



CITY OF MADERA

Request for Proposals (RFP) No. 202021-01

**WATER, SEWER, STORM DRAINAGE & SOLID WASTE RATE STUDIES**

RFP Submission date: Friday, September 11, 2020 by 3:00 p.m.

PROPOSAL CONTACT:

Vicki Crow  
Finance Department  
City of Madera  
205 W. 4th Street  
Madera, CA 93637

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## REQUEST FOR PROPOSAL

### WATER, SEWER, STORM DRAINAGE & SOLID WASTE RATE STUDIES

RFP NO. 202021-01

August 11, 2020

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#### 1. KEY DATES

- A. **Questions and suggestions:** Must be submitted in writing no later than 3:00 p.m. Friday, August 28, 2020.

Written questions or inquiries should be emailed, mailed or faxed to:

Vicki Crow  
Finance Department  
City of Madera  
205 W. 4th Street  
Madera, CA 93637  
[vcrow@madera.gov](mailto:vcrow@madera.gov)  
PHONE: (559) 662-4995

- B. **Filing Deadline: Friday, September 11, 2020 - 3:00 P.M.**

#### 2. INSTRUCTIONS AND CONDITIONS

- A. **Submittal:** Proposers will send one (1) bound copy of the completed submittal and one (1) electronic copy on a USB drive with completed submittal, and appropriate responses included.
- B. **Bound Copy Format:** Submittal should be 8 ½ x 11 inches, printed two-sided on recycled paper with removable bindings, bound in a single document. Binding can be as simple as a staple.
- C. **Electronic Copy:** The USB drive shall contain a text searchable, printable electronic file containing the proposal. The City of Madera (City) prefers an Adobe PDF or Microsoft Word file of the proposal. The rate models are to be in an Excel format file. The content and layout of the files found in the USB drive must be identical to the paper copy, but signatures may be omitted from the electronic copy. Original and USB drive may be

submitted in one envelope/package.

- D. **How to submit:** Each proposal must be submitted in a sealed envelope addressed to:

Vicki Crow, Finance Department  
City of Madera  
205 W. 4th Street  
Madera, California 93637

Submittals shall be delivered prior to the time and date specified in this document. Each sealed envelope containing a proposal must have, on the outside, the name of the bidder, bidder's address and the statement "**DO NOT OPEN UNTIL THE TIME OF PROPOSAL OPENING**" must be plainly marked on the outside as follows:

**Proposal: Water, Sewer, Storm Drainage & Solid Waste Rate Studies**

**RFP: No. 202021-01**

**Filing Deadline: Friday, September 11, 2020 - 3:00 P.M.**

- E. **Late submittals:** Proposals received after the filing deadline will be returned to the proposer.
- F. Proposals shall be received as set forth in this RFP. The opening of any proposal shall NOT be considered as acceptance of the proposal as a responsive proposal. Attention of proposers is especially directed to the Scope of Work which, in addition to the proposal and these instructions, are the basis for evaluation and will be part of any agreement with the successful proposer. Any deviations from the specifications in this RFP shall be proper reason for rejection of all or any part of the proposal.
- G. The City reserves the right to reject or accept any or all submittals or parts thereof, and to accept or reject the alternatives individually or jointly, for any reason. The City reserves the right to consider any minor deviations from the specifications in this RFP and determine the acceptance or rejection of such deviation. The City reserves the right to seek supplementary information from any proposer at any time after submittal and before the award. Such information will be limited to clarification or amplification of information asked in the original proposal.
- H. The City recognizes its policy of providing equal opportunity to all qualified persons and hereby notifies all proposers that it encourages all proposers to take active race/gender-neutral steps to include Disadvantaged Business Enterprises in this and other City agreements. Disadvantaged Business Enterprises will be afforded full opportunity to submit in response to this invitation. Proposers will not be discriminated against on the

grounds of race, color, religious creed, sex or national origin in consideration for award.

- I. The City reserves the right to modify this RFP at any time. In the event it becomes necessary to modify or revise the RFP, a written amendment or addenda issued by City's Department of Finance is the only method which should be relied on with respect to changes to the RFP. Proposer is responsible to contact City's Department of Finance prior to submitting a proposal to determine if any amendments were made to the RFP. Documents, amendments, addenda, etc. will be posted to the City website at [www.madera.gov/home/departments/purchasing/](http://www.madera.gov/home/departments/purchasing/) on the Purchasing Department tab, the Bid Announcement and Results page.
- J. Proposals will be evaluated by the City. If a proposal is found to be incomplete or not in compliance with the format required, it will not be submitted for evaluation. During the evaluation process, the City may find it beneficial to request additional information.
- K. Any proposal may be withdrawn at any time prior to the hour fixed for the opening, provided that a request in writing executed by the proposer or his/her duly authorized representative, for the withdrawal of such proposal is filed with Department of Finance. The withdrawal of a proposal shall not prejudice the right of a proposer to file a new proposal prior to the time and date set for the opening. After the expiration of the time and date for receipt of proposals, a proposal may not be withdrawn or altered.
- L. Issuance of the RFP and receipt of proposals does not commit the City to award an agreement. The City reserves the right to postpone the RFP process for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with other than the selected company should negotiations with the selected company be terminated, or to cancel any section of this RFP. The City also reserves the right to apportion the award among more than one proposer.
- M. An award under this RFP will not be based solely on the lowest price. If an award is made, it will go to the proposer(s) with the best overall submittal. The successful submittal will be competitively priced and provide for adequate service to meet the City's needs. An award will be made as soon as possible after the completion of the evaluation process. Proposals shall remain valid for at least ninety (90) days after the filing deadline.
- N. A committee will review and evaluate all qualified proposals. The committee may request an interview with the top-rated companies. A reference check may also be conducted.
- O. Proposer's Proprietary information: All documents provided by the successful proposer shall become public record

- P. The successful proposer shall enter into a formal Agreement with City which will be very similar in content to the Draft Fee Rate Study Consulting Services Agreement which is provided for information purposes only and to help clarify City intent relevant to this RFP. Proposer shall include a statement in the Response to this RFP that they accept the terms.
- Q. Any Federal or State of California License/Certification/Contractors License required to provide the services and a Certificate of Insurance in accordance with Attachment A: Insurance Requirements for Consultants.

