



Mid-Peninsula Water District
3 Dairy Lane
Belmont, CA 94002
(650) 591-8941

REQUEST FOR PROPOSAL (RFP) FOR 2020 WATER RATE STUDY

The Mid-Peninsula Water District (MPWD) is soliciting proposals from qualified consulting firms to prepare a multi-year water rate study. The intent of the 2020 Water Rate Study is to assess MPWD's existing rate structure and revenue derived and to recommend a water rate structure to adequately operate and maintain the water infrastructure while ensuring a safe level of service to MPWD customers.

BACKGROUND:

The MPWD provides water service to a population of approximately 27,000 in the City of Belmont and adjacent portions of the City of San Carlos and unincorporated San Mateo County. The MPWD's service area covers about 5 square miles. MPWD is located about 30 miles south of San Francisco in San Mateo County. MPWD was formed in 1929 as a County Water District and is governed by a five-member board of directors.

The MPWD currently purchases all of its water from the San Francisco Public Utilities Commission (SFPUC), and is a member of the Bay Area Water Supply and Conservation Agency (BAWSCA), which represents the collective interests of 26 regional water purveyors receiving water supply from the SFPUC. SFPUC water is treated and delivered to the District's 7,900 accounts through two service connections. The MPWD owns and operates a water distribution system that includes 9 pressure zones, 19 pumps, 11 water tanks, 20 water regulating valves, 790 fire hydrants and 94 miles of water mains.

MPWD's mission is to deliver a safe, high quality, reliable supply of water for current and future generations in a cost-effective, environmentally sensitive, and efficient manner.

SCOPE OF SERVICES:

WATER RATE STUDY

The Water Rate Study - will review the MPWD's current rate structure and create a 10-year financial plan and model to make recommendations regarding adjustments to the water rates that will pay for wholesale water costs, required maintenance and projects, and "pay-go" capital needs based on the MPWD capital improvement program. The Consultant must include a detailed description of all project tasks, including those suggested in the Scope of Work and any proposed changes, additions or recommendations. The description of each task must include the methodology and/or analytical process, scheduling, personnel and costs.

The Scope of Work includes:

- **Current and Recommended Rate Structure, including Water Shortage Emergency Rates** – assess the current rate structure’s suitability for sustaining cost recovery based on customer demands as well as conformance with existing statutory regulations making recommendations for any changes that are necessary to achieve compliance. The study must recommend rate structure that consider and make provisions for the following factors:
 - o Current and future cost of providing water service in accordance with established and anticipated standards and regulations;
 - o Projected demands;
 - o A rate structure that sends a conservation signal to customers;
 - o Age and condition of the water system and the need to fund long-term capital improvement/replacement;
 - o Upcoming revisions to delivery of drinking water to consumers;
 - o Consistent with current regulations such as Proposition 218;
 - o Consistent with MPWD’s Urban Water Management Plan and Water Shortage Contingency Plan;
 - o Impact of current and future environmental regulations; and
 - o Other impacts as identified.
- **Equity** – assess the equity of recommended water rates for all type of property ownership. Justifications for any special classes of customers under the recommended rate structure will be demonstrated. The recommended rates will be based on cost of service and shall be sufficient to meet the short- and long-term revenue requirements of the MPWD operations and capital needs. The benefits of any proposed modifications will be weighed against the financial impacts on ratepayers.
- **Water Cost Recovery and Attribution** – assess the current structure in support of the MPWD’s tiered rates.
- **Fire Protection Service Charges** – assess the current structure and recommend modifications based upon system requirements weighed against financial impacts on ratepayers.
- **Other Rate Categories** – determine if the MPWD should consider other rate categories beyond its current categories of residential and commercial, and make recommendations.
- **10-Year Revenue and Expenditure Model** – develop and deliver to MPWD staff a working model that analyzes annual revenue requirements needed to fund the MPWD’s current and planned operating and capital programs, including projects identified in the MPWD Capital Improvement Program. The model should provide a 10-year financial plan and projections showing revenue and operating costs based upon the different rate structures proposed and allow the MPWD to alter revenue and expenditure inputs and receive rate adjustments supporting the revised inputs.
- **Electronic Rate Model** – provide an easy-to-use electronic rate model for the MPWD to use in future rate analysis and setting updates.
- **Reserve Balance Targets** – recommend reserve levels for operating and capital replacement as well as cash flow and unforeseen events. The recommended rates will consider the type and amount of reserves appropriate to the MPWD’s operations taking into consideration reserves for cash flow, catastrophes, infrastructure replacement and other appropriate purposes, and consistent with the MPWD’s Cash Reserve Policy.
- **Water Commodity Charges** – develop and recommend a 5-year rate schedule for a Proposition 218 notice and hearing process starting with fiscal year 2021-22 (July 1, 2021) for tiered water commodity charges. Recommend necessary rate adjustments to MPWD rate

