REGIONAL WATER STUDY
TO DETERMINE LEVEL OF SERVICE, COST OF SERVICE
AND FINANCIAL FEASIBILITY STUDY
FOR TOLEDO CONTRACT COMMUNITIES
REQUEST FOR PROPOSALS*

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS

This Request for Proposal (RFP) is for professional services required to prepare and furnish a Financial Feasibility Study evaluating public water supply level of service, cost of service, and financial feasibility for the greater Toledo metropolitan area to the Toledo Metropolitan Area Council of Governments (TMACOG) considering the following scenarios:

1. A public water supply serving the City of Toledo alone (water rates for Toledo water supply without others)
2. A public water supply(one or more) serving the current contract communities of the greater Toledo metropolitan area, excluding the City of Toledo itself (water rates for others with a new water supply)
3. A regional water supply and treatment system to serve the city of Toledo and contract communities, to be owned and operated by a regional authority, with the option of each participating entity retaining their own distribution systems. (Defining a mechanism for a regional authority is beyond the scope of this study) (water rates for Toledo and others with current Toledo water supply)

Proposals for providing these services will be received until the close of business (5:00 P.M.) on April 22, 2015. Late submittals will not be considered. Proposals shall be no more than 30 printed pages and the font size shall be equivalent to Times New Roman 12 point or larger. Ten (10) paper copies and one electronic copy in Adobe Acrobat PDF format of proposals are to be delivered to:

William Best, Vice President of Finance
Toledo Metropolitan Area Council of Governments
300 Martin Luther King Jr. Drive, Suite 300
Toledo, OH 43604

A pre-proposal meeting will be held at 10:30 A.M. on March 30, 2015 in the Boardroom of TMACOG. Questions regarding this RFP shall be directed to Mr. Kurt Erichsen using either email at kurt@tmacog.org, or by calling (419) 241-9155 or by fax (419) 241-9116.

This RFP is organized as follows:
A. Introduction
B. Scope of Services
C. Proposal Content
D. Schedule
E. Evaluation and Selection Process

* Subsequent modifications are denoted as struck out for deletions and UPPER CASE UNDERLINED for insertions. See addenda on website.
F. Exhibits

The “lowest and best responsible bidder” will be determined using a Qualification Based Selection Process outlined in ORC Chapter 153 for professional services. Therefore, no fee proposal is required with submittal of the proposal. However, the proposer should have information ready for final contract negotiation and selection within seven days of the proposal submittal. The Agreement for Professional Services will be based on Cost Reimbursement plus Fixed Fee contract and subject to the terms and conditions of the Local Government Innovation Fund grant program administered by the Ohio Development Services Agency with funding available for a $150,000 study.

A. Introduction

In response to this RFP, the Consultant shall perform the work outlined in Section B. Scope of Services to in performing a financial feasibility study to evaluate the formation of a regional water system that combines the water systems of Toledo and the contract communities. This is referred to as the base proposal.

The following discussion is provided as general background to the development of this proposal. The Consultant is also advised to review the information provided in the Exhibits of this RFP.

Water is currently treated and supplied by the City of Toledo to city customers and customers located in Fulton County, Lucas County, and Wood County in Ohio, Monroe County in Michigan and the communities of Maumee, Northwood, Perrysburg, Rossford, Sylvania, Waterville, and Whitehouse all in Ohio. Long-term water agreements for water systems purchasing water from the City of Toledo presently extend from between March 2016 to May 2031. Over the past 20 years, several studies and initiatives have been undertaken exploring the potential of consolidating several separate water systems in the region into a common water authority. These efforts to consolidate have focused on the technical feasibility and financial costs to form an authority but have not progressed beyond the preliminary study phase or determined specific levels of service and cost of service in the form of a financial feasibility study. However, the City of Sylvania has purchased options on property for the installation of a transmission main across southern Michigan serving Sylvania and possibly other political jurisdictions to establish a water supply independent of Toledo. Other communities have expressed interest in evaluating other water sources as well. Most contracts have rates with surcharges that are dependent on the City of Toledo rates.

