



REQUEST FOR PROPOSALS (RFP)
RFP 2022-04A
Water and Sanitary Sewer Rate Study

The City of Charlotte is seeking proposals for a comprehensive rate study of the City’s water and sanitary sewer system. The purpose of this study is to independently assess and evaluate the City’s existing water and sewer rates, to promote community engagement regarding the city’s water and sanitary sewer system capital and financial needs, and to make recommendations on changes to the City’s rate structure. The broad objective of the study is to minimize rates to the greatest extent possible while continuing to appropriately fund water and sewer utility operations and maintenance, capital expenditures for system improvements and replacements, asset management, and debt service.

The study will include a comprehensive review of the City’s water and sewer fund, including historical revenues, expenses, and capital expenditures; current budgets; five-year plan; historical and projected customer growth; historical and projected consumption and usage data; current rate setting methodology; and any other information deemed necessary. Also included in this proposal is the review and evaluation of related sections of the city’s Code of Ordinances.

Proposals must be submitted in a sealed envelope via mail or hand-delivered and clearly identifying the proposal title. A copy of specifications is available online at www.charlottemi.org or by request to the City Clerk. Proposals must be received at the address listed below no later than **04:00 pm, local time, on Thursday, August 18, 2022.**

City of Charlotte
City Clerk’s Office
“Proposal for Water and Sanitary Sewer Rate Study – City of Charlotte”
111 E Lawrence Ave
Charlotte, Michigan, 48813

Questions regarding this RFP shall be submitted via e-mail, on or before August 5th, at 4:00 pm, local time, and should be addressed to Erin LaPere, MPAP, City Manager at elapere@charlottemi.org. Responses to questions will be posted as an addendum and incorporated into the terms and specifications of this RFP.

BACKGROUND

The City's water and sewer utility is accounted for and reported as an enterprise fund of the City. The water and sewer fund is financed and operated in a manner similar to a private enterprise where the intent of the City is that the costs, including depreciation, of providing water and sanitary sewer services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City owns, operates, and maintains approximately 52 miles of water mains and distribution lines, 38 miles of sewer lines, 8 lift stations, and 2 water towers. The City provides water and sewer services to approximately 4,400 customers. The current rates and the mechanism for annually adjusting and setting rates is defined by its Ordinances, which can be found here: https://codelibrary.amlegal.com/codes/charlotte/latest/charlotte_mi/0-0-0-17708. In addition, the City has a number of connection fees, charges for meters, and similar miscellaneous fees which are included as Appendix A.

SCOPE OF WORK

The City seeks to ensure that the costs of providing quality water and sanitary sewer services are recovered through an economical, fair, equitable, and efficient rate structure. The study will include evaluating the current water and sewer rate structure and comparing it to benchmarks in the industry as well as neighboring communities. The consultant shall develop a comprehensive plan that will support recommendations to the City Council regarding the City's water rate ordinance. The purpose of the study is to identify and recommend a water and sewer rate structure that is appropriate for the community we serve.

All deliverables and final products shall be provided to the City in approved electronic format and printed format. In addition, all deliverable shall be compatible with current City software and furnished to the City in an editable electronic format.

The scope of the project is as follows:

1. Meet with City staff to discuss and understand the City's goals for the rate study and concerns regarding water and sewer rates.
2. Review current water and sewer rate model and existing rate methodology
3. Review of historical water and sewer system demand and billed customer use
4. Review and analysis of water and sewer fund's financial history, such as auditor reports
5. Review of current year's water and sewer fund projection
6. Review of future capital expenditures and capital improvement program, effects on proposed rates, and recommendation for funding
7. Review of capital and operating reserves and projection of future requirements to meet replacement needs
8. Analysis of existing rate structure for adequacy in meeting the following:
 - a. Cost of service expenses
 - b. Administrative costs
 - c. Debt service requirements
 - d. Funding and level of reserve requirements

