



CITY OF CARROLLTON

GENERAL CONDITIONS

AND

SPECIFICATIONS

FOR

REQUEST FOR PROPOSAL FOR UTILITY RATE STUDY

RFP # 15-021

PROPOSALS DUE NO LATER THAN

APRIL 16, 2015 @ 2:00PM

CITY OF CARROLLTON PURCHASING DEPARTMENT
2ND FLOOR
1945 E. JACKSON ROAD
CARROLLTON, TEXAS 75006

PROPOSAL OF BIDDERS

The term “bid” and the term “proposal” in this document have the same meaning. The following bid is made for furnishing the materials/services for the City of Carrollton, Texas. The undersigned declares that the amount and nature of the services to be furnished is understood and that the nature of this bid is in strict accordance with the conditions set forth and is a part of this bid, and that there will at no time be a misunderstanding as to the intent of the specifications or conditions to be overcome or pleaded after the bids are opened.

The undersigned, in submitting this bid, represents that they are an equal opportunity employer, and will not discriminate with regard to race, religion, color, national origin, age or sex in the performance of this contract.

The undersigned affirms that they are duly authorized to execute this contract that this company, corporation, firm, partnership or individual and has not prepared this bid in collusion with any other bidder, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this type of business prior to the official opening of this bid.

UTILITY RATE STUDY

RFP # 15-021

Federal ID Number: _____

Respectfully Submitted,

SIGNATURE

PLEASE INCLUDE W-9 FORM

DATE

PRINTED NAME TITLE

COMPANY NAME CONTACT PERSON (Must have knowledge of Bid)

BILLING ADDRESS STREET CITY STATE ZIP

MAILING ADDRESS STREET CITY STATE ZIP

PHONE NUMBER (metro/toll free) FAX NUMBER E-MAIL ADDRESS

HUB VENDORS: HUB vendors (Historically Underutilized Business) are vendors who’s company is owned by either a minority or woman. If you are classified as a HUB vendor and have certification to prove this, please respond below and attach a copy of your certification

HUB Vendor Status **YES** **(attach certification) NO**

NO BID: If response is not received in the form of a “Bid” or “No Bid” bidder will be removed from bid list. Please give a specific reason as to why you are unable to bid, i.e.: we do not sell the required product/service. **No bids may be faxed to: 972-466-3175**

NOTICE TO BIDDERS

Sealed proposals will be received by the City of Carrollton, Carrollton, Texas, at the office of Vince Priolo, Purchasing Manager, City Hall Building, 1945 E. Jackson Road, Carrollton, Texas 75006-1790 until the hour 2:00 PM on Thursday April 16, 2015 at which time bids duly delivered and submitted will be considered for supplying the following:

REQUEST FOR PROPOSAL FOR UTILITY RATE STUDY RFP # 15-021

Any proposal received after stated closing time will be returned unopened. If bids are sent by mail to the Purchasing Manager, the bidder shall be responsible for actual delivery of the bid to the Purchasing Manager before the advertised date and hour for opening of bids. If mail is delayed by the postal service, courier service, or in the internal mail system of the City of Carrollton beyond the date and hour set for the bid opening, bids thus delayed will not be considered and will be returned unopened.

Information concerning the bid specifications may be submitted in writing to Christopher Redding, at christopher.redding@cityofcarrollton.com. All emails should also copy Vince Priolo, whose information is below.

Information on the proposal process/procedures may be obtained from Vince C. Priolo, Purchasing Manager at (972) 466-3115 or vince.priolo@cityofcarrollton.com.

Until the final award by the City of Carrollton, said City reserves the right to reject any and/or all proposals, to waive technicalities, to re-advertise, to proceed otherwise when the best interests of said City will be realized hereby. Bids will be submitted sealed and plainly marked with the date and time of opening.

The City of Carrollton Municipal Building is wheelchair accessible. For accommodations or sign interpretive services needed for bid openings, please contact the Purchasing Office 48 hours in advance at (972) 466-3105.

City of Carrollton, Texas



Vince C. Priolo
Purchasing Manager

Publication Dates: Sunday, March 29, 2015
Sunday, April 5, 2015

Closing Date: Thursday, April 16, 2015 @ 2:00PM

GENERAL CONDITIONS

ADDENDA

It is the responsibility of the vendor to check for addenda. Addenda will be posted to the City's website: www.cityofcarrollton.com/purchasing

ANNUAL CONTRACT FUNDING

The City operates on a fiscal year that ends on September 30th. Because state law mandates that a municipality may not commit funds beyond a fiscal year, this bid is subject to cancellation if funds for this commodity are not approved in the next fiscal year.

ASSIGNMENT OF PROPOSAL/CONTRACT

The successful bidder may not assign their rights and duties under and award without the written consent of the City's Purchasing Manager. Such consent shall not relieve the assignor of liability in event of default by their assignee.

PROPOSAL CONSIDERATION / TABULATION

Until final award of the Contract, the City reserves the right to reject any or all bids, to waive technicalities, and to re-advertise for new bids, or proposed to do the work otherwise in the best interests of the City.

