



## REQUEST FOR PROPOSALS FOR WATER AND SEWER RATE STUDY

Responses to this request should be submitted by email to: [lnoller@lagrangepark.org](mailto:lnoller@lagrangepark.org)

In addition, each responding firm shall submit five paper copies of their proposal in a sealed envelope, clearly identified as:

### WATER AND SEWER RATE STUDY

and mailed or delivered to:

Larry Noller  
Finance Director  
Village of La Grange Park  
447 North Catherine Ave  
La Grange Park, IL 60526

Inquiries for clarification or additional information should be emailed to [lnoller@lagrangepark.org](mailto:lnoller@lagrangepark.org). Responses to questions will be provided to all firms that notify the Village of their intent to respond. All questions must be received by November 30, 2016 at 5:00 pm.

Schedule:

Request for Proposals Issued	November 9, 2016
Deadline for Submission of Questions	November 30, 2016
Deadline for Submission of Proposals	December 9, 2016
Village Board Review	January 10, 2017
Village Board Approval	January 24, 2017

The Village may modify the above schedule if needed. It is expressly understood that all proposals will be valid for a period of ninety (90) days after submission.

## **BACKGROUND**

The Village of La Grange Park, Illinois ("Village") is requesting proposals from qualified firms to perform a Comprehensive Water and Sewer Rate Study. The intent of the study is to develop fair and equitable water and sewer rates that are based on a cost of service analysis and will provide for the ongoing operating and capital needs of both systems.

The Village of La Grange Park is a non-home rule community of 13,579 residents. The Village provides municipal services, including water and sewer to approximately 4,100 customers.

The Village annually purchases approximately 480 million gallons of Lake Michigan water from the Brookfield North Riverside Water Commission (BNRWC). The Village owns and maintains one pumping station and 42.1 miles of water main. The Village does not maintain any deep wells. The current water storage capacity totals approximately 2.75 million gallons.

The Village is responsible for the local collection of sanitary wastewater and storm water that is transmitted to the Metropolitan Water Reclamation District interceptor sewers. The Village maintains 31.7 miles of combined sanitary and storm sewer main, 1.3 miles of separated sanitary sewer main and 2.4 miles of separated storm sewer main. The MWRD provides waste and storm water treatment and is separately funded from the Village.

The Village's water and sewer utilities are accounted for and reported as enterprise funds. The funds are financed and operated in a manner similar to business enterprises where the intent of the Village is that the cost (including depreciation) of providing water and sewer services to the general public on a continuing basis be financed or recovered primarily through user charges. A copy of the Village's Annual Budget and Annual Financial Report is available along with additional information on the Village's website at [www.lagrangepark.org](http://www.lagrangepark.org).

## **TERMS AND CONDITIONS**

1. The Village reserves the right to reject any or all proposals, to waive any irregularities or informalities in any proposal or in the proposal procedures, and to accept or reject any item or combination of items. The award will be to the proposer whose proposal complies with all the requirements set forth in this document, and whose proposal in the opinion of the Village, is the best proposal taking into consideration all aspects of the proposer's response, including the total cost to the Village. Exceptions to any requirements included in this document must be specifically noted in the firm's response. Failure to include an exception in the proposal will render the exception as invalid and the proposer will be treated as being in compliance with the specification, regardless of intent.
2. In the event that the proposer to whom the services are awarded does not provide a contract acceptable to the Village prior to scheduled Village Board approval of the successful proposer, the Village may give notice to such proposer of its intent to award the contract to the next most qualified proposer or to call for new proposals and may proceed

to act accordingly. The Village assumes no liability for costs incurred by the proposers in preparation and submission of their proposal.

3. Proposers shall thoroughly examine and be familiar with all requirements included in this document. The failure or omission of any proposer to receive or examine this document shall in no way relieve any proposer of obligations with respect to this proposal or the subsequent contract.
4. Indemnity

For purposes of indemnification requirements, the following terms shall have the meanings set forth below:

- a. The “firm” means and includes the proposing firm, all of its employees, agents and assignees, and all of its affiliates and subsidiaries, its subcontractors and/or assignees and their respective servants, agents and employees; and
- b. “Loss” means any and all loss, damage liability or expense of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including attorney’s fees and the cost of defense).

