



Request for Proposal (RFP) for  
Sewer Rate Study for the  
Summerland Sanitary District

Issued: September 12, 2022

**Proposals Due: Friday October 7, 2022, 2:00 PM**

## I. INTRODUCTION

The Summerland Sanitary District (District) is seeking proposals from qualified consultants to conduct a cost of service rate study (Study) for its Wastewater Treatment and Collections operations with a 5-year financial plan with proposed rate adjustments necessary to cover the cost of operating, maintaining, and upgrading its wastewater utility.

The objective of the Study is to assess existing user rates, develop fair and equitable rates that are based on cost of service analysis, and ensure there are sufficient revenues to meet the operation and maintenance (O&M) and capital needs of the wastewater utility.

The District strives to strike a balance between rate sensitivity and capital improvement needs. The Study shall propose needed revenue adjustments to fully fund planned capital projects for the next five years, maintain wastewater operations, and recommend appropriate reserve levels for the District to build to and maintain to respond to emergency needs.

### **Previous Rate Studies:**

The last comprehensive adopted rate study conducted by SSD was finalized in 2017. The Board of Directors last adopted a rate increase in February of 2018 that became effective July 1<sup>st</sup>, 2018

## II. PROJECT DESCRIPTION

The purpose of the Study is to analyze, assess, and recommend District revenue requirements in order to best address the annual Operations & Maintenance needs of the District as well as fund its long term Capital Improvement Plan for the Collection System and Wastewater Treatment Plant. This will be essential in ensuring the District is able to accomplish its core mission of protecting the publics' health and safety, while preserving the natural environment, through the collection, treatment, and disposal of wastewater in the most cost effective way possible. The major objectives of the Study include the following:

1. Evaluate the District's current customer classes, rate structure and connection fees;
2. Provide recommendations for rate structure revisions and rates that are consistent with industry standards, best management practices, and all applicable laws;
3. Develop a sewer cost of service and rate model for the District covering a five-year study (Fiscal Years 2023-24 through 2028-29) period for both on-going operations and planned capital improvements;
4. Demonstrate the ability of the District to absorb higher wastewater treatment costs while maintaining our debt service coverage and cash levels.
5. Recommend appropriate reserve levels for operational and capital needs based on industry and financial standards.

## III. SERVICES TO BE PROVIDED BY CONSULTANT

The services to be provided by the Consultant shall include, but no limited, to the following:

1. Project Management

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- a. Prepare budgets for each task and milestone for the Study.
  - b. Provide a detailed project schedule, including milestones, major activities, and deliverables for all aspects of the Study.
2. Rate Study
- a. Provide a comparison of current wastewater system costs (operational, capital improvement, and debt) against appropriate benchmarks.
  - b. Provide a comparison of current wastewater system rates against surrounding public agency wastewater rates.
  - c. Evaluate existing fee structure for conformance with applicable laws and make recommendations for any changes that are necessary to achieve compliance, focusing on the following:
    - i. Cost of service for fees.
  - d. Recommend a rate structure consistent with applicable laws and industry practice based on the following:
    - i. Current and future cost of providing services in accordance with established and anticipated standards and regulations.
    - ii. Projected community growth and impacts from emerging land development laws (Accessory dwelling units, SB9/SB10) on capacity of existing facilities and cost of service.
    - iii. Age and condition of the wastewater collection and treatment system.
    - iv. The District's long term Capital Replacement Projects.
    - v. Funding requirements for the Districts' long-term liabilities and debt obligations.
    - vi. Provide a methodology for annual inflationary adjustments in compliance with applicable law.
    - vii. Cash flow and working capital.
    - viii. Projected revenues, operating expenditures, and other funding source requirement, with an understanding of the Districts' historical trends.
3. Final Report
- a. Prepare a draft and final report (digital format) to include the following:
    - i. Overview of the District's purpose, mission, goals and key performance indicators.
    - ii. Service area description, including current customer base and potential future customers from septic to sewer program.
    - iii. Brief description of current rate structure.
    - iv. Data and assumptions on future growth, inflation and interest rates.
    - v. Brief description of the District's Capital Improvement prioritized projects, expenditures and anticipated funding sources.
    - vi. Revenue, expense and reserve projections over the 5-year timeframe.
    - vii. Rate comparison of existing revenues to meet required needs and discussion of any recommended rate increases necessary to fund future needs of the District.
    - viii. Final conclusions.
  - b. Provide data and calculations supporting conclusions regarding the key rate elements.
4. Public Meetings

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- a. Rate Study Analysis Phase
  - i. Consultant should include an allowance for at least three Rate Study Committee meetings and one Regular Board meetings to present progress and gather input from directors and one Town Hall Meeting.

