

Request for Quote

Ten Year Revenue Model

RFQ No. 1073

November 2, 2017

Due Date

November 16, 2017

Rivanna Water & Sewer Authority
Rivanna Solid Waste Authority

695 Moore Creek Lane, Charlottesville, Virginia 22902-9016
Tel (434) 977-2970 • Fax (434) 293-8858



Request for Quote No. 1073

Ten Year Revenue Model

BACKGROUND

Rivanna Water and Sewer Authority is a regional non-profit public corporation and political subdivision of the Commonwealth of Virginia, that supplies drinking water to and treats the sewage of the City of Charlottesville and certain areas of the County of Albemarle.

Rivanna Solid Waste Authority is a regional non-profit public corporation and political subdivision of the Commonwealth of Virginia that provides solid waste and recycling services to the City of Charlottesville and County of Albemarle.

PURPOSE, SCOPE & QUOTE REQUIREMENTS

See attached document

REQUEST FOR QUOTE REPRESENTATIVE

All inquiries for information regarding this RFQ should be directed to:

Lonnie Wood, Purchasing Agent, lwood@rivanna.org
695 Moores Creek Lane, Charlottesville, VA 22902-9016
Telephone: (434) 977-2970

DUE DATE:

RFQs will be received until **4:00 PM EST on November 16, 2017**. RFQs received after the date and time will not be accepted. RFQs may be shipped, mailed or hand delivered to 695 Moores Creek Lane, Charlottesville, VA 22902-9016. Telephoned, emailed or faxed quotes will not be accepted.

RFQs must be clearly labeled with the following information:

RFQ No. 1073

Title: Ten Year Revenue Model

RFQ Due Date: November 16, 2017

From: Name of Firm submitting RFQ

Request for Quote No. 1073

Ten Year Revenue Model

INTRODUCTION

Rivanna Water and Sewer Authority (RWSA) is requesting quotes from qualified firms for the creation of a working rate model. Rates in this quote include a 1,000 gallon per unit charge for operating costs for the Urban System rate centers, a per month charge for Debt Service per rate center, and a per month charge for Non-Urban operating rate centers.

The contract term shall be for one (1) year with the RWSA's option to renew for up to four (4) additional one (1) year terms for a total contract length not to exceed five (5) years if agreed upon in writing by both parties.

BACKGROUND

Rivanna Water and Sewer Authority is a regional non-profit public corporation and political subdivision of the Commonwealth of Virginia, chartered in 1972 under the Virginia Water and Waste Authorities Act (1950, as amended), that supplies drinking water to and treats the sewage of Charlottesville and certain areas of Albemarle County. RWSA is a wholesale agency and bills monthly the City of Charlottesville and the Albemarle County Service Authority, both of which handle the retail distribution of water and collection of sewage in their respective service areas.

RWSA is charged to acquire, finance, construct, operate and maintain facilities for the impoundment, production, storage, treatment and transmission of potable water and for the interception, treatment and discharge of wastewater. RWSA operates under the terms of a Service Agreement signed in 1973 by the officers of the Charlottesville City Council, the Albemarle County Board of Supervisors, the Albemarle County Service Authority and RWSA. RWSA operates and maintains five (5) water treatment plants and three (3) wastewater treatment plants and the associated water storage facilities, pump stations, transmission mains and interceptor sewers.

The RWSA charges are defined by the Service Agreement (a.k.a. Four-Party Agreement) to allocate all costs by rate centers. There are several addendums and one amendment to the Service Agreement. Further, there are several cost allocation agreements in affect that cover the costs of capital improvements (specifically or in general) and the related debt service costs of the Urban Rate Centers.

The RWSA has also adopted financial policies that guide how reserves are to be used and accumulated, debt service ratio targets and capital funding guidelines. The RWSA is not a retail utility and does not charge rates like a retail utility. The rates and charges are strictly promulgated by the Service Agreement and related agreements.

SCOPE OF WORK

Ten-Year Revenue Model

A ten-year rate model (the Model) will be developed that will break out each of the 6 (six) rate centers, although the 4 (four) Non-Urban rate centers should be grouped together. For each rate center, there needs to be a separation of variable inputs and follow-through between debt service charges and operational rates.

