

# Cost of Service and Rate Design Study

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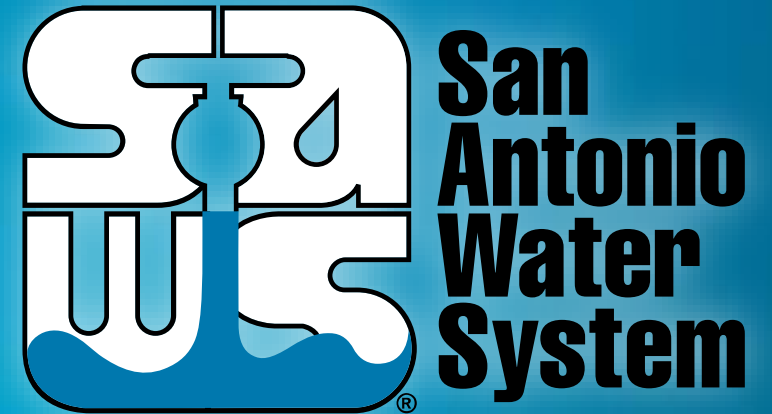
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MAKING SAN ANTONIO  
**WATERFUL**

Non-Mandatory Virtual ONLY Pre-Submittal Meeting  
Monday March 18, 2019 at 2:00 PM

# Virtual ONLY Pre-Submittal Meeting Set-Up

- This PowerPoint is being provided through WebEx
  - After it will be made available on the [SAWS website](#)
- All attendees are going to have their devices voices muted
- Submit questions through the WebEx Chat feature at the bottom
  - Send to Everyone to prevent question duplication
- At the end of the meeting, we will go through the questions submitted through the Chat feature one by one and verbally provide an informal answer
  - Formal answers to be provided in an Addendum
- After Chat questions are addressed, attendees will be unmuted for any remaining questions that need to be asked verbally
  - Questions asked verbally, need to be submitted in writing to [Jessica.Goforth@saws.org](mailto:Jessica.Goforth@saws.org) prior to the Question and Answer deadline to ensure the answer is provided and to be binding

# Recording

- For those that were unable to attend the Virtual ONLY Pre-Submittal Meeting, reach out to Jessica Goforth, Contract Administrator for the recording to listen to the oral statements and discussion.
  - E-mail [Jessica.Goforth@saws.org](mailto:Jessica.Goforth@saws.org)

# Oral Statement

- Oral statements or discussion during this Pre-Submittal Meeting will not be binding, nor will they change or affect the RFP or the terms or conditions of the contract. Changes, if any will be addressed in writing only via an Addendum.

# Meeting Requirement

- If key personnel who would be part of performing the Scope of Services, as outlined in the solicitation, are not currently attending this meeting, it is **required** that they listen to the recording. Reach out via e-mail to [Jessica.Goforth@saws.org](mailto:Jessica.Goforth@saws.org) for the recording.
  - **Respondents must acknowledge in the Respondent Questionnaire that key personnel either attended and/or listened to the recording.**

# Presentation Overview

- SAWS Processes and Solicitation Requirements:
  - Navigating the SAWS Website
  - Evaluation Criteria
  - Submitting a Response
  - Submittal Deadline
  - Selection Process
  - SMWVB
  - Key Dates
  - Communication Reminders
- Project Specifics
  - Purpose
  - Rate Study Issues
  - Rate Structure Design Objectives
  - Schedule Background
  - Rate Advisory Committee (RAC)
  - Rate Design Options
  - Additional Requirements
  - SAWS Financial Info.
- WebEx Chat and Verbal Questions

# Navigating the SAWS Website

<https://www.saws.org>



To register as a vendor  
**\*\*Recommended\*\***

## Under Contract Solicitations:

		AM		
RFP	R-19-004-JG	COST OF SERVICE AND RATE DESIGN STUDY	4/15/19 2:00 PM	✓ [MORE]
		Contract Administration Department Solicitation Submittal Tips	12/31/19 5:00 PM	✓ [MORE]

To view information about this RFP

Helpful tips for preparing a response  
**\*\*Recommended\*\***

# Navigating the SAWS Website

contract solicitations

## Request for Proposal

Solicitation No. R-19-004-JG

### COST OF SERVICE AND RATE DESIGN STUDY

Due Date: 2:00 PM Monday, 4/15/19

Status: Currently Accepting Submissions

Access and other information about the Virtual ONLY Non-Mandatory Pre-Submittal Meeting has been provided.


