Rate Study

Mary Bailey Vice President – Customer Experience & Strategic Initiatives Louis Lendman Manager - Budget **Roxanne Lockhart Contract Administrator** Diana Woltersdorf Manager – Contract Administration Marisol Robles SMWVB Program Manager



Non-Mandatory Virtual ONLY Pre-Submittal Meeting Tuesday, June 1, 2021 at 2:00 PM

WATERF

Virtual ONLY Pre-Submittal Meeting Set-Up

- This PowerPoint is being provided through WebEx
 - It will be posted on the SAWS website after the meeting
- This meeting is being recorded for firms that were unable to attend
- All attendees must have their devices muted
- Submit questions through the WebEx Chat feature at the bottom or email Roxanne.Lockhart@saws.org
 - Send to Everyone to prevent question duplication
- At the end of the meeting, SAWS will reach each question submitted in the Chat and sent via email and will verbally provide an informal answer
- Formal answers will be provided in an Addendum



Recording

- For those that were unable to attend the Virtual ONLY Pre-Submittal Meeting, reach out to Roxanne Lockhart, Contract Administrator for the recording to listen to the oral statements and discussion.
 - E-mail Roxanne.Lockhart@saws.org





Page 4

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.

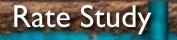




Page 5

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 <u>required</u> that they listen to the recording. Reach out via e-mail to Roxanne.Lockhart@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
 - Selection Process
 - Evaluation Criteria
 - SMWVB
- Project Scope of Services
 - Purpose
 - Determination of Test Year
 - Determination of Revenue Requirements

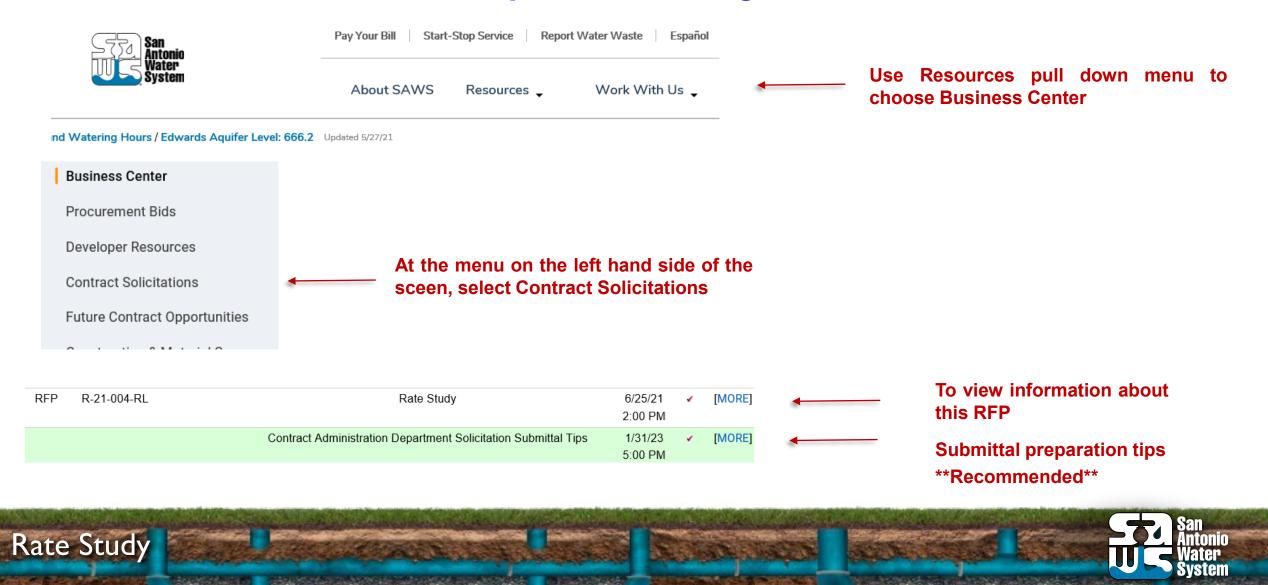
- Submitting a Response
- Key Dates
- Submittal Deadline
- Communication Reminders
- Cost of Service Analysis
- Rate Design Alternatives
- Rate Advisory Committee (RAC)
- Deliverables

