

KENT COUNTY WATER AUTHORITY
REQUEST FOR PROPOSAL
RELATING TO
WATER RATE CONSULTING SERVICES

INSTRUCTIONS TO PROPOSERS

ARTICLE 1. GENERAL:

- 1.1 The Kent County Water Authority requests proposals from water rate consulting specialists to provide consulting services to the Kent County Water Authority.
- 1.2 **Pre-qualifications:** In order to be considered for this assignment consultants must meet the following requirements:
- 1.2.1 Have prepared and provided expert testimony in at least three rate filings, rate pass through filings or intervention filings and testimony for water utilities before the RI Public Utilities Commission (RIPUC) in the past five years.
- 1.2.2 Have demonstrable experience in rate setting for regulated municipal water utilities of a size comparable to the Authority.
- 1.2.3 Have demonstrable familiarity with revenue bond covenants for non-taxing utilities.
- 1.2.4 Provide at least five references on rate studies for regulated utilities.
- 1.3 **Scope of Services:** The consultant will be expected to assist the Kent County Water Authority in the preparation of various rate related assignments by acting as the Authority's rate consultant and/or expert witness on rate related matters. The assignments covered under this RFP may include some or all of the following:
- General water rate filings before the RIPUC
 - Cost of service study,
 - Abbreviated rate filings before the RIPUC
 - Filings for pass through rates on wholesale increases
 - Representation of the KCWA as an intervener before the PUC in rate petitions filed by wholesale water suppliers
 - Advise on rates and revenues pertaining to the Authority's revenue bond covenants before the RIPUC and/or RIDPUC

The basic scope of work for the general and expedited rate filings shall include the following:

- 1.3.1 Meet with the General Manager and his staff to determine the parameters for the rate filing.
- 1.3.2 Obtain all needed data, statistics and records from the Authority.

- 1.3.3 Prepare test year and proposed rate year revenue requirements, supporting calculations for known and measurable changes to the test year expenses, and other schedules as required by the RIPUC.
 - 1.3.4 Present the preliminary findings to the staff, and then to the Board of the Water Authority.
 - 1.3.5 Coordinate the filing of all documents with the Authority's rate attorney.
 - 1.3.6 Meet with the staff of the Division of Public Utilities and Carriers and their consultants.
 - 1.3.7 Prepare written testimony and exhibits in support of the rate filing.
 - 1.3.8 Prepare responses to data requests from the Division, the Commission and any interveners.
 - 1.3.9 Present direct oral testimony in support of the filing.
 - 1.3.10 Review the filings by the Division and any interveners and prepare data requests on that direct testimony.
 - 1.3.11 If necessary, assist in preparation of rebuttal testimony responding to direct testimony and exhibits filed by other and responses to data requests on such rebuttal testimony.
 - 1.3.12 If necessary, review the surrebuttal testimony by any party in the docket.
 - 1.3.13 If necessary, present direct rebuttal testimony.
 - 1.3.14 Assist the Legal Counsel in direct and cross-examination during RIPUC hearings on the filing.
 - 1.3.15 Assist the Legal Counsel in presenting briefs and reply briefs.
 - 1.3.16 The general scope of work for interventions in cases regarding the wholesale rates of the Authority's suppliers and for the pass through of wholesale rate increases shall be similar in nature. General consulting on the Authority's revenue bond covenants shall include review of the covenants, meetings with the Authority's financial advisors and legal counsel, review of changes to the covenants, review of future bond documents, and analysis of revenues and expenses.
 - 1.3.17 Perform if requested cost of service study and/or revisions to current cost of service study.
- 1.4 The Scope of Service is intended to last for a one-year duration. The Kent County Water Authority will have the option of extending this agreement to include up to two additional years.

ARTICLE 2. QUALIFICATIONS OF PROPOSERS:

- 2.1 To be considered, firms must be able to demonstrate experience in revenue bond financing for water utilities and must also be able to demonstrate recent (last three years) experience in presenting rate cases for municipal water utilities or similar before the Rhode Island Public Utilities Commission.
- 2.2 Proposers may be investigated by Kent County Water Authority to determine if they are qualified to perform the work. All Proposers shall be prepared to submit to Kent County Water Authority upon request, written evidence of such information and data necessary to make this determination.