### **3. BACKGROUND**

The City of Madera, located along Highway 99 near the center of the San Joaquin Valley of California, was incorporated in 1907. The City covers approximately 16 square miles, with a population of 66,000. Madera is a full-service city, that provides Water, Sewer, Solid Waste and Storm Drainage services. There are approximately 14,200 residential, commercial, and industrial utility customers. The last rate study that the City completed was done in 2015 with the resulting water and sewer rates taking effect in July of 2015 through January 2020. Those rates were between 9-10% increases during each of the five years covered in the rate schedule, except for FY 2018-19 when the Council considered a revised water rate analysis and adjusted the increase to 6%. The storm drainage rates have not been adjusted since 1992, and do not have an annual inflation index. The solid waste services are contracted to a third party and the fee schedule was updated in March 2017.

#### **A. Water System**

The City currently provides potable water from its 19 municipal wells. Annual water production of approximately 8,500-acre feet comes exclusively from ground water. The distribution system includes a one-million-gallon elevated storage tank and 200 miles of pipelines. The majority of water customers are metered. There are approximately 600 accounts that are not charged by usage (they are charged a flat rate) because either there is no meter, the meter is not functioning properly, or other factors associated with the water account.

#### **B. Sewer System**

The City operates a wastewater treatment plant with a permitted capacity of 7.0 Million Gallons per Day (MGD) and unpermitted design capacity of 10.0 MGD at the southwest edge of the City. Daily flow into the plant currently averages approximately 5.3 MGD. In addition to wastewater generated within the City limits, the City's plant also processes small quantities of wastewater from the adjacent unincorporated communities of Parksdale and Parkwood, and accepts 0.3 to 0.5 million gallons per month of heavy debris and high strength BOD waste from septic haulers operating in the County. The

City's wastewater collection system includes 176 miles of gravity sewer pipes, trunks and force mains and four sewer lift stations.

**C. Storm Drainage System**

Storm Drainage facilities for the City relies on a series of 47 retention basins as well as outfalls to the Fresno River and the Madera Irrigation District's canals that pass through the City. The system includes 45 miles of storm drainage lines and 19 pump stations.

**D. Solid Waste**

The City contracts with Mid Valley Disposal for garbage disposal service. The includes the following services: 96-gallon grey container for trash, green container for green waste, and blue container for recycling. A component of the solid waste fund is street sweeping. There are 21 street sweeping routes, which are swept every other week (twice monthly). The City maintains 4 sweeper trucks, with one being a backup or to be used during heavy sweeping.

**E. Infrastructure Master Plans**

The City's infrastructure and public utility systems are designed and constructed in conformance with a set of master plans. Comprehensive updates to the sewer, water, and storm drainage system master plans were initiated after the City's adoption of a new General Plan in 2009. The Infrastructure Master Plans were updated and adopted in 2014.

**4. OBJECTIVES**

The four rate studies to be prepared as part of this work effort are intended to establish utility rates that achieve the following objectives:

- A. Ensure that the revenues generated by the City's utility rates are adequate to maintain all operations at current service levels while accounting for anticipated cost increases in the immediate or foreseeable future while addressing capital needs and system depreciation.
- B. Affirm the appropriateness of existing user fee classifications and/or develop new classification recommendations as necessary to achieve clarity and equity.
- C. Address the historically unfunded "deferred maintenance" of infrastructure by incorporating reasonable projections for long term facility replacement within the revenue requirement and rate calculations.
- D. Ensure that revenues are adequate to meet debt service coverage ratios for existing

bond covenants, and any future debt that may be needed to finance capital improvements.

- E. Affirm or establish policies regarding adequate reserve amounts for operations, rate stabilization, and capital improvement debt expenses.
- F. Ensure that the water rates are consistent with the requirements of the 2014 Sustainable Groundwater Management Act (SGMA).
- G. Ensure that the proposed rates are in compliance with all applicable laws, including but not limited to, the provisions of Proposition 218.

## **5. SCOPE OF WORK**

Even though they are being requested through a single RFP, the work effort specified herein shall result in four separate stand-alone final studies/reports, each of which can be acted on and defended independently from the others. All proposals must present a scope of work that achieves the objectives stated above and incorporates the following elements and tasks:

- A. A rate model should be developed which projects expenses, revenue requirements, and the resulting need for changes in the various utility rates for a period of at least 10 years. Through this model and the cost-of-service analysis, a rate schedule shall be developed that includes planned adjustments for a five-year period, beginning in 2021.
- B. The rate model shall be prepared and provided to the City in Excel spreadsheet format. The model's construction shall be documented in a manner that allows the City to understand the formulas which are utilized, and how variables affect rate calculations. The City should be able to use the model in the future to evaluate actual performance against projections and to make adjustments as necessary.
- C. Respondents are encouraged to include a separate, optional cost item to enhance the rate model by including a user-friendly dashboard that produces reports and graphs based on changeable revenue and expenditure variables.
- D. Rate calculations should consider changes including:
  - a. Increased costs associated with the impacts of falling water table.
  - b. Increased costs from new or anticipated changes to regulations.
  - c. Any necessary changes in the various utility systems as proposed in the Infrastructure Master Plans.