9. Analysis of base charge fee allocation
10. Recommendations for alternative cost allocation rate methods
11. Recommendation of a rate structure/model that will provide for a completely self-supporting system
12. Develop financial projection and impacts of any rate recommendations
13. By project deadline, submit to the city staff project deliverables:
 - a. Final report and presentation to the city staff
 - b. Rate model in Excel or other city-approved format for City’s future use in ongoing, annual rate setting
 - c. Recommendations for updating ordinances related to water and sewer rates and billing, as needed, for implementation of recommendations
14. Attend and present at two-three public meetings:
 - Presentations to the City Council.
 - o First meeting will present the entire study and give detailed information
 - o Second meeting will consider adoption of recommendations and consider approval of ordinances, if needed
 - One town hall meeting to share the completed study with the public to be held prior to Council adoption

The final product will recommend a rate alignment for proper allocation of funds that is clear, concise, and defensible. The proposed updates to ordinances may include creating proper definitions and explanations of rate and fund appropriation.

The City’s expectation is that the consultant will utilize the AWWA M1 manual and WEF M.O.P. #27 standards for utility rate making within Michigan as a guide. The recommended rate schedule should consider appropriate cash balances and be in compliance with EGLE recommendations, Michigan statutes, and case law, including the Bolt v Lansing decision. All recommendations must also comply with applicable Federal, State, and local accounting rules and best practices.

Providers must include all materials, personnel, and equipment needed. Interested parties must demonstrate qualifications, experience, and abilities associated to accomplish and support all aspects of the prescribed scope of work in a cost-effective manner.

The proposal includes a selection process to rate each applicant based on criteria laid out in this RFP. The scoring system will rate each applicant on their qualifications to help the selection committee recommend the firm that is most qualified to be awarded the contract.

GENERAL PROPOSAL REQUIREMENTS

The specifications outlined in this RFP will be made a part of any agreement entered into between the City and the selected individual or firm. All bidders should follow the format specified below. Applicants should base their proposals on the details of this RFP, specifically the detailed information provided in “Scope of Work” section, along with any information provided in any written addenda that may be issued. The proposal should include a project

description and specific tools, techniques, approach to be used to complete the work on schedule. The proposal should be concise and provided in 8 ½ x 11-page size for both electronic and paper format.

1. Cover Page: The proposal shall include the RFP Title, date of submittal, company name, address, electronic-mail, and telephone numbers. This page should also include the main point of contact.
2. Work Plan and Deliverables: A description of the consultant’s understanding of the project objectives, outcomes, and vision, and how these will be achieved. Include a detailed project methodology explaining each project task, including what will be expected of the consultant and the City with respect to each task. This section shall address all the activities outlined in this RFP, especially in “Scope of Work” section and the deliverables that will be provided for this project. A timeline for project completion must be included in the proposal.
3. Related Experience: Provide at least three but not more than five similar projects that have been completed in the last five years. Descriptions and references for each project should include the project’s budget and schedule, final cost, schedule of completion, and any other pertinent information that can be applied to this project. Reference contact information should include the name, title, agency/municipality, phone, address, and email address.
4. Local Knowledge: Describe any previous experience your firm has with conducting work in the City, especially any knowledge of the City’s drinking water and sanitary sewer systems, or projects of similar size and scope and their related water/sewer systems in Michigan.
5. Resume and Qualifications: Identify the personnel to be assigned to the project, along with a description of their experience and qualifications. and a copy of their resume. Include any specific information describing the qualifications of other personnel who will be providing administrative and technical support, if any. Disclose any conflicts or perceived conflicts of interest with City employees, City Council or other board members including the name of person(s) and the nature of the conflict.
6. Pricing: The proposal shall include a complete scope of services and all associated costs and an explanation of how fees are calculated. Work performed by authorized subcontractors should be itemized. Provide an estimate of hours needed to complete the services outline in the scope of work, and the not-to-exceed amount for each task. The proposal shall include a project maximum price proposed for a not-to-exceed total cost. Identify the number of meetings necessary to complete the work, both with City staff and public meetings, including hourly cost for additional meetings and include any travel expenses, if required.

7. **Proposal Form**: The bidder will complete the proposal form included with this RFP. Failure to include this form will result in the proposal being considered non-responsive and rejected.
8. **Additional Attachments**: All other attachments, e.g. required forms, company information, etc. or any additional information to be included with the proposal. Provide any additional information you would like the City to consider in a clear and concise format.

