



Request for Qualifications  
Professional Services for Water and Sewer Rate Study  
# B2016-WTR-06

**Town of Seabrook, New Hampshire**



**Professional Services for  
Water and Sewer Rate Study**

**REQUEST FOR QUALIFICATIONS # B2016-WTR-06**

*You are cordially invited to submit qualifications and proposals for the Professional Services for the Water and Sewer Rate Study in accordance with the attached specifications, terms and conditions. Prospective respondents are advised to read this information over carefully prior to submitting.*

*Five (5) copies of the Qualifications and Proposals must be submitted in a sealed envelope or package, plainly marked RFQ #B2016-WTR-06 and addressed to:*

*Town Managers Office  
Town of Seabrook  
c/o Shaylia Marquis  
99 Lafayette Road  
Seabrook, NH 03874*

*All submissions must be received no later than  
2:00pm on Thursday, May 26th, 2016 by the Office of the Town Manager*



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**PART I. SCOPE OF SERVICES**

**1.1 Introduction**

The Town of Seabrook is soliciting proposals from qualified consultants to conduct a comprehensive Water and Sewer Rate Study. The intent of the study is to independently assess and evaluate the Town's existing water and sewer rates, provide recommendations to adequately fund water and sewer operations and capital costs while minimizing rates to the greatest degree possible. The last rate study was completed in 2011.

**1.2 Background**

The Town of Seabrook maintains and operates the municipal water and sewer systems between two separate departments. Approximately 99% of the Town is served exclusively by both of these departments.

The Town's water supply currently consists of twelve operating wells (5 gravel packed wells and 7 rock wells). Three of the wells pump directly to the distribution system after chlorination, the other nine wells pump to the groundwater treatment facility to be treated for arsenic, radon, iron and manganese before entering the distribution system. Last year the Town pumped a total of 384 million gallons of water.

The Town's water distribution system includes approximately 55 miles of water mains and two water storage facilities. (1 million gal. elevate water tank and a 720,000 gal. standpipe)

There are approximately 3,938 metered water accounts in which 359 are commercial/industrial accounts. 107 accounts are billed monthly due to their high use of water and sewer.

The Town's sewer system has the same service area as the water system. The sewer collection and treatment system includes 51 miles of sewer lines, 19 large pumping stations, 11 medium sized pumping stations, 70 residential simplex pumping stations and a secondary Treatment Plant for Sewer. Treated effluent from the Sewer Treatment Plant is discharged to the ocean.

The sources of revenue to the Town for operation and maintenance of the two systems is based on a progressive five tier rate blocks for water and sewer for both residential and commercial. A quarterly service fee of \$30 is charged to each active account for administrative cost. (Appendix A has the current pricing structure for both Water and Sewer)

Bonded indebtedness for the Water Treatment Facility as of January 2016 was \$11,233,613.50

**1.3 Purpose**

The study will determine the cost of system services for water and sewer operations and develop a set of preliminary rate and fee structure alternatives that will accurately reflect the cost of service. A rate model alternatives analysis shall be performed with the Town and an alternative selected. The selected alternative should be modeled to provide recommended



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rates and fees including system development (access) charges for fiscal years 2017 through 2021.

An impact analysis of these rate and fee structures must be prepared to show what the effects on customers of each class and usage level will be. Revenue and cost projections for the five (5) years to be studied must be included. The consultant shall develop a minimum of three rate alternatives.

The development of a computer program for the calculation of water and sewer rates in a Town approved format, further described in the Part III, section J.

Meetings with the Board of Selectmen, to explain the alternatives and receive direction and feedback from the Board after the production of an initial draft, with alternatives.

Production of a final report with a recommended rate structure after consultation and feedback from the Board of Selectmen, Water, Sewer, and Town Management.

This study shall be based on a comprehensive review of the Town's water and sewer funds and budgets, Master Plans, Capital Improvement Plans, feasibility studies, customer classes, current usage data, future planned growth and other information as necessary.