- d. Deficiencies identified in sewer and water condition assessment.
- E. In addition to a cost-of-service rate structure, water rates should include a tiered alternative, whereby progressively higher rates are charged as water usage increases, to encourage conservation of water. The consultant will be expected to include recommendations regarding the number, cost and block size in each tier.
- F. The recommended rates should include the ability, to the extent consistent with applicable laws and regulations, to charge large industrial users based on their demand, while avoiding rigid or confusing requirements which may limit the City's ability to be competitive in attracting large users.
- G. Water rates should include a cost component that addresses groundwater overdraft conditions. This component may consider, for example, local or regional recharge efforts, or sequential steps to develop surface water treatment facilities. Additionally, component should also consider the 2014 Sustainable Groundwater Management Act (SBMA) and the long-term effects on rates to comply with the law while managing long-term sustainability, with no net overdraft.
- H. Evaluate and recommend any appropriate automatic adjustments or pass through components (e.g., inflation, power costs, etc.)
- I. Ensure and stipulate that the proposed rates do not duplicate costs included in the City's Impact Fee program or the City's Community Facilities District assessments.
- J. Review information from City staff on the replacement of infrastructure elements where available, and include an element in the rates to fund long-term capital replacement. Where specific replacement information and schedules are not available, the Consultant should be prepared to recommend a strategy or methodology to incorporate reasonable funding for infrastructure replacement within the rate calculations.
- K. Assess the impact of drought or other potential water shortage factors on operating revenues and ensure that the rates will generate sufficient revenue to operate and maintain the systems during periods when less water is being consumed. Consistent with the reserve analysis noted below, the consultant will make recommendations on appropriate methods to mitigate impacts of fluctuating water sales on overall revenues.
- L. Perform an analysis of the various reserves and fund balances and make recommendations for appropriate levels.
- M. Review the existing user classifications and provide justification for any new special

classes of customers to achieve clarity and equity.

- N. In addition to typical user classifications (single family residential, commercial, etc.), an analysis will need to be completed to determine whether one or more new user classes should be added to account for the sewer service being provided by the City to unincorporated service areas. Within the limits of these County Service Areas, a portion of the overall operating costs are assumed by the County.
- O. Ensure that proposed rate structures are easy to understand and administer; and can be accommodated within the City's existing utility billing system. Determine that proposed rate structures are in compliance with the rate covenants of the outstanding Water and Sewer Revenue bonds, and Proposition 218.
- P. After the Council has approved the proposed rates, review the City staff's draft publications of the proposed rates to ensure clarity and compliance with Proposition 218.
- Q. The rate studies shall include narratives that clearly specify the assumptions and methodology used in establishing the rates. Each rate study shall include an executive summary no more than two pages in length.
- R. The timeliness of these studies is essential. The City desires to have the studies performed, proposed rates developed, and then presented to the City Council in early 2021, for approval to proceed with the Proposition 218 process.
- S. In addition to assessing existing customer service fee structures, identify other potential areas for service and system charges (shut-down activities, back- flow devices, plan reviews, water and sewer service shut-offs, etc.) and recommend changes, if appropriate. The assessment is to note any resulting increase in liability the City may incur as a result of assessing the fees.

## **6. SERVICES TO BE PROVIDED BY CONSULTANT**

- A. Conduct a detailed review of the existing water, sewer, solid waste, and storm drainage fee rates, user fee classifications, status of the water, sewer, solid waste and storm drainage funds, and develop a general familiarity with the ability of the City's utility billing system.
- B. Meet or confer with staff as needed. Proposals should anticipate four on-site or virtual (due to COVID-19) meetings with staff.

- C. Attend a minimum of two meetings with the City Council to present the studies with the recommended rates, and to answer questions at the Proposition 218 protest hearing where the rates are considered for adoption.
- D. Conduct analyses and prepare reports as required to address the objectives and scope of work as described in this RFP.
- E. Preliminary Reports:

Given the short available time for the project, it would be ideal if the preliminary administrative draft versions of the work given to the City did not require any substantive corrections or refinements; however most projects, such as this, do result in a need to make substantive changes that may require more time than a day or two. While it is the Consultant's responsibility to insure the Project time line is met; if it will assist the consultant in keeping the project on schedule for delivery of the Public Review Draft Report and Recommended Rates by January 2021, the City is willing to review preliminary products at various stages.

- a. Administrative draft versions of all work products shall be provided to staff, including but not limited to, preliminary versions of the revenue requirements, 10-year financial forecast, cost-of-services analysis, rate structures, supporting narratives, and executive summaries.
- b. Submit one printed copy of each preliminary work product, plus one editable electronic copy.
- c. Attend a meeting with staff to review the preliminary work products.

F. Public Review Draft Report

- a. Incorporate changes pursuant to comments received from the City's reviews. City's review comments are to be submitted to the Consultants within one week after their presentation of the preliminary reports.
- b. Submit one printed copy of each Public Review Draft Report and Recommended Rate Schedules, plus one editable electronic copy, no later than January 2021.
- c. Present the Draft Final Report and Recommended Rate Schedules at a City Council meeting

G. Final Reports

- a. Incorporate changes pursuant to comments received at the City Council meeting presentation.
- b. Provide one printed and one electronic copy of the final report in MS Word format, with spreadsheets in Excel format.
- c. Review the City's draft rate notices for compliance with Proposition 218 requirements.
- d. Present the final reports and recommended rates during a meeting of the City Council at a formal Proposition 218 protest hearing.

