



**REQUEST FOR PROPOSALS**

**for**

**WATER & WASTEWATER RATE STUDY**

**City of Jacksonville**

**RFP # 2017-11-50**  
**DUE DATE: June 6, 2017**

**CITY OF JACKSONVILLE, TEXAS**  
**315 S Ragsdale**  
**Jacksonville, TX 75766**  
**(903) 586-3510**  
[www.jacksonvilletx.org](http://www.jacksonvilletx.org)

Table of Contents

SECTION I – INTRODUCTION AND RFP TERMS AND CONDITIONS..... 3

SECTION II – DEFINITIONS, TERMS AND CONDITIONS ..... 3

    Definitions..... 3

    Receipt of Proposals..... 3

    Questions and Inquiries ..... 4

    City Prerogative to Accept/Reject Proposals ..... 4

    Reimbursements..... 4

    Proposal Award ..... 4

    Communication..... 4

    Disclosure ..... 4

    Award of the Contract..... 4

    Addenda ..... 5

    False or Misleading Statements..... 5

    Clarification of Proposal..... 5

    Responsiveness ..... 5

    Rejection of Proposal..... 6

    Governing Law ..... 6

SECTION III – BID REQUIREMENTS..... 6

    General Information ..... 6

    Water and Sewer Information ..... 6

    Water and Sewer Rate Structure..... 7

    Pricing..... 8

    Proposal Specifications ..... 9

    Proposal Requirements ..... 10

    Evaluation Process..... 12

## **SECTION I – INTRODUCTION AND RFP TERMS AND CONDITIONS**

The City of Jacksonville is requesting proposals from qualified consultants to prepare a comprehensive Water & Sewer Rate Study. The intent of the study is to independently analyze and assess the City’s current rate structure, determine an updated cost of service and provide recommendation for equitable, sustainable cost recovery by customer class.

The City reserves the right to reject any or all Proposals submitted. Proposals will be evaluated utilizing the criteria herein.

Submissions should include the Proposal Sheet as one (1) UNBOUND original in a **sealed** envelope with the reference **RFP 2017-11-50 Rate Study** marked on the envelope.

Responses must be received by 3:00 p.m. on June 6, 2017 at which time Proposals will be opened, announced and recorded, prior review by committee. All Proposals should be addressed to:

City of Jacksonville  
Tandi Dickey  
Finance Department  
215 E Rusk  
Jacksonville, TX 75766

## **SECTION II – DEFINITIONS, TERMS AND CONDITIONS**

### ***Definitions***

In order to simplify the language throughout this request, the following definitions shall apply:

CITY OF JACKSONVILLE – Same as City.

CONTRACT – An agreement between the City and a Provider to furnish supplies and/or services over a designated period of time during which repeated purchases are made of the commodity and/or service specified.

RFP – Request for Proposal

### ***Receipt of Proposals***

The submitted Proposals(s) must be received in a sealed envelope by the City Finance Department prior to the time and date specified. The mere fact the Proposal was dispatched will not be considered; the firm must ensure the Proposal is actually delivered. Regardless of cause, late submissions will not be accepted or opened and will automatically be disqualified from further consideration. It shall be the Vendor’s sole risk to ensure delivery at the designated office by the designated time.

## ***Questions and Inquiries***

Questions and inquiries about this Request for Proposal should be directed to: Tandi Dickey at (903) 586-3510 ext. 1126. Questions must be submitted in writing no later than three (3) days prior to the specified due date of the RFP, and may be submitted to: [tandi.dickey@jacksonvilletx.org](mailto:tandi.dickey@jacksonvilletx.org).

The apparent silence of these specifications as to any detail or to the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.

## ***City Prerogative to Accept/Reject Proposals***

The City reserves the right to accept or reject any or all Proposals as a result of this request or to cancel, in part or in its entirety, this Request for Proposal if found in the best interest of the City. All Proposals become the property of the City of Jacksonville.

## ***Reimbursements***

There is no express or implied obligation for the City of Jacksonville to reimburse responding firms for any expenses incurred in preparing Proposals in response to this Request for Proposal and City of Jacksonville will not reimburse responding firms for these expenses, nor will City pay any subsequent costs associated with the provision of any additional information or presentation, or to procure a contract for these services.

## ***Proposal Award***

The City reserves the right to negotiate a contract for the awarded proposal, or allow the proposal to serve as the contract.

## ***Communication***

Prospective bidders shall communicate only with the staff identified herein during the entire RFP process (from this solicitation to award). The City shall not be responsible for any verbal or non-verbal communication between a potential bidder and any other employees or representatives of the City; and such action may be cause for rejection of the subject's Proposal. Only written requirements and qualifications, and addenda as issued by the City of Jacksonville Finance Department will be considered.