For purposes of this Agreement, the firm hereby agrees to indemnify, defend and hold harmless the Village, its employees and agents from any and all loss where loss is caused or incurred or alleged to be caused or incurred in whole or in part as a result of the negligence or other actionable fault of the firm. It is agreed as a specific element of consideration of this Agreement that this indemnity shall apply notwithstanding the joint, concurring or contributory or comparative fault or negligence of the Village or any third party and, further notwithstanding any theory of law including, but not limited to, a characterization of the Village’s or any third party’s joint, concurring or contributory or comparative fault or negligence as either passive or active in nature; provided, however, that the firm’s obligation hereunder shall not include amounts attributable to the fault or negligence of the Village. Nothing in this section shall be deemed to impose liability on the firm to indemnify the Village for loss when the Village’s negligence or other actionable fault is the sole cause of loss.

#### **SCOPE OF SERVICES**

1. Assess the ability of the current water and sewer rate structures and revenue streams to fully fund water and sewer system costs.
2. Assess the Village’s water and sewer system infrastructure needs and provide a long range capital improvements plan with funding options.
3. Recommend annual targets for fund balances for both the water and sewer funds.

4. Provide a comparison of current water and sewer system costs (operations, capital improvements, bonded debt, etc.) against similar local municipalities.
5. Determine current usage and billing characteristics of each customer class using available billing information, water system peak demand statistics and consultant's experience with water and sewer systems exhibiting similar usage, characteristics and patterns.
6. Recommend multiple alternative water and sewer rate structures that are based on a cost of service analysis and are sufficient to meet the short and long-term revenue requirements of the Village's water and sewer funds and include an analysis of the benefits and downsides of each alternative.
7. Recommended rate structures shall consider and make provision for the following factors:
  - a. Current and future cost of providing water and sewer services in accordance with established and anticipated standards and regulations.
  - b. Projected demands of the community.
  - c. Age and condition of the distribution system with projected replacements.
  - d. Funding requirements for all current long-term liabilities and debt obligations.
  - e. Impact of current and future water and sewer regulations.
  - f. Consistency with industry practice for utility rate making in Illinois.
  - g. Equitably distribute costs to residential, commercial and industrial customers.
  - h. Anticipated effect of water conserving appliances on water consumption.
  - i. Ease of administration by the Village and compatibility with the Village's current metering and billing systems.
  - j. Other impacts as identified.
8. Provide the Village with a user friendly rate model in Excel format which can be modified by Village staff to account for future changes in the model's assumptions and variables.
9. Present study to Village Board. Firms shall include all costs to attend at least two Village Board meetings in their proposal. Costs to attend additional meetings if needed must be included in the proposal.

## **PROPOSAL FORMAT AND CONTENT**

The following information is to be included in proposals:

1. 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.
2. Table of contents.
3. Signed letter briefly stating the firm's understanding of the work to be done, a commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the firm agrees to all conditions in the Request for Proposals document. The individual signing the letter must be empowered to submit and sign a contract with the Village.
4. Qualifications of the Firm
  - a. Identify the location of the office from which the work will be performed. If multiple offices are involved indicate what sections of the scope will be performed where.
  - b. Provide a list of consulting experiences similar to the type and size of the Village of La Grange Park's utilities.
  - c. Include a copy of a water and sewer rate study completed in the last three years for a similar municipality.
5. Qualifications of Professional Staff
  - a. Identify managers and staff members that will be assigned to the study and indicate their qualifications.
6. Study Approach
  - a. The proposal shall include a project work plan, including a description of the methodologies to be followed to perform the services requested and describe and identify any special techniques or suggestions that would result in a work plan that best fits the studies goals and objectives.
  - b. The proposal shall provide a list of the records and documents the Village needs to provide.
  - c. The proposal shall include a detailed schedule for the project.

## 7. References

- a. Provide a minimum of three references with attention being given to previous water and sewer cost of service / rate setting engagements for municipally owned utilities within the state of Illinois. The reference list should include a point of contact individual and telephone number.

## 8. Insurance

- a. Proposal shall include proof of professional and general liability insurance.

## 9. Fee

- a. The proposal shall include a flat not-to-exceed fee to perform and produce all items described in the Scope of Services.
- b. Proposal shall list the total number of projected hours each member of the firm's team will work on the study.
- c. The Village will not reimburse for any travel or other incidental costs.
- d. Any additional costs for work not included in this RFP document must be agreed to by the Village in writing prior to beginning the additional work.