The following items will be considered when an award is based on best value:

- The purchase price;
- The reputation of the bidder and of the bidder's goods or services;
- The quality of the bidders' goods or services;
- The extent to which the goods or services meet the municipality's needs;
- The bidder's past relationship with the municipality;
- The impact on the ability of the municipality to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities;
- The total long-term cost to the municipality to acquire the bidder's goods or services; and
- Any relevant criteria specifically listed in the request for bids or proposals.

BID SUBMISSION

Bids may be submitted in person or by mail.

- Submit bids via mail to PO Box 110535, Carrollton, TX 75011-0535 or to physical address listed above.
- To submit a bid via mail, all documents must be returned and an original signature provided on the proposal to bidders sheet.
- Bids will not be accepted without a signature.
- The City is not responsible for mail service.

CANCELLATION OF BIDS

Bids may be cancelled with 30 days written notice with good cause.

CHANGES OR ALTERATIONS

No part of this bid may be changed/alterd in any way. Vendors must submit written requests to change any specifications/conditions with their proposal. *Changes made without submission of a written request to this bid will result in disqualification.*

COMPLETING INFORMATION

Bidder must fill in all information asked for in the blanks provided under each item. Failure to comply may result in rejection of the Bid at the City's option.

CONTRACT CLAUSE

All bidders understand and agree that the vendor's bid response will become a legally binding contract upon acceptance in writing by the City. This contract may be superseded only if replaced with a more extensive contract that is agreed to by both parties.

DEFAULT

In case of default of the successful bidder, the City of Carrollton may procure the articles from other sources and hold the bidder responsible for any excess cost occasioned thereby.

INDEMNIFICATION

In case any action in court is brought against the Owner, or any officer or agent of the Owner, for the failure, omission, or neglect of the vendor to perform any of the covenants, acts, matters, or things by this contract undertaken; or for injury or damage caused by the alleged negligence of the vendor or his subcontractors or his or their agents, or in connection with any claim based on lawful demands of subcontractors, workmen, materialmen, or suppliers the vendor shall indemnify and save harmless the Owner and his officers and agents, from all losses, damages, costs, expenses, judgments, or decrees arising out of such action.

INSURANCE

Deductibles, of any type, are the responsibility of the vendor/contractor.

PAYMENT TERMS & CONDITIONS

All bids shall specify terms and conditions of payment, which will be considered as part of, but not control, the award of bid. City review, inspection, and processing procedures ordinarily require thirty (30) days after receipt of invoice, materials or service. Bids which call for payment before 30 days from receipt of invoice, or cash discounts given on such payment, will be considered only if in the opinion of the Purchasing Manager the review, inspection and processing procedures can be completed as to the specific purchases within the specified time.

It is the intention of the City of Carrollton to make payment on completed orders within thirty (30) days of receiving invoicing unless unusual circumstances arise. Invoices shall be fully documented as to labor, materials and equipment provided. Orders will be placed by the Purchasing Department and must be given a Purchase Order Number to be valid. No payments shall be made on invoices not listing a Purchase Order Number.

Payment will not be made by the City until the vendor has been given a Purchase Order Number, has furnished proper invoice, materials, or services, and otherwise complied with City Purchasing procedures, unless this provision is waived by the City.

PROVISIONAL CLAUSES

The City of Carrollton will not enter into any contract where the cost is provisional upon such clauses as are known as “escalator” or “cost-plus” clauses.

REJECTION OF BIDS

The City reserves the right to reject any or all bids or to waive technicalities at its option when in the best interests of said City.

Bids will be considered irregular if they show any omissions, alteration of form, additions, or conditions not called for, unauthorized alternate bids or irregularities of any kind. However, the City reserves the right to waive any irregularities and to make the award in the best interests of the City.

The City reserves the right to reject any or all bids, and all bids submitted are subject to this reservation. Bids may be rejected, among other reasons, for any of the following specific reasons:

- Bids received after the time limit for receiving bids as stated in the advertisement.
- Proposal containing any irregularities.
- Unbalanced value of any items.

Bidders may be disqualified and their bids not considered, among other reasons, for any of the following specific reasons:

- Reason for believing collusion exists among the Bidders.
- Reasonable grounds for believing that any Bidder is interested in more than one Proposal for the work contemplated.
- The Bidder being interested in any litigation against the City.
- The Bidder being in arrears on any existing contract or having defaulted on a previous contract.
- Lack of competency as revealed by a financial statement, experience and equipment, questionnaires, etc.
- Uncompleted work, which in the judgment of the City will prevent or hinder the prompt completion of additional work if awarded.

REQUEST FOR NON-CONSIDERATION

Bids deposited with the City cannot be withdrawn prior to the time set for opening bids. Request for non-consideration of bids must be made in writing to the Purchasing Manager and received by the City prior to the time set for opening bids. After other bids are opened and publicly read, the Proposal for which non-consideration is properly requested may be returned unopened. The Proposal may not be withdrawn after the bids have been opened, and the Bidder, in submitting the same, warrants and guarantees that this bid has been carefully reviewed and checked and that it is in all things true and accurate and free of mistakes and that such bid will not and cannot be withdrawn because of any mistake committed by the Bidder.

