



## **Request for Proposals**

***The Marina Coast Water District wishes to contract for an individual or firm to prepare a  
Recycled Water Rate Study for the District  
August 13, 2020***

Proposals due

**4:00 PM  
September 9, 2020**

Proposals must be sent electronically to:  
Kelly Cadiente at  
[kcadiente@mcwd.org](mailto:kcadiente@mcwd.org)

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## **I. INTRODUCTION**

The Marina Coast Water District (“District”) is requesting proposals from a qualified individual or firm to prepare a comprehensive recycled water rate study (“Study”). This Request for Proposals (RFP) is expected to result in a contract (Professional Services Agreement) with a cost not to exceed the listed amount. The selected consultant shall perform the tasks specified in the "Scope of Work" section IV of the RFP. The consultant is encouraged to suggest additions or modifications to the scope that will enhance or clarify the study and the suggestions should be incorporated into the proposal.

## **II. PURPOSE OF THE RFP**

The District is seeking proposals from qualified individuals or firms to perform a comprehensive recycled water rate study. The intent of the Study is to independently determine the District’s user rates and other fees charged by the District; and develop fair and equitable rates that are based on a cost of service analysis.

July 2021 is the District’s target for the completion on the Regional Urban Water Augmentation Project (RUWAP) Distribution pipelines when recycled water service would begin. All indirect costs must be allocated using a single, transparent method that is equitable to all partner agencies and rate payers.

## **III. BACKGROUND**

The Marina Coast Water District provides water service and wastewater collection service to 36,000 – 40,000 residents through approximately 8,200 connections in and adjacent to the City of Marina and on the former Fort Ord military installation. The District currently pumps all of its supply, approximately 4,200 acre feet of water (both Marina and Ord Systems) annually from groundwater wells. The District also conveys in excess of two million gallons per day of sewage to the Monterey Regional Water Pollution Control Agency for treatment.

The Regional Urban Water Augmentation Project (RUWAP) is a purified recycled water (PRW) project developed by Marina Coast Water District (MCWD) in cooperation with Monterey One Water (M1W), formerly the Monterey Regional Water Pollution Control Agency (MRWPCA). RUWAP was originally developed to help MCWD meet the overall water needs of its service area, by delivering PRW produced by M1W at their Advanced Water Purification Facility (AWPF) to landscape irrigation users in the MCWD service area which includes Central Marina and the Ord Community (former Fort Ord). Because the M1W Pure Water Monterey (PWM) injection well field is located along the same pipeline alignment as the RUWAP, the projects share a single conveyance pipeline.

The RUWAP will have distribution mains branching off the conveyance pipeline to serve recycled water use areas. The first phase of the project will provide up to 4,300 AFY of purified recycled water, 600 AFY for MCWD landscape irrigation users and 3,700 AFY for M1W injection well field. The second phase of the project will provide 1,427 AFY for

MCWD users. RUWAP facilities include approximately 50,000 feet of 16 to 24-inch diameter transmission main, approximately 30,000 feet of 4 to 12-inch lateral pipelines (in addition to 25,000 linear feet of existing lateral pipelines), one storage tank, and pressure reducing valves and appurtenances.

The District recently completed a Recycled Water Master Plan and Title 22 Engineers Report (Attachment A) and is in the process of establishing capacity fees for that portion of the RUWAP cost to be paid for by development. The recycled rate study will focus on the cost of service of providing the 1,427 AFY for MCWD landscape irrigation users that is not paid for as part of new development and not a part of the Recycled Water Capacity Fees.

#### **IV. SCOPE OF WORK**

##### **A. Rate Study**

- i. Provide a comparison of recycled system costs (operational, capital improvements, and bonded debt) against appropriate benchmarks.
- ii. Provide a comparison of proposed recycled water and rates against surrounding public agency recycled water purveyors.
- iii. Evaluate the rate structure for conformance with existing statutory regulations and make recommendations necessary to achieve compliance.
  1. Provide recommendations for equity within the rate structure and justifications.
  2. Demonstrate that any alternative rate structure is easy to understand and administer and can be accommodated with the existing Springbrook billing system.
- iv. Recommend rate structures based on the following:
  1. Current and future cost of providing recycled water services in accordance with established and anticipated standards and regulations.
  2. Projected demands of growing community.
  3. Age and condition of the recycled water systems and projected replacements for infrastructure based on the District's five-year CIP.
  4. Funding requirements for all current and long-term liabilities and debt obligations attributed to recycled water.
  5. Impact of current and future recycled water regulations.
  6. Provide a methodology for annual inflationary adjustments in compliance with Proposition 218.
  7. Cash flow and working capital.
  8. Other impacts as identified.
- v. Provide a ten-year forecast of recycled water revenues, operation and maintenance expenses, capital improvement costs, identify a five-year rate structure to ensure that adequate revenues will meet reserve policy levels, debt coverage requirements, and capital funding. This forecast should include an evaluation of the District's current work that is underway to model and develop