With millions of dollars in water improvements planned, it is the desire of the contract communities to seek long-term solutions and consider cost effective alternatives for the region. It is also the desire of the City of Toledo to ensure there is a customer base to finance needed improvements for the long term.

Over the past two years, elected officials in the region have expressed a desire to carry discussions further and evaluate feasibility of forming a water District to serve customers in their jurisdictions. Therefore, the elected officials of the City of Toledo and Lucas County each offered $50,000 in matching funds and requested that TMACOG apply for a $100,000 grant from the Local Government Innovation Fund (LGIF) of the Ohio Department of Development to conduct a feasibility study to
evaluate forming a regional District under Ohio Revised Code §6119. Collaborative partners in the application were Lucas County, the City of Toledo, Wood County, Northwestern Water and Sewer District, the City of Perrysburg, and the City of Sylvania. The application was successful and TMACOG is now requesting updated proposals to provide the services and deliverables identified in the LGIF application with a focus on the financial analysis to evaluate a District or revised agreements between Toledo and the contract communities.

The intent is to perform a financial feasibility study to evaluate a regional water system which utilizes one of the region’s greatest assets – fresh water – as a marketable tool for greater individual community and regional economic opportunity. The goal is to evaluate water system scenarios considering equitability, sustainability, flexibility, affordability, and reliability, while increasing the competitive advantage of the region and reducing intra-regional conflicts.

B. Scope of Services

1. Consultant shall prepare and furnish the following deliverables:
   a. a first draft Financial Feasibility Study with level of service and cost of service for internal distribution in MS Word format;
   b. Furnish final copies of the Financial Feasibility Study with level of service and cost of service to TMACOG in PDF format suitable for posting on the TMACOG website.

2. The Financial Feasibility Study shall include the items listed under the “REGIONAL WATER FINANCIAL FEASIBILITY STUDY, TABLE OF CONTENTS” attached as Exhibit A to this Request for proposal.

3. The level of service and cost of service shall be based on the recommendations of the Financial Feasibility Study.

4. Consultant shall:
   a. Review assumptions and data of prior reports and studies
   b. Establish a decision-tree process including options for stakeholder input, on-going evaluation of financial analysis/impacts.
   c. Establish a “Baseline” of the current service model for comparison to other alternatives. The baseline financial feasibility study analysis shall include, but not be limited to:
      i. Contract terms between jurisdictions served by City of Toledo and the contract communities
      ii. Identify essential services and service requirements for various jurisdictions
      iii. Identify past, current and projected water rates for Toledo and the contract communities under the existing structure (current agreements) and model the forecast of each community.
   d. Analyze and recommend the following potential alternatives for providing:
      i. Proposed rates and projected rates for the City of Toledo and the contract communities with scenarios of 1) sharing costs and 2) withdrawing from the regional water system.
5. Consultant shall include time and effort to participate in meetings with the Advisory Committee comprised of existing jurisdictions that have a vested interest in the evaluation of a Regional water system that will be engaged in the development of the Financial Feasibility Study. Consultant shall include time and effort to participate in monthly meetings with the Advisory Committee during the report’s preparation.

C. Proposal Content

Consultant shall provide a detailed study schedule and timeline as well as work effort estimate in numbers of work hours for the study.

Consultant shall identify staff who will work on the project, submit a biography of experience and qualifications for each, and a statement of commitment for each member to be on the team for the duration of the study process. TMACOG maintains the right to request to add or remove consultant staff persons during the study process.