SEE WEBEX INSTRUCTIONS AND ADDENDUM 1 FOR MORE DETAILS

The San Antonio Water System ("SAWS") is requesting proposals from a consultant or consulting firm to perform a comprehensive Cost of Service and Rate Design Study (Rate Study). The purpose of the Rate Study is to analyze and provide recommendations to SAWS about the rate structure for water delivery, water supply, recycled water, and wastewater operations. The utility service area to be studied will include the current water and wastewater service areas of SAWS. The Rate Study will include recommendations regarding the adequacy and most appropriate structure for all rates assessed by SAWS considering such principles as (not all-inclusive nor listed in priority order): conservation, consumption characteristics of various customer classes, cost of service, fairness and equity implications, financial stability, customer affordability, and economic development. The recommendations shall take into account the prioritization of principles made by the City Council, the SAWS Board of Trustees and the Rate Advisory Committee (RAC). The RAC consists of citizens appointed to oversee the Rate Design Study process. The Selected Consultant shall also review and make recommendations for improvement of SAWS' current cost allocation model.

#### Non-Mandatory Pre-Submittal Meeting

2:00 PM, Monday Mar. 18, 2019

Virtual ONLY Non-Mandatory Pre-Submittal Conference - See Addendum 1 and WebEx Instructions for how to access

 **Notify Me**  
Receive updates for this RFP sent straight to your inbox.

Subscribe

To receive notifications about this RFP  
**\*\*Recommended\*\***


**Download**

**Full RFP Proposal**  
\*File Type: pdf

**WebEx Instructions**  
Mar 12, 2019  
File Type: pdf

**Addendum 1**  
Mar 12, 2019  
File Type: pdf

*Need the free Adobe® Reader® for PDF files?  
Click here.*



Original RFP

Where Addenda can be found with any changes to the RFP

**Interested Firm List**

Click here to view firms who have obtained the proposal for this RFP.

Firms who have viewed the RFP



# Selection Process

- Statements of Qualifications received and reviewed for responsiveness
- Selection Committee will score submittals based on established evaluation criteria
- Good Faith Effort Plan will be evaluated and scored separately
- Compensation Proposal will be evaluated and scored separately
- Interviews held, if necessary
- Board Award

# Evaluation Criteria

Criteria	Max Points
Project Approach and Quality Assurance/Control	35
Project Team and Team Member Experience	30
Compensation Proposal	15
Understanding of San Antonio Socio-Political Environment	5
Small, Minority, Woman, and Veteran-owned Business (SMWVB) Participation	15
<b>TOTAL</b>	<b>100</b>

# Evaluation Criteria

- Project approach and quality assurance/control
  - Detailed work plan
    - Itemized tasks
    - Resource requirements
    - Proposed timeline (start date of July 10, 2019)
    - Emphasize maximizing efficiencies in procedures
  - Sample rate model prepared by Respondent for another utility
    - EXCEL format – for USB/CD separate file in EXCEL
  - Written document that describe the QA/QC procedures and other technical activities that will be implemented

# Evaluation Criteria

- Project team and team member experience
  - Organizational chart identifying each team member and their role
  - Resumes of not more than 2 pages per person
    - Include experience with water/wastewater rate studies and qualifications
    - Name, title, education, professional experience, and licenses or affiliations
  - Summary of not more than 1 page detailing the unique qualifications of each sub-consultant
  - 3 current and/or previous similar projects in the last 5 years
    - Include name of client, location, duration of assignment, role in the project, valid reference contact (name and verified phone number)

# Evaluation Criteria

- Compensation Proposal
  - Compensation Proposal Form (Exhibit D)
    - Total (firm-fixed price) Fee inclusive of all tasks, travel expenses, staff hours, overhead, and task expenses
  - Breakdown of positions, staff hours, and hourly rates
    - To include overhead, travel expenses, and expenses by task

# Evaluation Criteria

- Understanding of San Antonio Socio-Political Environment
  - Summary demonstrating Respondent's understanding of the San Antonio socio-political environment which serves as overall context for the comprehensive rate study
    - Address economics, poverty levels, city governance, and water supply issues