## ***Disclosure***

There will be no disclosure of contents to competing firms, and all Proposals will be kept confidential during the negotiation process. Except for trade secrets and confidential information which the Firm identifies as proprietary, all Proposals will be open for public inspection **after** the contract award.

## ***Award of the Contract***

Award shall be made to the proposal providing goods and services at the best value for the City, taking into consideration the relative importance of price and other factors set forth in this request for proposal.

The contents of the Proposal of the successful bidder will become, at our option, a contractual obligation. Failure of the successful bidder to accept this obligation may result in cancellation of the award.

Proposals submitted are offers only and the decision to accept or reject is a function of quality, reliability, capability, reputation, and expertise of the proposing vendors. The City of Jacksonville reserves the right to terminate the selection process at any time and to reject any or all Proposals.

The City of Jacksonville reserves the right to accept the Proposal that is, in its judgment, the best and most favorable to the interests of the City of Jacksonville and to the public; to reject the low price Proposal; to accept any item of any Proposal; to reject any and all Proposals; and to waive irregularities and informalities in any Proposal submitted or in the Request for Proposal process, provided; however, the waiver of any prior defect or informality shall not be considered a waiver of any future or similar defect or informality. Proposing bidders should not rely upon or anticipate such waivers in submitting their Proposal.

Award of the Contract will be made only after Proposals are recorded and reviewed for compliance with specifications. All responsive bidders will be notified via email when the project is awarded.

### ***Addenda***

Any addenda to the Proposal specifications issued during the period between issuance of the RFP and receipt of Proposals are to be considered covered in the Proposal and in awarding a contract they will become a part thereof. Receipt of addenda should be acknowledged by vendors in their Proposal cover letter.

### ***False or Misleading Statements***

If, in our opinion, a Proposal contains false or misleading statements or references that do not support a function, attribute, capability, or condition as contended by the vendor, the entire Proposal may be rejected at the discretion of the City.

### ***Clarification of Proposal***

We reserve the right to obtain clarification of any point in a vendor's Proposal or to obtain additional information necessary to properly evaluate a particular Proposal. Failure of a vendor to respond to such a request for additional information or clarification may result in rejection of the vendor's Proposal.

### ***Responsiveness***

Proposals should respond to all requirements of this RFP to the maximum extent possible. Vendors are asked to clearly identify any limitations or exceptions to the requirements inherent in the proposed system. Alternative approaches will be given consideration, if the approach clearly offers increased benefits.

## ***Rejection of Proposal***

Proposals that are not prepared in accordance with these instructions may be rejected/disqualified. If not rejected, the City of Jacksonville may demand correction of any deficiency and accept the corrected Proposal upon compliance with these instructions.

## ***Governing Law***

All Proposals and related documents submitted to the City of Jacksonville by Vendors are governed under the laws of the State of Texas and local ordinances, polices and regulations.

## **SECTION III – BID REQUIREMENTS**

### ***General Information***

The City of Jacksonville is located in Cherokee County in East Texas, north of the county seat, Rusk, and south of Tyler, in neighboring Smith County, on U.S. Route 69. The north-south Highway 69 intersects the east-west U.S. Route 79. The City was founded in 1847 and incorporated in 1921. With a current population of approximately 14,700 in the city limits, it is the principal city of the Jacksonville Micropolitan Statistical Area, which includes all of Cherokee County, and part of the larger Tyler–Jacksonville combined statistical area. The City of Jacksonville has a 14.1 square mile footprint. The City of Jacksonville is a home-rule city that operates under the Council-Manager form of government. The City provides a full range of municipal services as prescribed by statute or charter. These services include police, fire and emergency medical services, parks and recreational facilities, library services, street maintenance and construction, public improvements, general administrative services and water, sewer, and sanitation systems.

### ***Water and Sewer Information***

The service point focus of the water utilities departments is to provide water, wastewater, and drainage services of the highest quality at an affordable cost while striving for exceptional customer service and environmental stewardship.

The Kickapoo Street Surface Water Treatment Plant draws water from Lake Jacksonville. Combined, our treatment facilities provide roughly 1.3 billion gallons of clean drinking water every year. About 60% of our water source is from five deep wells, which pump water from the Carrizo/Wilcox Aquifer at a depth of approximately 700 feet. The remaining 40% is from our surface water supply Lake Jacksonville, which is part of the Upper Neches Watershed, this watershed covers an area of roughly 480 square miles. Most of the watershed is covered by forest growth with agricultural development accounting for less than 10 percent. The Surface Water Treatment Plant and five groundwater wells provide drinking water to the population of Jacksonville plus five co-ops in the County.

