

Request for Qualifications
Project: Comprehensive Water & Wastewater Rate Study 2023
City of Laredo, Texas

The City of Laredo, Texas is requesting qualifications and a statement of interest for professional Services to conduct a comprehensive water and wastewater rate study, from qualified consultant or consulting firm.

Background:

The City of Laredo Utilities Department Incorporates automatic water meters for most of its service area with a population of approximately 265,000.

The City of Laredo uses surface water from the Rio Grande River as its source of raw water. The two plants in the City of Laredo are Jefferson Water Treatment Plant 65 Million Gallons per Day (MGD) and El Pico Water Treatment Plant 28 MGD for a combined capacity of 85 MGD. The average daily consumption during 2022 was approximately 37.56 million gallons per day and peak demand for 2022 was 53.4 million gallons per day. Connections to the water system as of September 30, 2022 were 79,332. The system consists of approximately 1,161 miles of transmission and distribution lines and 8,976 Fire Hydrants.

The City of Laredo owns and operates six wastewater treatment plants, which have a combined total design capacity of 29.19 million gallons per day (“MGD”). The sewer includes approximately 513 miles of sewer lines and 69 lift stations. The average daily treatment is 20 MGD with a peak flow of 39.2 MGD. Connections to the sewer system as of December 31, 2022 were 65,657. The last Wastewater (Sewer) Rate Study was completed in 2018.

Scope of Work:

The development of the Rate Study must encompass the elements outlined in: 1) The American Water Works Association (AWWA) Manual M1, Principles of Water Rates, Fees, and charges, and 2) The Water Environment Foundation’s Wastewater Financing and Charges for Wastewater Systems and should be developed in a similar manner to the existing rates and charges of the City.

The firm is to review the City’s current rate structure and make recommendations on best practices and be prepares to discuss the pros and cons of each and impacts to the various ratepayer classes. The rate model should equitably distribute costs between water and wastewater and between base and volume or fixed and variable which include comparisons of regional and similar size cities. The study should include analysis by normalizing the comparative rates against the local economics, thereby identifying possible differences in production cost to deliver similar services.

The rate study will include information from the City's recent Water and Wastewater Master Plans including a cost to value analysis and funding options for: 1) Secondary water from regional ground water sources as well as; 2) Beneficial Reuse Water and a 'purple pipe' distribution network as a means to conserve the City's domestic potable water supply. Additionally, the study will discuss separate irrigation rates for customers with dedicated irrigation accounts.

The firm should inform the City of any upcoming regulatory changes that may affect the City's rate or rate structure. The City is seeking a user-friendly rate model that can incorporate various fees, CIP estimates as developed from the City's Master Plan and corresponding debt components with the ability to make adjustments to these amounts and expenses. Allowing these adjustments to the model should allow for dynamic or scenario modeling to the rate structure thereby calculating bond coverage and cash reserves with flexibility over an 8-year period.

Submission of Proposals:

Provide one (1) digital copy and one (1) unbound copy suitable for photocopying of submittals and must contain the following information:

1. One-page letter of interest that include a synopsis and qualifications of the price firm and sub-consultants, the project manager and primary contact, and the project principle representing the contractual authority of the firm.
2. Profile of firm and relevant rate study experience working on similar projects within the last ten (10) years. Describe the firm's or team members experience with local governments or other public agencies in the development of similar projects.
3. Resumes of the project manager, principal and staff identified as having a major role in the project.
4. A description of the proposed approach to the development of the audit. Describe how the consultant proposes to meet the project objectives.
5. A proposed scope of work with project time-line for completion of the project, with milestone identified.
6. Project description for five (5) recent projects of a similar scope performed by the project manager, principal or team members within the last ten (10) years. At least three (3) of the five (5) projects must have been for municipalities within the State of Texas. Provide the name of the client (include contact information), description of services provided, key

personnel involved, year the project was completed, and estimated planning or design cost.

7. Disclose any material agreements, relationships, or employment your firm or team members has with any other planning or design firm, government agency or other person or entity that may create conflict of interest or the appearance thereof.

The City of Laredo will provide its Master Plan after selection of the firm for this Rate Study.

The qualifications must be submitted to the Director no later than **Friday, December 01, 2023, 4:00 pm CST**. Any questions relating to the RFQ shall be submitted in writing or via email to Michael Rodgers (mrodgers@ci.laredo.tx.us) on or before Friday, November 17. All addendum and response to questions from consultants will be posted in the City's website, <https://www.cityoflaredo.com/departments/purchasing-division/bids>.

Request for qualifications will be evaluated by the Utilities Department.

It is expected that the selected consultant should be ready to proceed on or before January 15, 2024.

Arturo Garcia, Jr., P.E, Director
Utilities Department
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