

April 6, 2016

**REPORT BY SELECTION COMMITTEE  
REQUEST FOR QUALIFICATIONS (RFQ)  
PROFESSIONAL CONSULTING SERVICES  
PREPARATION OF FIVE-YEAR RATE PLAN FOR THE CITY OF FRESNO PUBLIC UTILITIES  
WATER, WASTEWATER MANAGEMENT AND SOLID WASTE MANAGEMENT DIVISIONS  
RFP NO. 24272**

**SELECTION COMMITTEE MEMBERS**

- Phillip Hardcastle, Principal Accountant, City of Fresno, Finance Department-Debt Administration
- Robert Andersen, Assistant Director, City of Fresno, Department of Public Works – Capital Management
- Henry McLaughlin, Business Manager, City of Fresno, Department of Public Utilities – Water Division
- Cynthia Williams, Business Manager, City of Fresno, Department of Public Utilities – Solid Waste Management Division
- Carla Watkins, Business Manager, City of Fresno, Department of Public Utilities – Wastewater Management Division

**BACKGROUND**

The goal of the Request for Qualifications (RFQ) was to solicit a Statement of Qualifications (SOQ) from qualified rate consultants to prepare a five-year rate plan for FY 2020-FY 2024 for the department's three enterprise fund divisions: Water, Wastewater Management and Solid Waste Management.

**CONSULTANT INTERVIEW AND SELECTION PROCESS**

A notice inviting SOQs was published on PlanetBids by the City's Purchasing Division on January 25, 2016. Ten (10) SOQs were received and opened on February 22, 2016. The ten consulting firms that submitted SOQs were:

<u>Consultant Name</u>	<u>Rate Type</u>	<u>Consultant Location</u>
• Raftelis Financial Consultants	Water, Wastewater (WW)	Los Angeles
• HF&H Consultants	Solid Waste (SW)	SF Bay Area
• R3 Consulting Group	SW	Sacramento
• MSW Consultants	SW	Riverside County, CA
• Municipal Financial Services	Water, WW	SF Bay Area & Las Vegas
• Bartle Wells Associates	Water, WW	SF Bay Area
• Black & Veatch Consulting	Water & WW	Los Angeles
• Municipal & Financial Services Group	Water, WW & SW	Baltimore/Washington Area
• Hawksley Consulting	Water, WW & SW	SF Bay Area
• Carollo Engineers	Water, WW & SW	SF Bay Area

The above consultants were invited to interviews with the selection committee on March 15-18, 2016. Eight firms chose in-person interviews and two firms chose phone interviews. During the interviews the selection committee took notes and evaluated each consultant based on the following criteria:

- Understanding of the work to be done

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- Consulting firm's experience with rate planning
- Consultant staff qualifications
- Consultant staff availability for the project
- Consultant approach to client in terms of communications, responsiveness and availability

The selection committee met on March 23, 2016 and April 1, 2016 to collectively discuss and evaluate the consultants based on their submitted SOQs and consultant interviews.

The consultants were ranked by the selection committee. Municipal Financial Services ranked the highest for both water and wastewater rate planning and HF&H Consultants ranked the highest for solid waste rate planning.

Following are selection committee comments regarding each consulting firm:

