

**CITY OF PALMER
ACTION MEMORANDUM NO. 12-073**

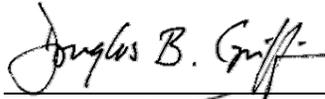
Subject: Authorize the City Manager to Negotiate and Enter into a Professional Services Agreement with HDR for Professional Services to Perform a Water / Wastewater Service Rate Study in an Amount Not To Exceed \$58,338

Agenda of: October 30, 2012

Council Action: Authorized _____

Approved for presentation by:

City Manager
City Attorney
City Clerk







Certification of Funds:

Total amount of funds listed in legislation:	\$ <u>58,338.00</u>
This legislation (√):	
<input type="checkbox"/> Has no fiscal impact	
Creates:	
<input checked="" type="checkbox"/> A negative fiscal impact in the amount of:	\$ <u>58,338.00</u>
<input type="checkbox"/> A positive fiscal impact in the amount of:	\$ _____
<input checked="" type="checkbox"/> Funds are budgeted from this (these) line item(s):	
➤ 02-01-10-6030 Contractual Services	\$ _____
➤ 02-01-50-6030 Contractual Services	\$ _____
➤	\$ _____
<input type="checkbox"/> Funds are not budgeted. Budget modification is required. Affected line item(s):	
➤	\$ _____
Unrestricted/undesignated fund balance (after budget modification)	\$ _____
Director of Finance signature certifying funds:	_____ 

Attachment(s):

- RFP Advertisement
- RFP Addendum #1
- RFP Addendum #2
- Plan Holders List
- RFP Evaluation and Point Ranking
- HDR Cost Proposal

Summary statement: Action memorandum 12-073 pertains to the acceptance of a proposal to perform a Water / Wastewater Service Rate Study for the City of Palmer.

Legislative Grant number 13-DC-043 was awarded to, and accepted by, the City of Palmer for the purpose of funding a Water / Wastewater Rate Study.

Action memorandum 12-073 authorizes the City Manager to negotiate and enter into a Professional Services Agreement with HDR to perform the above mentioned rate study.

A Request For Proposals (RFP) for engineering services was printed in the Frontiersman Newspaper for two consecutive issues. Two Addenda were subsequently issued. Two proposals were received on October 9, 2012. A committee of five people independently reviewed and scored the proposals based on a point scoring system. The results are as follows:

422	3 rd Generation Engineering
460	HDR

Administration recommendation: Approve action memorandum 12-073.



REQUEST FOR PROPOSAL #12-002-PW

The City of Palmer is requesting proposals from qualified consultants to conduct comprehensive water and wastewater rate studies. The intent of the studies is to independently assess and evaluate the City's existing water and wastewater rates and provide recommendations. The broad objective of each study is to adequately fund water and wastewater utility operations, capital costs, and bonded debt while minimizing rates to the greatest degree possible.

Each study will be based on a comprehensive review of the City's water and wastewater funds and budgets, Facilities Master Plan, capital improvement plans, Comprehensive Plan, water and sewer feasibility studies, customer classes, current usage data, future planned growth of the City and any other information deemed necessary.

SEALED PROPOSALS WILL BE RECEIVED until **4:00 p.m., LOCAL TIME, SEPTEMBER 25, 2012**, at the Customer Service Counter in Palmer City Hall located at 231 West Evergreen Avenue, Palmer, Alaska 99645-6952. Office hours are 8:00 a.m. to 12:00 p.m., and 1:00 p.m. to 5:00 p.m., Monday through Friday, except holidays. Time of receipt will be as determined by the Customer Service Counter Date and Time Stamp. Proposals received by the Customer Service Counter after the time specified will be returned unopened. Faxed or emailed proposals will not be accepted.