# Evaluation Criteria

- SMWVB Evaluation (Maximum 15 pts)
  - Complete Exhibit “B” to show Respondent’s commitment to SAWS’ SMWVB policy, which will be based on meeting or exceeding the minimum aspirational SMWVB goal of 40%. All subconsultants should be included, regardless of whether they are SMWVB or non-SMWVB.
  - Firms must have an office in the local area.
  - Firms must have Small Business Enterprise (SBE) Certification to be counted for SMWVB Points (even Minority and Woman-owned firms).
  - Firms must be certified by the South Central Texas Regional Certification Agency or the State of Texas Historically Underutilized Business (HUB) Program.
  - Please contact the SMWVB Program Manager at [Marisol.Robles@saws.org](mailto:Marisol.Robles@saws.org) for assistance with finding certified subconsultants.

\* Can reach out for SMWVB related questions up until the submission deadline

# SMWVB - S.P.U.R. System

- Subconsultant Payment Tracking
- Subconsultant addition, substitution, or removal requests





# Submitting a Response

- 1 hard copy marked “ORIGINAL”
- 8 copies
- CD or USB
- Separately sealed envelope to contain Good Faith Effort Plan Compensation Proposal, CD/USB
- 30 page limit per proposal not including required forms
- RFP is subject to revision via written Addenda any time before the submittal deadline, check website
  - Addenda will be available through the SAWS website
- Contract Exceptions, if any, must be included with the response

# Submitting a Response

- Respondent to acknowledge that key personnel attended and/or heard the recording of this Pre-Submittal Conference
- Thoroughly read the RFP
- Submittal is complete, organized, and consistent with scope
- Use Submittal Response Checklist
- Be very specific and avoid “boiler plate” responses
- Maximize points by addressing all items in the order they are identified in the RFP
- Use the most current information included with Addendums (and forms should there be any new ones issued)

# Key Dates

- March 8, 2019
- March 29, 2019 by 2:00 p.m.
- April 4, 2019 by 4:00 p.m.
- April 15, 2019 by 2:00 p.m.
- April 2019
- Mid-May 2019
- July 2, 2019
- July 2019

**RFP Released**

**Written Questions Due**

**Q & A Posted to Website**

**Proposals Due**

**Proposals Evaluated**

**Interviews, if necessary**

**SAWS Board Consideration and Award**

**Start Work**

*\*The dates listed above are subject to change without notice*

# Submittal Deadline

- Submittal deadline is April 15, 2019 by 2:00 p.m.
- Solicitation number, solicitation name, date and time of the deadline should be clearly identified on the outside of the package.
- Deliver to 2800 U.S. Highway 281 North, Customer Service Building.
  - Deliver to Counter Services
  - SAWS recommends submitting proposals at least two (2) hours prior to the deadline
  - Make arrangements early if mailing a response
- Late responses will not be accepted and will be returned unopened.

# Communication Reminders

- There should not be any communication regarding this solicitation with the following:
  - SAWS Project Manager
  - SAWS Technical Representative
  - Any other SAWS staff, managers, directors, or VPs
  - City Council member or staff
  - SAWS Board of Trustees
- This includes phone calls, emails, letters, or any direct or indirect discussion of the RFP.
  - If submitting for this RFP and doing work for SAWS, indicate this when speaking with SAWS staff, but refrain from discussing the projects listed in this Solicitation
- This is in place from release of the RFP to Board Award.

# Purpose

- Provide SAWWS with recommendations regarding the rate structures to support water delivery, water supply, recycled water, and wastewater operations
- Project receives oversight by Rate Advisory Committee (RAC) comprised of citizens nominated by City Council and appointed by the SAWWS Board; the RAC will:
  - Review, discuss, and analyze rate structures in public meetings
  - Make recommendations to the SAWWS Board of Trustees

# Rate Advisory Committee(RAC)

## Structure

Members would represent different parts of the SAWS customer base

## Examples:

- Council Districts
- Neighborhood Association
- Business Leader/Chamber
- High User
- Developer / Economic Development
- Academics
- Industrial (SA Manufacturers Assn.)
- Apartment/Multi-Family
- Environmentalist
- Community Activist
- At Large – Outside City Limits
- Affordability Customers

