

Request for Proposals

for

City of Sioux Falls

Wastewater System Development Capacity Fee Study

May 14, 2021

City of Sioux Falls, South Dakota

Proposal Request No. 21-0025

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Request for Proposals for Wastewater Development Capacity Fee Study

Section 1 Introduction and Instructions

1.01 Purpose of the RFP

This Request for Proposal (RFP) is issued by the City of Sioux Falls (hereinafter referred to as the “City”). The purpose of this RFP is to establish a contract with a qualified firm to review options for growth related to wastewater development capacity fees.

1.02 Contact Person, Telephone, Fax Number, and Email

The point of contact (POC) for this RFP is listed below. Unauthorized contact regarding the RFP with other City employees may result in the vendor being disqualified.

POC: David Dekker, City of Sioux Falls Finance department

Phone: 605-367-8833

Email: DDekker@siouxfalls.org

1.03 RFP Schedule of Events

This schedule of events represents the City’s best estimate of the schedule that will be followed for this RFP. If a component of this schedule such as the deadline for receipt of proposals is delayed, the rest of the schedule will be shifted accordingly.

The approximate RFP schedule is as follows:

- RFP issued: May 14, 2021
- Deadline for questions: June 1, 2021, at 2 p.m., CST
- Final addenda: June 2, 2021, at 5 p.m., CST
- Proposals due: June 4, 2021, at 2 p.m., CST
- Review of proposals, interviews if necessary: June 2021
- Contract award: July 2021
- **Preliminary recommendations:** October 2021

1.04 Return Mailing Address and Deadline for Receipt of Proposals

Firms must submit one (1) original hard copy (marked "Original") and four (4) hard copies of the proposal as well as one (1) digital version on a USB thumb drive in a sealed envelope or package.

Envelopes or packages containing proposals must be clearly addressed as described below to ensure proper delivery and to avoid being opened by the City before the deadline for receipt. Envelopes or packages must be addressed as follows:

City of Sioux Falls
Customer Service Center, Ground Floor, City Hall
Attention: David Dekker
Wastewater Development Capacity Fee Study
RFP No. 21-0025
224 West Ninth Street
P.O. Box 7402
Sioux Falls, SD 57117-7402

Proposals must be received by the Purchasing Office at the location specified no later than the time listed in Section 1.03. Proposals will not be publicly read at the opening.

Proposals shall not be delivered orally, by facsimile transmission, by other telecommunication, or electronic means.

Firms assume the risk of the method of dispatch chosen. The City assumes no responsibility for delays caused by any delivery service. Postmarking by the due date will not substitute for actual proposal receipt by the City. A Firm's failure to submit its proposal prior to the deadline will cause the proposal to be rejected. Late proposals or amendments will not be opened or accepted for evaluation.

1.05 Questions and Addenda

Questions regarding this RFP shall be submitted in writing via email to the POC listed above. Answers to questions will be posted to the City's website. The deadline for questions is listed in Section 1.03.

If deemed necessary, addenda to the RFP will be issued and will be emailed to the proposers. No addenda will be issued after the date listed in section 1.03.

Responding Firms are prohibited from communicating in any other manner about this project with any other City employee from the date of issuance of this proposal until the final selection, unless otherwise directed by the POC. Other means of communications or contact may disqualify the submitting Firm.

Section 2 Scope of Work

2.01 Introduction

The City is requesting proposals from qualified consultants for the purpose of conducting a Wastewater Development Capacity Fee Study (hereinafter “Study”).

The minimum goals of the Study include but are not limited to:

1. Analyze possible local development-driven capacity fee methodologies.
2. Consider methodology to apply escalator to capacity fees.
3. Consider methodologies to collect infrastructure costs as it built rather than collect costs that is incurred 10, 20, 50, etc., years in the future.
4. Support the City’s “One Sioux Falls Framework” to foster the availability of housing options at all income levels throughout the city by considering and incorporating strategies to maximize land use.
5. Compare proposed capacity fee methodologies to planned Basin 15/34 and Basin 27/28/29/30 Cost Recoveries and surrounding regional public entities (Upper Midwest).
6. Provide recommendation on alternative “local” collection system capacity fee.
7. Develop strategy to review, select, and implement recommended capacity fee methodology.
8. Develop implementation plan/program.