Proposals will be publicly opened and the name of each proposer read aloud and recorded as a matter of public information within thirty (30) minutes after the receipt time and date have past. **PROPOSED PRICING WILL NOT BE READ AT THE PUBLIC OPENING.**

All proposals must be presented in a sealed envelope or box. The outside of the proposal must be clearly marked with the RFP number, title, and the submitting company's name. This includes proposals delivered by Fed Ex, USPS, UPS, or other carrier.

If you wish to submit your proposal by mail, please note that it is the proposer's responsibility to ensure the proposal is received at the Customer Service Counter with enough time to have it date and time stamped on or before the solicitation deadline. **LATE SUBMITTALS WILL NOT BE CONSIDERED.**

Solicitation documents will be available starting Friday, August 24, 2012 in electronic format only. Documents may be obtained from the City of Palmer website at www.cityofpalmer.org. On the City of Palmer website, select the Resource Center tab and click on 2012 Bids and Proposals.

In order to submit a proposal, please read and comply with Proposal Requirements and submit one (1) original, four (4) copies and one (1) digital copy (in PDF format).



DEPARTMENT OF PUBLIC WORKS

Thomas E. Cohenour
Director
Phone: (907) 761-1350
Fax: (907) 745-3203
Email: tcohenour@palmerak.org

Mail: 231 W. Evergreen Ave.,
Palmer, Alaska 99645-6952
Location: 1316 South Bonanza Street
www.cityofpalmer.org

September 11, 2012

To: All Plan Holders of Record:

RE: Addendum Number One for Water / Wastewater Rate Study

The bid date for this project has been extended to October 9, 2012. Please submit your bid no later than 4:00 PM on Tuesday, October 9, 2012.

No other changes to bid requirements at this time.

Thank you,

Tom Cohenour
Director



DEPARTMENT OF PUBLIC WORKS

Thomas E. Cohenour
Director

Phone: 907-745-3400
Direct: 907-761-1350
Cell: 907-863-0741
Email: tcohenour@palmerak.org

Mail: 231 West Evergreen Ave, Palmer, AK 99645
Office: 1316 South Bonanza St, Palmer, AK 99645
Web: www.cityofpalmer.org

Date: October 7, 2012
To: All Planholders of Record
Re: Addendum No. 2
Water/Wastewater Service Rate Study
City of Palmer, Alaska

This addendum consists of one (2) pages and no (0) attachments.

Proposal due date and time remain unchanged at 4:00 p.m. on October 9, 2012.

Proposals must acknowledge receipt of all addendum in writing on the proposal cover letter. This addendum amends and/or supplements the contract documents. Contract document provisions not specifically amended herein remain in full force and effect.

Answers to questions submitted:

1. QUESTION: Is the City looking for connection fees as part of the scope mentioned in 7.3 header and 7.3 section 11? This is the only place other "fees" are noted.
ANSWER: Yes. Please include individual residential and commercial service connection fees for both water and sewer. Do not include a subdivision connection.
2. QUESTION: The RFP is requesting references as part of 8.5 and 8.12. Do we need both or can we simply provide them as part of one section or the other?
ANSWER: Please provide both references and firm's qualifications. They can be combined together into one section of the proposal.
3. QUESTION: Pages 14 and 15 of the RFP appear to be forms that need to be filled in and attached. Do we need to use both sheets or can we substitute a fee table that provides the detail by person, task, rate, and total cost for page 15 of the RFP?
ANSWER: The Signature Page (pg 14) must be included. You may substitute your own Fee Schedule but it must show a Total Water Rate Study dollar amount. Per Section 8.9, include a Not To Exceed amount.
4. QUESTION: Please provide copies of the prior studies from City of Palmer mentioned in section 6.0 of RFP: 2003 Water and Wastewater Financial Capacity Assessment and the 2008 Water and Wastewater Revenue Requirement Study.
ANSWER: Copies of both will be added on the City website.

5. QUESTION: Will the City allow travel expenses to be broken out from hourly rates in the cost proposal?

ANSWER: Yes.

