



LINCOLN WATER COMMISSION
REQUEST FOR PROPOSALS
RFP No. 2022-001
October 24, 2022

The Lincoln Water Commission will receive sealed proposals for the solicitation of professional services to perform a Cost of Services and Water Rate Study. Proposals shall be received in the office of the Lincoln Water Commission, which is located at 96 Old River Road, Lincoln, RI 02865, on Wednesday, November 16, 2022, no later than 3:00 PM. No proposals will be accepted after the date and time specified. The Request for Proposals (RFP) document can be obtained by e-mail request to the Superintendent at randerson@lincolnwatercommission.com. The Lincoln Water Commission reserves the right to accept or reject any and all proposals, or to waive any irregularities therein, or to accept the proposal deemed to be in the best interest of the Lincoln Water Commission and the Town of Lincoln.

PROPOSAL SUBMISSION: The proposals shall be submitted in accordance with the general format and proposal components described herein.

The consultant shall submit ten (10) proposals in sealed envelopes. The envelope shall be addressed to the Lincoln Water Commission, Chairman, 96 Old River Road, Lincoln, RI 02865. The proposals will be distributed to the Lincoln Water Commission and opened publicly at the next scheduled commission meeting following the proposal due date. The Commission meets monthly on the second Wednesday of the month at 6:00 PM in the Town Hall Council Chambers, which is located at 100 Old River Road, Lincoln, RI.

Technical Proposal – The technical proposal shall include a Statement of Qualifications to demonstrate the firm's capabilities and capacity to provide the requested scope of services, including staff resumes, project and similar services related experience, and at least three references from clients for whom these services have been provided.

The technical proposal shall also include a project approach to define the methodologies utilized to accomplish the scope of services required to perform the cost of services study and evaluation of the water rate structures. A work plan shall also be presented in conjunction with a general schedule of the estimated timeframe to complete the final Water Rate Study Report.

Cost Proposal – The consulting firm shall submit a cost proposal to present an overall lump sum fee to accomplish the scope services and associated tasks presented in the Request for Proposals. An estimate of the project expenses shall be included in the overall lump sum fee. The cost proposal shall also include the hourly rate of the key staff members.

QUESTIONS: Any questions regarding this RFP can be submitted to Robert A. Anderson, Jr., PE, Chief Engineer/Superintendent, at randerson@lincolnwatercommission.com, no later than 12:00 PM, Friday, November 4, 2022. Responses to questions will be issued by written addendum, which will be transmitted

by email to all consulting firms who requested the RFP. The addendum will be issued by the C.O.B. on Thursday, November 10, 2022.

QUALIFICATIONS: A Statement of Qualifications must be submitted as a part of the respondent's proposal, including a listing of key personnel to be assigned to this project (organizational chart and resumes), relevant experience of the firm and the key personnel, and other pertinent information that identifies the respondent's ability to perform the work listed in "Scope of Work" of this RFP. If applicable, a separate list of all intended sub-consultants must also be provided, identifying the tasks for the sub-consultant and the (proposed) relationship between the respondent and the sub-consultant (i.e. joint venture, straight sub-consultant basis, etc.). Similar qualifications information is to be supplied for each proposed sub-consultant. The consultant shall have at least ten (10) years of experience providing water utility rate related services.

SELECTION CRITERIA: Proposals will be examined and technically evaluated based on the factors presented below. It is the responsibility of the Consultant to provide information, evidence or exhibits which clearly demonstrate the ability to satisfactorily respond to the project requirements and the factors listed below. The Commission will select the top ranked firm based on the criteria herein as it may apply to the specific Scope of Work described herein.

A. Company Qualifications and Experience - Specialized experience is required for the performance of the tasks associated with the costs of services and water rate study. Proposals must clearly demonstrate full knowledge, understanding, and experience in the methods, techniques, and guidelines required for the performance of the required work. In addition to demonstrating the firm's past experience on similar water rate related projects, the consultant shall specifically demonstrate its experience with the determination of water rate structures for municipal water utility agencies of size similar to the town of Lincoln.

B. Performance Record of Firm – The prospective consultant shall provide the names and descriptions of the last three (3) most recent projects, of a similar magnitude and complexity, and the associated clients for which these services were performed. Client references must include the name of the municipality or agency and the contact information for same.

C. Project Understanding: The Consultant must provide a project understanding to demonstrate this professional services contract in meeting the needs of the Commission. In addition to the understanding of the scope of work, the Consultant must demonstrate the following, which will be considered as part of the selection process.

1. A working knowledge of the RI Department of Health Water Supply regulations and Clean Water Infrastructure Plans, including those applicable publications of the American Water Works Association pertaining to utility management.

2. The Consultant shall prepare a written work plan and general tentative schedule for the performance of the tasks and completion of the tasks leading to the preparation of the Cost of Services and Water Rate Study deliverable.

3. Methods for assuring product quality, cost control, delivery schedule, and project oversight. A narrative description of the Consultant's quality control plan must be included.