## **7. SERVICES TO BE PROVIDED BY THE CITY**

The services to be provided by the City include, but are not necessarily limited to, the following:

- A. Furnish all reasonably available records and information, including financial reports, budget, consumption data, meter sizes and existing customer classes. (See Attachment "B" List of initial information that will be available)
- B. Provide a copy of the Infrastructure Master Plans.
- C. Provide information on the most recent Capital Improvement Project lists.
- D. Provide staff support and assistance as required and agreed to in advance of the studies.

## **8. PROPOSAL FORMAT AND CONTENT**

- A. Each proposal copy shall include an index to the major topics contained in the proposal and all pages shall be numbered.
- B. Provide an introduction to the proposal that confirms your understanding of the scope of the project and the desired results.
- C. Outline your firm's qualifications for providing the services requested. List no more than five municipalities of at least 50,000 population for who you have provided similar services in the past. Describe the scope of each agency's project in your narrative and provide the name and phone number of the contact person at each agency. Please indicate whether your fee recommendations were implemented by each agency listed.

- D. Provide a complete listing of all staff proposed to work on this project, including copies of their resumes and their titles. Any use of subcontractors should be separately identified and the tasks to which they will be assigned must be shown as well. The means of controlling and supervising the work of subcontractors must be shown in the proposal.
- E. Outline in detail the recommended work plan to be followed by staff assigned by your firm to work on this project. Indicate the number of staff personnel to be assigned to each task as well as the expected amount of time needed to complete each item in the scope of work shown above.
- F. Identify the type of assistance that is anticipated from City Staff and the nature of the tasks in your proposal that will require their involvement. Also, include time estimates for the completion of each task listed here.
- G. Present a schedule that reflects the anticipated starting date of the project, outlines the significant items shown in the scope of work and the estimated completion date for each item.
- H. List the fee requirements for completion of this project as follows:
  - I. Hourly billing rates for each staff member assigned to the project.
  - J. Estimated total costs to complete the study, with billable expenses listed separately.
  - K. Note that the final billing cannot exceed the fee and expense estimate shown in the proposal except by prior written approval of the City.

## **9. EVALUATION/SELECTION OF CONSULTANT**

- A. Review of Proposals
  - a. An evaluation team will be assembled by the City. Each evaluator will first score each proposal by each of the criteria described below. The evaluation team will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite score for each firm. Ranking will be assigned based on the composite score.
  - b. An award under this RFP will not be based solely on the price. If an award is made, it will go to the proposer with the best overall proposal that provides the "Best Value" to the City and its residents. The successful proposal will be

competitively priced and provide for adequate service to meet the City's needs. Best Value will be established based on the evaluation criteria listed below.

B. Evaluation Criteria

Proposals will be numerically scored and ranked using the criteria and weighting described in this section. The scores assigned will reflect the extent to which criteria is fulfilled relative to other proposals. The evaluation criteria and maximum score that can be achieved for each criterion are presented as follows:

<i>Evaluation Criteria and Maximum Evaluation Score</i>	
<i>Criteria</i>	<i>Maximum Evaluation Score</i>
Ability to meet the stated requirements including adequacy of proposed staffing, techniques and procedures	20
Past Performance and Experience with emphasis on comparable government experience	20
Conformance to terms of RFP in preparing and submitting the proposal	10
Implementation Plan	15
Cost Proposal Rates	35
<b>Total Maximum Score</b>	<b>100</b>

- C. The City reserves the right to act in the best interest of the City and its residents and businesses, including the right to reject a proposal that is given the highest quantitative scoring in the evaluation process if the proposal is not in the best interest of its residents and businesses.

## 10. NEGOTIATION

- D. The City of Madera shall reserve the right to negotiate any terms and conditions of the proposals received, with the final candidate prior to acceptance/rejection of said proposals. Upon determination of the highest ranked Bidder, staff will commence negotiations with the firm that received the highest ranking. The negotiations will be conducted in accordance with City of Madera policies and procedures. When negotiations are successfully concluded, staff will present their recommendation to the City Council.
- E. Note: This entire packet should be returned with the proposal.

## 11. Proposal Authorization

### WATER, SEWER, STORM DRAINAGE, AND SOLID WASTE RATE STUDIES

RFP No. 202021-01

Date: \_\_\_\_\_

Company Name \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Contact Number: \_\_\_\_\_

Email: \_\_\_\_\_

Person Preparing Bid: \_\_\_\_\_

Position: \_\_\_\_\_

Signature: \_\_\_\_\_

## **12. ATTACHMENT A**

### **Insurance Requirements for Consultants**

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his/her agents, representatives, or employees.

#### ***A. Minimum Scope and Limits of Insurance***

Consultant shall maintain limits no less than:

- \$1,000,000 General Liability (including operations, products and completed operations) per occurrence for bodily injury, personal injury and property damage at least as broad as Insurance Services Office (ISO) Commercial General Liability coverage (occurrence Form CG 00 01).
- \$1,000,000 Automobile Liability per accident for bodily injury or property damage at least as broad as ISO Form CA 00 01 covering Automobile Liability, code 1 (any auto).
- Worker's Compensation as required by the State of California.
- \$1,000,000 Employer's Liability per accident for bodily injury or disease.
- \$1,000,000 Errors & Omissions Liability appropriate to the consultant's profession. Architect's and Engineer's coverage is to be endorsed to include contractual liability.

If Consultant maintains higher limits than the minimums required above, the entity shall be entitled to coverage at the higher limits maintained by Consultant.

#### ***B. Deductibles and Self-Insured Retentions***

Any deductibles or self-insured retentions must be declared to and approved by the entity.