6. QUESTION: Is there a page limit for the proposal submittal?

ANSWER: No.

Thank you very much for your interest and submitting a proposal.

Regards,

A handwritten signature in blue ink that reads "Tom Cohen". The signature is written in a cursive, flowing style.

End of Addendum No. 2

Plan Holder Report as of 10/07/2012 12:28:49 PM**City of Palmer**

Water / Wastewater Rate Study (eBidDoc #2234593)
 contact: Tom Cohenour
 phone: 907-745-3400
 e-mail: tcohenour@palmerak.org
 bid date: 10/09/2012 04:00:00 PM

[Help](#)

Company	Contact	Designation	Bus. Types	Entry Date	Doc Type	Comments
HDR Alaska 2525 C Street, Suite 305 Anchorage, AK 99503	Jeannie Woodring Phone: 907-644-2026 Fax: 907-644-2022 Email: Jeannie.Woodring@hdrinc.com	A/E Consultant		08/26/2012	eBidDoc	
entram corp 24123 Peachland Blvd C4-310 Port Charlotte, FL 33954	john falcone Phone: 888-888-0900 Fax: 941-876-0458 Email: falconej@envirobidnet.com	Other		08/27/2012	eBidDoc	
Enterprise Engineering, Inc. 2525 Gambell Street, Suite 200 Anchorage, AK 99503	Jessica Taft Phone: 907-563-3835 Fax: 907-563-3817 Email: taftj@eeiteam.com	A/E Consultant	SBE	08/27/2012	eBidDoc	
3rd Generation Engineering 7920 Belt Line Road Suite 591 Dallas, TX 75254	Dan Lanning Phone: 972-387-8784 Fax: Email: dan.lanning@3rd-gen.com	Other		09/07/2012	eBidDoc	
AKT LLP 800 E Dimond Blvd Ste 3-670 Anchorage, AK 99515	Marie Apatiki Phone: 907-522-2130 Fax: Email: mapatiki@aktcpa.com	A/E Consultant		10/04/2012	eBidDoc	



ONE COMPANY | *Many Solutions™*

October 9, 2012

Mr. Tom Cohenour
Director of Public Works
City of Palmer
231 W. Evergreen Avenue
Palmer, AK 99645

**Subject: Cost Proposal to Conduct Water and Wastewater Rate Studies
RFP# 12-002-PW**

Dear Mr. Cohenour:

Enclosed please find HDR Alaska, Inc.'s (HDR) cost proposal to the City of Palmer (City) to conduct water and wastewater rate study. In accordance with the City's Request for Proposal, this detailed fee schedule (cost proposal) has been submitted separately in a sealed envelope.

We look forward to discussing our proposal with you. Thank you again for the opportunity to propose on this interesting project. Should you have any questions about our cost proposal or any information contained herein, please call Shawn directly at (425) 450-6366. Thank you again for the opportunity to propose on this interesting project.

Sincerely yours,
HDR ALASKA, INC.

Shawn Koorn
Project Manager

Murph O'Brien
Local Liaison



Detailed Cost Proposal

Introduction

HDR Alaska, Inc. developed a detailed proposal to conduct a comprehensive water rate study for the City of Palmer. In accordance with the City's Request for Proposal, the cost proposal, or estimated fees, for this project are provided separately herein from our technical proposal.

This section provides a detailed discussion of our proposed billing rates, estimated fees (cost), and a proposed method of payment for the City's water and wastewater rate study. These proposed items are based on our understanding of City's needs and may be negotiated and adjusted to meet the specific needs of City.

Hourly Billing Rates

Provided below is list of the staff that will be committed to your project along with the proposed hourly billing rate for each individual. These hourly billing rates will be in effect during the course of the study.

