



TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

80 BOSTON NECK ROAD
NORTH KINGSTOWN, R.I. 02852-5762
PHONE: (401) 294-3331
FAX: (401) 294-2436

INVITATION FOR BIDS

FIRMS/CONSULTANTS TO CONDUCT A COMPREHENSIVE WATER RATE STUDY

Sealed proposals for the above will be accepted in the Office of the Purchasing Agent, Town Hall, 80 Boston Neck Road, North Kingstown, RI 02852, until **11:00 a.m. on Friday October 2, 2015** and will then be publicly opened and read aloud.

NO BIDS WILL BE ACCEPTED AFTER THE 11:00 A. M. DEADLINE.

The bid will be evaluated as to R.I.G.L. 45-55-5. (2) "Competitive Sealed Bidding," and the award shall be made on the basis of the lowest evaluated or responsive bid price.

Specifications may be obtained at the Purchasing Agent's Office.

The Town of North Kingstown reserves the right to reject any or all proposals or parts thereof; to waive any formality in same, or accept any proposal deemed to be in the best interest of the Town.

The Town of North Kingstown will provide interpreters for the hearing impaired at any pre-bid or bid opening, provided a request is received three (3) days prior to said meeting by calling 294-3331, ext. 145

Jacqueline Mulligan
Purchasing Agent

**TOWN OF NORTH KINGSTOWN
REQUEST FOR PROPOSALS
RELATING TO PROFESSIONAL CONSULTING SERVICES
TO REVISE AND UPDATE THE EXISTING
WATER RATE SCHEDULE AND FEE STRUCTURE**

GENERAL:

The Town of North Kingstown is seeking proposals from qualified firms/consultants to conduct a comprehensive water rate study. The intent of the study is to independently evaluate and assess North Kingstown's current schedule of rates and fees and develop and recommend revisions. The goal of the project is to propose a rate structure to adequately fund water utility operation and maintenance expenses, debt service, specified reserves, taxes, capital expenditures, depreciation and other cash revenue requirements.

The work consists of providing directly to the Town of North Kingstown, through their agents and assigns, professional water rate consulting services to aid in selecting an appropriate rate structure and schedule for submission to and adoption by the North Kingstown Town Council. The study will be based on a review of the Town of North Kingstown's water funds and budgets, water system plan, customer classes, current usage data, future planned growth, the North Kingstown Comprehensive Community Plan and other information deemed necessary.

BACKGROUND INFORMATION:

North Kingstown Water is a medium size municipally owned and operated water system serving a population of approximately 24,000 people with approximately 9,600 service connections. Source water is supplied by 11 water supply wells and pumping stations. The department maintains approximately 175 miles of pipeline and five storage tanks. More than 90% of the current water customers are residential. The Water Department is structured on an enterprise fund basis of accounting and therefore 100% of costs must be recovered from system users.

SCOPE OF WORK:

The scope of work shall consist of working directly with the Town of North Kingstown Water Director and Finance Director to update the Water Departments schedule of rates and other water department fees. The proposed rate structure shall be based on full cost of service and shall be sufficient to meet the short and long-term revenue requirements of the North Kingstown Water Department. The recommended rate structure shall also address the requirements of the state of Rhode Island law RIGL 45-39.1-5 regarding revenue stabilization.

Rate development shall consider the following:

1. Projected water demands
2. Current and future cost of providing water in accordance with standards and regulations both current and projected.
3. Supply availability (seasonal and long-term availability)
4. Age and condition of water system and the need to fully fund capital improvements, infrastructure replacements for source, supply, treatment and distribution infrastructure.