#### ***C. Other Insurance Provisions***

The general liability policy and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

- The entity, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the consultant; and with respect to liability arising out of work or operations performed by or on behalf of the consultant. General Liability coverage can be provided with one of two endorsement options: 1) in the form of an additional insured endorsement to



- the Consultant's insurance, or as a separate owner's policy (CG 20 10 11 85 or its equivalent language) OR 2) a CG 20 37 10 01 along with CG 20 10 10 01 endorsement forms or their equivalent language.
- For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the entity, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the entity.
- Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

***D. Waiver of Subrogation***

Consultant hereby agrees to waive subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

The workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of the entity for all work performed by the Consultant, its agents, employees, independent contractors and subcontractors.

***E. Acceptability of Insurers***

Insurance is to be placed with California admitted insurers with a current AM Best's rating of no less than A- (or higher).

***F. Verification of Coverage***

Consultant shall furnish the entity with copies of original certificates and endorsements, including amendatory endorsements, effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the entity before work commences; however, failure to do so shall not operate as a waiver of these insurance requirements. The entity reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

***G. Subcontractors***

Consultant shall include all subcontractors as insureds under its policies or shall furnish separate

certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

### 13. ATTACHMENT B

#### *City of Madera*

#### *Initial Information Available for the*

#### *Water, Sewer and Storm Drainage Rate Studies – RFP 202021-01*

A. BILLING & FINANCIAL DATA	
1.	Most recent 12 months of water, sewer, storm drainage & solid waste revenue received (by month, by customer class).
2.	Current number of water, sewer, storm drainage, solid waste customer accounts by customer class, water meter size, etc.
3.	Monthly consumption (billed water use) by meter size/customer class for the last 24 months, metered customers only
4.	Recent monthly water and sewer bills for major industrial customers
5.	Projected number of metered residential customers for next 10 years
6.	Most recent operating budgets – projections next fiscal year and actuals (or final) for previous year
7.	Copy of the City's last rate study
8.	Copy of water, sewer, storm drainage, & solid waste rate and connection fee schedules and ordinances
9.	Current debt service repayment schedules and bond covenants
10.	Description of reserve funds, including beginning and year-end cash fund balances for water and sewer reserve funds
11.	Description of chart of accounts for the budget.
12.	Current estimate (if there is one) of how CIP projects will be funded (i.e. rates, bonds, SRF) Provide the debt service schedules.
13.	Description of chart of accounts for the budget.
B. ENGINEERING & PLANNING DATA	
1.	Current and projected number of equivalent residential dwelling units for the water, sewer, storm drainage & solid waste systems
2.	Growth assumptions to use for rates
3.	Most recent total annual and average monthly Flow, BOD, and TSS at the wastewater treatment plant

4. Total annual water system production, total billed consumption, peak monthly and daily production
5. Total annual water system estimated system losses
6. Best estimates of total annual water consumption by customer class
7. Current capital improvement program and the City's best estimate of proposed timing of construction of any new facilities and Current estimate (if there is one) of how CIP projects will be funded (i.e. rates, bonds, SRF)

#### *C. CONSUMPTION DATA - WATER*

1. Number of metered commercial customers by meter sizes.
2. Number of non-metered multi-family and commercial customers (i.e. car dealer, restaurant, etc.)
3. Commercial metered consumption data for the last year by customer or customer type.
4. Projected major element replacement schedules and life cycle costs estimates for all water wells.

#### *D. CONSUMPTION DATA – WASTE WATER*

1. Provide the number of metered commercial customers by group and their meter sizes.
2. Provide the number of non-metered commercial customers by type

#### *E. CONSUMPTION DATA – STORM DRAINAGE*

1. Provide the number of storm drainage fee customers by classifications.
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#### *F. CONSUMPTION DATA – SOLID WASTE*

1. Provide the number of solid waste fee customers by classifications.
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**DRAFT CITY OF MADERA**  
**PROFESSIONAL SERVICES AGREEMENT**  
**FEE RATE STUDIES CONSULTING SERVICES AGREEMENT**

THIS PROFESSIONAL SERVICES AGREEMENT (the "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2020, ("Effective Date") by and between the City of Madera, a municipal corporation ("City") and \_\_\_\_\_, (hereinafter referred to as the "Consultant").

**RECITALS:**

- A. The City desires to have studies prepared to consider adoption of new fees related to water, sewer, solid waste and storm drainage services (hereafter "rate studies").
- B. City has sought by a Request for Proposal to select a consultant to prepare said rate studies.
- C. Consultant is a firm that have the necessary experience and qualifications to prepare fee studies for the City.
- D. City desires to have Consultant perform said services on the terms and conditions set forth in this Agreement.

**AGREEMENT:**

Based on the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by both parties, City and Consultant agree as follows:

**ARTICLE 1**

**RESPONSIBILITIES OF CONSULTANT**

**1.1 Scope of Services.**

Consultant shall perform any and all work necessary for the completion of the tasks and services set forth in the "Scope of Services" attached hereto and incorporated herein as Exhibit "A," in a manner satisfactory to City.

**1.2 Schedule of Performance.**

Consultant shall furnish to City, following the approval of this Agreement by City Council, proof of insurance coverage as required under Article 5, Insurance. After receipt of satisfactory proof of insurance, City will promptly issue a written Notice to Proceed authorizing Consultant to

commence performance of work. Consultant is not authorized to perform and will not be paid for performing any work under this Agreement until the effective date of the Notice to Proceed. Consultant shall begin work under the Agreement within five (5) days of the effective date of the Notice to Proceed. Consultant shall exercise reasonable diligence to have the services as set forth in Exhibit "A" completed and submitted to City for final approval as soon as reasonably practicable, but not later than January 2021, provided that Consultant shall be entitled to an extension of time for any delays caused by events or occurrences beyond Consultant's reasonable control.