<u>Individual</u>	<u>Project Role</u>	<u>\$/Hour Rate</u>
Shawn Koorn	Project Manager	\$210.00/hour
Tom Gould	Project Principal/QC	\$265.00/hour
Murph O'Brien	Local Liaison/Asst. PM	\$170.00/hour
Judy Dean	Senior Financial Analyst	\$155.00/hour
Meg O'Mullane	Engineering Assistance	\$110.00/hour
Kristina Larkey	Financial Analyst	\$100.00/hour
Corinne Bailey	Project Administration	\$85.00/hour

Should other personnel be required to resolve a specific issue, HDR has additional staff that can address any financial, rate, resource or engineering issue that may arise.

Estimated Fees (Cost)

Based on the proposed scope of services, HDR developed the fee estimate shown in Figure 1 on the next page. HDR is willing to negotiate a change in fee in conjunction with a modification of the proposed scope of services. Should the City request any additional services under this contract, the services will be provided at the hourly billing rates stated above. All portions of this cost proposal can be expanded or reduced as mutually agreed upon. The above quoted fees will remain in effect until December 31, 2012.

**City of Palmer - Water and Sewer Rate Studies
Estimated Fees by Task and Project Team Member**

Pre-Service Meeting Task Description	Shawn Koorn	Tom Gould	Murph O'Brien	Judy Dean	Meg O'Mullane	Kristina Larkey	Acct. /Admin.	Total Project
Hourly Billing Rates	\$216.00	\$284.00	\$175.00	\$156.00	\$114.00	\$84.00	\$84.00	
1 Pre-Service Meeting								
Hours -	6	0	2	0	0	2	2	12
Labor Cost	1,296	0	350	0	0	168	168	\$1,982
2 Data Collection								
Hours -	0	0	0	2	0	4	0	6
Labor Cost	0	0	0	312	0	336	0	\$648
3 Financial Policy Review								
Hours -	2	0	0	6	0	4	2	14
Labor Cost	432	0	0	936	0	336	168	\$1,872
4 Review of Misc. Fees								
Hours -	4	0	0	10	0	0	2	16
Labor Cost	864	0	0	1,560	0	0	168	\$2,592
5 Revenue Requirement Analysis								
Hours -	10	4	2	10	0	52	2	80
Labor Cost	2,160	1,136	350	1,560	0	4,368	168	\$9,742
6 Cost of Service Analysis								
Hours -	12	4	2	12	8	52	0	90
Labor Cost	2,592	1,136	350	1,872	912	4,368	0	\$11,230
7 Rate Designs Analysis								
Hours -	10	2	0	8	0	36	0	56
Labor Cost	2,160	568	0	1,248	0	3,024	0	\$7,000
8 Written Reports								
Hours -	6	4	0	0	0	22	4	36
Labor Cost	1,296	1,136	0	0	0	1,848	336	\$4,616
9 Public Presentations								
Hours -	30	0	10	0	0	20	0	60
Labor Cost	6,480	0	1,750	0	0	1,680	0	\$9,910
10 Computer Models								
Hours -	0	0	0	0	0	0	0	0
Labor Cost	0	0	0	0	0	0	0	\$0
Total Hours	80	14	16	48	8	192	12	370
Total Fees	17,280	3,976	2,800	7,488	912	16,128	1,008	\$49,592
Percentage of Hours by Employee	21.6%	3.8%	4.3%	13.0%	2.2%	51.9%	3.2%	100.0%
Expenses								
Airfare (6 Round Trips @ \$725/RT)								4,785
Hotel (6 Nights @ \$125/night)								825
Rental Car (6 Days @ \$75/day)								495
Parking/Mileage/Meals/Etc.								697
Report Printing								575
Technology Charge								1,369
Total Expenses								\$8,746
Grand Total Project Fee Estimate								\$58,338

Method of Payment

HDR is willing to enter into a Not-To-Exceed time and materials contract with the City for this project. HDR proposes that the fees be billed on a monthly percent complete basis.