<p><b><u>Raftelis Financial Consultants</u></b></p> <ul style="list-style-type: none"> <li>• Met RFQ requirements</li> <li>• Proposal, presentation and interview were professional</li> <li>• Highly professional and experienced consulting firm</li> <li>• Identified City's future rate planning challenges</li> <li>• Several hundred rate planning projects done in California and other states</li> <li>• Public outreach with workshops is important</li> <li>• Depth of resources</li> <li>• Industry leader in rate consulting</li> </ul>	<p><b><u>HF&amp;H Consultants</u></b></p> <ul style="list-style-type: none"> <li>• Met RFQ requirements</li> <li>• Proposal, presentation and interview were professional</li> <li>• Highly professional and experienced consulting firm</li> <li>• Previous solid waste consulting experience with City</li> <li>• Identified City's future rate planning challenges</li> <li>• Understands the dynamics of City's environment</li> </ul>
<p><b><u>R3 Consulting Group</u></b></p> <ul style="list-style-type: none"> <li>• Met RFQ requirements</li> <li>• Proposal, presentation and interview were professional</li> <li>• Highly professional and experienced consulting firm</li> <li>• Extensive solid waste operational analysis experience</li> <li>• Previous consulting experience with City</li> <li>• Emphasized vehicle replacement</li> </ul>	<p><b><u>MSW Consultants</u></b></p> <ul style="list-style-type: none"> <li>• Met RFQ requirements</li> <li>• Proposal, presentation and interview were professional</li> <li>• Highly professional and experienced consulting firm</li> <li>• Broad range of consulting services</li> </ul>
<p><b><u>Municipal Financial Services</u></b></p> <ul style="list-style-type: none"> <li>• Met RFQ requirements</li> <li>• Proposal, presentation and interview were professional</li> <li>• Highly professional and experienced consulting firm</li> <li>• Identified City's future rate planning challenges</li> </ul>	<p><b><u>Bartle Wells Associates</u></b></p> <ul style="list-style-type: none"> <li>• Met RFQ requirements</li> <li>• Proposal, presentation and interview were professional</li> <li>• Highly professional and experienced consulting firm</li> <li>• Identified City's future rate planning challenges</li> </ul>

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<ul style="list-style-type: none"> <li>• Previous water rate studies for City</li> <li>• Emphasized that City must avoid rate litigation</li> <li>• Public outreach is important</li> <li>• Done rate studies for many California agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Previous wastewater rate studies for City</li> <li>• Hands on approach</li> <li>• Lots of rate planning experience in California</li> <li>• Recycled water rate experience</li> <li>• Has worked with other Central Valley cities on water rates</li> </ul>
<p><b><u>Black &amp; Veatch Consulting</u></b></p> <ul style="list-style-type: none"> <li>• Met RFQ requirements</li> <li>• Proposal, presentation and interview were professional</li> <li>• Highly professional and experienced consulting firm</li> <li>• Identified City’s future rate planning challenges</li> <li>• Familiar with Fresno rate issues</li> <li>• Stressed collaboration with stakeholders</li> <li>• Strong industry research</li> </ul>	<p><b><u>Municipal &amp; Financial Services Group</u></b></p> <ul style="list-style-type: none"> <li>• Met RFQ requirements</li> <li>• Proposal, presentation and interview were professional</li> <li>• Highly professional and experienced consulting firm</li> <li>• Good understanding of industry challenges</li> <li>• Large California agency rate planning experience</li> </ul>
<p><b><u>Hawksley Consulting</u></b></p> <ul style="list-style-type: none"> <li>• Met RFQ requirements</li> <li>• Proposal, presentation and interview were professional</li> <li>• Highly professional and experienced consulting firm</li> <li>• Well versed in City’s utility operations</li> <li>• Performed wastewater rate work for other Central Valley cities</li> <li>• Has depth of resources</li> </ul>	<p><b><u>Carollo Engineers</u></b></p> <ul style="list-style-type: none"> <li>• Met RFQ requirements</li> <li>• Proposal, presentation and interview were professional</li> <li>• Highly professional and experienced consulting firm</li> <li>• Identified City’s future rate planning challenges</li> <li>• Lots of water and wastewater rate planning experience</li> <li>• Integrated engineering and finance approach</li> <li>• Stressed importance of telling the Fresno rate story</li> </ul>

**RECOMMENDATION**

The selection committee ranked Municipal Financial Services as having the best combination of SOQ and interview for water and wastewater rate planning. HF&H Consultants was ranked as having the best combination of SOQ and interview for solid waste rate planning. Therefore, the selection committee recommends that Municipal Financial Services be selected for water and wastewater rate planning and HF&H Consultants be selected for solid waste rate planning based on their understanding of the work to be done, experience with rate planning, staff qualifications, staff availability for the project and approach to the client in terms of communications, responsiveness and availability.

The selection committee also recommends Carollo Engineers be used as needed to provide additional project support for water and/or wastewater rate planning and R3 Consultants be used as needed to provide additional project support for solid waste rate planning.