

**REQUEST FOR PROPOSALS**  
**Town of Spring Lake**  
**Rate and System Development Fee Study**

**I. Purpose**

The Town of Spring Lake (Town) is seeking proposals from qualified consultants to conduct a comprehensive water and sewer rate study and evaluate System Development Fees per recently passed House Bill 436 (HB436). The intent of the study is to evaluate the Town's infrastructure needs and provide recommendations for rate adjustments and System Development Fees. The evaluation will be based on a comprehensive review of the water and sewer funds and budgets, financing plans, debt service schedules, current usage data, future proposed growth demands and development of a water and wastewater Capital Improvements Plan (CIP). The objective of the study is to adequately fund water and sewer operations, capital improvement costs, debt obligations and depreciation while maintaining modest rates and to implement System Development Fees to help fund growth related projects.

**II. Scope of Services**

The consultant shall perform the following tasks and provide the following items as part of the study:

**A. Meet with Town staff**

1. Participate in a project kick-off meeting with pertinent Town staff to discuss goals, information gathering and project schedule.
2. The Town will provide the following information for the proposed study:
  - a. All reasonably available records and information, including financial reports, budget, consumption data, meter sizes, and customer classes.
  - b. Depreciation schedule
  - c. Most recent capital improvement project lists
  - d. Current contracts with water providers
3. Meet or confer with Town staff as-needed during the study period and to present the preliminary report and final report at the end of the project.
4. Attend and present at Board of Aldermen meetings as needed.

**B. Capital Improvements Plan (CIP)**

1. Develop Water System Improvement Alternatives for 20-year conditions. Water system facilities and lines will be sized to meet maximum day demands, peak hour demands and to provide adequate fire flows.
2. Develop Wastewater System Improvement Alternatives for 20-year conditions. Wastewater facilities and lines will be sized to meet peak flows.

3. Develop Draft CIP Costs and Phasing Plan: Develop costs and phasing for each proposed project. Costs will be in Year 2018 dollars and will include engineering and contingencies. Develop draft CIP scheduling of projects based upon water and wastewater system requirements and reliability needs and mapping showing project locations.
4. Conduct a workshop with Town Staff to discuss the water and wastewater CIP, proposed projects, phasing, associated costs and projects to be used for System Development Fee Calculations.

**C. Analysis of Water and Sewer Fund Finances**

The Consultant will be expected to analyze and obtain a thorough understanding of the water and sewer funds financial condition. At a minimum, the analysis should include:

1. Analysis of historical and current operating expenses.
2. Analysis of the performance of the current rate structure. The current rate structure should be assessed for sustainability and ability to generate the necessary revenue, including continued growth projections, proposed capital improvements (as developed in B above) and determination of funds needed to support the capital improvement program.

**D. Develop recommended rate schedules**

The Consultant will be expected to develop a recommended water and sewer rate schedules to meet the following objectives:

1. Fully cover the current and future cost of providing water and sewer services, including proposed capital improvements and existing and future debt financing and depreciation
2. Provide analysis and recommendations for the various components of the Town's rate schedules and/or recommend alternative rate schedules for retail customers (including the various user categories).
3. Provide a rate projection that forecasts rates to 10 years based on expected expense increases over time and the currently planned capital improvements projects and depreciation
4. Show proposed rate schedule comparison to surrounding and similarly sized utilities.
5. Be easily described to customers

**E. System Development Fees**

The Consultant shall calculate System Development Fees in accordance with HB436.

1. Develop Equivalent Residential Units (ERUs) for Water and Wastewater Systems
2. Identify Existing Projects Eligible for System Development Fee Cost Recovery
3. Conduct Water and Wastewater System Development Fee Capacity Analysis for CIP Projects
4. Calculate Allowable System Development Fees using the following methods:
  - a. Buy-In
  - b. Incremental or Marginal

c. Combined

**F. Presentation of Findings**

1. A preliminary report, including recommended rates and fees should be provided for review with Town staff. A meeting should be held with Town staff to discuss the preliminary findings, address questions or concerns and incorporate Town comments into the final report. Furthermore, meetings shall be held and communications with Town staff during the development of the preliminary report to confirm a thorough understanding of the Town’s utility enterprise.
2. A final report including recommended rates should be provided that incorporates Town staff’s concerns/comments.
3. Assist with Public Comment Period by consulting with Town Staff throughout the 45-day public comment period as required and applicable. Log the comments as received and will assist the Town in preparing a formal response as applicable.
4. The Consultant will be expected to present the final recommendations to Town staff. In addition, the Consultant may be asked to present final findings and recommendations to the Town Board of Aldermen.

**III. Project Schedule**

November 7, 2017	Request for Proposals Issued
December 1, 2017	Proposals Due to Town of Spring Lake
December 15, 2017	Town selects firm to complete project and sends contract to selected firm for execution
January 5, 2108*	Contract finalized and signed; Project kick-off meeting
April 1, 2018	Preliminary report due to Town staff
July 1, 2018	Deadline for adoption of rates and System Development Fees

\*Projected date. Actual date will be scheduled with the selected consultant.

**IV. Proposal Submittal**

All proposals are due by **12:00 pm on December 1, 2017**. The Town will receive proposals in the office addressed to:

Town of Spring Lake  
Attn: Thomas B. Cooney III, PE  
Director of Public Works  
PO Box 617  
300 Ruth Street  
Spring Lake, NC 28390-0617

All respondents are requested to provide the information cited below, as well as any supplemental information that provides a comprehensive view of the firm, the proposed design team and the approach to this project. However, information should be presented in a clear and concise manner. Submittals shall not exceed ten (10) pages printed front and back or twenty (20) pages printed only on the front. Five (5) copies shall be submitted.

- **Project Approach:** Describe your approach and understanding of this project and any special ideas, techniques or suggestions that you think might make the project proceed smoothly. Provide a clear concise answer to the question – “Why should Johnston Spring Lake select your firm for this project?”
- **Qualifications:** Include a general overview of the firm and describe your firm’s unique qualifications and training for this type of work. Cite specific accounting certifications or accreditations.
- **Experience:** Describe the experience of the firm and of the individuals assigned. Include a description of at least three (3) similar water/sewer projects completed by the firm in the past five (5) years. Include the resumes of the staff that will be assigned on the project and identify their role for this project. At a minimum, the following information should be included for each:
  - Role/project responsibility of the design team for this project.
  - Qualifications
    - Education
    - Relevant experience
- **References:** Identify three (3) references including the name of organization, phone number, address and email address. Please include the name and contact information of a specific contact at each referenced organization.
- Name, address and phone number of any sub-consultant along with their qualifications for the project and resumes of any key personnel.
- **Schedule:** Describe your plan/schedule for completing the work.