2.02 Background

The City currently collects local growth-related wastewater collection system infrastructure costs through a Sanitary Sewer Cost Recovery. The Cost Recovery is calculated based on the infrastructure cost necessary to serve future growth in individual basins divided by the total service area of the basin. The result is a dollar per acre cost that is collected on a per acre basis at the time of platting. Cost Recovery amounts vary by basin.

The City is also a Regional Wastewater (Collection and Treatment) System service provider. Growth-related capacity is collected through a System Development Charge (SDC). SDCs are calculated based on the number of Equivalent Residential Units (ERU) and are collected based on meter size.

The City is considering a shift in methodology for local growth-related collection system development from cost recovery fees to “local” SDCs. Given the significant differences that exist between SDCs and cost recovery fees, a shift in approach warrants consideration and analysis.

2.03 Additional Information

1. This project is funded by user fees.
2. Total project budget is \$75,000. **Future contracts and contract amendments may be considered. Consultant may include tasks/scope items in the proposal with labor and budget in the Work Effort Breakdown for the City to consider in current or future contracts.**
3. A third-party peer review of documents should be anticipated.
4. Selected consultant to compare results with proposed future Basin 15/34 and Basin 27/28/29/30 cost recoveries. Studies are currently underway to update both Basin 15/34 and Basin 27/28/29/30 service areas and anticipated project costs. Cost recoveries analysis for these basins are being performed by others and are anticipated to be completed in August 2021.
5. Consultant interviews may be performed if deemed necessary.
6. City reserves the right to award and/or amend to the preliminary design contract.
7. No reports, information, or data given to or prepared by the Firm under the contract shall be made available to any individual or organization by the Firm without the City's prior written approval.
8. The Firm selected understands that all replacement personnel who may be assigned to perform services for the City are subject to City approval. Replacement personnel should have education and experience equivalent to the individual whom they replace, or at least of a level sufficient, in the City's judgment, to perform its duties well. Résumés of replacement personnel are to be submitted to the City for review. The City reserves the right to interview replacement personnel prior to approving them.
9. Current sanitary sewer cost recovery location and amounts can be found at the following link: <https://siouxfalls.org/public-works/engineering/2021-platting-fees>.
10. The City's Comprehensive Annual Financial Reports (CAFR) can be found at the following website: <https://www.siouxfalls.org/finance/financial-reports>.

2.04 Contract Award

It is the City's intent to enter into a contract with a Firm who best demonstrates the ability to provide **the scope of work described below as determined by the evaluation criteria in Section 4**. After review of the proposals, if the City decides to not enter into contract, the City will notify all Firms.

Section 3 Proposal Format and Content

3.01 Submittal Requirements

The following table provides a summary of applicable sections to include in the RFP. Relevant information pertaining to each section can be found below. The proposals should be in an 8 1/2-inch by 11-inch bound package. 11-inch by 17-inch size sheets folded into 8 1/2-inch by 11-inch size within the package will be acceptable. The front and back of each page will be considered one page.

Proposal Section	Maximum Page Limit
Cover Letter	1
Experience and References	3
Organization, Understanding, and Approach	3
Scope of Services	As necessary
Schedule	As necessary
Work Effort Breakdown	As necessary

1. Cover Letter

Provide name and address of the Firm and project contact person with address, telephone number, and email address. Acknowledge receipt of any addenda if applicable. Summarize your understanding of the Project. Provide a statement indicating your ability to provide timely services and meet the requirements of the proposed schedule. Indicate your acceptance of the requirements of this RFP. Provide a one-page summary of the benefits you believe the City would receive from selecting your Firm.

The cover letter **must be signed** by a duly authorized official of the Firm. Consortiums, joint ventures, or teams submitting proposals must establish contractual responsibility rests solely with one company or one legal entity. Each submittal should indicate the entity responsible for execution on behalf of the proposal team. The Firm offer must be good for 180 days.

2. Experience and References

Provide résumés or a listing of information for principal members of your project team participating in this Project. State the educational background of each individual, applicable certifications, years of experience, length of employment with your Firm, and experience on relevant projects.

Each Firm shall supply a list of at least three government clients, which the City may contact, with projects of similar size and scope. Include government name, contact names with titles, email addresses, and telephone numbers.