### 1.3 Identity of Persons Performing Work.

Consultant represents that it employs or will employ at its own expense all personnel required for the satisfactory performance of any and all tasks and services set forth herein.

Consultant represents that the tasks and services required herein will be performed by Consultant or under its direct supervision, and that all personnel engaged in such work shall be fully qualified and shall be authorized and permitted under applicable State and local law to perform such tasks and services.

This Agreement contemplates the personal services of Consultant and Consultant's employees, and it is recognized by the parties hereto that a substantial inducement to City for entering into this Agreement was, and is, the professional reputation and competence of Consultant and Consultant's employees. Neither this Agreement nor any interest therein may be assigned by Consultant, except upon written consent of City.

Furthermore, Consultant shall not subcontract any portion of the performance contemplated and provided for herein without the prior written approval of City, except for those sub-consultants named in the proposal for the project. Nothing herein contained is intended to or shall be construed as preventing Consultant from employing or hiring as many employees as Consultant may deem necessary for the proper and efficient execution of this contract.

### 1.4 Cooperation and Coordination of Work with City.

Consultant shall work closely with City's designated representative, either individual or committee, who shall have the principal responsibility for liaison and who shall, on a continuous basis, review and approve Consultant's work. Consultant shall ensure that City has reviewed and approved all required work as the project progresses.

### 1.5 Compliance with Laws.

Consultant shall comply with all applicable Federal, State and local laws, ordinances and regulations, including without limitation all applicable fair labor standards. Consultant shall not discriminate against any employee or applicant for employment or any approved subcontractor, agent, supplier or other firm or person providing services to Consultant in connection with this

Agreement on the basis of race, color, creed, ancestry, national origin, religion, sex, marital status, or mental or physical disability, or other classification protected by law. Consultant shall ensure that applicants are employed, and that employees are treated fairly during their employment, without regard to their race, color, creed, ancestry, national origin, religion, sex, marital status, and mental or physical disability. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

#### 1.6 Standard of Performance.

Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to perform the services required under this Agreement in a thorough, competent, and professional manner. Consultant shall perform the services under this Agreement in accordance with the accepted standards of the professional disciplines involved in the project. All work shall be completed to the reasonable satisfaction of City. If City reasonably determines that the work is not satisfactory, City shall have the right to: (i) meet with Consultant to review Consultant's work and resolve matters of concern; (ii) require Consultant to repeat unsatisfactory work at no additional charge until it is satisfactory; and/or terminate this Agreement.

#### 1.7 Changes and Additions to Scope of Services.

City may make changes within the general scope of services provided for in this Agreement. Consultant shall make no change in or addition to the character or extent of the work required by this Agreement except as may be authorized in advance in writing by City. Such supplemental authorization shall set forth the specific changes of work to be performed and related extension of time and/or adjustment of fee to be paid to Consultant by City.

#### 1.8 Hiring of Properly Documented Persons

Consultant shall not hire or employ any person to perform work within the City of Madera or allow any person to perform work required under this Agreement unless such person is a United States citizen or is properly documented and legally entitled to be employed within the United States.

### **ARTICLE 2**

#### **RESPONSIBILITIES OF CITY**

#### 2.1 Provision of Information.

City shall provide full information regarding its requirements for the project, and it shall furnish, without charge to Contractor, any and all information, data, plans, maps and records which are available to City and are necessary for the provision by Consultant of the tasks and services set

forth herein.

## 2.2 Cooperation with Consultant.

City shall cooperate with Consultant in carrying out the work of the project without undue delay. In this regard, City, including any representative thereof, shall examine plans and documents submitted by Consultant, shall consult with Consultant regarding any such plans and documents, and shall render any necessary decisions pertaining to such plans and documents as promptly as is practicable.

## **ARTICLE 3**

### **PAYMENT**

#### 3.1 Payment Schedule: Maximum Payment Amount.

City agrees to pay Consultant a fee of \$\_\_\_\_\_. The total project fee for the scope of services set forth in Exhibit "A" shall not exceed \$\_\_\_\_\_, including all amounts payable to Consultant for its overhead, payroll, profit, and all costs of whatever nature, including without limitation all costs for subcontracts, materials, equipment, supplies, and costs arising from or due to termination of this Agreement. Billings are to be made directly to the following address:

City of Madera  
Department of Finance  
Attn: Vicki Crow  
205 West 4<sup>th</sup> Street  
Madera, CA 93637

#### 3.2 Changes in Work.

If Consultant estimates that any proposed change within the general scope of services set forth in Exhibit "A" causes an increase or decrease in the cost and/or the time required for performance of this Agreement, Consultant shall so notify City of that fact in advance of commencing performance of such work. An agreed upon change will be reduced to writing, signed by the parties hereto, and will modify this Agreement accordingly.

#### 3.3 Additional Work.

City may request Consultant to perform additional services not covered by the specific scope of services set forth in Exhibit "A", and Consultant shall perform such extra services and will be paid for such extra services when they are reduced to writing, mutually agreed to, signed by the parties hereto, and made a part of this Agreement. City shall not be liable for payment of any extra services nor shall Consultant be obligated to perform any extra services except upon such written amendment.



## **ARTICLE 4**

### **INDEPENDENT CONTRACTOR**

Consultant is an independent contractor and not an employee of the City. Neither the City nor any of its employees shall have any control over the conduct of the Consultant or any of Consultant's employees, except as herein set forth, and Consultant expressly warrants not to, at any time or in any manner, represent that Consultant, or any of Consultant's agents, servants or employees, are in any manner agents, servants or employees of the City, it being distinctly understood that Consultant is and shall at all times remain as to the City a wholly independent contractor and that Consultant's obligations to the City are solely such as are prescribed by this Agreement.