**Water / Wastewater Service Rate Study
Engineering Services RFP Review Points**

<u>Overall Point Summary</u>			
Reviewer Name	Title	3rd Gen	HDR
		Points	Points
Jonathan Owen	Director of Public Safety	75	89
Lance Ketterling	Police Commander	86	88
Sandra Garley	Director of Community Development	90	93
Greg Wickham	Superintendent of Public Works	90	97
Tom Cohenour	Director of Public Works	81	93
Final Point Totals		422	460

Jonathan Owen

3rd Generation Engineering Inc.	Point Range	Points	Comments
Proposal Submitted on Time:	Pass/Fail	Pass	
Original Plus 5 Copies:	Pass/Fail	Pass	
Transmittal Letter:	Pass/Fail	Pass	
Firm Qualifications:	0-10 points	10	
Team Member Qualifications:	0-30 points	25	
Project Understanding & Approach:	0-20 points	12	
Project Timeframe:	0-10 points	8	
Compensation:	0-30 points	20	
		75	Total Out of 100 points possible

HDR	Point Range	Points	Comments
Proposal Submitted on Time:	Pass/Fail	Pass	
Original Plus 5 Copies:	Pass/Fail	Pass	
Transmittal Letter:	Pass/Fail	Pass	
Firm Qualifications:	0-10 points	10	
Team Member Qualifications:	0-30 points	26	
Project Understanding & Approach:	0-20 points	18	
Project Timeframe:	0-10 points	7	
Compensation:	0-30 points	28	
		89	Total Out of 100 points possible



**Water / Wastewater Service Rate Study
Engineering Services RFP Review Points**

<u>Overall Point Summary</u>			
Reviewer Name	Title	3rd Gen	HDR
		Points	Points
Jonathan Owen	Director of Public Safety	75	89
Lance Ketterling	Police Commander	86	88
Sandra Garley	Director of Community Development	90	93
Greg Wickham	Superintendent of Public Works	90	97
Tom Cohenour	Director of Public Works	81	93
Final Point Totals		422	460

Lance Ketterling

3rd Generation Engineering Inc.	Point Range	Points	Comments
Proposal Submitted on Time:	Pass/Fail	Pass	
Original Plus 5 Copies:	Pass/Fail	Pass	
Transmittal Letter:	Pass/Fail	Pass	
Firm Qualifications:	0-10 points	8	
Team Member Qualifications:	0-30 points	28	
Project Understanding & Approach:	0-20 points	17	
Project Timeframe:	0-10 points	8	
Compensation:	0-30 points	25	
		86	Total Out of 100 points possible

HDR	Point Range	Points	Comments
Proposal Submitted on Time:	Pass/Fail	Pass	
Original Plus 5 Copies:	Pass/Fail	Pass	
Transmittal Letter:	Pass/Fail	Pass	
Firm Qualifications:	0-10 points	8	
Team Member Qualifications:	0-30 points	25	
Project Understanding & Approach:	0-20 points	18	
Project Timeframe:	0-10 points	7	
Compensation:	0-30 points	30	
		88	Total Out of 100 points possible



**Water / Wastewater Service Rate Study
Engineering Services RFP Review Points**

<u>Overall Point Summary</u>			
Reviewer Name	Title	3rd Gen	HDR
		Points	Points
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Lance Ketterling	Police Commander	86	88
Sandra Garley	Director of Community Development	90	93
Greg Wickham	Superintendent of Public Works	90	97
Tom Cohenour	Director of Public Works	81	93
Final Point Totals		422	460

Sandra Garley

3rd Generation Engineering Inc.	Point Range	Points	Comments
Proposal Submitted on Time:	Pass/Fail	Pass	
Original Plus 5 Copies:	Pass/Fail	Pass	
Transmittal Letter:	Pass/Fail	Pass	
Firm Qualifications:	0-10 points	10	
Team Member Qualifications:	0-30 points	30	
Project Understanding & Approach:	0-20 points	20	
Project Timeframe:	0-10 points	10	
Compensation:	0-30 points	20	
		90	Total Out of 100 points possible