D. Cost Evaluation: Cost will be considered as an independent factor from the above evaluation factors. The cost proposal will be evaluated not only to determine whether it is

reasonable, but also to determine the Consultant's understanding of the magnitude of the Scope of Work and ability to complete the contract within necessary time constraints.

E. Evaluation Procedure: All proposals will be reviewed and ranked by the Lincoln Water Commission and the Water Superintendent.

INDEMNIFICATION AND INSURANCE: The successful consultant shall indemnify and hold the employees, officials, and their representatives of the Lincoln Water Commission and the Town of Lincoln harmless from liability of any claims, damages, and lawsuits for any losses, including the loss of life, due to the consultant's work or operations on the Town of Lincoln's property, which would be required to execute the scope of services under the contract agreement.

COLLUSION: Acts of misrepresentation or collusion shall be the basis for disqualification of a proposal. Whereupon the person submitting a proposal is found guilty of acts of misrepresentation or collusion after the Lincoln Water Commission enters into contract with the selected consultant, the Lincoln Water Commission may cancel and terminate the contract or service agreement without incurring liability, penalty, or damages.

SCOPE OF WORK: The general scope of work for these solicited consultation services shall consist of the preparation of a Water Rate Study for purposes of analyzing and updating the schedule of water rates and other fees of the Lincoln Water Commission (LWC) for the fiscal year (FY) period of FY23 to FY 28. The proposed rate structure shall be based on the full cost of service and shall be sufficient to meet the short and long term revenue requirements of the LWC. The work shall be performed in accordance with the tasks outlined and described herein. The consultant shall meet the insurance requirements of the Town of Lincoln.

Task 1: Kick-off Meeting & Data Collection

- 1.1 As part of the initial phase of the study, the consultant shall schedule a kick-off meeting to initially discuss and identify the information to be obtained from the LWC for the purposes of this financial review and evaluation. This meeting will also serve to identify any supplemental information that may be required beyond the information discussed below under Task 1.2.
- 1.2 Data collection will consist of the consultant obtaining the following financial and operating information which will affect the present and future costs of services. This data will include, but not be limited to, historical water usage data; labor and outside services agreements; engineering or capital improvements reports; and audited financial statements.

Task 2: Data Review, Analysis and Evaluation

- 2.1 Review of three to five years of the audited financial statements provided by the LWC.
- 2.2 Evaluate and determine projects of present and future revenue generation.
- 2.3 Assessment of present reserve balances and debt.
- 2.4 Analyze and evaluate the present operating financial conditions including the review of the staffing levels of the LWC relative to other water utilities with similar consumption trends, infrastructure assets, and Customers.

Task 3: Assessment of Current Rate Structure for Fiscal Projections

- 3.1 This subtask will consist of the performance of tasks associated with the review of various cost service categories, including but not limited to, labor cost assessment; present and projected expense cost assessment; debt service schedule; future capital and debt service expenditures; and asset depreciation practices.
- 3.2 Upon completion of the above assessments, the consultant shall develop Cost of Service budgets through the FY 2027 as previously specified for this water rate study period.

Task 4: Assessment and Projection of Revenue Sources

- 4.1 Whereupon the cost of services has been completed under the previously-described tasks, the consultant shall evaluate the revenue sources to support these costs. The assessment and projections for these revenue sources will assist the LWC with funding operations and investment. The revenue sources shall include, but not be limited to, consumption-based revenues; fee revenues; and lien revenues.
- 4.2 Upon completion of the above-described revenue assessments, the consultant shall develop Revenue Budget projections through the FY 2027.
- 4.3 This subtask generally consists of the assessment of the adequacy of the existing water rate structure to meet the present and future needs of the LWC. The consultant shall review and assess billed water consumption, and calculate water rates based on the present rate structure of the LWC. This assessment will also give consideration to alternate rate methodologies for water rate structures in conjunction with a comparative analysis of the water rates of local water utilities.
- 4.4 The consultant shall prepare water rate recommendations through the FY 2027.

Task 5: Preparation of Water Rate Model

- 5.1 The consultant shall develop a detailed water rate model based on the present and future operating costs of service through FY 2027. The model should also integrate present and future revenue generation through FY 2027.
- 5.2 The consultant shall perform rate model run simulations with the LWC to evaluate revenue generation options.

Task 6: Preparation of Water Rate Study Report

- 6.1 Upon completion of the above-described tasks, the consultant shall prepare a formal written report of the overall cost of services and water rate study. This first draft report will serve as a preliminary submittal to the LWC for review and comment.
- 6.2 The consultant will attend at least three meetings with the LWC to present the findings of the cost of services study and the proposed water rate structures for the projected period. These meetings will be scheduled as requested throughout the course of the project, which includes a final meeting to present the findings of the final report to the LWC.
- 6.3 A final report will be prepared to incorporate review comments provided by the LWC in conjunction with any edits that the consultant may deem appropriate in response to the discussions that occur at the presentations.