PROJECT SCHEDULE

The 2022 Water and Sanitary Sewer Rate Study should be completed by January 20, 2023. A tentative schedule for proposal planning purposes is as follows:

Deadline for written questions	August 5, 2022
Response to questions posted on MITN	August 11, 2022
Deadline for RFP Submissions	August 18, 2022 at 04:00 PM
Interview Firms Week of	August 22, 2022
City Council Award Contract	September 6, 2022
Complete Study	January 20, 2023
Present Results to City Council	February 6, 2023
Townhall Meeting with community	February, 2023 [date TBD]
City Council vote on recommendations	February 21, 2023

SELECTION PROCESS

The City will make its selection based on its review of the proposals submitted. The criteria will include qualifications, experience, fee structure, ability to meet the needs of the City. The selection committee will review proposals received on or before the deadline set forth in this RFP based upon the points system below:

- A. Professional Qualifications – 20 points
- B. Experience with Similar Projects – 30 points
- C. Proposed Work Plan – 30 points
- D. Fee Proposed – 20 points

The consultant(s) may be asked to meet with the selection committee prior to making a recommendation to review their proposal. The selection committee will consist of the City Manager, DPW Director, and Finance Director/Treasurer.

The City of Charlotte reserves the right to reject any or all the proposals, and to waive informalities in the proposals or the proposal process. The City may interview bidder(s) prior to selection. The City further reserves the right to award the contract to other than the lowest bidder if such action is deemed to be in the best interest of the City. The City reserves the right to consider other factors not named here in making its decision.

MINIMUM QUALIFICATIONS

The consultant shall have on staff key personnel that will be assigned to the City with demonstrated experience and skills to complete the work.

- Minimum of five (5) years' experience with the review of financial data for municipal water and sewer rate setting, and
- Completed at least three (3) water and sewer rate studies similar in scope of like-sized municipalities within the State of Michigan.

The selected consultant will be required to adhere to the City's insurance requirements and indemnification language into the final contract. See Appendix B for insurance, indemnification, and liability information.

SUBCONTRACTS

Any subcontracted services proposed by the bidder shall be described and information provided as to the nature of the services the subcontractor provides as it relates to this proposal. The bidder shall include the name of the subcontractor, describe prior business relationships with these firms, the experience and qualifications of said entities, and describe methods the contractor will employ to manage the subcontractor. The financial and legal relationship between the bidder and the subcontractor must be described in the proposal and approved by the City prior to initiation of a contract. Bidders and their subcontractors must comply with all confidentiality laws and will be responsible for standard insurance requirements, which are part of these specifications.

SUBMITTAL INSTRUCTIONS

Proposals will be received until **4:00 pm local time on Thursday, August 18, 2022** at the Charlotte City Hall, City Clerk's Office, 111 E Lawrence Ave, Charlotte, MI 48813 at which time and place the bids will be opened. All submittals shall be in a sealed, clearly marked envelope. Envelopes should indicate the name of the bidder and "Proposal for Water and Sanitary Sewer Rate Study – City of Charlotte".

Submittals shall consist of one (1) clearly marked original and three (3) copies of your response which shall be signed and submitted to the Clerk's Office no later than the time and date specified in this solicitation. Timely submission of the response is the responsibility of the bidder. An electronic PDF version of the entire proposal package must be provided upon request after the submittal deadline.

Bids submitted may not be withdrawn or modified for 60 days following the date on which they are opened by the City Clerk.

The City of Charlotte reserves the right to reject any or all proposals, to negotiate separately with any source whatsoever in any manner necessary to attend to the best interests of the City, to waive irregularities in any proposal, and to accept a proposal which best meets the needs of the City irrespective of the bid price.

This Request for Proposals is not an offer of contract. Receipt of a proposal neither commits the City to award a contract to any party, even if all requirements stated in this proposal are met, nor limits the City's right to negotiate in its best interest. The City reserves the right to contract with a bidder whose proposal is determined to be in its best interests. The City reserves the right to reject any and all offers received. No proposals will be accepted from anyone who is in arrears for prior expenses or fees owed to the City.