HDR	Point Range	Points	Comments
Proposal Submitted on Time:	Pass/Fail	Pass	
Original Plus 5 Copies:	Pass/Fail	Pass	
Transmittal Letter:	Pass/Fail	Pass	
Firm Qualifications:	0-10 points	10	
Team Member Qualifications:	0-30 points	25	
Project Understanding & Approach:	0-20 points	18	
Project Timeframe:	0-10 points	10	
Compensation:	0-30 points	30	
		93	Total Out of 100 points possible



**Water / Wastewater Service Rate Study
Engineering Services RFP Review Points**

<u>Overall Point Summary</u>			
Reviewer Name	Title	3rd Gen	HDR
		Points	Points
Jonathan Owen	Director of Public Safety	75	89
Lance Ketterling	Police Commander	86	88
Sandra Garley	Director of Community Development	90	93
Greg Wickham	Superintendent of Public Works	90	97
Tom Cohenour	Director of Public Works	81	93
Final Point Totals		422	460

Greg Wickham

3rd Generation Engineering Inc.	Point Range	Points	Comments
Proposal Submitted on Time:	Pass/Fail	Pass	
Original Plus 5 Copies:	Pass/Fail	Pass	
Transmittal Letter:	Pass/Fail	Pass	
Firm Qualifications:	0-10 points	10	Good
Team Member Qualifications:	0-30 points	26	Good qualifications. Limited in state experience.
Project Understanding & Approach:	0-20 points	17	
Project Timeframe:	0-10 points	9	
Compensation:	0-30 points	28	More time on-site, more cost to city & staff = \$
		90	Total Out of 100 points possible

HDR	Point Range	Points	Comments
Proposal Submitted on Time:	Pass/Fail	Pass	
Original Plus 5 Copies:	Pass/Fail	Pass	
Transmittal Letter:	Pass/Fail	Pass	
Firm Qualifications:	0-10 points	10	Good
Team Member Qualifications:	0-30 points	28	Good qualifications, Alaska based cold climate team members.
Project Understanding & Approach:	0-20 points	20	Easily followed approach to tasks.
Project Timeframe:	0-10 points	10	
Compensation:	0-30 points	29	Less time & money - less staff time.
		97	Total Out of 100 points possible



**Water / Wastewater Service Rate Study
Engineering Services RFP Review Points**

<u>Overall Point Summary</u>			
Reviewer Name	Title	3rd Gen	HDR
		Points	Points
Jonathan Owen	Director of Public Safety	75	89
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Greg Wickham	Superintendent of Public Works	90	97
Tom Cohenour	Director of Public Works	81	93
Final Point Totals		422	460

Tom Cohenour

3rd Generation Engineering Inc.	Point Range	Points	Comments
Proposal Submitted on Time:	Pass/Fail	Pass	
Original Plus 5 Copies:	Pass/Fail	Pass	
Transmittal Letter:	Pass/Fail	Pass	
Firm Qualifications:	0-10 points	10	Very qualified.
Team Member Qualifications:	0-30 points	24	
Project Understanding & Approach:	0-20 points	17	
Project Timeframe:	0-10 points	10	
Compensation:	0-30 points	20	
		81	Total Out of 100 points possible

HDR	Point Range	Points	Comments
Proposal Submitted on Time:	Pass/Fail	Pass	
Original Plus 5 Copies:	Pass/Fail	Pass	
Transmittal Letter:	Pass/Fail	Pass	
Firm Qualifications:	0-10 points	10	
Team Member Qualifications:	0-30 points	28	
Project Understanding & Approach:	0-20 points	20	Excellent approach & grasp of what city needs & wants.
Project Timeframe:	0-10 points	10	
Compensation:	0-30 points	25	
		93	Total Out of 100 points possible