The Water Distribution Division provides maintenance over the distribution system that delivers drinking water to customers throughout the City. The Water Distribution System consists of approximately 100+ miles of water lines, the system consistently delivers clean potable water to the residents of Jacksonville.

The Wastewater Treatment Division oversees the operations of the Double Creek Wastewater Treatment Plant and 26 lift stations. This division is responsible for treating wastewater to a level that meets the requirements of our Texas Commission on Environmental Quality (TCEQ) Discharge Permit and monitoring chemicals, pump and motor performance, sludge de-watering and disposal. The Sanitary Sewer Department's system has an activated sludge, extended air treatment. The Double Creek Water Treatment Plant is permitted for 2.9 million gallons per day. Our plant meets some of the strictest discharge standards to protect the quality of Mudd Creek, and meets all Environmental Protection Agency (EPA) and TCEQ permits and regulations.

## **Water and Sewer Rate Structure**

### *Water Deposit (Each Meter)*

Residential \$ 100.00 plus Driver's License & Social Security Card. Renters also need Lease Agreement.

Commercial \$ 150.00 plus Driver's License & Social Security Card. Renters also need Lease Agreement.

*Water Service Connection Fee (residential and commercial)* \$25.00 per meter connection

### *Water Rates*

Residential	1-2,000 gallons	minimum \$ 13.76
	Over 2,000 gallons	\$.259 per 100 gallons
Commercial or Industrial	1-2,000 gallons	minimum \$ 18.39
	Over 2,000 gallons	\$.259 per 100 gallons

### *Water Tap Fees*

1" \$ 600.00

Bullhead 3/4" \$ 300.00

### *Miscellaneous Fees (Water)*

- Water Bill Due 15th of the Month by 5:00 pm
- Late payment fee 10% of Account Balance
- Late Fee \$ 30.00 fee if payment is not received in our office BEFORE 5:00 pm on 25th of the month
- Returned Check Fee \$ 30.00

### *Wastewater Rates*

Residential	1-2,000 gallons minimum	\$ 14.06
	Over 2,000 gallons	\$2.89 per 1,000 gallons, minimum 2,000 gallons \$37.18 maximum.
Commercial or Industrial	1-2,000 gallons water	\$ 15.50 minimum
gallons	Over 2,000-300,000 gallons water	\$2.89 per 1,000
gallons	Over 3000,000 gallons water	\$2.36 per 1,000

### *Sewer Tap Fees*

4" Common House Tap \$ 400.00

***Pricing***

Proposer is to quote its best offer in accordance with the specifications above. Proposals shall be entered on the Proposal Sheet in ink or typewritten.



## ***Proposal Specifications***

### **A. Overview**

The City desires a comprehensive rate study, which will require a qualified consultant or consulting firm. The purpose of the study is to provide the City with information sufficient to support a recommendation to the City Council for adjustments in rates for water and sewer operations. This study will also determine the most appropriate rate structure considering consumption characteristics of various customer classes, deviation from cost of service principals and fairness and equity implications and customer understanding. The City expects the rates developed by the study to be adequate for at least two years and the rate schedule to maintain its integrity for at least five years.

### **B. Analyze Water and Sewer Fund Finances**

Consultant will be expected to analyze and obtain a thorough understanding of the Water and Sewer fund's financial condition. The analysis is expected to include at minimum:

- 1 Analysis of historical operating expenses including cost of water purchased and sewer treated.
- 2 Analysis of continued growth projections, evaluation of utility department's capital improvement program, and determination of funds needed to support the capital improvement program.
- 3 Analysis of historic demand and consumption characteristics with the purpose of properly classifying and segregating the costs associated with the different functions and customers of the City's utility system.
- 4 Analysis of existing Utility fund financial condition and the planned infrastructure improvements.
- 5 Analysis of the impact of peak demands on the cost of providing service.

### **C. Develop Rate Schedule**

The consultant will be expected to develop a schedule of water and sewer rates. The rates must be developed to meet the following objectives:

- Should develop water and wastewater rates based on the respective costs of these services
- Should provide analysis and recommendations for fixed vs. variable elements of the rate
- Should identify the relative costs of servicing different classes of customers.
- Rates should be designed to reduce peak (hour and day) demands on the utility systems and encourage conservation.
- Be compatible with the existing utility billing computer system.
- Be easily described to customers and lay persons

### **D. BENCHMARK TO AREA CITIES**

The consultant will be expected to compare and contrast the City's existing water and sewer and the new rates developed by the study with the rates of the City's surrounding cities. The benchmarking must be for all comparable customer classifications. This aspect of the study should include comment as to whether the developed rates will materially impact the ability to attract and retain retail and commercial businesses.