#### **1.4 Objectives**

1. Determine the cost of system services with the intent of establishing usage rates and fee schedule(s)
2. Evaluate alternative rate structures;
3. Create a five year look ahead financial plan for:
  - a. Implementation and funding of capital improvements
  - b. Funding anticipated water and sewer operational budgets

#### **1.5 Report**

The professional consultant shall also provide the following:

- Prepare and submit a draft report and rate tool to Town staff
- Upon receipt of comments, update draft report and rate tool
- Prepare, submit and present the final report and rate tool. Final report will, at a minimum:
  - Identify and evaluate alternative Rate Structures
  - Perform user charge predictions for selected alternatives; and
  - Prepare comparison summary of analysis and predicted user charges

## **PART II. CONSULTANT QUALIFICATIONS**

Each SOQ will be reviewed and ranked according to the following required criteria:

1. Consultant's experience and references of successfully completed similar projects.



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- a. Familiarity with the Seabrook Water and Sewer Operations, existing customer demographics, and issues.
  - b. Water and Sewer rate study experience.
2. Proposed Project Team
- List each member of the proposed Project Team along with their:
- a. Firm affiliation
  - b. Area of Specialty
  - c. Office location
  - d. Total years of experience
  - e. Years with current firm
- One member of the Project Team must be assigned as the Project manager who will act as the primary client contact and who shall be involved in the day to day management of the Project.
3. Quality of SOQ package.

**PART III. CONTENTS OF PROPOSAL**

In making its rate recommendations, the final report shall explicitly include the following elements and analysis:

- A. Current Rate Structure: Assess the current rate structure's suitability for sustaining cost recovery based on customer demands.
- B. Equity: Assess the equity of recommended water and sewer rates for all types of property ownership.
- C. Conservation Impacts: Assess the interaction between the water conservation elements of the recommended rates and their impacts on the ability to fund water and sewer operations, as well as their impact on the economic well being of the community.
- D. Consideration should also be made regarding drought, loss of water supply or other water shortage factors.
- E. Environmental Regulations: The studies shall include an assessment of the revenue stream generated by the recommended rates and their ability to continue to fully fund water and sewer system costs under the impacts of future water quality and environmental regulations and standards.
- F. Other Service Charges: Assess existing customer service fee structure and identify other potential areas for service and system charges (shut-down activities, back-flow devices, FOG and Pre-Treatment programs, etc.) and recommend changes, if appropriate.
- G. Annual Operating Fund Balance Targets: Recommend reserve levels for operating and capital replacement as well as cash flow and unforeseen events.
- H. Collect information and provide a survey of the rates and fees charged by other comparable New Hampshire water and sewer utilities.
- I. The recommended rate structures should address the following issues:
  1. Current and future cost of providing water transmission and treatment and sewer collection, transmission and treatment with established and anticipated



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- standards and regulations.
2. Projected demands for future residential and commercial/industrial customers.
  3. Connection/capacity impact fees for new customers.
  4. Funding requirements for current and long term liabilities and debt obligations (bonds and loans)
  5. Impact of current and future environmental regulations
  6. The desire to promote conservation, including the continued utilization of inverted block pricing.
  7. Should address specifically the gap between departmental operating revenues and operating expenses, with proposed rates forecasting what the continuing “taxpayer operating subsidy” will be.
  8. Should address the major seasonal stress on the water distribution system, with rate structures proposed looking to the potential for “peak demand pricing.”
  9. Proposed rates must be compatible with the municipal financial billing system, MuniSmart.
  10. Rate alternatives must be projected for five years.
- J. Electronic Rate Model: The consultant will develop a user friendly computer program in a format acceptable to the Town of Seabrook for calculating the specific rates, costs and revenues in any given year. The program will be turned over to the Town of Seabrook for its sole use, with ownership rights residing exclusively with the Town of Seabrook. The Rate Tool shall include, at a minimum:
- Updated O&M Budget Work Sheet
  - Updated Revenue Sources and Water Use Demographics
  - Updated Planned Capital Improvements and potential debt service
  - A 5-Year Look Ahead for Selected Rate Structure Alternatives

**PART IV. PROPOSAL TERMS**

The Town of Seabrook reserves the right to accept or reject any and all proposals in whole or in part received as a result of this RFQ. If a proposal is selected it will be the most advantageous regarding price, quality of service, the consultants qualifications and capabilities to provide the specific service. The Town reserves the right to consider proposals for modifications at any time before a contract be awarded, and negotiations would be undertaken with that contractor whose proposal is deemed to best meet the Town’s specifications and needs. There will be no reimbursement to any candidate if the selection process is terminated. The Town of Seabrook reserves the right to waive defects and informalities of the proposals.