Questions

Rate Study

Navigating the SAWS Website

https://www.saws.org



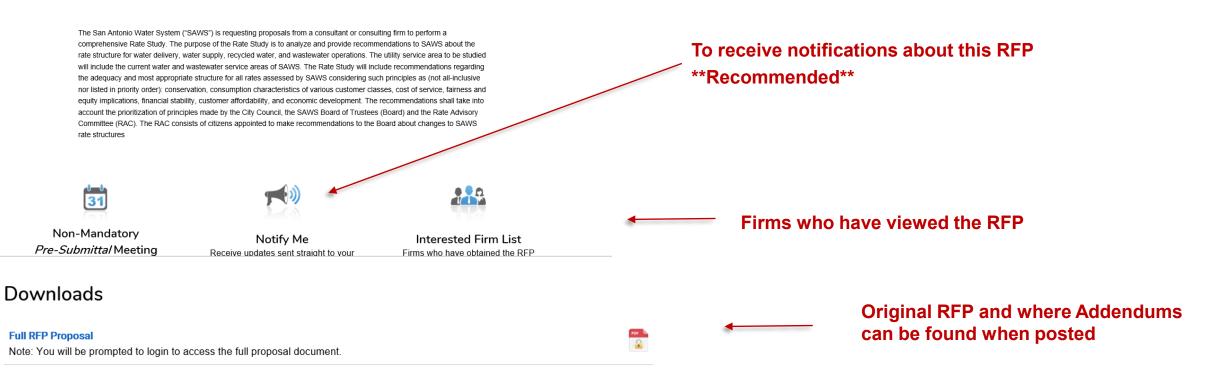
Navigating the SAWS Website

Rate Study

Solicitation No. R-21-004-RL

Status: Currently Accepting Submissions

Due Date: 2:00 PM Friday, 6/25/21





TUUU

stem

Selection Process

- Submittals 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

Rate Study



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





Rate Study

Evaluation Criteria

- Project Approach and Quality Assurance/Control
 - Detailed work plan
 - Itemized tasks
 - Resource requirements
 - Proposed timeline (start date of September 20, 2021)
 - Emphasize maximizing efficiencies in procedures in order for SAWS to meet its goal in a timely manner
 - -Sample rate model prepared by Respondent for another utility in Microsoft Excel
 - -Written document that describe the QA/QC procedures and other technical activities that will be implemented will satisfy the scope of services in this RFP.



Page 11

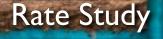


- Project Team and Team Experience
 - -Organizational chart identifying each team member and their role in providing scope of services
 - -Resumes of not more than 2 pages per person
 - Include experience with water/wastewater rate studies and qualifications
 - Name, title, education, professional experience, and licenses or affiliations
 - Summary of not more than I 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)

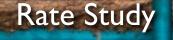




- Understanding of San Antonio Socio-Political Environment
 - -Summary demonstrating Respondent's understanding of the San Antonio socio-political environment which serves as overall context for the comprehensive rate study
 - Address economics, poverty levels, city governance, and water supply issues



- Compensation Proposal
 - -Provided as a separate file form Original proposal
 - -Complete Exhibit D -Compensation Proposal Form
 - Total (firm-fixed price)
 - Fee *inclusive* of all tasks, travel expenses, staff hours, overhead, and task expenses
 - Also include a breakdown of positions, staff hours and hourly rates to include overhead, travel expenses, and expenses by task.
 - This will not be taken into consideration for scoring
 - Respondents shall not provide additional notes or disclaimers to the price



- 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 <u>Marisol.Robles@saws.org</u> 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



System Training

Learn how to fully utilize our system with a live trainer

Training

About the System

Learn more about this system and how it works today

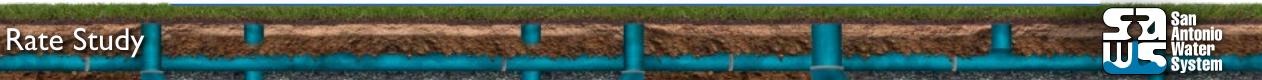
Information for Vendors

Account Access

Lookup Vendor accounts or reset user passwords

Account Lookup

Forgot Password

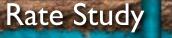


Submitting a Response

- Electronic Submittals Only
- Follow naming convention (per file) as noted in the Submittal Response Checklist
- 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



Page 18

Submitting a Response

- Respondent to acknowledge that key personnel attended and/or heard the recording of this Pre-Submittal Conference
- Thoroughly read the RFP
- Ensure 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)



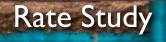
Key Dates

- May 21, 2021
- June 1, 2021
- June 8, 2021 by 2:00 p.m.
- June 15, 2021 by 4:00 p.m.
- June 25, 2021 by 2:00 p.m.
- July 2021
- July 2021
- September 4, 2021
- September 20, 202 I

RFP Released Pre-submittal Conference Written Questions Due Q & A Posted to Website Proposals Due* Proposals Evaluated Interviews, if necessary SAWS Board Consideration and Award Start Work

*Will be corrected via Addendum so all times indicate 2:00 p.m.

Note: The dates listed above are subject to change without notice





Submittal Deadline

- Submittal deadline is June 25, 2021 no later than 2:00 p.m.
- Solicitation number, solicitation name, date and time of the deadline should be clearly identified on the subject line of email.
- Electronic submissions only
- Submittals should be sent via email to <u>contracting@saws.org</u>
- Two (2) files only, titled per the Submittal Response Checklist
- Late responses will not be accepted and will be returned unopened.





Page 21

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.