- facilities to expand the RUWAP to provide an additional 973 AFY (a total of 2,400 AFY) which is likely to occur with the next ten-year period.
- vi. Provide a user-friendly computer rate model which the District can use for forecasting and planning. This model should be capable of being updated with actual costs and users for future annual review of rates. This model must have the ability to run CIP scenarios and quickly show impact on rates.
    1. Train District staff in the use of running “scenarios” that will provide a full understanding of how the rate model operates.
  - vii. The recommended rate structures shall be consistent with industry practice for utility rate making in California. The study shall recommend a rate structure based upon standard rate practices that meet the criteria.
  - viii. The recommended rate structure shall be planned for five years.
  - ix. Prepare a draft and final report, supplied in both hard copy and electronic format, which includes the following items:
    1. A brief description of the District.
    2. Service area description, including population served.
    3. The source of supply as appropriate and projections on future growth and statement of consultant regarding sufficiency to meet demand.
    4. A brief description of the recycled water capital improvement program, a five-year summary of proposed capital expenditures and a statement regarding reasonableness of those estimates; and a ten-year projection.
    5. The revenue and expense projections for the District and each recycled water cost center.
    6. Discussion of any recommended rates and inflationary increases necessary to the future needs of each utility for recycled water purposes
  - x. Provide data supporting conclusions and observations made for each of the areas above and cite within the Study.
  - xi. Present the information to the Board of Directors and the Public at three workshops. A printout of the rate model used in establishing the rates shall be provided as part of the rate study report in a format that clearly shows how the data was used and calculations performed in determining the rates.

### **Rate Study Timeline**

The District wishes to implement any rate adjustments for the Fiscal Year beginning July 1, 2021. Please provide a timeline of the proposed study. The project timeline must incorporate necessary time and tasks for review of the rate study, development and mailing of the Proposition 218 notice, and adoption of new rates by the MCWD Board of Directors. Adoption by the Board must include a first and second reading to be held at a regularly scheduled Board meeting, and a thirty (30) day effective date after the second reading. The District Board meetings are held on the third Monday of the month.

## **V. PROPOSAL FORMAT AND CONTENT**

The proposal for the Rate Study shall include the information specified within this Proposal Format and Content section. A title page should separate the Study and the Plan. If responses are the same for Sections 1-2, reference can be made within the proposal to avoid duplication. The numbering sequence and titles for each section shall follow the format as contained in this Request for Proposal.

### **A. General**

- i. Title page showing the request for proposal's subject; the firm's name, the name, address and telephone number of a contact person; and the date of the proposal.
- ii. The title page should indicate "Proposal for Recycled Water Rate Study."
- iii. Table of contents.
- iv. Signed letter briefly stating the firm's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement.
- v. A statement that the proposal is firm and will be valid for ninety (90) days.
- vi. Signature of a person authorized to bind consultant to the terms of the proposal.

### **B. Qualifications and References**

- i. Qualifications of the firm
  1. Identify the size of your firm and the location of the office from which the work will be conducted.
- ii. References
  1. Please provide a list of consulting experiences similar to the type and size of MCWD.
  2. List three (3) client references that are of similar size and scope of service utilization as the Agency. Include the following information for each reference:
    - Customer name
    - Contact name and title
    - Telephone and fax number
    - Street address, State, zip code
    - Number of Years as Customer
    - Description of services provided

The Agency reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

3. Qualifications of Professional Staff – Identify the key engagement partners, managers, and other staff members who would be assigned to conduct the Study and indicate their qualifications.

4. Subcontractors – Please clearly indicate whether subcontractors will be used. If the firm plans to use subcontractors, please provide an overview of the firm, project involvement, and qualifications of staff.

### **C. Study Approach**

- i. Describe your approach to this project any special ideas, techniques or suggestions that you think might make the project proceed more smoothly.
- ii. Set forth a work plan, including an explanation of the methodologies to be followed to perform the services required of this proposal. Indicate what type of documents will be referenced in performing this project, such as the District's budget and related materials, financial statements, and utility data.
- iii. The proposal shall provide a listing of the records and documentation that the District is expected to provide.
- iv. The proposal shall describe your schedule for the project.

### **D. Agreement**

- i. A copy of the proposed agreement is attached (Attachment F). Evidence of Insurance and IRS Form W-9 must be received prior to agreement implementation.