SALES TAX

The total for each bid submitted must include any applicable taxes. Although the City is exempt from most City, State, or Federal taxes, this is not true in all cases. It is suggested that taxes, if any, be separately identified, itemized, and stated on each bid. The City cannot determine for the bidder whether or not the bid is taxable to the City. The bidder through the bidder's attorney or tax consultant must make such determination. Bills submitted for taxes after the bids are awarded will not be honored.

The City will not pay commissions and all costs should be quoted net of commission. Any such fees should be noted separately.

TABLE OF CONTENTS

I.	Scope of Services - Introduction.....	9
II.	Background.....	9
	General Background - City Carrollton	9
	Background - Water and Sewer Utility Fund	10
	Water and Sewer Contractual Arrangements.....	10
	Water and Sewer Physical Plant	11
	Capital Improvement Plan	13
	Water and Sewer Rate Structure	13
	Water and Sewer Billing Software	13
III.	Requirements of the Rate Study	13
	A. Overview.....	13
	B. Analyze Water and Sewer Fund Finances	13
	C. Develop Rate Schedule.....	14
	D. Benchmark to Area Cities.....	14
	E. Develop Computerized Rate Model.....	14
	F. Discuss Findings and Present Final Report	15
IV.	Proposal Requirements	15
	A. Proposal Qualifications and Experience	15
	B. Work Plan for Accomplishing Rate Study Requirements	15
	C. Timetable for Completion of Project	16
	D. Proposed Fee.....	16
	E. Contractual Arrangements	16
	F. Rates for Additional Professional Services.....	16
	G. References.....	16
V.	Selection Process	17
	Evaluation Process	17
	Right to Reject	17
VI.	Appendices	
	A. Water and Sewer Rates	18
	B. Standard Benchmark Cities.....	21
	C. Multi-year Financial Projections.....	22
	D. Conflict of Interest Questionnaire.....	25

I. Scope of Services - Introduction

The City of Carrollton is requesting proposals from qualified consultants to prepare a comprehensive water and sewer rate study, including model development. The intent of the study is to independently analyze and assess the City's current rate structure, determine an updated cost of service, and provide recommendations for equitable, sustainable cost recovery by customer class.

II. Background

General Background – City of Carrollton

Carrollton is a vibrant corporate and residential community that has the 'home advantage' because of its prime location. This quality of life community is home to 124,500 citizens, over 5,000 businesses and a daytime workforce of over 71,000. Located in northwest Dallas, southeast Denton, and southwest Collin counties, Carrollton is only 14 miles from downtown Dallas and 10 miles northeast of the Dallas-Fort Worth International Airport. Carrollton is readily accessible via Interstate 35E on the west, the Dallas North Tollway on the east, the President George Bush Turnpike and State Highway 121. Interstate Highway 635 is only two miles south of the city limits. The City encompasses approximately 37 square miles with 34 square miles of developable land which is approximately 97% developed.

The City is a home rule city operating under the Council-Manager form of government. The City Council is comprised of the Mayor and seven Council members, who enact local laws, determine policies and adopt the annual budget. The City Manager is appointed by the City Council and is responsible for the daily management of the City.

The City provides to its citizens those services that have proven to be necessary and meaningful and which the City at the least cost can provide. Major services provided under general government and enterprise functions are: police and fire protection, emergency ambulance service, water and sewer services, sanitation services, park and recreational facilities, library services, street improvements and general administrative services. The City also offers a 36-hole golf course and an aggressive economic development service. Internal services of the City, accounted for on a cost reimbursement basis, are fleet services, risk management, and employee health and disability coverage.

Background - Water and Sewer Utility Fund

The City provides Water and Sewer services to approximately 36,000 customer accounts through use of a self-supporting water and sewer enterprise fund. Rates charged for water and sewer services must be adequate to support maintenance and operations, debt service on utility related debt, pay as you go water and sewer line rehabilitation programs, transfers for general and administrative overhead and payment in lieu of taxes.

The City's Comprehensive Financial Report (CAFR) can be accessed at <http://cityofcarrollton.com/index.aspx?page=261>. The CAFR includes comparative statements for the Water and Sewer Fund on pages 87 to 89 and continuing disclosure tables related to water and sewer operations on pages 140 to 146.

Summary of total revenues, expenses, and net income (GAAP basis) for the last four fiscal years are:

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total Operating Revenue	\$33,948,839	\$35,271,954	\$34,872,887	\$37,146,327
Total Operating Exp	35,462,613	34,862,468	34,093,080	32,516,075
Operating Income (Loss)	(1,513,774)	409,486	779,807	4,630,252
Non-operating Rev (Exp)	(324,603)	(588,252)	(628,322)	(897,694)
Capital Contributions	2,104,033	1,522,804	648,083	805,406
Operating Transfers	(3,651,703)	(3,454,158)	(3,466,178)	(3,334,832)
Net Income (Loss)	<u>\$ (3,386,047)</u>	<u>\$ (2,110,120)</u>	<u>\$ (2,666,610)</u>	<u>\$ 1,203,132</u>
Debt Service Coverage Ratio	2.06	3.10	3.35	5.11
Customer Accounts	36,055	35,710	34,971	35,802

The City's Annual Budget can be accessed at <http://cityofcarrollton.com/index.aspx?page=879>. On a budget basis, the Water and Sewer Fund (Utility Fund) is budgeted in four sub-funds: Operating, Debt, Fleet Replacement and Capital. Multi-year projections for the Operating sub-fund is included in Appendix C.