Scope of Services

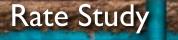
- Purpose
 - Analyze and provide SAWS with recommendations regarding the rate structures to support water delivery, water supply, recycled water, and wastewater operations
- Determination of Test Year
 - Analyze recent historical financial results as well as SAWS revenue and cost projections for 2021 and 2022 and make recommendations about the appropriate underlying assumptions to serve as the basis (Test Year) for the Rate Study



Page 23

Scope of Services

- Determination of Revenue Requirements
 - Review the operating and capital improvements program (CIP) budgets and related revenue requirements models and SAWS major financial policies and objectives related to revenue requirements
 - Review of determinations of revenue requirements using either the Cash Basis and Utility Basis for Inside-City-Limits and Outside-City-Limits service
 - Evaluate current SAWS rates and rate structures in terms of the ability of these rates to generate adequate revenue to meet requirements from the proper source





Scope of Services

Cost of Service Analysis

- Recommend and implement a plan for assigning or allocating each component of revenue requirements to specific utility functions, for classifying revenue requirements, and for allocating revenue requirements to specific customer classes, taking into account:
 - analysis of historical demand levels, price elasticity of demand, and income elasticity with price elasticity, with an evaluation and projection of the key components of demand, including numbers and types of customers, daily and hourly demand, and peaking factors
 - appropriate classification and allocation of existing Utility Plant in Service; debt service requirements, and maintenance and operation expense requirements
 - recommendations made by the RAC during their review of the 2020 cost of service analysis
- Analyze costs associated with Sewer Surcharge Fees, Fireline Charges, and Liquid Water Disposal Fees
- Cost of Service analysis should be completed by end of 2021





Scope of Services

- Rate Design Alternatives
 - Develop fair and equitable rate structures recovering costs for the Test Year for water delivery, water supply, wastewater, and recycled water core businesses, respectively, based on the principle of cost-of-service recovery
 - Provide multiple results from various rate design structure options including:
 - Alternative residential wastewater rate structure that bills based on the lower of the customer's Average Winter Consumption or actual water usage in any given month
 - Rate structure that incorporates lower rates for qualified affordability customers as opposed to the current method of applying discounts to affordability customers.
 - Other rate design options that align with industry best practices



ntonin

Rate Advisory Committee (RAC) Structure

Members 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 Advisory Committee (RAC)

- Mission
 - The mission of the Rate Advisory Committee is to assemble a diversity of perspectives that represent our community to evaluate and advise on water, sewer, and recycled water rate structures
 - Focus is on evaluating various rate structures based on community values and objectives
- Timeline
 - The RAC conducted 8 meetings from Sept 2019 Feb 2020 when meetings were suspended due to COVID 19
 - RAC will resume meetings in Jan 2022 and will meet 6-8 times through May 2022
 - RAC recommendations should be presented to SAWS Board by June 2022
 - Consultant will assist staff in the preparation of material for the RAC meetings and attend all meetings. Consultant may be required to make presentation during the meetings.



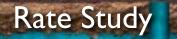


San Antonio

System

Rate Structure Design Objectives Recommended by RAC in 2020

Classification	Objective	
Essential	Affordability	
	Conservation	
Very Important	Minimize Customer Impacts/Rate Stability	
	Cost of Service Based Allocations	
	Revenue Stability	
Important	Simple to Understand	
	Equity	
	Drought Management	
Least Important	Practicality of Implementation	



Deliverables

- Models:
 - Several models may need to be developed during the process of rate design. All models will become the property of SAWS, and the appropriate personnel will be trained on the operation of said models.
- Final reports:
 - Should include executive summaries that highlight major issues and decisions, a comprehensive rate design section that details all methodologies, assumptions, public input, and calculations, and a background section that includes all data used in the development of recommended and alternative designs.



Rate Study

Page 30

Additional Requirements

- All invoices from the selected Consultant and sub-consultants must include the following information relative to the period of time being invoiced:
 - Breakdown of staff hours expensed by position associated with each task referenced in the scope of services, and
 - Breakdown of all non-personnel expenses associated with each task with copies of all travel receipts provided as back-up.
- 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

Background SAWS Financial Information

- See the following hyperlinks to the SAWS website for more detailed financial information:
 - Financial statements: <u>https://www.saws.org/about-saws/financial-reports/comprehensive-annual-financial-report-cafr/</u>
 - Budget documents: <u>https://www.saws.org/about-saws/financial-reports/annual-budget-reports/</u>
 - Water and Sewer Rates: <u>https://www.saws.org/service/water-sewer-rates/</u>
 - 2019 Cost of Service and Rate Design Study RAC Committee Report: <u>https://apps.saws.org/who_we_are/community/rac/</u>
 - 2015 Rate Design Study: <u>https://apps.saws.org/who_we_are/community/rac/</u>





Questions

- WebEx Chat questions and answeres will be included in the Addendum.
- Questions must be submitted in writing no later than June 8, 2021 by 4:00 PM, via e-mail, to:

Roxanne Lockhart

Contract Administration Department

San Antonio Water System

Roxanne.Lockhart@saws.org





Rate Study

Mary Bailey Vice President – Customer Experience & Strategic Initiatives Louis Lendman Manager - Budget **Roxanne Lockhart Contract Administrator** Diana Woltersdorf Manager – Contract Administration Marisol Robles SMWVB Program Manager



Non-Mandatory Virtual ONLY Pre-Submittal Meeting Tuesday, June 1, 2021 at 2:00 PM

WATERF