1. Each Consultant shall submit one electronic copy in Adobe Acrobat “.PDF” format and 10 paper copies of the proposal. All material submitted shall have a font size equivalent to Times New Roman 12 point or larger, and shall be printed double-sided on recycled paper. Proposals shall be no more than 30 printed pages. The page count includes all submitted information including project team résumés. The following information shall be included in the proposal:

1. Executive Summary
2. Qualifications
   Because of the nature of the work described within this Request for Proposals, TMACOG wishes to obtain services from experienced and qualified firms. The firms must be able to staff this project with qualified individuals who shall be committed to this work from inception through completion. The Consultant must honor their proposal in that all proposed individuals must be assigned to the project. Substitutions will not be made or allowed for the convenience of the Consultant. In the event a proposed individual becomes unavailable, the firm must propose a substitution in writing. TMACOG reserves the right to accept or reject any and all proposed substitutions. The Consultant must demonstrate within their statement of qualifications that they have staff available to assume the responsibilities of key staff in the event that the proposed individuals become unavailable.

3. Firm Qualifications
   The Consultant must have demonstrated experienced in the process of developing and implementing a Financial Feasibility Study with analysis for a public water system. Provide a statement of the Consultant's team qualifications, including a description of the most recent effort for the Consultant and relevant sub-consultant experience. The following information shall be included:
   a. Community title and name
   b. Role of firm
c. Proposed team members involved
d. Community description
e. Client name
f. Client contact (address, phone, e-mail)
g. Year completed
h. Community size and number of customers
i. Total consultant fee ($)

4. Team Qualifications
   Provide the résumé and office location of proposed staff and their proposed time commitment to the project. Provide résumés of key staff members and/or sub-consultants proposed to work on the project. The roles proposed for each sub-consultant as well as their qualifications in that area shall also be identified in the proposal. TMACOG fully expects that personnel included in the proposal will be assigned to the project. Any personnel added to the project team or changes of personnel in significant roles shall be subject to advance approval by TMACOG. The Consultant shall provide a list of projects where key staff has functioned in their proposed role. The information for these projects shall include, at a minimum, the following: project description, key staff roles, client, client contact, cost, and year completed.

5. Approach
   The Consultant shall prepare an approach section with the proposal that covers the Scope of Services discussed in this RFP. The following provides an outline to present the approach consistent with the detailed descriptions of the project scope presented in this RFP.

6. Local Participation
   A summary of the proposed percentage of the work to be performed by personnel and/or firms located within the Toledo metropolitan area shall be presented by the Consultant. The locations of the office(s) where the various project services are to be performed and level of staffing dedicated to a local office shall be clearly stated.

7. MBE Participation
   The Consultant shall provide a summary of the proposed percentage of Minority Business Enterprises (MBE) participation in the project where the percent is calculated based on the entire project. The proposal shall include a statement indicating:
   • Portions of the project to be assigned to a MBE businesses in a responsible role;
   • Other portions of the project that will involve contribution by MBE firms;
   • Principal contact information for each MBE firm.
   The MBE firms proposed as part of this project team shall be certified by the State of Ohio at the time of proposal.

8. Schedule
The Consultant shall provide a description of its critical path logic in delivering this project on time and within the budget identified in their respective proposals. The Consultant shall include a cost-loaded schedule in the section and include the methodology for maintaining and updating the schedule as the project progresses.

9. Task and Hours
   A task and hour summary broken down for each element of the Financial Feasibility Study shall be provided with the proposal. The task and hour summary shall be provided in Excel format. The breakdown shall be sufficient to serve as a basis for determining the level of effort needed to complete each element of the Financial Feasibility Study per the scope of work outlined in the RFP. Hours in all tasks shall be identified by labor category for each activity.
   A statement indicating that the Consultant has examined background reports and data and agrees to acquire the additional information needed to perform all aspects of the work as outlined in this RFP shall be included.
   Statements must confirm that no personal or organizational conflicts of interest are known to exist.