Water and Sewer Contractual Arrangements

Water

The City purchases treated water directly from Dallas Water Utilities under a contract expiring June, 2043. This contract establishes a two-part rate for wholesale customers comprised a demand charge and a volume charge. The demand charge is based on the maximum amount of water that Dallas will supply to Carrollton in a single day and the volume charge is based on actual usage. Effective 2010, the City lowered the demand setting from 43 million gallons a day (mgd) to 41 mgd. However, per contract terms the City was charged for the demand setting at 43 mgd until September 2013.

Contract statistics for the last three years are:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Volume rate per thousand gallons	\$ 0.3673	\$ 0.3655	\$ 0.3581
Annual Demand Charge - per million gallons/day	\$208,941	\$202,785	\$199,958
Demand Setting per day (in millions gallons)	41	41	41
Volume Payments	\$ 2,499,226	\$ 2,687,434	\$ 2,658,807
Demand Payments	\$ 8,566,579	\$ 8,719,751	\$ 8,621,749
Total Payments	\$11,065,805	\$11,407,185	\$11,280,556
Demand Charges as a % of Total	77%	76%	76%
Total Water Purchases (In Thousand Gallons)	6,804,318	7,421,168	7,424,762
Consumption - Average Day (In Million Gallons)	18.9	20.2	20.8
Consumption - Maximum Day (In Million Gallons)	32.3	38.4	40.7

Sewer

The City contracts with the Trinity River Authority as a member of the Central Regional Wastewater System for all sewer treatment services. This contract, expiring in October 2023 requires the City to pay its pro rata share of all system expenses based on the percentage of total sewer flows generated in Carrollton. Payments to TRA during the past three years are:

	2014	2013	2012
TRA Total Contract Revenue	\$ 100,982,590	\$ 89,506,683	\$ 82,985,004
Carrollton % of System	7.420%	8.115%	8.688%
Carrollton Required Payments	\$ 7,492,957	\$ 7,263,067	\$ 7,209,521

Water and Sewer Physical Plant

Water Distribution System

The City of Carrollton owns and operates the water distribution system for the entire City, with full capability to provide retail water service to all retail water customers within the corporate limit. The system encompasses an area of approximately 35 square miles with about 583 miles of transmission and distribution lines ranging from 54" concrete-steel cylinder to 6" distribution lines. The City system is composed of three pump stations with 16 pumps, having a total pumping capacity of 93.8 mgd. Maximum water used in a single day has been 44.5 mgd and occurred in 2011. Amounts in excess of 43 mgd were obtained from City storage. Total City-owned storage capacity is 11.5 mg of elevated storage, and 36.5 mg of ground storage. The City also owns a Trinity sands well (2.0 mgd capacity) that it uses during peak demand times. The

system served 36,055 meter connections for fiscal year 2013-14 with an overall system average daily consumption of 18.9 mgd.

EXISTING STORAGE FACILITIES

<u>Location/Common Name</u>	<u>Storage Volume (Gallons)</u>
Elevated Storage Facilities	
Josey Lane	1,500,000
Marsh Lane (South)	2,000,000
Marsh Lane (North)	3,000,000
Hebron	3,000,000
Hutton Drive	2,000,000
Subtotal	11,500,000
Ground Storage Facilities	
Don Cline Central Pump Station	10,000,000
Don Cline Central Pump Station	10,000,000
Columbian Pump Station	5,000,000
Columbian Pump Station	6,000,000
North Pump Station	5,500,000
Subtotal	36,500,000
Total Storage	<u>48,000,000</u>

Sewer Collection System

The City owns and operates a complete sewage collection system adequate to collect and convey all sewage to the Trinity River Authority's ("TRA") major sewer transmission pipes, and on to TRA's Central Treatment Plant in Grand Prairie. Collection occurs through approximately 417 miles of collection mains.

Flow from the City enters these TRA interceptors at several points, and is measured at a downstream meter station near Cooks Branch. The TRA Interceptor varies in size from 42" to 72" in the Carrollton area and carries the flow to TRA's Central Wastewater Treatment Plant located at the confluence of the West Fork of the Trinity River and Mountain Creek in northeast Grand Prairie.

Sewer flow is collected in local collector sewers and carried to one of four major interceptor systems conforming to the major watercourses in the City of Carrollton: Hutton Branch, Furneaux Creek, Dudley Branch, and Indian Creek.

Capital Improvement Plan

The following five year capital plan was adopted as part of the Fiscal Year 2015 Annual Budget.

CIP	2015	2016	2017	2018	2019	TOTALS
WATER & WASTEWATER REHAB						
Waste Water Projects	400	500	1,000	1,000	1,000	\$ 3,900
Water Projects	100	1,050	1,450	1,050	1,500	\$ 5,150
Josey Elevated Storage Tank	500	2,800				\$ 3,300
Don Cline Generator Upgrades			200	1,900		\$ 2,100
TOTAL	\$ 1,000	\$ 4,350	\$ 2,650	\$ 3,950	\$ 2,500	\$ 14,450

Water and Sewer Rate Structure

The City of Carrollton utilizes an ascending block rate structure with a summer surcharge for water and a flat rate structure for sewer. This rate structure has been in place since 1998 when the last comprehensive rate study was performed. Changes to rates since 1998 have primarily been incremental increases with little change to the base structure. The City's water and sewer rates are included in appendix A.