## **ARTICLE 5**

### **INDEMNITY AND INSURANCE**

#### **5.1 Indemnification.**

Consultant shall indemnify, defend, and hold free and harmless City and City's agents, officers, and employees from and against any and all loss or liability for claims that may occur or arise as a result of any error or omission of Consultant or its officers, employees, agents, or subcontractors in performing or failing to perform any of the services to be performed by Consultant under this Agreement.

#### **5.2 Insurance.**

Without limiting Consultant's indemnification of City, and prior to commencement of work, Consultant shall obtain, provide, and continuously maintain at its own expense during the term of the Agreement, and shall require any and all subcontractors and subconsultants to obtain and maintain, policies of insurance of the type and amounts described below and in form satisfactory to the City.

- A. \$1,000,000 General Liability (including operations, products and completed operations) per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury and property damage, including without limitation, blanket contractual liability. Coverage shall be at least as broad as Insurance Services Office (ISO) Commercial General Liability coverage for CG 00 01.
- B. \$1,000,000 Automobile Liability combined single limit per accident for bodily injury and property damage at least as broad as ISO.
- C. Workers' Compensation insurance as required by the State of California and \$1,000,000 Employer's Liability per accident for bodily injury or disease. Consultant shall submit to the City, along with the certificate of insurance, a Waiver of Subrogation endorsement

in favor of the City, its officers, agents, employees, and volunteers.

- D. \$1,000,000 Professional Liability (Errors & Omissions) per claim and in the aggregate. Consultant shall maintain professional liability insurance that insures against professional errors and omission that may be made in performing the services to be rendered in connection with this Agreement. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement, and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this Agreement. The cost of such insurance shall be included in Consultant's bid.

Consultant shall procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by Consultant, its agents, representative, employees, subcontractors or subconsultants as specified in this agreement.

#### *Proof of Insurance*

Consultant shall provide to the City certificates of insurance and endorsements, as required, as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by the City prior to commencement of performance. Current evidence of insurance shall be kept on file with the City at all time during the term of this Agreement. Agency reserves the right to required complete, certified copies of all required insurance policies, at any time.

#### *Acceptable Insurers*

All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholder's Rating of A- (or higher) and a Financial Size Category Class VII (or larger), in accordance with the latest edition of Best's Key Rating Guide.

#### *Waiver of Subrogation*

All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against the City, its elected or appointed officers, agents, officials, employees, and volunteers, or shall specifically allow Consultant, or others providing insurance evidence in compliance with these specifications, to waive their right to recovery prior to a loss. Consultant hereby waives its own right of recovery against the City and shall require similar written express waivers and insurance clauses from each of its subconsultants or subcontractors.

#### *Enforcement of Contract Provisions (non estoppel)*

Consultant acknowledges and agrees that any actual or alleged failure on the part of the Agency to inform Consultant of non-compliance with any requirement imposes no additional obligations on the City, nor does it waive any rights hereunder.

### *Specifications not Limiting*

Requirements of specific coverage features, or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If Consultant maintains higher limits than the minimums required above, the entity shall be entitled to coverage at the higher limits maintained by Consultant.

### *Notice of Cancellation*

Consultant agrees to oblige its insurance agent or broker and insurers to provide to the City with thirty (30) calendar days' notice of cancellation (except for nonpayment for which ten (10) calendar days' notice is required) or nonrenewal of coverage for required coverage.

### *Self-insured Retentions*

Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City's Risk Manager.

### *Timely Notice of Claims*

Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

### *Additional Insurance*

Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgement may be necessary for its proper protection and prosecution of the work.

## **ARTICLE 6**

### **TERMINATION**

This Agreement may be terminated by City for any reason, with or without cause, upon thirty days written notice to Consultant. In such event, Consultant shall be compensated for all services performed and costs incurred up to the date of notification for which Consultant has not been previously compensated, plus termination expenses reasonably incurred and properly accounted for (but in no event to exceed the amount which, when combined with other amounts paid, exceeds the amount for any uncompleted task set forth in Exhibit "A," as applicable).

Upon receipt of notice of termination from City, Consultant shall immediately stop its services,

unless otherwise directed, and deliver to City all data, drawings, reports, estimates, summaries and such other information and materials as may have been accumulated by Consultant in the performance of this Agreement, whether completed or in process.

## **ARTICLE 7**

### **MISCELLANEOUS**

#### **7.1 Ownership of Documents.**

All data, tests, reports, documents, conclusions, opinions, recommendations and other work product generated by or produced for Service Provider or its subcontractors in connection with the Services regardless of the medium, including physical drawings and materials recorded on computer discs ("Work Product"), shall be and remain the property of City. City shall have the right to use, copy, modify, and reuse the Work Product as it sees fit. Upon City's request, Service Provider shall make available for inspection and copying all such Work Product and all Work Product shall be turned over to City promptly at City's request or upon termination of this Agreement, whichever occurs first. Service Provider shall not release any Work Product to third parties without prior written approval of the City Manager. This obligation shall survive for four (4) years from the date of expiration or termination of this Agreement.

Any use of completed documents for projects other than that covered by this Agreement and/or any use of uncompleted documents without specific written authorization from Consultant will be at City's sole risk and without liability or legal exposure to Consultant.

#### **7.2 Confidentiality**

All data, reports, conclusions, opinions, recommendations and other work product prepared and performed by and on behalf of Service Provider in connection with the Services performed pursuant to this Agreement shall be kept confidential and shall be disclosed only to City, unless otherwise provided by law or expressly authorized by City, Service Provider shall not disclose or permit the disclosure of any confidential information acquired during performance of the Services, except to its agents, employees, affiliates and subcontractors who need such confidential information in order to properly perform their duties relative to this Agreement. Service Provider shall also require its subcontractors to be bound to these confidentiality provisions.