# Rate Study Issues

- Define operations costs for water delivery, water supply, recycled water and wastewater assuming 2019 as the base year for revenue requirements plus the estimated annualized costs beginning in 2020 for the Vista Ridge Water Project
  - Analyze historic demand levels and elasticities of demand, income and price
  - Allocate costs to proper functional components and customer classes
  - Update Sewer Surcharge and Private Fire Line services costs and charges
- Determination of Revenue Requirements
  - Operations and capital improvements program costs
  - Requirements for sustaining Inside-City-Limits (ICL)/Outside-City-Limits (OCL) rates differentials
  - Recommend rates required to support revenue requirements



# Rate Design Options

- Single rate structure to recover combined costs of water supply and water delivery core businesses
- Elimination of ICL/OCL rate differentials
- Alternative residential wastewater rate structures that use basis for volumetric billing other than Average Winter Consumption (e.g. actual water consumption)
- Lower rates for qualified affordability customers vs. currently used discounts
- Other recommended rate designs that align with best industry practices

# Rate Structure Design Objectives

To be ranked at least by the SAWS Board and the RAC

Possible objectives (not all inclusive nor ranked in any particular order):

- Conservation
- Consumption characteristics of various classes
- Cost of Service
- Fairness and equity
- Financial stability
- Customer affordability
- Economic Development

# Additional Requirements

- Preference for Respondent with demonstrated experience conducting multiple water/wastewater rate studies for utilities in Texas, Oklahoma, New Mexico, Arizona, Colorado, Utah, Nevada, and/or California

# Schedule

- Consultant completes Rate Study - Nov 2019
- RAC public review of Rate Study - Nov 2019 thru May 2020
- RAC makes Rate Study recommendations – Jun 2020
- Community meetings on Rate Study recommendations – Aug thru Oct 2020
- SAWS Board of Trustees review/consideration – Oct/Nov 2020
- City Council review/consideration – Oct/Nov 2020
- Approved changes to rate structures implemented – Jan 2021

# Background SAWS Financial Information

- See the following hyperlinks to the SAWS website for more detailed financial information:
  - Financial statements: [https://www.saws.org/who\\_we\\_are/Financial\\_Reports/CAFR/](https://www.saws.org/who_we_are/Financial_Reports/CAFR/)
  - Budget documents: [https://www.saws.org/who\\_we\\_are/Financial\\_Reports/Budget/](https://www.saws.org/who_we_are/Financial_Reports/Budget/)
  - Water Management Plan:  
[https://www.saws.org/Your\\_Water/WaterResources/2017\\_WMP/](https://www.saws.org/Your_Water/WaterResources/2017_WMP/)
  - Water and Sewer Rates: <https://www.saws.org/service/rates/>
  - Last Rate Design Study: [https://www.saws.org/who\\_we\\_are/community/rac/](https://www.saws.org/who_we_are/community/rac/)

# WebEx Chat and Verbal Questions

- WebEx Chat questions will be included in the Question and Answer Addendum.
- Verbal and other questions must be submitted in writing no later than March 29, 2019 by 4:00 PM, via e-mail, to:

**Jessica Goforth**

Contract Administration Department

San Antonio Water System

[Jessica.Goforth@saws.org](mailto:Jessica.Goforth@saws.org)

# Cost of Service and Rate Design Study

**Eric Cloudt**

Director – Continuous Improvement & Innovation

**Louis Lendman**

Manager - Budget

**Jessica Goforth, MPA, CNP**

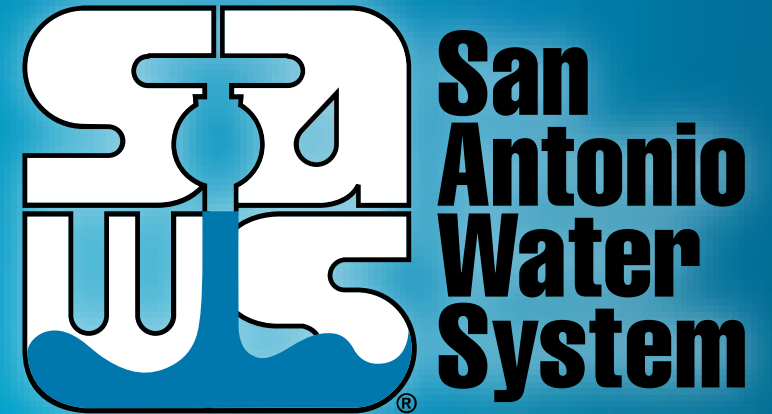
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