Water and Sewer Billing Software System

The City outsources on-site management of its Information Technology operation to Xerox. The City utilizes SunGard PS HTE Utility Billing Software running on an IBM iSeries (AS400). Historical data back to October 1, 2007 is available for analysis. Once the contract is awarded, the exact format and media for data delivery will be determined.

III. Requirements of the Study

A) OVERVIEW

The City desires a comprehensive rate study, which will require a qualified consultant or consulting firm. The purpose of the study is to provide the City with information sufficient to support a recommendation to the City Council for adjustments in rates for water and sewer operations. This study will also determine the adequacy and most appropriate rate structure for all utility rates assessed by the City considering such issues as conservation, consumption characteristics of various customer classes, deviation from cost of service principles and fairness and equity implications, and customer understanding. The City expects the rates developed by the study to be adequate for at least two years and the rate schedule (i.e. comparative rates by customer class) to maintain its integrity for at least five years.

B) ANALYZE WATER AND SEWER FUND FINANCES

Consultant will be expected to analyze and obtain a thorough understanding of the Water and Sewer fund's financial condition. The analysis is expected to include at minimum:

- (1) Analysis of historical operating expenses including cost of water purchased and sewer treated.

- (2) Analysis of continued growth projections and evaluation of utility department's capital improvement program, and determination of funds needed to support the capital improvement program.
- (3) Analysis of historic demand and consumption characteristics with the purpose of properly classifying and segregating the costs associated with the different functions and customers of the City's utility system.
- (4) Analysis of existing Utility fund financial condition and the planned infrastructure improvements.
- (5) Analysis of the impact of peak demands on the cost of providing service.

C) DEVELOP RATE SCHEDULE

The consultant will be expected to develop a schedule of water and sewer rates. The rates must be developed to meet the following objectives:

- Should develop water and wastewater rates based on the respective costs of these services
- Should provide analysis and recommendations for fixed vs. variable elements of the rate
- Should identify the relative costs of serving different classes of customers.
- Rates should be designed to reduce peak (hour and day) demands on the utility systems and encourage conservation.
- Be compatible with the existing utility billing computer system.
- Be easily described to customers and lay persons.

D) BENCHMARK TO AREA CITIES

The consultant will be expected to compare and contrast the City's existing water and sewer and the new rates developed by the study with the rates of the City's standard benchmark cities detailed in Appendix B. The benchmarking must be for all comparable customer classifications. The benchmarking aspect of the study should include comment as to whether the developed rates will materially impact the ability to attract and retain retail and commercial businesses.

E) DEVELOP COMPUTERIZED RATE MODEL

The consultant will develop a computerized rate model that will be provided to the City at the conclusion of the study. The model should be developed with the following characteristics:

1. Model must be developed using Microsoft Excel applications.
2. Model should allow for updating of consumption patterns by customer classification.
3. Model should allow for updating of operating, debt service and capital costs.
4. Model should include pre-defined graphical presentation of consumption, revenue and expense data.
5. Model should integrate the revenue produced by rates with the Utility fund financial plan.
6. Consultant will train city personnel to periodically update model costs factors and develop scenarios by rate and customer class.

F) DISCUSS FINDINGS AND PRESENT FINAL REPORT

The consultant will be expected to present the analysis findings with senior management staff, address questions and/or concerns and incorporate management comments into final recommendations. Additionally, consultant will be expected to attend one public hearing, two Council work sessions and one presentation at a Council Meeting to present study recommendations.

IV. Proposal Requirements

The purpose of the proposal is to demonstrate the qualifications, competence and capacity of the individuals or firms seeking to undertake a water and sewer rate study of the City in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also describe the specific study approach to be used including applicable software that will meet the request for proposals requirements.

The proposal should address all the points outlined in the request for proposals. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals.

Interested individuals or firms are encouraged to use their own preferred style and format in preparing a proposal. However, it is suggested that the proposal include at least the following arranged accordingly.

A. PROPOSAL QUALIFICATIONS AND EXPERIENCE

The proposal should state the size of the firm, the size of the firm's rate setting staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed. Describe all the types of engagements typically performed by your firm including rate-related studies.

B. WORK PLAN FOR ACCOMPLISHING RATE STUDY REQUIREMENTS

The individual or firm proposing should include a detailed work plan describing the specific approach necessary to meet the requirements described in Section II. This work plan should include but not be limited to:

- Detail list of tasks to be performed.
- Engagement team proposed and which team member performs which tasks.
- Specific software to be used.
- Methodology on national standards used in estimations on projections.
- Sequence of events.
- Surveying techniques to be used.

C. TIMETABLE FOR COMPLETION OF PROJECT

The individual or firm proposing should include a timetable for completion of their proposed work plan. The timetable should include proposed start date assuming that the contract will be awarded not later than May 5, 2015.