#### **7.3 Notices.**

Any notices to be given under this Agreement shall be given by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States mail, addressed to the following:

**To the City:**

City of Madera  
Department of Finance  
Attn: Vicki Crow  
205 W. 4<sup>th</sup> Street  
Madera, CA 93637

**To the Consultant:**

TBD

**7.4 Covenant Against Contingent Fees.**

Consultant warrants that it has not employed or retained any company or person to solicit or secure this Agreement and that it has not paid or agreed to pay any company or person any fee or commission from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to annul this Agreement without liability or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee or commission.

**7.5 Interpretation and Enforcement of Agreement.**

This Agreement shall be construed and interpreted both as to validity and performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted and maintained in the Superior Court of the County of Madera, State of California, or in any other appropriate court with jurisdiction in Madera County, and Consultant agrees to submit to the personal jurisdiction of such court.

**7.6 Disputes.**

In the event of any dispute arising under this Agreement, the injured party shall notify the defaulting party in writing of its contentions by submitting a claim, therefore. The injured party shall continue performance of its obligations hereunder so long as the defaulting party immediately commences to cure such default and completes the cure of such default with reasonable diligence and in no event to exceed 30 days after service of the notice, or such longer period as may be permitted by the injured party; provided, that if the default results in an immediate danger to the health, safety, and general welfare, City may take such immediate action as City deem warranted.

**7.7 Retention of Funds.**

City may withhold from any monies payable to Consultant sufficient funds to compensate City for any losses, costs, liabilities or damages suffered by City due to default of Consultant in the performance of the services required by this Agreement.

#### 7.8 Waiver.

No delay or omission in the exercise of any right or remedy by a non-defaulting party shall impair such right or remedy or be construed as a waiver. City's consent or waiver of one act or omission by Consultant shall not be deemed to constitute a consent or waiver of City's rights with respect to any subsequent act or omission by Consultant. Any waiver by either party of any default must be in writing.

#### 7.9 Rights and Remedies are Cumulative.

Except as may be expressly set forth in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies or other rights or remedies as may be permitted by law or in equity shall not preclude the exercise by such party, at the same or different times, of any other rights or remedies to which such party may be entitled.

#### 7.10 Attorneys' Fees.

In the event either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party in such action shall be entitled to recover its reasonable costs and expenses, including without limitation reasonable attorneys' fees and costs. Attorneys' fees shall include attorneys' fees on any appeal, and in addition, a party entitled to attorneys' fees shall be entitled to all other reasonable costs for investigating such action, including the taking of depositions and discovery, expert witness fees, and all other necessary costs incurred in the litigation, suit, or other action requiring attorney time. All such fees shall be enforceable whether or not such action is prosecuted to final judgment.

#### 7.11 Integrated Agreement.

This Agreement contains all of the agreements of the parties and cannot be amended or modified except by written agreement. No prior oral or written understanding shall be of any force or effect with respect to those matters covered in this Agreement.

#### 7.12 Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties.

#### 7.13 Execution in Counterparts.

This Agreement may be executed in counterparts such that the signatures may appear on separate signature pages. A copy or an original with all signatures appended together shall be deemed a fully executed copy.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed on the respective dates set forth opposite their signatures.

End of Text

ATTEST:

\_\_\_\_\_  
CITY CLERK of the City of  
Madera, California

Approved as to form:

\_\_\_\_\_  
City Attorney

**CITY OF MADERA**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_, 2020

**CONSULTANT**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_, 2020

## **EXHIBIT “A”**

### **SCOPE OF SERVICES**

CONSULTANT provides services as follows:

- 1.1. Data Collection and Initial Meeting.  
Consultant will meet with staff to review the overall objectives of the project, timeline for completion, key milestones, introduce personnel, and develop initial framework of utility rate studies for water, sewer, solid waste and storm drainage operations. Consultant will provide City with data request.
- 1.2. Financial Workplan Development.  
Develop workplan model that identifies current and projected costs for operation of the utility systems based on following criteria:
  - a. Current and future cost of providing utility services considering established and anticipated standards and regulations.
  - b. Projected demands for utility services.
  - c. Age and condition of utility systems.
  - d. Funding requirements for current long-term liabilities and debt obligations.
  - e. Existing Capital Improvements Program implementation.
  - f. Additional financing and debt service costs to fund future capital projects.
  - g. Forecast revenue needs to meet City’s revenue requirements
  - h. City’s reserve policies.
  - i. Comparison of the City’s cost of service to other municipal entities of similar customer size/economic placement.
  - j. Provide cost of service prediction based on all contributing factors for the current year, plus the following forward intervals: 5 year, 10 year, 15 year and 20 year.
- 1.3. Cost of Service/Rate Analysis.  
Consultant will evaluate different rate options based on the amount of revenue recovered, adjustments between fixed/variable rate split, consumption analysis and other regulatory issues. Identify rate adjustments, revenue sufficiency, affordability and whether costs should be recalibrated based on updated units of service.
- 1.4. Rate Workshop.  
Consultant will prepare presentations for City Council and City staff. Rate alternatives for each utility will be discussed and how each alternative impacts customers. This analysis will show alternate rate options, financial outlook for each utility and how revenue shifts between fixed and variable rates, with several alternatives.



1.5. Rate Study Reports.

Consultant will provide a draft of Cost of Service Report in compliance with Proposition 218, which will include assumptions, methodology and explanation of underlying calculations.

1.6. Public Hearing.

Consultant will attend Proposition 218 hearing and will provide rate tables and graphics showing customer impacts.