

REQUEST FOR PROPOSAL

PROPOSAL: **Utility Rate Model Analysis 2023-2027**

DATE: **April 5, 2022**

INITIATOR: **Mauricio Reyes, Director of Corporate & Community Services, CFO**

DATE PROPOSAL REQUIRED:

YEAR: **2022** MONTH: **May** DAY: **3** TIME: **2:00 PM Local Time**

Submit Proposal via email to: purchasing@drumheller.ca to the attention of:

Procurement Department
Town of Drumheller

“RFP - Utility Rate Model Analysis 2023-2027”

This Request for Proposal document is comprised of:

- RFP General Instructions
- Schedule A – Evaluation Criteria
- Schedule B – Technical Specifications - Terms of Reference

If you do not have all of these components the RFP package is incomplete - please contact the Initiator.

Your firm is invited to submit a Proposal, pursuant to the general conditions for the scope of work as described. This Proposal shall not be considered authorization to proceed with work herein described. All Procurement processes must comply with Town of Drumheller Purchasing Policy C-09-20.

SECTION #1 - SCOPE OF WORK:

The Town of Drumheller invites Proposals from qualified consultants to provide Water and Wastewater Rate Analysis for 2023 - 2027. Work will include updating from past analyses and projecting water and wastewater rates for the new financial year. The rate analysis would be completed on the “utility rate model” basis using an acceptable methodology, and adding updated tangible capital asset valuations developed under the asset management planning work.

Based on expected water sales volumes and forecasted expenditures, the analysis would project rates for the next five-year period, 2023 – 2027. The consultant will also design the rate model spreadsheet to provide summary information in a clear and understandable fashion, so that the model can be updated on an ongoing basis by Town staff. There is an expectation that a high level presentation to Council will take place upon the completion of Phase 4.

Enquiries:

All enquiries shall be sent via email to purchasing@drumheller.ca prior to 4:30 pm local time on April 25, 2022.

Key Dates:

Deliverable	Key Date
RFP Posting	April 5, 2022
Deadline for Enquiries	April 25, 2022
RFP Closing	May 3, 2022 at 2:00 pm
Award Date	May 9, 2022
Phase 1 – Initial Meeting, Project Start-Up	May 2022
Phase 2 – Preliminary Information Gathering	June 2022
Phase 3 – Completion of Utility Rate Analysis	June to August 2022
Phase 4 – Initial Rate Analysis and Draft Report	August 2022
Presentation to Council	September 12, 2022
Phase 5 - Submission of Final Analysis and Report	September 26, 2022

The supplier is required to complete all necessary sections of this Request for Proposal. Alternative methodologies or equipment will only be evaluated if submitted by the successful Proposer, no other work alternatives will be reviewed.

SECTION #2 - PROPOSAL AMOUNT:

All Proposals must be in Canadian Funds, excluding GST.

Total Cost \$ _____

Proposal submission price in effect for _____ days from date of acceptance from the Town of Drumheller.

SECTION #3 - SUBMISSION REQUIREMENTS:

The Town of Drumheller requires that all submissions shall include the following:

1. All pages of this Request for Proposal;
2. All issued Addenda;
3. Proof of Commercial Liability Insurance;
4. Town of Drumheller Business License – to be obtained within three (3) business days upon award of project.

SECTION #4 - INELIGIBILITY:

The Town of Drumheller shall deem a submission to be ineligible under the following situations:

- a) Submissions that are unsigned, incomplete, improperly signed or sealed, conditional, illegible, obscure, contain arithmetical errors, erasures, alterations or irregularities of any kind shall be considered ineligible.
- b) Submissions that do not include the items listed in Section #3 Submission Requirements, and;

- c) Submissions that are not received prior to the closing date and time, as determined by the time keeping of the Town of Drumheller computer system.

SECTION #5 - INSURANCE:

Insurance

The Town of Drumheller requires that all Proposals include proof of \$5,000,000.00 Commercial Liability Insurance.

SECTION #6 - EVALUATION CRITERIA:

The lowest, or any evaluated Proposal, may not necessarily be accepted. The Town of Drumheller reserves the right to reject any or all Proposals or to accept the Proposal evaluated to be in the best interest of the Town of Drumheller.

The Town's evaluator shall score each submission on the basis stated in Schedule A: Evaluation Criteria. The Town of Drumheller will have the sole and unfettered discretion to award up to the maximum number of points for each criterion listed in Schedule A: Evaluation Criteria.

By submitting a Proposal, you acknowledge and agree to waive any right to contest through legal proceedings. The decision to award points in respect to the criteria noted below will be at the sole discretion of the Town of Drumheller.

By submitting a Proposal, you acknowledge that you have reviewed the Ineligibility Criteria contained herein and you confirm that your Proposal meets all requirements of *the Town*.

SECTION #7 – REFERENCES:

Reference #1

Company Name: _____

Contact Name: _____

Contact Title: _____

Contact Phone Number: _____

Contact Email: _____

Reference #2

Company Name: _____

Contact Name: _____

Contact Title: _____

Contact Phone Number: _____

Contact Email: _____

Reference #3

Company Name: _____

Contact Name: _____

Contact Title: _____

Contact Phone Number: _____

Contact Email: _____

SECTION #8 - INTENT:

The undersigned contractor hereby provides a Proposal to supply the services as described herein in its entirety for the cost as described in Section 2.