D. PROPOSED FEE

Total All-inclusive Maximum Price

The proposal should contain all pricing information relative to performing the water and sewer rate engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The City will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

E. CONTRACTUAL ARRANGEMENTS

Include certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal and authorized to sign a contract with the City by including the following verbiage:

I hereby certify that I have read all items of the RFP and fully understand the requirements listed herein. I further certify that I am an authorized agent of the proposing firm empowered to submit the proposal and authorized to sign a contract with the City of Carrollton.

A copy of this RFP as well as the successful proposal will be attached to the contract.

F. RATES FOR ADDITIONAL PROFESSIONAL SERVICES

If it should become necessary for the City to request the consultant to render any additional services to either supplement the services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in the report issued for the rate study, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the firm. Any such additional work agreed to between the City and the firm shall be performed at the rates set forth in the proposal under the heading "Rates for Additional Services".

G. REFERENCES

The proposer should include a complete list of Electric, Water, Sewer and Sanitation rate studies performed by the proposing office in the last five years. The list should include a brief description of the work performed, client contact, and a telephone number. In addition, the proposer should separately list the actual experience of the proposed engagement team by individual team member.

V. Selection Process

Evaluation Process

Proposals submitted by the proposal deadline in response to the RFP will be reviewed by City staff. Based on this review, interviews with the City Council Finance Committee may be scheduled with the firms considered to be the best qualified, although interviews will not necessarily be scheduled with all firms responding to the RFP.

Final selection of the consultant will be made by the City Council Finance Committee and approved by City Council. Although not intended to be all inclusive, following is a list of factors in order of importance, which will be considered in making the selection.

1. 25% - Extent and quality of rate study experience of the individual or firm, local office personnel to be involved, based on information provided by the firm as well as references of former and present clients.
2. 25% - Consultant's ability and willingness to meet the requirements and needs of the City with respect to the study as outlined in this RFP and as demonstrated in the proposal.
3. 20% - Proven ability of the firm to meet work schedules, as well as existing and future time commitments of persons assigned to the project and ability to communicate effectively with City staff, City Council, and citizen groups.
4. 30% - Proposed cost of the engagement. Although a significant factor, fees charged may not be the dominant factor.

The award of any contract will be made to the firm, which in the opinion of the City Council Finance Committee is best qualified, based on the criteria listed above.

Right to Reject

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

The City reserves the right without prejudice to reject any and all proposals submitted without any obligation or payment for costs incurred by proposing firms. Proposals received late will be returned to the sender and not considered. The City reserves the right, where it may serve the City's best interest, to request additional information or clarification from all proposers, to allow corrections of errors or omissions, or to discuss points in the proposal before and after submission, all of which may be used in forming a recommendation. The City reserves the right to waive any and all formalities contained within this request for proposal except for the deadline for filing. Proposals received late will not be considered.

At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.

APPENDIX A – CURRENT WATER AND SEWER RATES

(1) *Water service*

(a) Minimum monthly charges, including the first 2,000 gallons of use:

Single-family residential domestic and irrigation use: \$10.95

Commercial (including apartments and portable meters), industrial and commercial irrigation use:

5/8" meter	\$10.95
1" meter	\$16.87
1.5" meter	\$26.77
2" meter	\$38.63
3" meter	\$70.26
4" meter	\$105.83
6" meter	\$204.69
8" meter	\$323.33
10" meter	\$461.71
Fire line--regardless of size	\$59.64

(b) Single-family residential domestic use, over the 2,000 gallons included in the minimum charge:

For meter readings taken in the months of October through April:

All use over 2,000 gallons, per 1,000 gallons.....\$2.74

For meter readings taken in the months of May through September:

Next 8,000 gallons, per 1,000 gallons.....\$2.74

Next 15,000 gallons, per 1,000 gallons.....\$3.69

All use over 25,000 gallons, per 1,000 gallons.....\$4.62

(c) Irrigation use, over the 2,000 gallons included in the minimum charge:

Next 23,000 gallons, per 1,000 gallons.....\$2.71

Next 25,000 gallons, per 1,000 gallons.....\$3.24

Next 50,000 gallons per 1,000 gallons.....	\$3.66
Next 100,000 gallons per 1,000 gallons.....	\$4.14
All use over 200,000 gallons, per 1,000 gallons.....	\$4.62

(d) Commercial use (including apartments and portable meters), over the 2,000 gallons included in the minimum charge:

All use over 2,000 gallons, per 1,000 gallons.....	\$1.86
--	--------

(e) Industrial use, over the 2,000 gallon included in the minimum charge:

All use over 2,000 gallons, per 1,000 gallons.....	\$1.57
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Industrial use rates for water service will apply to customers in the business of assembly or manufacturing of goods and for which water usage equals or exceeds 750,000 gallons per month for nine out of twelve months in a year.