**TOWN OF NORTH KINGSTOWN
REQUEST FOR PROPOSALS
RELATING TO PROFESSIONAL CONSULTING SERVICES
TO REVISE AND UPDATE THE EXISTING
WATER RATE SCHEDULE AND FEE STRUCTURE**

5. Funding requirements for liabilities and debt/projected debt obligations including bonds, loans, etc.
6. Requirements associated with the Rhode Island Water Supply System Management regulations, RI Infrastructure Replacement Act, and the Rhode Island Water Use and Efficiency Act.
7. Impact of projected water quality regulation (Federal SDWA and RI Department of Health).
8. Impact of current and future environmental regulations (Wetlands, Streamflow standards, Withdrawal Regulations)
9. Other impacts as identified

North Kingstown's Water Rate objectives include:

- providing a predictable and stable revenue stream
- discouraging the wasteful use of water and reducing excessive discretionary summer water use
- promoting fairness and equity
- maintaining simplicity
- compliance with all applicable laws

North Kingstown is particularly interested in establishing a conservation rate structure to encourage more efficient water use while maintaining an adequate revenue stream to ensure the sustainability of the water system.

The recommended rate structure shall be consistent with industry practice for utility rate making in Rhode Island.

PROJECT ELEMENTS:

The proposed rate study shall include the following:

- An assessment of the current rate structure as a baseline for comparing recommended changes.
- An assessment of the equity of the proposed rates for all types of property ownership.
- An assessment of the interaction between the proposed rate structure and water conservation and the impact on funding and the economic well being of the community.
- Demonstration of how the revenue generated by the proposed rate structure will continue to fully fund water system costs with consideration of future regulations (Sensitivity Analysis).
- An assessment of Water Department service charges and identification of other potential areas for service and system charges.
- Provide a comprehensive summary report of recommended rate structures and assess the performance of the recommended structure(s) against the current rate structure.
- Presentation of proposed rate revisions to the North Kingstown Town Council and water customers.

**TOWN OF NORTH KINGSTOWN
REQUEST FOR PROPOSALS
RELATING TO PROFESSIONAL CONSULTING SERVICES
TO REVISE AND UPDATE THE EXISTING
WATER RATE SCHEDULE AND FEE STRUCTURE**

▪ **Customer Education/Communication:**

The selected consultant shall recommend methods for communicating utility costs to water customers.

SERVICES TO BE PROVIDED BY THE CONSULTANT:

1. Conduct a detailed review of the existing water rates and status of the Water Fund.
2. The consultant will obtain all necessary records, data, and statistics from the Town.
3. Develop a familiarity with the North Kingstown water billing system. Meet or discuss with staff as needed.
4. Conduct analysis as described in the scope of work.
5. Preliminary Report - Provide a preliminary report of findings and tentative rate structure recommendations to Water Director, Finance Director and Town Manager.
6. Final Report – Provide a final report that incorporates any changes/comments resulting from review of the preliminary report.
7. Present findings and recommendations for rate structure to the Town Council and rate payers. It is anticipated that at a minimum two evening meetings with the Town Council (one work session and one public hearing) to present and discuss results of the study will be required.
8. Provide a time schedule for rate study and preparation of preliminary and final report.

QUALIFICATIONS:

The selected consultant shall have the ability and demonstrated experience in rate setting for municipal water utilities of similar size to that of North Kingstown. The firm shall also have significant experience and a demonstrated ability to clearly present and defend their findings in a public forum. A minimum of 10 years experience in all aspects of water rates and development services fees. Consultant shall include references from projects where revised rates were successfully implemented. Selection will be based on combination of the firms experience, qualifications and proposed cost of services.

The selected consultant shall have experience with water rate structures including conservation rate structures and criteria for rate development. Preference will be given to firms with demonstrated experience in rate setting that result in reduced water demand while maintaining an adequate revenue stream for operations and capital projects.

The consultant shall have at least 10 years water utility rate setting experience and significant experience in presenting rate structures to decision makers and rate payers.

The consultant must be familiar with Rhode Island Department of Health Water Supply Regulations and Clean Water Infrastructure Plans, Federal, State and local laws as well as all other documents, regulations, publications and guides necessary, to complete the work proposed including all applicable AWWA publications.

**TOWN OF NORTH KINGSTOWN
REQUEST FOR PROPOSALS
RELATING TO PROFESSIONAL CONSULTING SERVICES
TO REVISE AND UPDATE THE EXISTING
WATER RATE SCHEDULE AND FEE STRUCTURE**