COMPANY: _____

Print name of authorized personnel: _____

Signature: _____ Corporate Seal: _____

Email Address: _____

Telephone number: _____

TOWN OF DRUMHELLER:

Print name of authorized personnel: | _____ |

Signature: | _____ |

DATE: YEAR [2022] MONTH [] DAY []

Upon completion of signatures above, this document will represent a contract agreement between the contractor and the Town of Drumheller.

SCHEDULE A – EVALUATION CRITERIA

Section A.1 – Evaluation Criteria Breakdown:

EVALUATION BASED ON:	100%
Cost	35%
References	15%
Qualifications and Previous Related Work	25%
Specification	25%

Section A.2 – Evaluation Criteria Definitions:

Cost: 35%

Full scoring for cost shall be given to the lowest Total Project Cost value submission. A score of zero (0) shall be given to the highest Total Project Cost value submission. All other submissions shall be awarded a pro-rated value between these two amounts.

References: 15%

The scoring for references shall be based on number of references and quality of references. Scoring shall be assigned as follows:

- 0 references – 0% of score;
- 1 reference – 15% of the score;
- 2 references – 20% of the score, and;
- 3 or more references – 50% of the score.

The remaining 50% of the score shall be based on the quality of the reference as determined by the evaluator(s).

Qualifications and Previous Related Work: 25%

The Town of Drumheller will evaluate submissions on the basis of proof to provide the work to expected industry standard levels of performance. The Town

evaluator(s) shall review all submissions for qualification on the basis of:

1. Past work performance with the Town;
2. Proof of task and scope of work appropriate worker qualifications (tradespersons tickets, proof of certification from manufacturer, etc.), and;
3. Proof of work procedures and quality control and assurance programs.

Specifications: 25%

The Town of Drumheller shall evaluate the submission to confirm that the Proposal represents a clear understanding of the performance and technical requirements.

SCHEDULE B – TECHNICAL SPECIFICATIONS

Terms of Reference Town of Drumheller Water and Wastewater Rate Analysis

Project:

The Town of Drumheller wishes to engage a consultant to undertake a water and wastewater rate analysis updating from past analyses and projecting water and wastewater rates for the new financial year.

The rate analysis would be completed on the “utility rate model” basis using an acceptable methodology and adding updated tangible capital asset valuations developed under the asset management planning work. Based on expected water sales volumes and forecasted expenditures, the analysis would project rates for the next five-year period, 2023 – 2027.

The consultant will also design the rate model spreadsheet to provide summary information in a clear and understandable fashion, so that the model can be updated on an ongoing basis by Town staff.

The basis of the model needs to be clearly documented, including assumptions and calculations. Rate analysis model should be presented so as to be clearly understood by Town staff, elected officials, auditors and public. Clear documentation of model, inputs and assumptions should be provided.

Work Program:

The Consultant will undertake the Project on the following basis:

Phase 1 – Initial Site Meeting, Project Start-Up

The consultant will attend a meeting with the Town of Drumheller’s Administration to set out the scope of work and discuss objectives for the rate review.

Phase 2 – Preliminary Information Gathering

The consultant will gather all available information that the Town might have available. Such information, in electronic format where available, and paper form where not available, would include:

- Previous Rate Analyses
 - Rate Review and Analysis Report - Campbell Ryder Consulting Group Ltd. - Report and Excel Spreadsheet
 - The most recent iteration of the rate model spreadsheet

- Plans and Policies
 - Water and Wastewater Rate Bylaws setting rates for years 2018- 2022
 - Wholesale Water Supply Agreements to external customers

- Sales and Revenue Information for Water and Wastewater Systems
 - Water Sales Volume and Revenue by Town Customers by Class, Meter size
 - Sales Volume and Revenue for Wholesale Water Customers
 - Wastewater Revenue
 - Non-Rate Revenue

- Direct Water and Wastewater Systems Annual Costs
 - Management and Administration
 - Financial Services and Billing
 - Operating Costs
 - Transfers to Operating Reserves
 - Debt Payments
 - Transfers to Capital Reserves
 - Capital Expenditures
 - Overhead Detailed Costs and Revenues
 - Council
 - Administration
 - Finance
 - Public Works (Common Services)
 - Water and Wastewater System Balance Sheet Items
 - Operating Reserves
 - Capital Reserves
 - Debenture and Other Debt
 - Authorizing Bylaw
 - Debt Details
 - Tangible Capital Assets
 - Original Cost
 - Amortization Period
 - Accumulated Amortization
 - No Cost Capital (External Capital Contributions, Grants, Other Funding)
 - Original Funding
 - Accumulated Amortization

and any other information that the Town might feel is relevant. The Town would undertake to gather this information and convey it to the consultant. With this information, the consultant would begin to prepare the rate model.

Phase 3 – Completion of Utility Rate Analysis

During this phase, the consultant will perform the utility rate analysis and request any additional information needed from the Town's Administration.

In addition, the consultant will attend the Drumheller Town Office for a day to meet with:

- Finance department staff to review the initial rate model, review the financial information systems of the Town to determine the best process for data export and model updating by Town staff.
- Public Works / Utility management to review five-year costs projections for water and wastewater systems.

Phase 4 – Presentation of Initial Rate Analysis and Draft Report

Based on the further information supplied and the understanding of the water and wastewater systems, the consultant would finalize the draft rate model and report.

This would be sent in advance to the Town's Administration and the consultant would follow up with a presentation to the Town's Administration as may be required.

Phase 5 – Final Analysis and Report

Based on input and results from the draft review, the consultant will finalize the Analysis and Report.

This will be transmitted to the Town's Administration in .pdf format with source files from Excel and Word be provided.