- 2.3 The investigation of a Proposer will seek to determine whether the organization is adequate in size, sufficient personnel has had previous experience and financial resources are adequate to assure Kent County Water Authority that they can complete all assignments ordered by the Kent County Water Authority.
- 2.4 In evaluating Proposals, Kent County Water Authority will consider the qualifications of only those Proposers whose Proposals are in compliance with the prescribed requirements and the Request for Proposal Invitation.
- 2.5 Kent County Water Authority reserves the right to reject any Proposal, or parts thereof, if the evidence submitted by, or the investigation of, such Proposer fails to satisfy Kent County Water Authority that such Proposer is properly qualified to carry out the obligations of the Request for Proposals and any and all assignments from the Kent County Water Authority.

ARTICLE 3. COPIES REQUEST FOR PROPOSAL DOCUMENTS:

- 3.1 Complete sets of Request for Proposal Documents shall be used in preparing the Proposals; Kent County Water Authority assumes no responsibility for errors or misinterpretations resulting from the use of incomplete sets of Request for Proposal Documents.
- 3.2 Kent County Water Authority in making copies of Request for Proposal Documents available do so only for the purpose of obtaining Proposals for Water Rate Consulting Services and do not confer a license or grant for any other use.

ARTICLE 4. EXAMINATION OF REQUEST FOR PROPOSAL DOCUMENTS:

- 4.1 Before submitting a Proposal, each Proposer must examine the Request for Proposal Documents thoroughly, and familiarize themselves with Federal, State and local laws and the Rules and Regulations of the RI Public Utilities Commission and Division of Public Utilities and Carriers.
- 4.2 The submission of a Proposal will constitute an incontrovertible representation by the Proposer that he has complied with every requirement of this Request for Proposal and all documents contained herein.

ARTICLE 5. INTERPRETATIONS:

- 5.1 All questions about the meaning or intent of the Request for Proposal Documents shall be received in writing by Kent County Water Authority, P.O. Box 192, West Warwick, Rhode Island 02893, seven business days before Proposal opening.

- 5.2 Written clarifications or interpretations will be issued if requested by Addenda not later than four calendar days before the Proposal opening date. Only questions answered by formal written Addenda will be binding. Oral and other clarifications or interpretations will be without legal effect.
- 5.3 Addenda will be mailed via certified mail, with return receipt requested, to all parties recorded as having received the Request for Proposal Documents.
- 5.4 Each Proposer shall be responsible for determining that he has received all Addenda issued.

ARTICLE 6. RECEIPT OF PROPOSALS:

- 6.1 Sealed Proposals for the Request for Water Rate Consulting Services will be received at the time and place indicated in the Invitation for Proposals.
- 6.2 Kent County Water Authority may consider informal any Proposal not prepared and submitted in accordance with the provisions hereof.
- 6.3 Proposers are cautioned that it is the responsibility of each individual Proposer to assure that his Proposal is in the possession of the responsible official of the Kent County Water Authority or his designated alternate prior to the stated time and at the place of the Proposal Opening. Kent County Water Authority is not responsible for Proposals delayed by mail and/or delivery services, of any nature.
- 6.4 All Proposals shall be submitted in a sealed envelope. Clearly indicate on the envelope jacket that it is a Proposal for Water Rate Consulting Services. Kent County Water Authority will not be responsible for any envelopes opened that are not clearly marked.

ARTICLE 7. MODIFICATION OF REQUEST FOR PROPOSALS:

- 7.1 Proposals may not be modified once they are accepted by the Kent County Water Authority office staff or designated alternate prior to opening. After opening of proposals, modifications will not be allowed.

ARTICLE 8. REQUIRED SUBMITTALS:

- 8.1 All items requested in this Proposal and Article must be submitted bound in one volume.
- 8.2 A statement demonstrating compliance with each of the Pre-qualifications listed in 1.2 above.
- 8.3 A resume of the project manager and other staff proposed for this job.
- 8.4 Disclosure statement detailing any potential conflicts of interest relating to the Kent County Water Authority and any and all previous or proposed clients for the consultant.