D. Schedule

1. Selection of a firm is anticipated to be made by date with a signed agreement for services executed by **June 2015**.
2. Study complete with first draft Financial Feasibility Study for review by Advisory and Executive Committees – **September NOVEMBER 2015**
3. Final Financial Feasibility Study – **November DECEMBER 2015**
4. Acceptance by Executive and Advisory Committees – **TBD**

E. Evaluation and Selection Process

Proposals will be evaluated based upon their response to provisions of this Request for Proposal. The following criteria will be used to assist in the evaluation of responses to this proposal:
   1. The consultant’s knowledge of water system financing and rates.
   2. Relevant experience with other local government agencies.
   3. Industry knowledge (both regional and local perspectives)
   4. Experience in analyzing financial impacts of water systems and associated agreements
   5. Thoroughness of approach and demonstration of the understanding of the objectives and scope of the study
   6. Commitment to timeliness in preparation of the study

F. Exhibits

Exhibit A – REGIONAL WATER FINANCIAL FEASIBILITY STUDY, CONTENTS
Website Links
   Toledo Public Utilities –
TMACOG – http://www.tmacog.org/Regional_Water_Discussion/RWD_web/RWD_index.htm
ARCADIS Study –
Exhibit C – Local Government Innovation Fund Award letter and Grant Agreement
Exhibit D – City of Toledo Existing JEDZ and JEDD Areas
Exhibit E – Water rate analysis spreadsheet templates
   http://www.tmacog.org/Administration/2015/Regional_Water/Regional_Water_RFP_Appendix_E.pdf
Executive Summary

1.0 Introduction
   1.1 Objective of the Study

2.0 Current Regional Water System Description
   2.1 Toledo and contract communities

3.0 Background - Reference to Past Studies and Evaluations
   3.1 History of Regional Water Services
   3.2 Prior Regionalization Initiatives

4.0 Purpose for Creating a Long Term Regional Water System
   4.1 Compelling Purpose/Goals
   4.3 Regional Water Service Scenarios: Costs with Approved and Projected Rates to Fund System (2015 and Beyond) Including Contract Terms as Appropriate — see Spreadsheet Template (Exhibit E)
      4.3.1 Toledo alone
      4.3.2 Contract Communities Alone
      4.3.3 Combined system of Toledo and contract communities

5.0 Regional Water Boundary
   5.1 Toledo and current contract communities

6.0 Financial
   6.1 Introduction
   6.2 Valuation — Reference past studies indicating value of water assets of Toledo and the contract communities, before and after projected improvements, including water supply, treatment, and closely related elements thereto
   6.3 Financial Considerations
      6.3.1 Coverage on total debt and revenue bond debt
      6.3.2 Reserves
      6.3.3 Revenues from user charges and allocation from each contract community
      6.3.4 Impact of anticipated and ongoing water improvements
   6.5 Surcharge, JEDZ, and JEDD revenue impacts and factors to blend in projected or future rates as referenced in current contracts for water supply
   6.7 Financial plan and assumptions
   6.8 Three-year return on investment (LGIF program requirement)
6.9 Existing, planned, and projected rates by jurisdiction and impact with and without a regional water system (comparative), 5 years, 10 years, 50 years
   6.9.1 Toledo customers
   6.9.2 Master meter contract communities
   6.9.3 Direct service contract communities

6.10 Estimated cost of an alternative water system for the contract communities
   6.10.1 New intake, plant, and water main connections
   6.10.2 Operation, maintenance, and replacement costs
   6.10.3 Timeline for implementation

6.11 Summary, Conclusions, and Alternatives

7.0 APPENDICES
   Base Proposal
   7.1 Appendix I: Regional Water Study Update, Technical Report, May 2012
   7.2 Appendix II: “Collins Park Water Treatment Plant 20-Year Master Plan and Needs Assessment”
   7.3 Appendix III: “City of Toledo, Water Distribution Study 2012”
   7.4 Appendix IV: City of Toledo Department of Public Utilities Organizational Chart
   7.6 Appendix VI: City of Toledo Collins Park Water Plant Operating Permit
   7.7 Appendix VII: Ohio Revised Code Chapter 6119: Regional Water & Sewer Districts