Expenses incurred in the preparation of proposals in response to this Request for Proposals are the bidder's responsibility. No work performed by the selected contractor that is out of the scope as defined by the contractor's proposal will be reimbursed unless specifically authorized by the City in writing.

All proposals are subject to the Michigan Freedom of Information Act. Once bids are opened, the information contained therein becomes accessible by the public.

TAXES, TERMS, AND CONDITIONS

The City of Charlotte is exempt from Federal Excise, State Sales Tax, and Personal Property Tax.

If awarded the contract, the company will be required to perform the scope of work as described in this RFP and any written addendum, unless departure or substitution is clearly noted and described in the proposal. The City reserves the right to determine if a service being proposed is equal to the specified service requested.

In the case of default by the contractor, the City may procure services from other sources and hold the company responsible for any excess costs incurred. In case of error by the company, the City may, by discretion upon presentation of a written explanation by the company substantiating the error, reject the Contract and award to the next qualified company. Such error may be subject to default conditions.

QUESTIONS

Questions regarding this Request for Proposals shall be directed, in writing, to Erin LaPere, MPAP, City Manager, 111 East Lawrence Avenue, Charlotte MI 48813 or elapere@charlottemi.org not later than Friday, August 5th at 4:00 pm local time. All questions will be answered in writing, via email response to the sender, and posted as an addendum to the RFP.

BID FORM
RFP 2022-04A
Water and Sanitary Sewer Rate Study
Proposal Issued July 22, 2022

The Undersigned hereby offers and agrees to furnish the service in compliance with all terms, scope of work, conditions, specifications, and addenda in the RFP.

Addenda: The Undersigned has read and understands the RFP with all exhibits thereto, together with any written addendum issued in connection with any of the above. The Undersigned hereby acknowledges receipt of the following addenda:

_____ (write “none” or “n/a” if none)

Company Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Contact Name: _____

Office Phone: _____ Cell/Alternate Phone: _____

Email: _____

The Undersigned, by submission of this proposal, hereby agrees to be obligated, if selected to provide the stated services to the City, for the term stated herein, and to enter into an Agreement with the City in accordance with RFP and any written addenda as specified above.

The Undersigned hereby accepts all administrative requirements of the RFP and will be in compliance with these requirements, and if awarded a contract, the respondent is currently and will remain in compliance with applicable provisions of the City’s Charter and Code of Ordinances.

I certify, under penalty of perjury, that I have the legal authorization to bind the firm hereunder:

Authorized Signature: _____ Date: _____

Printed Name/Title: _____

APPENDIX A
CITY OF CHARLOTTE FEE SCHEDULE

Water turn-on fee (repair/seasonal)	\$30
Water turn-on fee (after hours - repair/seasonal)	\$100
Water turn-on fee (non-payment shut off)	\$80
Sewer clean	\$85
Sewer clean (after hours - call out)	\$170
Sewer clean (holiday - call out)	\$200
Meter test	varies per cost
Water meter rental:	
Meter deposit (refundable less water charges)	\$500
0-5,000 gallons minimum fee	\$50
Above 5,000 gallons minimum fee	\$100
Water used is billed at twice established rate	
Frozen meter replacement	varies based on cost of meter and copperhorn
Frozen meter in pit	varies based on cost of meter
Frozen water service	varies based on labor, material, and equipment costs
Sprinkler meter	varies based on cost of meter and copperhorn

APPENDIX B
CONTRACTOR’S LIABILITY INSURANCE

The Contractor shall purchase and maintain such insurance as will protect him from claims as set forth below, which may arise out of or result from the contractor’s operations under the Contract, whether such operations be by himself or any subcontractor or by anyone employed by any of them or anyone for whose acts the Contractor may be liable:

1. claims under workmen’s compensation, disability benefit and other similar employee benefit acts;
2. claims for damages because of bodily injury, occupational sickness or disease, or death of his employees;
3. claims for damages because of bodily injury, sickness or disease, or death of any person other than his employees;
4. claims for damages insured by usual personal injury liability coverage which are sustained (1) by any person as a result of an offense directly or indirectly related to the employment of such person by the Contractor, or (2) by any other person; and
5. claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom.