3. Organization, Understanding, and Approach

Provide an outline of proposed project team, team organizational chart, and team member's roles and responsibilities, including applicable stakeholders. Outline additional services that may be necessary or to consider for successful implementation. Outline approach to project and why the proposed approach will provide the best value to the City.

4. Scope of Services

The following is offered to describe the general extent of services to be provided by the consultant. **The consultant shall further develop the tasks and include services that may be necessary or enhance the quality or provide the best value to the final product or outcome.** The City will rely on the Firm to develop a final scope of services identifying necessary tasks, meetings, and deliverables. Additional detail outlining anticipated effort and deliverables for the associated task is to be provided as necessary.

Future contracts and contract amendments may be considered. Consultant may include items for the City to consider in future contracts.

- Project Management:
 - Provide detailed project management plan.
 - Provide concept project team. Include project team member roles and responsibilities and identify key stakeholders.
 - Provide communication plan with key stakeholders. When/how will stakeholders be contacted to gather and resolve questions, comments, and concerns. Address how will conflicting concerns be vetted.
- Capacity Fee Review:
 - Analyze, compare, and contrast possible development-driven sanitary sewer collection system capacity fee methodologies and associated impacts to Water Reclamation Fund, regional customers, and fee collection administration.
 - Complete "local collection system infrastructure only" capacity fee analysis of anticipated **future** Basin 15/34 and Basin 27/28/29/30 based on recommended methodology(ies).
 - Compare recommendations with proposed future Basin 15/34 and Basin 27/28/29/30 Cost Recoveries. (Note: Updated Cost Recovery estimates for Basins 15/34 and 27/28/29/30 are being completed by others by August 2021).
 - Recommend capacity fees to fund the City's collection system growth and development Capital Improvement Program needs.

- Analyze and recommend an annual escalator or methodology to apply escalator to capacity fees.
 - Provide capacity fee rate comparisons with surrounding regional public entities.
 - Implementation:
 - Develop implementation plan/program.
 - Identify stakeholders, develop stakeholder engagement plan.
 - Develop strategy to implement recommended capacity fee methodology.
- 5. Schedule**—Each Firm shall provide a detailed schedule in Gantt chart format to complete the Project components. The completion date of the “Capacity Fee Review” is October 2021 assuming NTP is provided in July of 2021. Consultants to provide feedback as to whether the schedule is reasonably obtainable or if the completion date should be extended. Include concept implementation schedule. Note: Implementation schedule may be adjusted based on the Capacity Fee Review and stakeholder input.
- 6. Work Effort Breakdown**

Firm shall submit a detailed itemized breakdown of effort proposed which includes applicable tasks, project team members and roles, personnel hours, and anticipated subconsultants. **Include rates, direct costs, indirect costs, and total project costs.**

Section 4

Review of Proposals and Selection of Finalists for Interviews

4.01 Selection Criteria

Upon receipt of the proposals, an evaluation team will review and recommend the team deemed most qualified to perform the work. The evaluation team will rely on the qualitative information contained and presented in the proposals, the reference checks made, and the ability to work well with other project team members in making the decision to select the most qualified Firm to provide services for the City. Selection criteria will be based on:

Evaluation Criteria (100-Point Potential Score)

- **25 points—Project Team:** Factors include technical competence of the Firm and lead personal as well as history of working together on projects.
- **30 points—Experience and References:** Factors include work on projects of similar size and scope in the Upper Midwest with successful implementation/results.

- **35 points—Organization, Understanding, and Approach:** Factors include how the team proposes to organize and deliver the project. Understanding of the City’s current collection methodology, stakeholders, understanding of the scope, and additional scope items necessary for consideration. Approach to gathering and collecting data, evaluating data, building consensus, stakeholder input, messaging, etc., for a successful implementation.
- **10 points—Schedule and Cost:** Factors include approach to identifying and completing tasks in a logical manner to achieve project goals. Cost factors based on proposed tasks and associated effort to complete tasks.

Upon review of the proposals, the City will score the proposals and may choose to shorten list and interview the highest ranking Firms. If necessary, upon completion of the interviews, the City will re-score and the highest ranking Firm may be asked to enter into contract negotiations with the City of Sioux Falls. If an agreement cannot be reached with the highest ranked Firm, the City may move to the next highest ranked Firm. The same process will be repeated with the other ranked Firms if no such agreement can be reached. The City of Sioux Falls reserves the right to not select a Firm as part of this process if an agreement cannot be reached or for any other reason.