## **VI. EVALUATION OF PROPOSALS AND NEGOTIATIONS**

All proposals submitted will be reviewed by an evaluation panel consisting of the Marina Coast Water District and/or other personnel. At the completion of the proposal review, the panel may elect to invite the top scoring firms to make a presentation at no cost to the District. The District may request Best and Final offers. Based on the presentation and the Best and Final offers, if requested, the panel will select the proposal that best fulfills the District's requirements. The District may negotiate with that firm to determine final pricing, and contract form. There will be no public opening and reading of bids.

Proposals will be evaluated on the following criteria:

- Qualifications of the firm
- Qualifications of the personnel
- Related experience
- References
- Ability to understand the Agency's needs
- Completeness of response
- Reasonableness of cost and price
- Availability schedule

A selection panel will be convened of District staff, which will include Finance, Customer Service, and possibly other departments.

## **VII. CONDITIONS AND STIPULATIONS**

The District reserves the right to reject any and all proposals, cancel all or part of this RFP, and waive any non-material irregularities or informalities and to request additional information and clarification regarding any particular service from the proposing firms.

By requesting proposals, the District is in no way obligated to select any proposal or pay expenses of the proposing firms in connection with the preparation or submission of a proposal. The District reserves the right to reject any firm for any reason. The proposal should be the best effort possible by the firm, since the District reserves the right to award the contract with no further negotiations. Conversely, the District reserves the right to negotiate with the successful proposer any additional terms and conditions not contained in their proposal, which are in the best interest of the District or to otherwise revise the scope of this RFP. All proposals, whether accepted or rejected, shall become the property of the Marina Coast Water District. All proposals received become public records. The District's decision to award a contract will be based on many factors including, but not limited to service, cost, experience, and ability to deliver, or for any other reason deemed by the District to be in the best interest of the District. No single factor, such as cost, will determine the final decision to award. This RFP and the firm's response, including all promises, warranties, commitments, and representations made in the successful proposal, shall become binding contractual obligations, and will be incorporated by reference in the final agreement between the Marina Coast Water District and the selected firm. All terms and conditions not specifically identified as exceptions will be considered acceptable to Contractor.

## **VIII. ESTIMATED TIMELINE (DATES ARE SUBJECT TO CHANGE)**

- August 13, 2020 – Distribution of RFP
- August 27, 2020 – Deadline for questions
- September 9, 2020 – Closing Date
- September 10 – 15, 2020 – Proposal evaluations and possible interviews
- September 21, 2020 – Present Recommendations to District Board for contract award
- December 21, 2020 – Rate Workshop #1
- January 19, 2021 – Rate Workshop #2
- February 16, 2021 – Rate Workshop #3

## **IX. CONTACTS**

For questions regarding the scope of the proposal or the proposal process, please submit questions through email only to:

Kelly Cadiente, Director of Administrative Services at [kcadiente@mcwd.org](mailto:kcadiente@mcwd.org)



**X. DEADLINE FOR SUBMISSION OF PROPOSALS**

Proposals must be submitted electronically. The District must receive proposals by September 9, 2020, 4:00 PM:

Electronic Submissions should be sent to:

Kelly Cadiente, Director of Administrative Services at [kcadiente@mcwd.org](mailto:kcadiente@mcwd.org)

**XI. ATTACHMENTS**

Exhibit A: Links to MCWD 2020 Recycled Water Master Plan and Title 22 Engineers Report

Exhibit B: MCWD Professional Services Agreement

Thank you for your interest in working with the Marina Coast Water District for this service. We look forward to receiving your proposal.

## **ATTACHMENT A**

The following is the link to the District's Recycled Water Master Plan:

[https://www.mcwd.org/docs/engr\\_files/master\\_plans/MCWD\\_RecycledWaterMasterPlan\\_Final\\_052120.pdf](https://www.mcwd.org/docs/engr_files/master_plans/MCWD_RecycledWaterMasterPlan_Final_052120.pdf)

The following is a link to the District's Title 22 Engineers Report:

[https://www.mcwd.org/docs/engr\\_files/MCWD%20T22\\_Report\\_Updated%202020-03-31.pdf](https://www.mcwd.org/docs/engr_files/MCWD%20T22_Report_Updated%202020-03-31.pdf)

# ATTACHMENT B

## PROFESSIONAL SERVICES AGREEMENT FOR CONSULTING SERVICES BETWEEN MARINA COAST WATER DISTRICT AND

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Some of the important terms of this Agreement are printed on Page 2. For your protection, make sure that you read and understand all provisions before signing. The terms on Page 2 are incorporated in this document and will constitute a part of the Agreement between the parties when signed.