Certificates of Insurance acceptable to the City shall be filed with the City prior to commencement of the work. The City must be named and included as an additional insured under the Contractor’s general liability insurance. Proof that the City has been named as an additional insured on the Contractor’s general liability insurance must be provided in the form of an additional insured rider to said policy, or by other proof acceptable to the City Attorney.

The Contractor’s Comprehensive General Liability Insurance and Automobile Insurance shall be in an amount not less than One Million Dollars (\$1,000,000) for injuries, including accidental death, to any one person and subject to the same limit for each person, and in an amount not less than One Million Dollars (\$1,000,000) on account of one occurrence. The Contractor’s Property Damage Liability Insurance shall be in an amount not less than One Million Dollars (\$1,000,000). The Contractor shall require his subcontractor’s to procure and to maintain during the life of his subcontract Comprehensive General Liability, Automobile Liability, and Property Damage Liability Insurance of the type and in the same amounts as specified hereinabove. The Contractor’s and his subcontractors’ Liability Insurance shall include adequate protection against the following special hazards:

Bodily Injury and Property Damage – completed job operation and/or products liability at before mentioned limits with \$1,000,000 for bodily injury and \$1,000,000 aggregate for operations, protection, contractual and products and/or completed job operations. Property Damage shall be on the broad form and shall include coverage for explosion, collapse and underground damages.

The above insurance is not, and shall not be construed as, a limitation upon Contractor's obligation to indemnify the City.

HOLD HARMLESS

The Contractor shall, to the fullest extent permitted by law, at all times indemnify and save harmless the City of Charlotte from and against any and all claims and demands whatsoever, including costs, litigation expenses, counsel fees and liabilities in connection therewith arising out of injury to or death of any person whomsoever or damage to any property of any kind by whomsoever, to the extent caused in whole or in part, directly or indirectly, by the negligent acts or omissions of the Contractor, any person employed by the Contractor, or anyone for whom the Contractor is liable, while engaged in the work hereunder. This clause shall not be construed to limit, or otherwise impair, other rights or obligations of indemnity which exist in law, or in equity, for the benefit of the City.

IN WITNESS WHEREOF, the CONTRACTOR has set its hand this __day of _____, 2022.

SIGNATURE

PRINTED NAME & TITLE

Appendix C
NON-IRAN LINKED BUSINESS CERTIFICATION

Pursuant to Michigan law (Iran Economic Sanctions Act, Michigan PA 517 of 2012), before accepting any bid or proposal or entering into any contract for goods and services with any prospective vendor, City of Charlotte must obtain certification from the vendor that it is not an “Iran-Linked Business.”

By signing below, I certify and agree on behalf of the company submitting this form and myself the following: (1) that I am duly authorized to legally bind the company submitting this proposal; (2) that the company submitting this proposal is not an “Iran-Linked Business,” as that term is defined in Section 2(e) of the Iran Economic Sanctions Act, Michigan PA 517 of 2012; and (3) that I and the company submitting this proposal will immediately comply with any further certifications or information submissions requested by the county in this regard.

Company Name _____

Authorized Representative _____
(printed name and title)

Signature _____ Date _____

VENDOR INFORMATION FOR THE CITY OF CHARLOTTE

Please complete the following information for the City of Charlotte to track vendor applicant information and for the City’s purchasing process.

Business Name _____

Address _____

Business Type (Sole Proprietorship, Corporation, LLC, etc.) _____

Is your business a Disadvantaged Business Enterprise (DBE)? **Yes** **No**

Is your business a Minority and Women-Owned Business Enterprise (MWBE)? **Yes** **No**

Does your business have a small business status? **Yes** **No**

Any other business status, please provide information: _____

Provide the name of the Certifying Entity (ties): _____

Have you conducted business with the City before? **Yes** **No**

If the answer to the above question is NO, please provide your Federal ID Number and attach a copy of your W-9 Form. FEIN # : _____

How did you discover this Bid opportunity? _____

Do you use the MITN Purchasing Group Website (BidNet)? **Yes** **No**

If Yes, do you find it useful (explain) or if No, why? _____

Completing the above information does not change your chances of being awarded a contract. The information collected will NOT be sold and will not be used to contact you. Thank you.