

Grand Traverse County Department of Public Works  
**REQUEST FOR PROPOSAL**  
WATER & SEWER RATE STUDY  
2019

Grand Traverse County Department of Public Works (DPW) will receive sealed proposals (RFP) for providing the DPW an assessment of revenue requirements to comprehensively determine cost of service and rates for water service and sanitary sewage disposal service for the (5) townships comprising our public utility system until 5:00 p.m., December 5, 2019 at the DPW office, located at 2650 LaFranier Road, Traverse City, MI 49696, at which time and place all proposals will be opened and read aloud.

(12) Twelve copies of the request for proposal shall be submitted. Specifications are on file at the DPW office and available online at <http://www.grandtraverse.org/476/Public-Works-Department>. To request the documents or if you have questions regarding the process, contact the DPW at (231) 995-6039.

The DPW reserves the right to reject any or all proposals and to waive any defects in the proposals in the best interest of the department and to accept the proposal which, in the opinion of the Board of Public Works, best serves the interest and needs of the department.

Grand Traverse County does not discriminate based on race, color, age, religion, sex, disability, and national origin; nor does it discriminate based on handicap status and activities, as to employment or the provision of services. Grand Traverse County is an equal opportunity employer.

Please mark your envelope: **“WATER & SEWER RATE STUDY”**.

John Divozzo  
Director of Public Works

## **Requirements**

The DPW seeks the services of a professional firm with experience and knowledge related to assessing revenue requirements to comprehensively determine cost of service and rates for water service and sanitary sewage disposal service. The DPW is requesting that firms express interest in providing the services herein by submitting a detailed proposal valid for at least 60 days. Firms shall submit proposals describing the ability to provide the following:

- Review the current rate structure and rates charged for water service and sewage disposal service for sufficiency.
- Determine revenue requirements and cost of service allocation.
- Review current long and short-term debt obligations of the water and sewer fund.
- Review annual operation and maintenance expenses of the water and sewer fund to ensure all operational expenses are being factored into the calculated rates.
- Review and evaluate the cash flow to ensure it is adequate to pay for the Capital Improvement Program.
- Develop an equitable and suitable rate schedule considering those factors listed above, including appropriate cash balances and in compliance with EGLE recommendations, Michigan statutes and case law.
- Upon completion, prepare a summary, recommendation, and presentation to Board of Public Works.

## **Background**

The DPW is responsible for operation and maintenance of water and sewer infrastructure and connections for the (5) Townships immediately outside the Traverse City boundary. This consists of Elmwood Township in Leelanau County and Acme, East Bay, Garfield and Peninsula Townships in Grand Traverse County.

The DPW manages the operation/maintenance budget on behalf of the townships, but the townships are responsible for setting rates. The DPW performs billing, permitting, operation and maintenance services for each system and the individual townships are responsible for system extensions.

Each township is represented on our Board of Public Works and as a group has decided to have a financial rate analysis performed for each system. The DPW has been tasked with preparing the RFP, reviewing responses, making a recommendation, and following the project through to completion for presentation to each township.

The project may include working with township officials to gather historic information, review capital & debt service costs and analyze existing rates. The DPW will provide historic budget information, current O&M costs, including payroll, administration, repair and replacement.

## **Project Description**

The purpose of this project is to conduct a comprehensive water and sewer rate study for each Township that comprise the service area for the DPW. It is expected that the successful firm will draw conclusions and make recommendations to the DPW for submittal to individual Townships to develop or affirm a secure financial plan for the future of the water and sewer funds and the activities each fund supports.

### **Preliminary Scope of Work**

After receiving written approval by the Board to proceed, the Consultant will provide a plan to prioritize the work, perform the work, and record the work performed. The following tasks shall be included as a minimum:

- Meet with appropriate DPW staff, contractors, engineers, and/or Township Officials to review records and collect data as necessary.
- Provide all materials, labor, supplies, supervision, insurance, and other services and accessories to complete the work.
- Perform the work to assure conformance with all applicable Federal, State, and Local accounting rules and rate recommendations per EGLE and Bolt v Lansing decision.
- Document the actual work performed and, on an as needed basis, provide a status report to the DPW Director.

### **Proposal Preparation and Submission**

Prepare and submit ten (10) copies of your detailed proposal signed by an officer of your firm by 5 p.m. on December 5, 2019. *All proposals shall be sealed, and the envelope clearly labeled: **WATER & SEWER RATE STUDY** with your company's name in the return address of the envelope.*

All questions or concerns regarding this RFP shall be submitted in writing or via email no later than November 21, 2019 to John Divozzo, DPW Director or [jdivozzo@grandtraverse.org](mailto:jdivozzo@grandtraverse.org).

Submit these materials to:  
Grand Traverse County DPW  
2650 LaFranier Road  
Traverse City, MI 49696  
Phone: 231-995-6039

The Detailed Proposal should include, in the following order:

- A summary, not to exceed three pages in length, which highlights the important elements of your proposal.
- A work plan which describes your structured approach to accomplishing the required tasks in conformance with all applicable Federal, State, and Township rules, regulations, ordinances, and laws.
- A list of additional services which you feel are necessary or desirable for the DPW to achieve its goal of delivery of quality service to its customers; any such additional services shall be clearly identified as additional so as not to interfere with evaluation or understanding of the scope of the proposal.
- A complete list of deliverables that will be provide during the contract.
- A proposed work schedule for complying with project requirements, which includes all work hours by classification and by task.
- A description of the organization of the project team, including sub-contractor participation.
- The Consultant shall designate a Project Manager who shall direct and coordinate the services as described herein and provide the expertise necessary to accomplish the project requirements. A resume emphasizing the completed projects similar in nature and scope to the project described herein and all projects currently involved in shall be submitted for the Project Manager of this

project. The Project Manager in this proposal will be considered by the DPW as committed to the project, should your firm be selected.

- A statement of the proposed fee based upon time and expense charged to the project including a “not to exceed” amount for all phases of the project. Indicate expense reimbursement and hourly labor rates by classification and overhead or multiplier.
- A list of at least five (5) references for which similar work has been performed, especially those for whom compliance with cost of service standards was required.
- Any other information which you believe would be helpful to the DPW in evaluating your firm’s qualifications and experience.

### **Selection Criteria**

The DPW Director will review all detailed proposals and may conduct interviews with each firm, if warranted. The recommendation will be based on:

- The firm’s ability to provide the required services.
- The qualifications and performance history submitted by the firm in the Detailed Proposal as it relates to innovative methods of controlling costs, quality of work and other information relevant to this project, including verification of references.
- The credentials of key personnel in managing a project involving utility rate studies.
- The firms’ understanding of the scope of services as demonstrated in the Detailed Proposal.
- The present workload of the firm and the availability of staff for this project.
- The appropriateness of the firm’s Fee Proposal to the level of services to be provided.
- The firm’s ability to follow the directions in the request for Detailed Proposal.
- Any other relevant information that the DPW may legally consider in making its decision.

The Director will present a recommendation to the Board of Public Works which will make the final decision on the prevailing proposal.

The DPW reserves the right to reject any and all bids. Further, the DPW is not bound to accept the lowest bid but rather, the best bid submitted for the work to be performed and the qualifications of the bidder.