In particular any conflicts that may arise due to intervention status filings with wholesales to the KCWA.

- 8.5 Brief (10 pages or less) description of the consultant or consultant firm and the division responsible for rate analysis, revenue bond financing and cost of service studies. Specific information with regards to background and experience in performing these services for the water utility industry will be required.
- 8.6 Description of current workload of the consultant and/or rate specialist to be assigned to this project and a description of the workload of the department of the firm. Description shall include current, proposed, projected and ability to service Kent County Water Authority within the next 6 calendar months.
- 8.7 A complete listing of clients and assignments over the past 5 years for whom similar services, in particular water rate studies that have been performed in Rhode Island that included submission to the R. I. Public Utilities Commission. This shall be specific for each member of the team proposed in 8.3 above.
- 8.8 Any and all other related qualifications as deemed necessary for review.
- 8.9 A fee proposal (One page) including the classifications and hourly billing rates of all personnel to be assigned to Kent County Water Authority work, reimbursable items and basis of payment, any and all other items to be charged and the basis of those charges.
- 8.10 Eight (8) bound copies of the above data must be submitted at time of Proposal opening.

ARTICLE 9. SELECTION CRITERIA FOR INTERVIEW (SHORT LIST):

The Kent County Water Authority shall review Proposals based on the following criteria: a minimum of three Proposals (if sufficient #'s submitted) shall be selected from the criteria below for interviews. Only those selected for interview shall be eligible for selection as the Kent County Water Authority rate consultants.

- 9.1 Competence to perform the Water Rate Services as reflected by experience of the firm and selected staff to perform the service.
- 9.2 Ability to perform the services as reflected by the workload and availability of adequate personnel with relation to schedules.
- 9.3 Fee proposal for all items singularly or combined.
- 9.4 Response to Pre-qualifications requirements.
- 9.5 Organization content of Proposal, clear and concise nature of presentation, ability to be specific to Request for Proposal Instructions.

ARTICLE 10. INTERVIEW AND FINAL SELECTION:

- 10.1 Interviews will be considered optional and the Kent County Water Authority has the right to select a consultant based on Article 9 above.
- 10.2 Upon completion of Article 9 and if interviews are to be held, those firms selected will be notified of the date and time for interviews if held. Interviews will be held directly with the Kent County Water Authority and each interviewed proposer will be given an opportunity for a 10-minute presentation and 20 minutes of response questions from the Board.
- 10.3 The Kent County Water Authority reserves the right to award this Proposal in whole or in part and reject any and all Proposals. Award of this Proposal by Kent County Water Authority is final.

ARTICLE 11. ENGAGEMENT OF SERVICES:

- 11.1 Upon successful selection in Article 9 or 10 above, the Kent County Water Authority reserves the right to negotiate any and all parts to this Proposal with the selected Proposer prior to formalization of engagement of services.
- 11.2 In the event the successful Proposer cannot fully and timely perform his contractual obligation and/or successfully negotiate the Proposal with the Kent County Water Authority, the Kent County Water Authority reserves the right to award the Proposal to any of the other qualified Proposers.
- 11.3 Kent County Water Authority reserves the right to reject any and all Proposal, or parts thereof, to waive any and all informalities if it is in Kent County Water Authority's best interest to do so, and the right to disregard all nonconforming, non-responsive, or conditional Proposals or portions thereof.
- 11.4 It is fully intended to engage the services of the successful Proposer as stated above upon successful negotiations and preparation of a letter of engagement acceptable to Kent County Water Authority. Price alone will not be the sole determining factor.
- 11.5 Since the consultant work papers constitute the principal record of the work the consultant has done, and the conclusions the consultant has reached concerning matters significant to the rate analysis cost of service study, it is required that the consultant maintain the work papers from the assigned work of this proposal for a period of six (6) years. Further, the proposal should guarantee access and copies to the work papers to those parties designated by the Authority for any associated work.

Kent County Water Authority