

January 22, 2016

NOTICE FOR CONSULTING SERVICES

THE CITY OF FRESNO IS INVITING CONSULTANTS TO SUBMIT A
"STATEMENT OF QUALIFICATIONS" FOR

PREPARATION OF FIVE-YEAR RATE PLAN FOR THE CITY OF FRESNO PUBLIC UTILITIES WATER, WASTEWATER MANAGEMENT AND SOLID WASTE MANAGEMENT DIVISIONS

I. Introduction

The City of Fresno, Department of Public Utilities (DPU) is requesting a Statement of Qualifications (SOQ) from qualified rate consultants to prepare a five-year rate plan for the department's three enterprise fund divisions: Water, Wastewater Management and Solid Waste Management.

II. Project Description

The proposed five-year rate plans need to take into account each division's needs for capital, operations and maintenance expenditures, bond debt coverage and reserves for both capital and operations. The proposed rate plans need to include rates that are equitable for residential, industrial and commercial customers. The consultant may choose to provide an SOQ for developing a rate plan for any one, two or three enterprise fund division(s). The consultant must specify for which enterprise fund division(s) it is providing an SOQ.

Below is a brief overview of the three divisions:

WATER DIVISION

The Water Division is responsible for delivering a reliable supply of safe, high-quality water to both City and County residents in the Fresno Metropolitan area for domestic, commercial, institutional and industrial use. More than 39.5 billion gallons of water were delivered in FY 2015 through approximately 1,800 miles of water mains that met mandated State and Federal drinking water standards. This consisted of 31.8 billion gallons of groundwater pumped from over 260 wells and 7.7 billion gallons from the NE Fresno Surface Water Treatment Facility (SWTF) and a SE Fresno water storage tank.

FY 2016 Water Division Budget
O&M Expenditures--\$53.0 million
Capital--\$238.5 million
Debt Service--\$19.0 million
Total Budget: \$310.5 million

WASTEWATER MANAGEMENT DIVISION

The Wastewater Management Division is responsible for the collection, conveyance, treatment and reclamation of wastewater generated by the residential, commercial, and industrial sewer customers in the Fresno-Clovis metropolitan area. Wastewater from homes and businesses in the metro area travels through approximately 1,500 miles of sanitary sewer lines maintained by the Wastewater Management Division to the Fresno-Clovis Regional Wastewater Reclamation Facility located in southwest Fresno. The division treats approximately 55-60 MGD of wastewater at the 80 MGD Fresno-Clovis Regional Wastewater Reclamation Facility, the 8th largest wastewater treatment plant in California, and at the North Fresno Wastewater Reclamation Facility.

FY 2016 Wastewater Management Division Budget
O&M Expenditures--\$36.7 million
Capital--\$66.5 million
Debt Service--\$18.7 million
Total Budget: \$121.8 million

SOLID WASTE MANAGEMENT DIVISION

The Solid Waste Management Division is responsible for the collection of municipal solid waste, recyclables, and green waste from nearly 110,000 residential customers who produce approximately 4,500 tons of material each week. Solid Waste invests in the most efficient methods, green solutions, and innovative ways to service, dispose and manage all collections for a cleaner Fresno.

FY 2016 Solid Waste Management Division Budget
O&M Expenditures--\$36.5 million
Capital--\$1.8 million
Total Budget: \$38.3 million

III. Scope of Services

- Update the City's water, wastewater and/or solid waste rate model(s) and develop recommendations for a five-year rate program for each division for FY 2020-FY 2024
- Provide ten years of projected financial performance for each division
- Evaluate equity of all rate categories and revenue recovery of the existing rate structure for water and wastewater, in particular with reference to commercial and industrial rate classes
- Ensure compliance with Proposition 218 and state and federal requirements
- Develop at least two different rate scenarios per division for presentation to utility management and the City Council

- Submit final rate analysis and rate report
- Meet with utility management to discuss findings and policy implications
- Assist with rate adoption process and associated public hearings
- Provide ongoing rate analysis and rate model adjustments as needed
- Provide requested additional services related to utility rates as needed

IV. SOQ Requirements

If your firm is interested in this project, please submit five (5) copies of your SOQ that includes the following:

- Cover letter
- Overview of the firm and any proposed sub-consultants
- Summary of the company's experience, scope of work and performance on similar projects completed in the last five years including references
- Resumes of the project manager and key staff who will be involved in the day to day operation of the project. Include education, relevant past project experience, and description of their assignment on this project
- Work plan identifying the major tasks, approach to the work, and deliverables for the project
- Schedule for project completion including the major tasks identified in the work plan
- Listing of client references for completed work related to the project

AT THIS TIME ESTIMATED CONSULTANT FEE SHALL NOT BE INCLUDED IN THE SUBMITTAL PACKAGE.

The SOQ should be precise and not exceed twenty-five (25) pages including cover letter and table of contents.