- categories existing and proposed to ensure the MPWD is in sound financial health for its operations and capital requirements. Show and compare with other local water agencies within the San Francisco Regional Water System.
- **Water Meter Charges (Fixed System Charges)** – evaluate and recommend a 5-year schedule for a Proposition 218 notice and hearing process to the water meter charges and fire meter charges so that these charges rationally and incrementally adjust to become 35% of the MPWD revenues over the 5-year period. Show and compare with other local water agencies within the San Francisco Regional Water System.
 - **Conservations Impacts** – assess any decreased water consumption in recommended rates and the impact on the ability to fund water operations.
 - **Water Shortage Emergency Rates** – evaluate and recommend a 5-year schedule to Water Shortage Emergency Rates for a Proposition 218 notice and hearing process based on the MPWD’s Urban Water Management Plan and Water Shortage Contingency Plan--10%, 20%, 30% and 50% water supply cutbacks. Determine the financial impacts to rates and options to ensure the water revenues remain intact.
 - **Rate Assistance Program** – evaluate the possibility of implementing a rate assistance program for low-income households and/or senior citizens that meets current regulations. Include a comparison to rate assistance programs from neighboring water agencies. Determine the financial impacts to rates and options to ensure the water revenue remains whole.
 - **Industry Standards** – the recommended rate structure(s) will be consistent with industry practices for utility rate making in California. The study will recommend rates based upon standard rate practices that meet the criteria.
 - **Rate Survey** – provide an analysis of 3-unit, 6-unit, 9-unit, and 12-unit billing comparison of recommended rate adjustments as compared to other local water agencies within the San Francisco Regional Water System.

Project management will include the review of the Proposition 218 notice related to the recommended water rate structure, meetings with MPWD staff, meetings with the Board Finance Committee, and Board meetings.

Current MPWD Rates and Charges are available on the MPWD website:
https://storage.googleapis.com/midpeninsulawater-org/uploads/Ord120_RatesnadCharges_04252019.pdf

The MPWD 2015 Financial Plan and Water Rate Study is available on the MPWD website:
https://storage.googleapis.com/midpeninsulawater-org/uploads/MPWD_WaterRateStudyReport_Final_052615b22.pdf

2016 and 2018 updates are also available for reference at the MPWD website:
<https://www.midpeninsulawater.org/financialrecords>

DELIVERABLES:

The study must explain the methodology and analytical process to support the evaluation of the water rates according to the Scope of Work. The Consultant must provide electronic files (in Word, Excel and Adobe Acrobat) of the draft study and draft final study for MPWD review. The Consultant must provide ten (10) hard copies and electronic files (in Word, Excel and Adobe Acrobat) of the final study.

PROPOSAL PREPARATION AND SUBMITTAL:

The proposal must clearly demonstrate an understanding of the MPWD’s objectives. The proposal must be brief, precise, will not include unnecessary promotional material, and be 35 pages maximum (excluding resumes and cost proposal) and organized as follows:

1. Transmittal Letter – to include an introduction of the firm, summary of general qualifications and will be signed by an **officer** of the firm who is authorized to negotiate a contract with the MPWD.
2. Remain in Effect – all proposals will remain in effect and legally binding for a minimum of 120 days from the opening date.
3. Executive Summary – a brief summary of the key characteristics of the proposal is required.
4. Study Approach and Schedule – will convey a clear understanding of the Scope of Work to be performed and shall include detailed descriptions of all project tasks and any proposed changes, additions or recommendations. The description of each task shall include the methodology or analytical process, scheduling and personnel.
5. Team Experience – will describe the qualifications and experience of the key personnel to be assigned to the project and include previous experience with water rate studies. The proposal will include an organizational chart showing the inter-relation of all project team members.
6. Quality Assurance/Quality Control – describe how QA/QC will be provided for the study. Identify the individual(s) that will be involved and at what milestones they will be provided. Provide information on your plan to manage the schedule and budget, and provide updates to the MPWD.
7. References – provide at least three (3) references (name, company, title address, telephone number, email) for the key individuals on the project team.
8. Cost Proposal – will be per task and include a spreadsheet identifying personnel, hourly rates, project responsibilities, and estimate time expected for each task. The cost proposal must be presented as not-to-exceed, with all overhead/expenses included in the estimated costs. The hourly rates will include labor, reporting, travel, technical supervision, equipment, taxes, insurance, and all other incidental charges.
9. Questions of RFP – inquiries that result in an addendum to the RFP will be emailed to each Consultant.
10. Exceptions – include a statement regarding any exceptions to the MPWD Professional Services Agreement (Attached). If no exceptions are included, the MPWD will expect the Consultant to sign the Agreement and provide the required insurance and indemnification.
11. Additional Information – other information may be included to assist in the selection process.