(2) *Sewer service.*

(a) Residential use:

First 2,000 gallons, minimum.....	\$10.15
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All use over 2,000 gallons, per 1,000 gallons.....	\$2.12
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(b) Commercial (including apartments), industrial and irrigation minimum monthly charges, including the first 2,000 gallons of use:

5/8" meter.....	\$10.15
1" meter.....	\$14.68
1.5" meter.....	\$22.21
2" meter.....	\$31.24
3" meter.....	\$55.35
4" meter.....	\$82.45
6" meter.....	\$157.73
8" meter.....	\$248.08
10" meter.....	\$353.48

(c) Commercial and industrial use:

All use over 2,000 gallons, per 1,000 gallons.....\$2.12

(d) Sewer billing provisions:

1. As it is generally not practical to meter sewage flows from individual service locations, the following provisions apply for billing sewage volume:
 - a. Dedicated fire line, irrigation service and portable meters customers do not have sewer use and accordingly will not be charged for sewer treatment.
 - b. Residential sewer use is calculated using the average water consumption for meter readings taken in the months of January, February and March as the estimated sewer volume per month (Winter average approach).
 - c. New residential service will be assumed to use 8,000 gallons per month until a winter average can be established. If water use for new service is below 8,000 gallons per month for the first three months of service, the customer may request that the average for the first three months of service be used to estimate sewer volume until a winter average is established.
 - d. Commercial and industrial customers sewer use will be deemed the same as water consumption unless customer can demonstrate that a significant portion of water consumption is not flowing into the sanitary sewer system and agrees to install a deduct meter.

APPENDIX B – STANDARD BENCHMARK CITIES

Lewisville

Farmers Branch

Addison

Irving

Plano

Coppell

Arlington

Allen

Frisco

McKinney

Grand Prairie

Richardson

The Colony

Mesquite

Fort Worth

Dallas

Denton

Garland

APPENDIX C – MULTI-YEAR FINANCIAL PROJECTIONS

FISCAL YEARS 2016 TO 2020 MULTI-YEAR BUDGET AND FINANCIAL FORECAST KEY FINDINGS AND ASSUMPTIONS

General Assumptions

- Proposed legislation could negatively or positively impact the City's financial forecasts but will not be included until legislation is passed.
- New programs representing recurring operating impacts should only be added after careful prioritization.
- Compensation increase pool has been projected at 2% in FY's 2016 and 2017 and at 3% per year in FY's 2018 to 2020.
- Health Insurance rates are projected to increase at a rate of 10% annually.
- The Utility Fund Payment in Lieu of Taxes (PILOT) made to the General Fund is expected to increase 1% annually.
- Changes in City Water and Sewer rates are estimated to increase by 8% for FY 2016, 7% for FY 2017 and 3% per year for FY's 2018 to 2020. Actual rate increases needed will be determined by a comprehensive rate study planned for the current year.
- Natural Gas expenditures are projected to increase 2% annually.
- Solid Waste expenditures are expected to increase by 3% annually.
- Electricity rates are expected to remain flat.
- Risk Allocation Charges are expected to increase by 5% in FY 2016, then remain flat for FY 2017 and then increase 5% per year.
- Overhead Allocation Charges are projected for FY's 2016 and 2017 based on forecasts prepared as part of the FY 2015 budget and to have 3% growth annually thereafter.

Utility Fund

Sources of Funds

- Water and Sewer revenues are anticipated to increase by 1% annually.
- Investment income is projected to increase 5% per year.
- All other Utility Fund revenues are expected to remain constant for future years.
- Utility Fund projections show needed rate increases of 7.59% in FY 2016, 7.21% in FY 2017, 2.65% in FY 2018, 2.45% in FY 2019 and 3.32% in FY 2020.
- These projections are highly dependent of weather patterns which are difficult to predict.

Uses of Funds

- Expenditures related to the contract with Dallas Water Utilities (DWU) for the purchase of treated water are forecasted to grow 3% annually.
- The expenditures for service of the Trinity River Authority (TRA) to treat Carrollton's wastewater flows are anticipated to change based on the projected rate changes from TRA plus a factor of 1% for growth. Projected increase in TRA rates are 8.72% in FY 2016, 8.35% in FY 2017, 5.87% in FY 2018, 4.79% in FY 2019 and 7.00% in FY 2020.
- All other Supplies and Contractual Services and Fleet Replacement allocations for FY's 2016 and 2017 are estimated based on forecasts prepared as part of the FY 2015 budget. FY's 2018 to 2020 are projected to have 2% growth annually.
- Debt service transfers are based on required funding for existing debt issues.
- Non-recurring funding for water and sewer line rehabilitation is projected to remain flat at \$2.9 million