TO: Marina Coast Water District      DATE: September 21, 2020  
11 Reservation Road  
Marina, CA 93933

The undersigned Consultant offers to furnish the following:

MCWD wishes to engage \_\_\_\_\_ to provide a Recycled Water Rate Study to the District in accordance with the scope of services listed in the District's Request for Proposals dated August 13, 2020.

Contract price \$ \_\_\_\_\_

Completion date February 16, 2021

Instructions: Sign and return two originals. Upon acceptance by the Marina Coast Water District, a copy will be signed by its authorized representative and promptly returned to you.

Accepted: Marina Coast Water District \_\_\_\_\_

By \_\_\_\_\_ By \_\_\_\_\_

Name Keith Van Der Maaten Name \_\_\_\_\_

Title General Manager Title \_\_\_\_\_

Consultant agrees with the Marina Coast Water District that:

1. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant will defend, indemnify and hold harmless the Marina Coast Water District, its directors, officers, employees, or authorized volunteers from all claims and demands of all persons that arise out of, pertain to, or relate to the Consultant's negligence, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the work under this agreement. Consultant shall defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of Consultant's performance or non-performance of the work hereunder, and shall not tender such claims to District nor to its directors, officers, employees, or authorized volunteers, for defense or indemnity.

2. Other than in the performance of professional services, to the fullest extent permitted by law, Consultant will defend, indemnify and hold harmless the Marina Coast Water District, its directors, officers, employees, and authorized volunteers from all claims and demands of all persons arising out of the performance of the work; including but not limited to claims by the Consultant or Consultant's employees for damages to persons or property except for the sole negligence or willful misconduct or active negligence of the Marina Coast Water District, its directors, officers, employees, or authorized volunteers.

3. By his/her signature hereunder, Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Consultant will comply with such provisions before commencing the performance of the professional services under this Agreement. Consultant will keep workers' compensation insurance for their employees in effect during all work covered by this Agreement and shall file with the Marina Coast Water District the certificate required by Labor Code Section 3700.

4. This paragraph is part of the contract.  Yes or No (Circle One) [This section applies in most cases except for laboratory work.] Consultant will file with the Marina Coast Water District, before beginning professional services, a certificate of insurance satisfactory to the District evidencing professional liability coverage of not less than \$1,000,000 per claim and annual aggregate, requiring 30 days notice of cancellation (10 days for non-payment of premium) to the Marina Coast Water District. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A- :VII, or equivalent, or as otherwise approved by the District. The retroactive date (if any) is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least Three years after the completion of the contract work. Consultant shall purchase a one-year extended reporting period i) if the retroactive date is advanced past the effective date of this Agreement; ii) if the policy is canceled or not renewed; or iii) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

5. This paragraph is part of the contract.  Yes or No (Circle One) Consultant will file with the Marina Coast Water District before beginning professional services, certificates of insurance satisfactory to the Marina Coast Water District evidencing general liability coverage of not less than \$1,000,000 per occurrence (\$2,000,000 general and products-completed operations aggregate (if used)) for bodily injury, personal injury and property damage; auto liability of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable); requiring 30 days (10 days for non-payment of premium) notice of cancellation to the Marina Coast Water District. The general liability coverage is to state or be endorsed to state "such insurance shall be primary and any insurance, self-insurance or other coverage maintained by the Marina Coast Water District, its officers, directors, employees, or authorized volunteers shall not contribute to it". The general liability insurance shall give Marina

Coast Water District, its officers, directors, employees and its authorized representatives and volunteers insured status using ISO endorsement CG2010, CG2033 or equivalent. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A- :VII or as otherwise approved by the Marina Coast Water District.

6. If any of the required coverages expire during the term of this agreement, the Consultant shall deliver the renewal certificate(s) to the District at least ten (10) days prior to the expiration date.

7. Consultant shall not accept direction or orders from any person other than the General Manager or his designee.

8. The terms of this agreement shall commence on July 1, 2018 and continue in full force unless terminated by a 15-day written notice by either party to the other.

9. Any change in the scope of the professional services to be done, method of performance, nature of materials or price thereof, or to any other matter materially affecting the performance or nature of the professional services will not be paid for or accepted unless such change, addition or deletion be approved in advance, in writing by a supplemental agreement by the Marina Coast Water District. Consultant's "authorized representative(s)" has (have) the authority to execute such written change for Consultant.

10. In the course of providing services under this Agreement, Consultant and its directors, officers, employees and agents will be handling financial, accounting, statistical, and personnel data of customers of Marina Coast Water District and of the District itself. All such data is confidential and shall not be disclosed, directly or indirectly, or used by Consultant, its directors, officers, employees and agents, in any way except as authorized by this Agreement.