4.02 Special Conditions

Excluding proprietary information, the successful Firm’s proposal and contract are deemed public records and shall be available to the public upon request. In addition, the City shall maintain a “Register of Proposals for this Contract,” which shall contain the names of companies who submitted a proposal and the name of the company who was awarded the contract; however, the proposals of the submitting Firms not awarded the contract are nonpublic records and will remain confidential.

Section 5 Standard Proposal Information

5.01 Authorized Signature

An individual authorized to bind the Firm to the provisions of the RFP must sign all proposals.

5.02 City Not Responsible for Preparation Costs

The City will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

5.03 Conflict of Interest

Firms must disclose any instances where the Firm or any individuals working on the contract has a possible conflict of interest and, if so, the nature of that conflict (e.g., employed by the City of Sioux Falls). The City reserves the right to cancel the award if any

interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the Firm's proposal. The City's determination regarding any questions of conflict of interest is final.

5.04 Offeror's Certification

By signature on the proposal, the Offeror certifies that it complies with:

- The laws of the state of South Dakota.
- All applicable local, state, and federal laws, codes, and regulations.
- All terms, conditions, and requirements set forth in this RFP.
- A condition that the proposal submitted was independently arrived at without collusion.
- A condition that the offer will remain open and valid for the period indicated in this solicitation and any condition that the Firm and/or any individuals working on the contract do not have a possible conflict of interest (e.g., employed by the City of Sioux Falls).

If any Firm fails to comply with the provisions stated in this paragraph, the City reserves the right to reject the proposal, terminate the contract, or consider the contractor in default.

5.05 No Contact Policy

Any contact with any City representatives, related officials, or representatives other than those outlined in the RFP is prohibited. Such unauthorized contact may disqualify your Firm from this procurement.

5.06 Indemnification

To the fullest extent permitted by law, the provider, its subcontractors, agents, servants, officers, or employees, shall indemnify and hold harmless the City of Sioux Falls including, but not limited to, its elected and appointed officials, officers, employees, and agents from any and all claims brought by any person or entity whatsoever, arising from any act, error, or omission of the provider during the Firm's performance of the Agreement or any other agreements of the Firm, entered into by reason thereof. The Firm shall indemnify and defend the City of Sioux Falls including, but not limited to, its elected and appointed officials, officers, employees, and agents with respect to any claim arising, or alleged to have arisen from negligence, and/or willful, wanton, or reckless acts or omissions of the Firm, its subcontractor, agents, servants, officers, or employees and any and all losses or liabilities resulting from any such claims including, but not limited to, damaged awards, costs, and reasonable attorney's fees. The indemnification shall not be affected by any other portions of the agreement relating to insurance requirements. The Firm agrees that it will procure and keep in force at all times at its own expense insurance in accordance with these specifications.

5.07 Insurance Requirements

The Firm shall secure the insurance specified below. All insurance secured by the Firm under the provisions of this section shall be issued by insurance companies acceptable to the City. The insurance specified in this section may be in a policy or policies of insurance, primary or excess. Certificates of all required insurance shall be provided to the City upon execution of this agreement.

1. Workers' compensation insurance providing the statutory limits required by South Dakota law. In addition, it shall provide Coverage B, Employer's Liability Coverage, of not less than \$1,000,000 each accident, \$1,000,000 disease-policy limits. The required limit may be met by excess liability (umbrella) coverage.
2. Commercial general liability insurance providing occurrence form contractual, personal injury, bodily injury, and a property damage liability coverage with limits of at least \$1,000,000 per occurrence, \$2,000,000 general aggregate, and \$2,000,000 aggregate products and completed operations. The required limit may include excess liability (umbrella) coverage. The policy shall name the City and its representatives as an additional insured. If "occurrence form" insurance is not available, "claims made" insurance will be acceptable. The policy shall be maintained for three years after completion of this agreement.
3. Automobile liability insurance covering all owned, nonowned, and hired automobiles, trucks, and trailers. The coverage shall be as broad as that found in the standard comprehensive automobile liability policy with limits of not less than \$1,000,000 combined single limit each occurrence. The required limit may include excess liability (umbrella) coverage.
4. Professional liability insurance providing occurrence basis coverage for the claims that arise from the errors of the Firm or its consultants, omissions of Firm or its consultants, failure to render a service by the Firm or its consultants, or the negligent rendering of the service by the Firm or its consultants in the amount of \$1,000,000 each occurrence and \$1,000,000 annual aggregate. If occurrence form insurance is not available, claims made coverage shall be maintained for two years after final completion of the services. The City does not represent that the above coverages and limits are adequate to protect the Firm or its consultant's interest and assumes no responsibility therefor.