Respondents are directed to submit six (6) hard copies and one (1) electronic copy on a USB drive of their proposal to:

**Mid-Peninsula Water District
Attention: General Manager
3 Dairy Lane
Belmont, CA 94002**

by 12:00PM on Wednesday, June 3, 2020. Each Proposal must be clearly marked indicating the Respondent’s name, address, and the solicitation name ***“Proposal – 2020 Water Rate Study”***. Proposals received after the date and time specified will not be considered. **Facsimile, telephone, electronic or verbal proposals will not be accepted.**

SELECTION CRITERIA:

The RFP will be scored on the following selection criteria:

SELECTION CRITERIA	MAXIMUM SCORE
1. Consultant’s Background Information	10
2. Understanding of both Scopes of Work	50
3. Consultant’s Experience and Project Staff	30
4. QA/QC	10
Total Possible Score	100

KEY DATES:

Request for Proposal Issued.....April 27, 2020
 Deadline for Submitting RFP Questions.....By 12:00PM on May 12, 2020
 Deadline for MPWD’s Response to RFP Questions.....By 4:00PM on May 18, 2020
 Due Date for Proposals to MPWD.....By 12:00PM on June 3, 2020

POINT OF CONTACT:

All questions should be transmitted in writing by 12:00PM on Tuesday, May 12, 2020 to the MPWD Operations Manager, Mr. Rene Ramirez, at rramirez@midpeninsulawater.org.

INSURANCE REQUIREMENTS:

Respondents are directed to Section 12 of the Sample Professional Services Agreement.

WITHDRAWAL OF PROPOSAL

Submission of a proposal will constitute a firm offer to MPWD for 120 days from the deadline for receipt of proposals. A Proposer may withdraw its proposal any time before the date and time when proposals are due, without prejudice, by submitting a written request for its withdrawal to the Mr. Rene Ramirez, Operations Manager, at rramirez@midpeninsulawater.org. A telephone request is not acceptable.

EVALUATION AND AWARD

Contract award, if made, will be made to the Proposer that submits the proposal considered most advantageous to MPWD based on the criteria set forth above. Proposers will bear all costs incurred in the preparation of the Proposal and participation in the Proposal process.

TERM OF CONTRACT:

The term of the Agreement will be approximately one (1) year and awarded at the discretion of the MPWD Board of Directors.

MPWD RIGHTS:

The MPWD reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with any qualified source, to cancel this RFP in part or in its entirety, to request additional information, hold discussions/interviews, and request revised proposals.

PAYMENTS:

Compensation will be per task. The Consultant must submit monthly invoices to the MPWD Point of Contact. Invoices must identify the tasks, personnel, and hourly rate for which payment is being requested and conform to the Scope of Work identified in the cost proposal.

CONTRACTUAL TERMS AND CONDITIONS:

The Consultant will be required to sign the MPWD’s Professional Services Agreement (Attached).

All work including data, documents, and other work products performed or prepared by the Consultant and all sub-consultants will be considered the property of the MPWD. All proposals and materials, once submitted to the MPWD, become public record and may be released upon request as set forth below.

CONFIDENTIALITY OF PROPOSALS:

The California Public Records Act (California Government Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless the information is exempt from disclosure by law, the content of any request for explanation, exception or substitution, response to these specifications, protest or any other written communication between MPWD and the Respondent will be available to the public.

If the Respondent believes any communication contains trade secrets or other proprietary information that the Respondent believes would cause substantial injury to the Respondent’s competitive position if disclosed, the Respondent will request that MPWD withhold from disclosure the proprietary or other confidential information by marking each page containing such information as confidential. The Respondent may not designate its entire proposal or bid as confidential. Additionally, Respondent may not designate its cost proposal or any required bid forms or certifications as confidential.

If Respondent requests that MPWD withhold from disclosure information identified as confidential, and MPWD complies with the Respondent’s request, Respondent will assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless MPWD from and against all damages (including but not limited to attorneys’ fees that may be awarded to the party requesting the Respondent information), and pay any and all costs and expenses related to the withholding of Respondent information. Respondent will not make a claim, sue or maintain any legal action against MPWD or its directors, officers, employees or agents in connection with the withholding from disclosure of Respondent information.

If Respondent does not request that MPWD withhold from disclosure information identified as confidential, MPWD will have no obligation to withhold the information from disclosure and may release the information sought without any liability to MPWD.

CONFLICT OF INTEREST:

Respondent represents and warrants that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code §§ 1090 et seq. or §§ 87100 et seq. during the performance of services under this Agreement. Respondent will promptly disclose any actual or potential conflict of interest to MPWD as soon as Respondent becomes aware of

such conflict. Respondent further covenants that it will not knowingly employ any person having such an interest in the performance of this Agreement. Violation of this provision may result in this Agreement being deemed void and unenforceable.

Depending on the nature of the work performed, Respondent may be required to publicly disclose financial interests under MPWD's Conflict of Interest Code. Respondent agrees to promptly submit a Statement of Economic Interest on the form provided by MPWD upon receipt.

No member, officer or employee of MPWD or of any of its member jurisdictions during his/her tenure of office, or for one year thereafter, will have any interest, direct or indirect, in this contract or the proceeds therefrom.