### IV. PROJECT SCHEDULE

The District plans to adopt the 5-year financial plan and implement any necessary rate adjustments for the upcoming 2023-2024 Fiscal Year. The District will need to commence the rate setting process for any changes to rates no later than April 1, 2023. In order to meet that deadline, the following major milestones need to be met:

1. Award of Contract October 13<sup>th</sup>, 2022
2. Participate in Committee meeting(s) to seek input from Board/Committee members
3. Presentation of Draft Rate Study to Finance Committee in January 2023
4. Presentation to Board of Directors in February 2023
5. Participate in Townhall meeting March 2023
6. Development and mailing of Proposition 218 Notice in April 2023
7. Adoption of 5-year Financial Plan and new rates for Fiscal Year 2023-24 by June 30, 2023

### V. RESPONSES

**Responses to this RFP shall be received no later than 2:00 p.m. on Friday October 7, 2022.** The response shall include at a minimum the information listed herein; incomplete or unclear information may be grounds for rejection. The response shall be organized as follows:

#### 1. Cover Letter

The Proposal shall be submitted with a cover letter and shall be addressed to:

Summerland Sanitary District  
Board of Directors  
P.O. Box 417  
Summerland, CA 93067

#### Experience and Qualifications

- a. Provide a brief history of the firm, include: name of the firm, the year the firm was established under the current name, and the closest office location to the project. Indicate any other previous names for the firm during the last five years and the year any name change was effective.
- b. Describe the consultant team, including names, classifications and qualifications of key personnel and show the relationships on an Organizational Chart. The résumé should include:
- c. Provide a list of at least three prior assignments within the last five years that best illustrates the personnel's relevant qualifications for this assignment. Show which projects the key personnel have worked together on previously. The performed services should be similar to those outlined in this solicitation. The list shall include the following information for each assignment:

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- i. Name of client
- ii. Location (city and state)
- iii. Name and brief description of construction project
- iv. Duration of assignment
- d. Provide three clients as a reference, including at least two for whom services were rendered during the past two years, preferably for services similar to those outlined in this solicitation; include contact information for each reference.
- e. Provide a list of all proposed sub-consultants that you plan to work with to complete these services.

### **2. Project Understanding**

Provide a statement demonstrating the Consultant's understanding of the project and proposed approach to the project scope of work, broken down by tasks and subtasks. Proposals shall identify specific milestones and deliverables for each task. Proposer may revise the scope of services in this RFP and should call out the proposed revisions in their proposal.

### **3. Schedule**

The proposal must include a detailed schedule estimating the timeframes necessary to complete the proposed scope of services including time for review of deliverables by District staff. The consultant should highlight in their proposal any tasks that may delay the final project deliverables.

### **4. Labor Rates and Fee Schedule**

Provide a table showing the estimated staff hours for all consultants assigned per task, based on the Consultant's understanding of the project's scope of work.

A Fee Proposal and standard labor rate schedule shall be submitted in a separate pdf and clearly marked Fee Proposal with the company and project name. The fee shall be based on the Proposer's employee rate schedule with a not to exceed amount, including the estimated costs for mileage, reimbursable and reproduction costs. Fee proposals will be opened after the proposals are ranked using the selection criteria. This fee information will be used as a basis for negotiation with the successful Consultant.

### **5. Contract Requirements**

The consultant must comply with applicable local, State, and Federal laws including prevailing wage rates and their payment in accordance with California Labor Code, Section 1775.

## **VI. RESERVATION OF RIGHTS**

1. The Summerland Sanitary District reserves the right to:
  - a. Reject any and all responses received.
  - b. Issue a subsequent RFP.
  - c. Cancel the entire RFP.
  - d. Remedy technical errors in the RFP process.
  - e. Negotiate with any, all, or none of the Respondents to the RFP.
  - f. Waive informalities and irregularities.

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- g. Make multiple recommendation(s) to the SSD Board.
  - h. Request additional information or clarification.
  - i. All responses and their contents will become the property of SSD.
- 2. SSD will not reimburse Consultants or sub-consultants for any costs associated with any travel and/or per diem incurred in any presentations or for any costs in preparing and submitting the responses.
- 3. SSD reserves the right to end, in its sole discretion, negotiations at any time with any or all Consultants. This RFP does not commit the District to enter into a contract, nor does it obligate it to pay any costs incurred in the preparation and submission of responses or in anticipation of a contract.
- 4. Failure to respond to the requirements outlined in this RFP shall result in the proposer's disqualification as non-responsive to the RFP.