninety (90) days, to provide to the Village the services set

forth in the attached specifications, or until one or more of the proposals has been approved by the Village.

If, through any cause, the vendor shall fail to fulfill in a timely and proper manner the obligations agreed to, the Village shall have the right to terminate its contract by specifying the date of termination in written notice to the vendor at least twenty (20) working days before the termination date.

Any agreement or contract resulting from the acceptance of a proposal shall be on forms either supplied by or approved by the Village and shall contain, as minimum, applicable provisions of the Request for Proposal and any Village requirements for agreements and contracts.

The vendor shall not assign any interest in the contract and shall not transfer any interest in the same without prior written consent of the Village.

No reports, information or data given to or prepared by the vendor under the contract shall be made available to any individual or organization by the vendor without prior written approval of the Village.

The Village does not discriminate against individuals on the basis of race, color, religion, age, marital or veteran's status, sex, national origin, disability or any other legally protected status, in the admission or access to, or treatment or employment in, its services, programs or activities.

The vendor represents and warrants that he/she has sufficiently informed themselves in all matters affecting the performance of the work and the furnishing of the labor, supplies, materials, software or equipment called for in the specification; that they have checked their proposal for errors and omissions; that the prices stated in the proposal are correct and as intended and are a complete and correct statement of their prices for performing the work or furnishing the labor, supplies, materials, software or equipment required by the contract documents.

The vendor shall permit the authorized representatives of the Village to inspect and audit all data and records of the vendor relating to their performance under the contract until the expiration of three (3) years after the final payment under this contract. The vendor further agrees to include in all their subcontracts hereunder a provision to the effect that the subcontractor agrees that the grantee or any of their duly authorized representatives shall, until the expiration of three (3) years after the final payment under the subcontracts, have access to and the right to examine any directly pertinent books, documents, papers and records of such subcontractor involving transactions related to the subcontractor.

Originals of all documents pertaining to the work performed under this agreement shall become the property of the Village. Copies may be made for the vendor's records but shall not be furnished to others without prior written authorization by the Village.

The Village is to be protected against any increase above the prices in this proposal until all services covered by this proposal have been delivered.

The Village will assume no additional postage or handling charges other than specified in this proposal.

Contractor agrees to indemnify, hold harmless and defend the Village, its officers, agents and employees from any and all liability arising out of or in connection with this agreement where such liability arises out of the errors, omissions or negligent actions of the contractor or any of the agents or employees of the contractor.

All proposals must include either a description of the proposers insurance or a certificate of insurance outlining respondent's insurance policies. Successful proposer shall agree that it will, at all times during the term of the agreement, keep in force and effect such insurance policies or those

required by the contract, issue by a company or companies authorized to do business in the State of Wisconsin and satisfactory to the Village. Such insurance shall be primary. Prior to the execution of the written contract, the successful proposer shall furnish the Village with a Certificate of Insurance. The certificate shall reference the contract and provide for thirty (30) days advance notice of cancellation or non-renewal during the term of agreement.

## **VI. Scope of Service**

1. Prepare a forecast of revenues, operational and maintenance expenses, and capital improvements over the next five year period. The forecast should be summarized in a cash flow analysis that will show the use of balances on hand, revenues and if necessary, the use of other financing alternatives such as the issuance of municipal debt or some other means to meet the Sewer Utility's financing needs.

2. Analyze existing intermunicipal sewer agreements for compliance.

3. Review and design as considered necessary, appropriate rates, fees and any other service charges needed for the Wastewater Utility to meet current and five year capital plan goals, as well as operational expenses. Rates and fees are to include but not be limited to:

- Volume charges
- Meter charges (several classes of ¾" and 1" meters with different volume capacities)
- Industrial Q/Q charges for Flow, BOD (biological oxygen demand), Phosphorus, and TSS (total suspended solids) for customers within service area
- Charges for hauled domestic septic/holding waste
- Charges for hauled industrial waste not within the service area (The Village does not accept hauled industrial waste)
- All appropriate charges for associated communities

4. Evaluate the impact of the proposed rates on customers and compare them with similar utilities in the area.

5. Review existing Reserve Capacity Assessments (RCA's), and consider existing debt when preparing rate proposals.

6. Make such other observations or recommendations as may be prudent, desirable or necessary to adequately respond to ratemaking concerns of the Village.

7. Analyze and report on the borrowing capacity of the Utility.

8. Meet with Village staff as needed and also be available to meet the Board of Public Works, Village Board, and TAC as needed. At a minimum 10 meetings will be required.

9. Twenty Five copies of the final report will be provided to the Village. The final report should include all text, tables and exhibits that clearly show the results of the rate recommendations and any other recommendations they make.

## **VII. Proposal Requirements**

To be acceptable, the firm's proposal must include the following information:

1. Introduction: The respondent should indicate an understanding of the Village's sewer system operation and the objectives of this study.

2. Technical Approach: The respondent should detail the technical approach to the project. This must include identifying the task to be performed, including task objectives, subtasks, formal meetings and task deliverables and a timeline of when they will be completed.

3. Project Organization: Indicate the Principals to be assigned to the project, their role and their credentials. The respondent must include comprehensive resumes for the project director and project manager describing at least five recent costs of service projects conducted within the last thirty-six (36) months relevant to this study, and their role on those projects. Also, include industry memberships and other credentials, such as books, published articles and presentations relevant to the cost of service studies.

4. Additional Components: Describe any additional components not covered in this Request for Proposal that the consultant feels would be advantageous to the Village.

5. Firm Qualifications: Identify the firm's qualifications to conduct this study. Proposals should specifically describe the firm's consulting group that will provide the services being requested by the Village. Describe at least five (5) costs of service studies conducted by this group within the last 36 months (as described above). Provide five (5) municipal client references for cost of service studies completed within the last 36 months and indicate for each the current: client name, contact, title, phone number, and project team members who participated in the project as either project director or manager. A copy of a similar rate study report prepared in the past three years is preferred. Also, include any other relevant project experience regarding sewer utilities that the respondent believes may be helpful in the selection process.

6. Project Schedule: The respondent must submit a detailed project schedule. The respondent should also illustrate the plan to meet this schedule by indicating when each of the tasks in the Scope of Work section will be completed. Preliminary completion of the project is to be set for April 14, 2010.

7. Project Fee Schedule: Respondents are encouraged to submit a proposed form of agreement of professional service contract where project compensation is structured on a not-to-exceed fee basis with periodic progress payments. The fee schedule must include a breakdown of the amount of hours that will be spent on each segment of the project, by whom on the analysis team and how much the hourly rate will be. Please include a schedule of supplemental hourly rates for work or meetings outside of the initial scope of the project. Price proposals must be submitted in a separate sealed envelope labeled "Price Proposal".