In the event it becomes necessary to revise any part of the RFQ, addenda will be posted on the procurement page on the Town of Seabrook website at [www.seabrooknh.info/procurement](http://www.seabrooknh.info/procurement). Deadlines for submission of RFQ’s may be adjusted to allow for revisions. To be considered, original proposals with amended proposals must be submitted before the date and time specified.



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Responses should reflect detailed considerations of the issues and opportunities presented by this specific project. Any additional information or tasks that are felt to be relevant by the applicant should be included together with the submittal requirements.

- a. Insurance Requirements.  
All insurance (Worker's Compensation, Comprehensive General Liability, and/or Automobile) shall be maintained at the expense of the consultant during the term of this contract. Certificate of insurance shall be included with the proposal submission.
- b. Compliance with Laws and Regulations.  
The contractor will comply with all federal, state and local laws and regulations.
- c. Interest of Consultant.  
The consultant promises that it has no interest which would conflict with the performance of services required by the contract. The consultant also promises that, in the performance of this contract, no officer, agency, employee of the Town, or member of its governing bodies, may participate in any decision relating to this contact which effects his/her personal interest or interest of any corporation, partnership or association in which he/she is directly or indirectly interested, or has any personal or pecuniary interest.

**PART V. OTHER INFORMATION**

**5.1 Examination of the Existing Documents**

Proposers may examine existing data, documents, drawings, and reports pertaining to the projects herein at the Town of Seabrook Water Department located at 550 Route 107, Seabrook, New Hampshire between the hours of 7:00 AM and 3:00 PM Monday through Friday. Proposers are requested to contact the Seabrook Water Department to arrange for times to examine these documents.

**5.2 Questions and Clarifications during Proposal Period**

Proposers shall direct any questions and requests for clarification during the proposal period in writing to the Chief Procurement Officer, Shaylia Marquis at [Smarquis@seabrooknh.org](mailto:Smarquis@seabrooknh.org).

**5.3 Submissions**

Five (5) copies of the Qualifications and Proposals must be submitted in a sealed envelope or package, plainly marked **RFQ #B2016-WTR-06** and addressed to:

***Town Managers Office  
Town of Seabrook  
c/o Shaylia Marquis  
99 Lafayette Road  
Seabrook, NH 03874***

All submissions must be received no later than 2:00pm on Thursday, May 26th, 2016 by the Town Managers Office. No telephone, email or facsimile proposals will be accepted. All submissions received after the deadline will be returned unopened.



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**5.4 Sub-Contracting**

No portion of the work may be sub-contracted by the successful Proposer without the written consent of the Town of Seabrook. Any approval to sub-contract any portion of the work requires any sub-contractor to provide the same insurance certificates as required of the successful Proposer.

Please provide a list of anticipated sub-contractors with the request for Proposals.

**5.5 Contract Terms**

The Town of Seabrook will negotiate contract terms upon selection. All contracts are subject to review by Town of Seabrook legal counsel, and will be awarded upon signing of a commitment or contract, which outlines terms, scope, budget and other necessary items.

\*The Town of Seabrook is a Tax Exempt Organization.

Proposals must be signed by an official authorized to bind the contractor to its provisions for at least a period of 90 days. Failure of the successful bidder to accept the obligation of the contract may result in the cancellation of any award.

"The undersigned certifies under penalties of perjury that this bid is in all respects bona fide, fair and made without collusion or fraud with any other person. As used in this section the word "person" means any natural person, joint venture, partnership, corporation or other business or legal entity."

\_\_\_\_\_  
 ( Authorized Signature)

\_\_\_\_\_  
 (Date)

\_\_\_\_\_  
 (Company & Title)

**PART VI. TIMELINE**

**May 26th, 2016**

**Submissions due at Seabrook Town Hall; 2:00pm**  
 Proposals will be evaluated immediately thereafter. During this time we may require interviews at our office with our evaluating team on or before May 26th, 2016. You will be notified if this is requested.