- Operations - The Model will have inputs of various variables for operating, such as direct known costs, changes and inflation, changes in flow estimates, operating reserves, etc.
- Capital and Debt Service - The Model will have capital and related debt service costs that will need to conform to the various cost allocation agreements, account for current debt service charges, accommodate new project costs, factor in debt service coverage targets/reserves assumptions to show resulting annual and monthly debt service charges for the two (2) retail customers by rate center.
- Combining the operating rates and debt service charges for a total annual revenue requirement needed of the two (2) retail customers.

The Model needs to show a summary of charges and rate comparisons and ultimately the required revenues charged to each customer on an annual basis.

The model will be used for the budget process beginning in roughly mid-January 2015.

- A possible presentation to the board may be needed in in February.

Training and Updating

It is intended the Model will be used annually during the Capital Improvement Plan and Operations budgeting process. The service contract must provide initial support and training of RWSA staff on how to use the Model. Support must be provided annually and as needed when updating the Model, adjusting or adding new input variables, and/or refining how the Model is used.

SUBMITTAL REQUIREMENTS

The quote should provide:

- A lump sum quote for the initial Model creation;
- Overall description of how you or your firm would approach creating a wholesale 10-year revenues and rate model include timeline for completion;

- A lump sum quote for travel to/from Authority Board meeting and presentation of the model and its results;
- Estimated hours and cost per hour of initial training of RWSA staff on how to use the Model;
- Estimated hours and cost per hour for annual updating of the Model as described in the Scope of Work.
- Name of the firm, local address, telephone number, email address, and name of the contact person;
- A description of the Firm's and/or Individual's experience and qualifications with the wholesale (or retail) rate and revenue studies. Firm or Individuals must be able to demonstrate at least five (5) years of current experience in rate modeling and or study formulations for municipal utilities; and
- Provide at a minimum three (3) references from local governments and political subdivisions that your firm has served in the past three (3) years; preferably those where one or more of your engagement team provided those services.

GENERAL INFORMATION

Depending on the estimated costs, the RWSA intends to issue a standard Purchase Order for these services (see attached standard provisions). RWSA is also open to executing a service contract if one is desired by the eventual offeror who is awarded the work.

General Purchase Order Provisions

1. The Authority reserves the right to withhold payment of invoices until merchandise is received and accepted and does not waive right to deduct cash discount where applicable.
2. All prices, unless otherwise specified, should be FOB Destination - Freight Prepaid and Allowed. If shipping charges are added to the invoice the original Bill of Lading shall accompany invoice. All charges are to be prepaid.
3. If discount for prompt payment is allowed, the discount period will begin on the date of receipt of proper invoice, or material, whichever is the later.
4. Separate invoices are required for each order and each shipment. All copies shall be forwarded directly to invoice address shown. Purchase Order number shall be shown by Vendor on all related invoices, delivery memoranda, bills of lading, packages and/or correspondence.
5. Rejected supplies will be returned at Vendor's expense. The Authority's count is final and conclusive.
6. Vendor warrants that merchandise is free and clear of all liens and encumbrances, and that the sale of merchandise does not infringe on any patents, copyrights or trademarks. The Vendor further warrants that all goods and services furnished shall conform in all respects with the terms of this order, including any drawings, specifications or standards incorporated herein and that they are suitable and will perform in accordance with the purposes for which they were intended.
7. Acceptance of this order shall be limited to the terms and conditions contained herein and incorporated herein by reference. This order shall be deemed accepted upon the return of the acknowledgment of this order or the commencement of performance by Vendor, except in the event that this order was placed by the Authority in acceptance Vendor's quote, bid or proposal in which case the order is deemed accepted by both parties upon issuance of the order by the Authority. The Authority rejects any additional or inconsistent terms and conditions offered by Vendor at any time and irrespective of Authority's acceptance of or payment for Vendor's items or services. These terms and conditions constitute the entire agreement between the parties and no change to or modification of this order shall be binding upon Authority unless signed by an authorized representative of Authority's purchasing office.
8. Authority reserves the right to terminate this order, in whole or in part, for default or convenience with written notice at least 15 days prior to effective date of cancellation. Any such termination will be without liability to Authority except for completed items delivered and accepted by Authority, payment for which can be set off against any damages to Authority. Authority may require Vendor to transfer-title and deliver to Authority any or all property produced or procured by Vendor for performance of the work terminated and Vendor shall be credited with the reasonable value thereof not to exceed Vendor's cost.
9. In case of failure to deliver the goods or products in accordance with the contract terms and conditions, the Authority, after due oral and written notice, may procure the goods or products from other sources and hold the Vendor responsible for any resulting additional purchase and administrative costs.
10. The Authority shall have sole rights of ownership to any product, idea or property resulting from the performance of this contract unless otherwise agreed to in writing by both parties.
11. Neither party shall be in default for any delay or failure to perform hereunder due to causes beyond its control and without its fault or negligence, provided that any delay or failure to perform caused by the default of a supplier of the Vendor is beyond the control of both Vendor and such supplier and without the fault or negligence of either and the items to be furnished are not obtainable from other sources in sufficient time to permit Vendor to meet the delivery schedule; and provide further, that Vendor furnishes prompt written notice to

