

City of Portsmouth  
Portsmouth, New Hampshire  
**Public Works and Finance Departments**  
RFQ #03-13  
REQUEST FOR QUALIFICATIONS

CONSULTING SERVICES  
WATER AND WASTEWATER SYSTEM RATE STUDY

**INVITATION:**

Sealed Statement of Qualifications (SOQ), plainly marked RFQ #03-13, “Water and Wastewater System Rate Study” on the outside of the mailing envelope, addressed to the Finance/Purchasing Department, City Hall, 1 Junkins Avenue, Portsmouth, NH 03801 will be accepted until **2:00 pm on August 30, 2012.**

**FUNDING**

This effort will be funded by water and sewer enterprise fund revenues.

**PROJECT BACKGROUND/PURPOSE**

The City of Portsmouth is a regional water and sewer service provider, with a water service area that includes customers in the City of Portsmouth, including the Pease International Tradeport, as well as the Towns of Greenland, Madbury, New Castle, Newington, and Rye and a sewer service area that includes City of Portsmouth, including the Pease International Tradeport, as well as the Towns of New Castle and a small portion of the towns of Greenland, and Rye.

The purpose of this rate study is to update the City’s existing rate model program along with addressing a number specific rate related questions that have been raised over the last several years. Those issues include the potential changes to the exiting two tiered rate structure, condominium metering, the irrigation meter policy and the impact these changes may have on revenues for the divisions. The intent of the study is to produce an updated rate and fee structure that creates a fair, equitable and sustainable funding system for the water and sewer utilities.

Additional background information is available on the City’s web site at <http://www.cityofportsmouth.com>.

**TECHNICAL SCOPE OF SERVICES**

The following is a general summary of the anticipated project components. These components will be updated and refined by the City after the selection of the consultant.

**Overview:**

1. Determine the cost of system services for water and wastewater operations and develop a set of preliminary rate and fee structure alternatives that will accurately reflect the cost of service. A rate model alternatives analysis shall be performed with the City and an alternative shall be selected. The selected alternative should be modeled to provide recommended rates and fees including system development charges for fiscal years 2014 through 2018.
2. An impact analysis of these rate and fee structures must be prepared to show what the effects on customers of each class and usage level will be relative to finances, insurance, taxes and

benefits. Revenue and cost projections for the five (5) years to be studied must be included. A final rate and fee structure will be developed after presentations and deliberations by the City Council.

3. The consultant will develop a user-friendly computer program in a format acceptable to the City of Portsmouth for calculating the specific rates, costs and revenues in any given year. The model must allow for adjustments to be made in response to economic conditions. The computer program will be turned over to the City's ownership and use. A minimum of two - four (4) hour onsite training sessions will be required in the use of this program. The staff most qualified to receive training shall be identified by the City.

4. A public involvement/outreach component of this project will be developed with the selected consultant. The intent of this task will be to inform and solicit input from the Water and Sewer Division's users, City staff, public officials, and business owners about the rate study process and cost of service for the water and sewer systems. Presentations by the consultant will also be required at City Council meetings and at other meetings as directed by the City.

5. The final report will document the key elements considered in making the fee and rate recommendations and review the science of the model.

### **Objectives:**

Study and rate model update to:

1. Determine the cost of system services with the intent of establishing usage rates and fee schedule;
2. Evaluate alternative rate structures;
3. Update rate model to adjustment for current economic condition;
4. 5-year look ahead financial plan for:
  - Implementation of capital improvements and resulting debt service.
  - Anticipated water and sewer operations budgets.
5. Develop public outreach and solicit stakeholder input regarding water and wastewater cost of service and rate options.

### **Scope of Services:**

#### **Meetings, Communications and Training**

- Kickoff meeting — discuss study goals and objectives with project team, refine scope and review schedule milestones;
- Public Outreach (Workshop No. 1) – Prepare for, advertise and develop outreach materials to present to the public at an open forum. This first workshop is intended to be informational and means to further describe the water and wastewater systems, their operational costs, water and sewer usage patterns, regulatory compliance issues, and anticipated capital improvement. The forum will also allow for public input into the process to identify key user concerns.
- Public Outreach (Workshop No. 2) — Upon completion of first draft alternatives evaluation, a second public forum will present these alternatives and solicit public input;

- Public Outreach (Workshop No. 3) — Upon completion of the updated draft of alternatives evaluation and draft report, a third public forum will present the proposed rate alternatives and solicit public input.
- Final Report and Presentation of recommendations to City Council together with delivery of the rate model tool;
- On-site training of the rate tool.

It is anticipated that the City’s website will enable the selected consultant a portal to deliver information to the general public about the rate setting process, place presentation materials, and potentially solicit public input.