Approved By:


4/22/2016  
 \_\_\_\_\_  
 William M. Manzi III, Date  
 Town Manager

## SEABROOK WATER & SEWER DEPARTMENT SCHEDULE OF RATES

Effective January 1, 2012

Quarterly Bills \$30.00/quarter plus Tiers	Total Gallons	WATER				SEWER			
		In-Town Rates		Out-of-Town Rates		In-Town Rates		Out-of-Town Rates	
		Residential	Commercial	Residential	Commercial	Residential	Commercial	Residential	Commercial
1 - 5,000	(5000)	\$ 0.30	\$ 0.45	\$ 0.60	\$ 0.90	\$ 0.30	\$ 0.45	\$ 0.60	\$ 0.90
5,001 - 13,500	(8500)	\$ 0.80	\$ 1.20	\$ 1.60	\$ 2.40	\$ 0.80	\$ 1.20	\$ 1.60	\$ 2.40
13,501 - 25,000	(11500)	\$ 1.30	\$ 1.95	\$ 2.60	\$ 3.90	\$ 1.30	\$ 1.95	\$ 2.60	\$ 3.90
25,001 - 250,000	(225000)	\$ 1.80	\$ 2.70	\$ 3.60	\$ 5.40	\$ 1.80	\$ 2.70	\$ 3.60	\$ 5.40
> 250,000		\$ 2.30	\$ 3.45	\$ 4.60	\$ 6.90	\$ 2.30	\$ 3.45	\$ 4.60	\$ 6.90

For quarterly consumption on or after January 1, 2012. Rate based on 1,000 gallons of water use

Monthly Bills \$10.00/month plus Tiers	Total Gallons	WATER				SEWER			
		In-Town Rates		Out-of-Town Rates		In-Town Rates		Out-of-Town Rates	
		Residential	Commercial	Residential	Commercial	Residential	Commercial	Residential	Commercial
1 - 3,000	(3000)	\$ 0.30	\$ 0.45	\$ 0.60	\$ 0.90	\$ 0.30	\$ 0.45	\$ 0.60	\$ 0.90
3,001 - 4,500	(1500)	\$ 0.80	\$ 1.20	\$ 1.60	\$ 2.40	\$ 0.80	\$ 1.20	\$ 1.60	\$ 2.40
4,501 - 8,333	(3833)	\$ 1.30	\$ 1.95	\$ 2.60	\$ 3.90	\$ 1.30	\$ 1.95	\$ 2.60	\$ 3.90
8,334 - 83,333	(75000)	\$ 1.80	\$ 2.70	\$ 3.60	\$ 5.40	\$ 1.80	\$ 2.70	\$ 3.60	\$ 5.40
> 83,333		\$ 2.30	\$ 3.45	\$ 4.60	\$ 6.90	\$ 2.30	\$ 3.45	\$ 4.60	\$ 6.90

For monthly consumption on or after January 1, 2012. Rate based on 1,000 gallons of water use

### CONNECTION FEES

#### WATER SERVICE:

Connection Fee -	1" or less	\$ 300.00	(Contractor Installation)
	1 1/4" or more	\$ 500.00	(Contractor Installation)
Inspection Fee -		\$ 100.00	per visit (New Service or Replacement)
		\$ 50.00	per visit (Any Changes to existing Service)
Contracted Services (Town Labor & Equipment)			Actual Costs + 10%

#### SEWER SERVICE:

Connection Fee -	6"	\$ 500.00	(Contractor Installation)
	8" or more	\$ 1,000.00	(Contractor Installation)
Inspection Fee -		\$ 100.00	per visit (New Service or Replacement)
		\$ 50.00	per visit (Any Changes to existing Service)
Contracted Services (Town Labor & Equipment)			Actual Costs + 10%

### MISCELLANEOUS FEES

Pressure & Leak Test	\$ 100.00
Seasonal Water TurnOn/Off	\$ 25.00 (during regular business hours)
	\$ 100.00 (after hours, emergencies only)
	(Payment must be received before service is performed)
Turn On (non-payment restoration)	\$ 25.00 (during regular business hours)
	\$ 100.00 (after hours, emergencies only)
	(Payment must be received before service is performed)
Backflow Testing	\$ 45.00 one device
	\$ 80.00 two devices
	\$ 105.00 three devices
Backflow Permit (application fee)	\$ 100.00 (Site Survey & Installation Inspection)
Hydrant Flow Testing	\$ 50.00
Late Payment Fee	12% interest charged for all past due
Bad Check	\$ 25.00
Fines and Violations	Per Town Ordinance
Excavation Permit Fee	Bond/Certificate of Insurance (Amounts TBD)

Approved 12/21/11, Effective 1/1/12