The Firm will provide the City with at least 30 days' written notice of an insurer's intent to cancel or not renew any of the insurance coverage. The Firm agrees to hold the City harmless from any liability, including additional premium due because of the Firm's failure to maintain the coverage limits required.

The City's approval or acceptance of certificates of insurance does not constitute the City's assumption of responsibility for the validity of any insurance policies nor does the City represent that the above coverages and limits are adequate to protect any individual/group/business, its consultants' or subcontractors' interests, and assumes no liability therefore.

5.08 Special Conditions

The City of Sioux Falls reserves the right to reject any and all proposals, to waive formalities, and to select the proposal and developer(s) that, in the City's sole discretion, are in the best interests of the City of Sioux Falls, South Dakota.

The City reserves the right to:

- a) Amend, modify, or withdraw this RFP.
- b) Revise any requirements under this RFP.
- c) Require supplemental statements of information from any responding party.
- d) Extend the deadline for submission of responses hereto.
- e) Negotiate or hold discussions with any bidder to correct insufficient responses that do not completely conform to the instructions contained herein.
- f) Waive any nonconformity with this RFP.
- g) Cancel, in whole or in part, this RFP if the City deems it is in its best interest to do so.
- h) Request additional information or clarification of information provided in the response without changing the terms of the RFP.
- i) Waive any portion of the selection process in order to accelerate the selection and negotiation with the top-ranked Firm.
- j) Not award a contract as a part of, or result of, this RFP process.

The City may exercise the foregoing rights at any time without notice and without liability to any bidder, or any other party, for expenses incurred in the preparation of responses hereto or otherwise.

Part or all of this RFP and the successful proposal may be incorporated into the contract.

Federal Tax ID Number: Each bidder shall state its federal tax identification number on the line provided on the bid form. The City is required to report to IRS on Form 1099 all payments involving labor or services provided by vendors, and lack of this number may delay contract payments until the number is provided.

Right to Protest: Any bidder who is aggrieved in connection with the award of a contract may contact the Business Analyst to discuss the basis for an award. Venue and jurisdiction for any appeals from the award decision are in the South Dakota Circuit Court in Minnehaha County. Such protests and appeals regarding the request for bids and bid proposals are governed by and must be construed in accordance with South Dakota law.

Civil Rights Requirements: The successful bidder shall be subject to the provisions of Chapter 98 of the Code of Ordinances of Sioux Falls, SD. It is declared to be discrimination for the successful bidder, because of race, color, sex, creed, religion, ancestry, national origin, or disability, to fail or refuse to hire, to discharge an employee, or to accord adverse, unlawful, or unequal treatment to any person or employee with respect to application, hiring, training, apprenticeship, tenure, promotion, upgrading, compensation, layoff, discharge, or any term or condition of employment.

If the successful bidder is guilty of discrimination, this invitation for bid may be terminated in whole or in part by the City and the successful bidder shall be liable for any costs or expense incurred by the City in obtaining from other sources the work and services to be rendered or performed or the goods or properties to be furnished or delivered to the City under the invitation for bid so terminated or canceled.

Should the Sioux Falls Human Relations Commission in a proceeding brought as provided by the Code of Ordinances of Sioux Falls, SD, find that the successful bidder has engaged in discrimination in connection with this invitation for bid and issue a cease and desist order with respect thereto, the City shall withhold up to 15 percent of the contract price until such time as the Commission's order has been complied with or the successful bidder has been adjudicated not guilty of such discrimination.

The successful bidder will permit access to any and all records pertaining to hiring and employment and to other pertinent data and records for the purpose of enabling the Commission, its agencies or representatives, to ascertain compliance with the above provisions.

This section shall be binding on all subcontractors or suppliers.