V. Schedule

The tentative schedule for hiring and engaging the consultant is as follows:

- SOQs submitted to City – **by 4:00 pm on February 22, 2016.**
- City interviews consultants for the project – week of March 14, 2016.
- City selects a consultant for the project – week of March 21, 2016.
- Full proposal submitted by consultant – week of April 4, 2016.
- City approval of Consultant Agreement – week of May 16, 2016

VI. Consultant Selection

Consultant selection for award of a contract shall be in accordance with City's Administrative Order 6-19, consultant selection policy, and qualitative analysis. The City reserves the right to make the selection of a consultant based on any or all factors of value, whether quantitatively identifiable or not, including, but not limited to, the

anticipated initiative and ability of the consultant to perform the services set forth herein. The City may select one (1), two (2) or three (3) consulting firms to perform the required rate consulting work for the three divisions.

The initial screening of the consultant's SOQ will be based on a review and evaluation process in which consultants that rank the highest will be short listed and invited to an interview and consultant presentation. The number of consultants that will be invited to the interview and presentation will be dependent on the number of SOQs received by the City. At a minimum three (3) consultants will be invited to the interview and presentation process. The final selection shall be based on the consultant interview and presentation.

This solicitation for SOQ does not commit the City of Fresno to enter into a contract or to pay any costs incurred in the preparation of the SOQ. The City of Fresno reserves the right to accept or reject any SOQs, and to negotiate with any qualified consultant, or to cancel in part or in its entirety this solicitation for SOQs.

Professional Liability Insurance

Professional liability insurance (errors and omissions) with limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate, and commercial general liability of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate will be required for this project. The City's standard contract will be used, which includes; a conflict of interest statement, and completion of a statement of economic interest. Copies of the City's Standard Contract, Local Preference, and Consultant Selection Polices are available on request. Any contract exceeding \$50,000 shall be subject to the approval of the City Council in accordance with Fresno Municipal Code.

Regulated Communication in City Procurement Process Ordinance

The Regulated Communications in City Procurement Process Ordinance (Article 6, Chapter 4 of the Fresno Municipal Code) became effective April 29, 2004. With certain specified exceptions, the Ordinance provides that no Respondent, Bidder, Proposer (as the case may be) shall initiate, engage in, or continue any communication to or with any City elected official concerning or touching upon any matter which is the subject of this competitive procurement process.

Any Respondent, Bidder, Proposer or elected official (as the case may be) who initiates, engages in, continues in, or receives any regulated communication shall file the written disclosure required by the Regulated Communications in City Procurement Process Ordinance.

Any Respondent, Bidder, or Proposer violating the Regulated Communications in City Procurement Process Ordinance may be disqualified from participating in this procurement process and/or determined to be non-responsible. Additionally, the City may set aside the award of a contract, prior to its execution, to a party found to have violated the Ordinance.

Note: The full text of Fresno Municipal Code Chapter 4, Article 6 may be obtained at the City Clerk's office and may be viewed on the City's website at <http://www.fresno.gov>,

reference from there the "Government" heading, "City Clerk," and then click on "Fresno Municipal Code" in the middle of the page.

Debarment

A Proposer who has been determined by the Council to be non-responsible may be debarred from bidding or proposing upon or being awarded any contract with the City or City of Fresno Redevelopment Agency, or from being a subcontractor or supplier at any tier upon such contract, in accordance with the procedures in Resolution 2003-130 adopted by Council on April 29, 2003. The initial period of any such debarment shall not be less than one year or more than three years. A Proposer may request a hearing, in accordance with Resolution 2003-130, upon receipt of a notice of proposed debarment from the City Manager or his/her designee. A copy of the Resolution may be obtained from the City Clerk's Office, 2600 Fresno Street, Fresno, California 93721.

VII. Request for Information

All requests for information (RFI) and questions regarding this project shall be in writing via email or FAX to **John Watkins** in the City of Fresno, Department of Public Utilities. There are to be NO phone calls to the City for additional information or clarification. The City shall reply to any question or RFI that the City deems necessary for the preparation of the Consultant's SOQ. Response to RFI and questions shall be done via email. The email list that shall be utilized for distribution of the response shall be the Department of Public Utilities consultant list. The City does not guarantee the email list is complete and accurate. It is the responsibility of the consultant to ensure proper email address is on record. Failure to abide by this provision shall deem that consultant is non-responsive and the SOQ will not be considered.

If your firm is interested in the consulting services for this project, please submit Five (5) copies of your SOQ by 4:00 p.m. on February 22, 2016, to:

John Watkins, Senior Management Analyst
City of Fresno, Department of Public Utilities
2600 Fresno Street, 4th Floor, Room 4019
Fresno, CA 93721

The City will be utilizing a Standard City Consultant Agreement with no modification. The City will NOT entertain any modification of the agreement.

Consultant selection shall be in accordance with established City consultant selection policy. Please note the City has a policy that provides preference to local consultants. It is anticipated that the City will select a firm from the SOQs submitted. The City will negotiate a professional services contract for the work after the staff has determined the most qualified firm.

Each firm submits an SOQ package at their own risk. No compensation will be due to any firm for preparation of a written SOQ. The City can cancel the project at any time

without consequence. Should you have any questions or require additional information, follow the procedure outlined in the RFI above. The RFI shall be sent to **john.watkins@fresno.gov or FAX to 559-457-1234.**

The City of Fresno hereby notifies all consultants that no person shall be excluded from participation in, denied any benefits of, or otherwise discriminated against in connection with the award and performance of any contract on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era.

Sincerely,

Thomas C. Esqueda, Director
City of Fresno, Department of Public Utilities