- Authority of the occurrence of any such cause which will or may delay Vendor's performance.
12. Whenever Vendor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Vendor shall immediately give notice thereof, including all relevant information with respect thereto, to Authority. Vendor agrees to insert the substance of this clause, including this sentence, in any purchase order to subcontract hereunder.
 13. The Vendor shall agree to indemnify and save harmless the Authority and all of its officers, agents, and employees from all suits, actions or claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property by or from the Vendor or by or in consequence of any neglect in safeguarding the work, or through the use of unacceptable materials in the construction of improvements, or by or on account of any act or omission, neglect, misconduct or negligence of the Vendor.
 14. The rights and remedies of the Authority set forth herein shall be in addition to any other rights and remedies provided in law or equity and the failure or delay by Authority to exercise any rights or remedies under this order shall not operate as a general waiver thereof.
 15. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia and of the United States of America. The Vendor shall comply with applicable federal, state and local laws and regulations.
 16. The Vendor certifies that it does not, and will not during the performance of the Contract, employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.
 17. Vendors providing goods to the Authority under this order herewith assure the Authority that they are conforming to the provision of the Civil Rights Act of 1964 as amended, as well as the Virginia Fair Employment Contracting Act of 1975 as amended, where applicable.
 18. The Authority is exempt from provisions of Virginia Sales and Use Taxes and Federal Excise Taxes.
 19. The Contract is governed by the applicable provisions of the Rivanna Water & Sewer Authority Purchasing Procedures, as amended.
 20. It is expressly agreed that nothing under the Contract shall be subject to arbitration, and any references to arbitration are expressly deleted from the Contract Documents.
 21. During the performance of this contract, the Vendor agrees that it will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability or any other basis prohibited by law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Vendor. The Vendor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. Also, the Vendor, in all solicitations or advertisements for employees placed by or on behalf of the Vendor, will state that it is an equal opportunity employer.
 22. During the performance of this contract the Vendor agrees as follows: (i) to provide a drug-free workplace for the Vendor's employees; (ii) to post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Vendor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; and (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Vendor that the Vendor maintains a drug-free workplace. For the purposes of this

paragraph, “drug-free workplace” means a site for the performance of work done in connection with the contract awarded to a Vendor in accordance with this procurement transaction, where the Vendor’s employees are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

23. The Authority does not discriminate against faith-based organizations.
24. The Authority shall have the right at any time by written notice via P.O. Change Order to Vendor to make changes in the specifications, the quantity of items called for, delivery schedules, and requirements covering testing, packaging, or destination. Any claim by Vendor for adjustment under this clause shall be deemed waived unless made in writing within (10) days after receipt by Vendor of notice of such change. Price increases or extensions of time for delivery shall not be binding on the Authority unless evidenced by a P.O. Change Order issued by the Authority’s Purchasing Agent.
25. The Authority may delay delivery or acceptance occasioned by causes beyond its control. Vendor shall hold such materials, equipment, supplies, services and or installations at the direction of the Authority and shall deliver them when the cause affecting the delay has been removed. The Authority shall be responsible only for Vendor’s direct additional costs in holding the goods or delaying performance of this P.O. at the Authority’s request. Vendor shall also be excused if delivery is delayed by unforeseen events beyond its reasonable control, provided Vendor notifies the Authority as soon as they occur. The Authority may cancel this P.O. if such delay exceeds thirty (30) days from the original delivery date. Vendor shall use its best efforts to grant preference to this P.O. over those of other customers which were placed after this P.O.
26. To the extent required by the Commonwealth of Virginia (*see e.g.* 54.1-1100 *et seq.* of the Code of Virginia) or the County of Albemarle, the Vendor shall be duly licensed to perform the services required to be delivered pursuant to this Contract.