## **E. DEVELOP COMPUTERIZED RATE MODEL**

The Consultant will develop a computerized rate model that will be provided to the City at the conclusion of the study. The model should be developed with the following characteristics:

1. Model must be developed using Microsoft Excel applications
2. Model should allow for updating of consumption patterns by customer classification.
3. Model should allow for updating of operating, debt service and capital costs.
4. Model should include pre-defined graphical presentation of consumption, revenue and expense data.
5. Model should integrate the revenue produced by rates with the Utility fund financial plan.
6. Consultant will train city personnel to periodically update model costs factors and develop scenarios by rate and customer class.

## **F. DISCUSS FINDINGS AND PRESENT FINAL REPORT**

The consultant will be expected to present the analysis findings with senior management staff, address questions and/or concerns and incorporate management comments into final recommendations. Additionally, consultant will be expected to attend one public hearing, two Council work sessions and one presentation at a Council Meeting to present study recommendations.

## ***Proposal Requirements***

The purpose of the proposal is to demonstrate the qualifications, competence and capacity of the individuals or firms seeking to undertake a water and sewer rate study of the City in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form of manner of presentation. The proposal should demonstrate the qualifications of the firm and the particular staff to be assigned to this engagement. It should also describe the specific study approach to be used including applicable software that will meet the request for proposals requirements.

The proposal should address all the points outlined in the request for proposals. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals.

Interested individuals or firms are encouraged to use their own preferred style and format in preparing a proposal. However, it is suggested that the proposal include at least the following arranged accordingly.

### **A. PROPOSAL QUALIFICATIONS AND EXPERIENCE**

The proposal should state the size of the firm, the size of the firm's rate setting staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed. Describe all the types of engagements typically performed by your firm including rate-related studies.

## **B. WORK PLAN FOR ACCOMPLISHING RATE STUDY REQUIREMENTS**

The individual or firm proposing should include a detailed work plan describing the specific approach necessary to meet the requirements described in Section II. This work plan should include but not limited to:

- Detail list of tasks to be performed.
- Engagement team proposed and which team member performs which tasks.
- Specific software to be used.
- Methodology on national standards used in estimations on projections.
- Sequence of events.
- Surveying techniques to be used.

## **C. TIMETABLE FOR COMPLETION OF PROJECT**

The individual or firm proposing should include a timetable for completion of their proposed work plan. The City would like to have preliminary results by July 31st to include in the Budget workshops. The timetable should include proposed start date assuming that the contract will be awarded not later than June 13, 2017.

## **D. PROPOSED FEE**

Total All-inclusive Maximum Price

The proposal should contain all pricing information relative to performing the water and sewer rate engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out of pocket expenses.

The City will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal. A copy of this RFP as well as the successful proposal will be attached to the contract.

## **E. RATES FOR ADDITIONAL PROFESSIONAL SERVICES**

If it should become necessary for the City to request the consultant to render any additional services to either supplement the service requested in this request for proposals or to perform additional work as a result of the specific recommendations included in the report issued for the rate study, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the firm. Any such additional work agreed to between the City and the firm shall be performed at the rates set forth in the proposal under the heading "Rates for Additional Services".

## **F. REFERENCES**

The proposer should include a complete list of Water, Sewer, and Sanitation rate studies performed by the proposing office in the last five years. The list should include a brief description of the work performed, client contact, and a telephone number. In addition, the proposer should separately list the actual experience of the proposed engagement team by individual team member.

## **G. SUBMISSION FORMAT**

Proposals must include the following cover page. Additional information describing the bid should be added behind this page. Any Proposals received without this page will be considered non-responsive and rejected.

Bidders should submit one unbound original which includes the following:

- A. Title Page
- B. Table of Contents
- C. Transmittal Letter - signed and 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 ninety (90) days.
- D. Detailed Proposal - following the order set forth in the Proposal Requirements Section of this request for proposal

## ***Evaluation Process***

Proposals submitted by the proposal deadline in response to the RFP will be reviewed by City staff. Based on this review, interviews may be scheduled with the firms considered to be the best qualified, although interviews will not necessarily be scheduled with all firms responding to the RFP.

Final recommendation will be made by staff and approved by City Council. Although not intended to be all inclusive, following is a list of factors in order of importance, which will be considered in making the selection.

1. 25%- Extent and quality of rate study experience of the individual or firm, local office personnel to be involved, based on information provided by the firm as well as references of former and present clients.
2. 25%- Consultant's ability and willingness to meet the requirements and needs of the City with respect to the study as outlined in this RFP and as demonstrated in the proposal.
3. 20%- Proven ability of the firm to meet work schedules, as well as existing and future time commitments of persons assigned to the project and ability to communicate effectively with City staff and City Council.
4. 30%- Proposed cost of the engagement. Although a significant factor, fees charged may not be the dominant factor.