**CITY OF CARROLLTON
UTILITY FUND
MULTI-YEAR BUDGET AND FINANCIAL FORECAST**

	ACTUAL 2013-14	BUDGET 2014-15	ESTIMATE 2014-15	PROJECTED 2015-16	PROJECTED 2016-17	PROJECTED 2017-18	PROJECTED 2018-19	PROJECTED 2019-20
Beginning operating funds	\$ 15,128,739	\$ 12,673,724	\$ 12,752,449	\$ 10,110,236	\$ 8,963,730	\$ 9,340,023	\$ 9,696,127	\$ 10,040,390
Recurring Sources of Funds								
Water sales & chgs	21,054,561	22,151,951	21,743,572	21,961,008	22,180,618	22,402,424	22,626,448	22,852,712
Sewer sales & chgs	11,835,549	12,490,670	12,402,176	12,526,198	12,651,460	12,777,975	12,905,755	13,034,813
Tag fees	410,125	415,000	415,000	415,000	415,000	415,000	415,000	415,000
Industrial surcharge	104,101	65,000	100,000	100,000	100,000	100,000	100,000	100,000
Backflow prevention charges	164,525	152,000	165,000	165,000	165,000	165,000	165,000	165,000
Investment income	66,959	58,500	67,000	70,350	73,868	77,561	81,439	85,511
Miscellaneous	252,344	245,000	250,000	250,000	250,000	250,000	250,000	250,000
Total Recurring Sources of Funds	<u>33,888,164</u>	<u>35,578,121</u>	<u>35,142,748</u>	<u>35,487,556</u>	<u>35,835,946</u>	<u>36,187,960</u>	<u>36,543,642</u>	<u>36,903,036</u>
Recurring Uses of Funds								
Personal services	2,683,520	3,093,349	3,093,349	3,201,149	3,315,867	3,465,430	3,624,524	3,793,936
Supplies & Services	21,424,915	22,615,985	22,591,110	23,845,691	25,163,823	26,310,835	27,396,285	28,800,211
Utilities	686,610	849,534	849,534	856,056	862,224	865,079	868,020	871,048
Allocations	3,962,298	4,055,236	4,055,236	4,132,021	4,202,221	4,328,624	4,459,045	4,593,618
Capital Outlays	-	-	-	-	-	-	-	-
Canceled encumbrances	-	-	-	-	-	-	-	-
General Fund -								
Payment in Lieu of Taxes	2,464,810	2,489,458	2,489,458	2,514,353	2,539,497	2,564,892	2,590,541	2,616,446
Utility Debt Service Funds	2,092,301	1,806,274	1,806,274	1,803,637	1,795,351	1,788,323	1,780,946	1,763,387
Total Recurring Uses of Funds	<u>33,314,454</u>	<u>34,909,836</u>	<u>34,884,961</u>	<u>36,352,907</u>	<u>37,878,983</u>	<u>39,323,183</u>	<u>40,719,361</u>	<u>42,438,646</u>
Net Recurring Funds	573,710	668,285	257,787	(865,351)	(2,043,037)	(3,135,223)	(4,175,719)	(5,535,610)
Non-recurring "One-time" Uses of Funds								
Water and Sewer Line Rehabilitation	2,950,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
Revenue increases or expenditure decreases required to meet fund balance 90-day reserve target	-	-	-	2,618,845	5,319,330	6,391,327	7,419,982	8,859,544
The Bottom Line - Net Recurring and Non-recurring Funds	(2,376,290)	(2,231,715)	(2,642,213)	(1,146,506)	376,293	356,104	344,263	423,934
Ending Fund Balance	<u>\$ 12,752,449</u>	<u>\$ 10,442,009</u>	<u>\$ 10,110,236</u>	<u>\$ 8,963,730</u>	<u>\$ 9,340,023</u>	<u>\$ 9,696,127</u>	<u>\$ 10,040,390</u>	<u>\$ 10,464,324</u>
Days of Recurring Uses of Funds (target 90 days)	<u>139.72</u>	<u>109.18</u>	<u>105.78</u>	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>
Incremental % rate increase needed		0.00%	0.00%	7.59%	7.21%	2.65%	2.45%	3.32%

APPENDIX D - CONFLICT OF INTEREST QUESTIONNAIRE

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code went into effect which requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the City Secretary of the City of Carrollton not less than the 7th business day after the person becomes aware of facts that require the statement to be filed.

A amendment to this state law that went into effect on September 1, 2007 allowed for two changes to the original statute:

1. The Conflict of Interest Questionnaire only needs to be filled out and returned with your bid if you or your company are aware of a conflict, and,
2. If the amount of the conflict exceeds \$2,500

It is the responsibility of every vendor filling out and returning this bid to determine if there is a conflict meeting the parameters listed above. If so, **the City of Carrollton requires that this Questionnaire be completed and turned in with your bid.** If there is no conflict, or if the amount of the conflict is less than \$2,500, then you are not required to submit the Questionnaire with your bid.

See Section 176.006, Local Government Code which reads "A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor."

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person doing business with the governmental entity.

By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person violates Section 176.006, Local Government Code. An Offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of person doing business with local governmental entity.

2

Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than September 1 of the year for which an activity described in Section 176.006(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name each employee or contractor of the local government entity who makes recommendations to a local government officer of the governmental entity with respect to expenditures of money AND describe the affiliation or business relationship.

4 Name each local government officer who appoints or employs local government officers of the governmental entity for which this questionnaire is filed AND describe the affiliation or business relationship.

Adopted 11/02/2005

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

Page 2

For vendor or other person doing business with local governmental entity

5 Name of local government officer with whom filer has affiliation or business relationship. (Complete this section only if the answer to A, B, or C is YES.

This section, item 5 including subparts A, B, C & D, must be completed for each officer with whom the filer has affiliation or other relationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire?

Yes

No

B. Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the local government Officer named in this section AND the taxable income is not from the local governmental entity?

Yes

No

C. Is the filer of this questionnaire affiliated with a corporation or other business entity that the local government officer serves As an officer or director, or holds an ownership of 10 percent or more?

Yes

No

D. Describe each affiliation or business relationship.

6

Signature of person doing business with the governmental entity

Date

Adopted 11/02/2005