### **Rate Tool Components**

The Rate Tool shall be created in a user-friendly format acceptable to the City of Portsmouth, and shall include, at a minimum:

- Updated O&M Budget Work Sheet
- Updated Revenue Sources and Water Use Demographics
- Updated Planned Capital Improvements and Resulting Debt Service
- A 5-Year Look Ahead for Selected Rate Structure Alternatives

### **Report**

- Prepare and submit a draft report and rate tool to City Staff (After First Public Outreach Workshop);
- Upon receipt of comments, update draft report and rate tool (After Second Public Outreach Workshop).
- Prepare, submit and present the final report and rate tool. Final Report will, at a minimum:
  - Identify and Evaluate Alternative Rate Structures;
  - Summarize public outreach component of the project;
  - Develop rate tool work sheets for selected alternatives;
  - Perform user charge predictions for selected alternatives; and
  - Prepare comparison summary of analysis and predicted user charges.

### **Required Contents of the Statement of Qualifications (SOQ)**

A sealed SOQ, plainly marked RFQ #03-13, “Consulting Services, Water and Wastewater System Rate Study” on the outside of the envelope, addressed to the Finance/Purchasing Department, City Hall, 1 Junkins Avenue, Portsmouth, NH 03801 will be accepted until 2:00 pm on August 30, 2012. Statement of Qualifications shall be limited to 30 pages. Additional material may be included as appendices or attachments. Five (5) copies of the SOQ shall be submitted and include the following information:

#### **1. Firm (team) Experience (for each firm in the team):**

Describe relevant experience in each of the following primary areas of focus:

- Familiarity with the Portsmouth Water and Wastewater Division’s operations, existing customer demographics and issues.
- Water and Sewer Rate Study experience.
- Public outreach experience.
- If project team is made up of a number of firms provide examples of previous successful collaborations with team members.

The firm's experience shall be summarized in a matrix format. In addition, detailed project descriptions of no more than five reference projects of similar size and scope containing the majority of the focus areas listed above shall be included. The project descriptions shall be current and limited to a maximum of one full page per project, along with client references and up-to-date contact information (name, title, organization, phone, and email).

## 2. Project Team:

List each member of the proposed Project Team along with their:

- Firm affiliation
- Area of specialty
- Office location
- Total years of experience
- Years with current firm

One member of the Project Team must be assigned as the Project Manager who will act as the primary client contact and who shall be involved in day to day management of the Project. All resumes shall be included and limited to a maximum of two pages per team member.

## Ranking of Qualifications

Each SOQ will be reviewed and ranked according to the following criteria:

- Firm's experience and references of successfully completed similar projects - Maximum of 40 points
- Proposed project team - Maximum of 40 points
- Quality of SOQ package Maximum of 20 points

## SCHEDULE

### Anticipated Project Timeline

- August 30, 2012 – Statement of Qualifications Due
- September, 2012 – Potential Interview Dates
- September 28, 2012 – Consultant Selected
- October, 2012 – Kickoff Meeting, Initial Data Collection, Initial Analysis, and Public Outreach
- Late October, 2012 – First Public Outreach Workshop
- November 30, 2012 – Draft Report and Draft Rate Tool
- Week of November 12 to 16, 2012 – Second Public Outreach Workshop
- December 28, 2012 – Updated Draft Report and Updated Draft Rate Tool
- Early January 2013 – Third Public Meeting (and/or City Council Meeting, Budget Committee, other as defined)
- February 2013 – Final Report and Recommendations to City Council

The overall level of effort and final schedule will vary based on the negotiated scope and work tasks.

## CITY ROLE

City staff will be responsible for administering the project. Representatives of the City's Public Works and Finance Departments will provide input and assistance with any necessary field work and review all deliverables from the effort.

**SELECTION AND CONTRACT DOCUMENT**

Upon review of all responsive SOQs using the criteria outlined above, the City may select up to three (3) firms to submit proposals and interview. Upon selection, the highest ranking firm will be invited to negotiate a Scope of Services and fee with the City. When the contract is executed by both parties, the Consultant will be instructed to commence providing the work outlined in the contract. If the City is unable to reach agreement with the highest ranking firm, the City will enter into negotiations with the next highest ranking firm. The City reserves the right to negotiate directly with the firm(s) selected for additional project work.

**RESERVATION OF RIGHTS**

The City reserves the right to undertake such investigation as it deems necessary to evaluate the qualifications of the firm and to evaluate the qualifications submitted. Firms may be requested to execute releases for information. Failure to provide a release upon request will result in disqualification. The City of Portsmouth reserves the right to reject any or all proposals, to waive technical or legal deficiencies, and to accept any proposal that it may deem to be in the best interest of the City and to negotiate the terms and conditions of any proposal leading to execution of a contract. The City reserves the right to negotiate directly with the firm(s) selected for additional project work.

**ADDITIONAL INFORMATION**

Requests for additional information should be directed to Terry Desmarais or Peter Rice at (603) 427-1530.

Addenda to this request for qualifications, if any, including written answers to questions, will be posted on the City of Portsmouth website at the City's web site at <http://www.cityofportsmouth.com/finance/purchasing.htm> under the project heading. Addenda and updates will NOT be sent directly to firms. Firms submitting qualifications should check the web site daily for addenda and updates after the release date. Firms should print out, sign and return addenda with the proposal. Failure to do so may result in disqualification.