

**CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
SEPTEMBER 6, 2022 AGENDA**

Subject:	Type:	Submitted By:
AUTHORIZE REQUEST FOR QUALIFICATIONS & PROPOSALS – SEWER RATE STUDY	◆ RESOLUTION ORDINANCE RECEIVE/FILE	PAT DOWSE CITY ENGINEER

SYNOPSIS

A resolution has been prepared authorizing a Request for Qualifications & Proposals for consultant engineering services necessary to conduct a sewer rate study for FY25 - FY29.

FISCAL IMPACT

The FY23/FY24 Biennial Budget includes funding in the Sewer Fund for this project.

RECOMMENDATION

Approval.

BACKGROUND

The current sewer rate study covers the period FY20 - FY24. Accordingly, new rates will need to be established for future budgets.

Staff will review and evaluate the proposals received, conduct interviews if necessary, make a selection and negotiate a proposed fee with the firm selected. The recommendation will be brought to the City Council for approval.

The following schedule is proposed:

Publish September 14, 21, 28, 2022

Receive Proposals Until October 7, 2022 @ 12:00 pm

City Council Authorize Agreement November 1, 2022

Notice of Request for Proposals will also be sent to firms with known interest and ability to provide these services.

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA AUTHORIZING THE REQUEST FOR QUALIFICATIONS AND PROPOSALS FOR CONSULTANT ENGINEERING SERVICES NECESSARY TO CONDUCT A SEWER RATE STUDY FOR FY25 – FY29.

WHEREAS, the Mayor and Council have determined that a sewer rate study is necessary; and

WHEREAS, the FY23/FY24 Biennial Budget provides funding for this project; and

WHEREAS, the schedule for awarding this contract is as follows:

Out to Publish	September 14, 21, 28, 2022
Receive Proposals	Until October 7, 2022 @ 12:00pm
City Council Authorize Agreement	November 1, 2022

NOW, THEREFORE BE IT RESOLVED, that the Mayor and City Council of the City of La Vista, Nebraska hereby authorize the request for qualifications and proposals for consultant engineering services necessary to conduct a sewer rate study for FY25 – FY29.

PASSED AND APPROVED THIS 6TH DAY OF SEPTEMBER 2022.

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Pamela A. Buethe, MMC
City Clerk



REQUEST FOR PROPOSALS

CONSULTANT SERVICES

FOR

SEWER RATE STUDY

FISCAL YEARS 2025-2029

CITY OF LA VISTA, NEBRASKA

PROPOSALS DUE 12:00 PM, OCTOBER 7, 2022

PURPOSE

The City of La Vista, Nebraska (City) is hereby soliciting consultant proposals for professional services to conduct a sanitary sewer rate study for Fiscal Year 2025 (commencing October 1, 2024) through Fiscal Year 2029 (concluding September 30, 2029). This request invites qualified consultants to submit proposals for accomplishment of the work described below under Scope of Services. Once the firm is selected, a contract will be negotiated.

BACKGROUND

The City of La Vista is situated on the southerly side of the Omaha metropolitan area. The City enjoys access from Interstate 80 and borders Omaha, Bellevue, Papillion and Ralston. As of 2021, the City is home to nearly 17,000 residents. La Vista's commercial areas are quickly developing in the western portion of the City with nationally recognized companies such as PayPal, Cabela's, Costco, Embassy Suites and Marriott Courtyard Hotels and adjoining La Vista Conference Center, Streck Labs, and Rotella's Italian Bakery. The City's sewer system has approximately 6,500 single family customers, 480 commercial/industrial customers and 3,300 apartment units. The City owns and operates a sanitary sewer collection system but contracts with the City of Omaha for sewage treatment.

Commented [PD1]: Update

Commented [PD2]: Marcia/Cindy - Can you update these?

PROJECT DESCRIPTION

The overall objective is to determine sewer rates necessary to adequately fund sewer operations, capital costs, and pay for sewage treatment expenses while keeping rate increases as low as possible and establishing rates that are comparable with surrounding cities.

SCOPE OF SERVICES

1. Review the existing documentation and historical studies. The following documents can be made available upon request:
 - a. La Vista Sewer Rate Study for FY15 – FY19
 - b. La Vista Sewer Rate Study for FY20 – FY24
 - c. La Vista-Omaha Wastewater Service Agreement & Amendments
 - d. Sewer Use billing records for FY19 - FY22
 - e. Sewer Fund performance (budget reports) for FY19 – FY22
2. Examine the following aspects of the City's wastewater operations to develop a model that identifies current and projected costs for operation of the system for Fiscal Year 2025 through Fiscal Year 2029 based on these criteria:
 - a. Current and future cost of providing sewer service should consider established and anticipated standards and regulations.
 - b. Current and future cost of providing sewer service shall include costs of sewage treatment to the City of Omaha. The City of Omaha sewage treatment rates for the period of this study are expected to be available at the time of starting this sewer rate study.
 - c. Projected demands for sewer service in the La Vista Wastewater Service Area including development and/or redevelopment expectations.
 - d. Age and condition of the sewer system.

- e. Funding requirements for all current long-term liabilities and debt obligations (bonds and loans).
- f. Existing Capital Improvements Program projects to be funded from sewer revenues.
- g. Future financing and debt service to cover system rehabilitation given age and condition of the collection system and application of recommended industry practices to provide for such expenses.
- h. Achieve a reserve in the sewer fund of not less than 25% of the operating expenses at the end of the rate study period. Alternate reserve values consistent with industry recommendations may be examined as part of the alternative rate scenarios.

3. Complete an analysis of the City's sewer fund revenue stream including, but not limited to, the following efforts:

- a. Become familiar with the customer classes and billing procedures that are applicable to the City's sewer use fee collections. The classes and procedures are established by agreement with the City of Omaha and the Metropolitan Utilities District (provider of treated water and billing services by agreement).
- b. Forecast consumption use for each customer class based on growth projections, historical trends of usage from City usage history, and industry trends.
- c. Review the history of capital facility charges (tract sewer connection fees) collected by the City and make projections consistent with the development expectations. This analysis shall include the portion of such fees that are due to other agencies under current agreements.
- d. Review the types of businesses in the City's wastewater service area and determine the potential for abnormal strength wastes for adoption of rates to treat such sewage consistent with the conditions of the agreement between the City of La Vista and City of Omaha.
- e. Become familiar with the manual billing process that the City uses for a limited number (<6) of commercial/industrial users that cannot have sewage use accurately measured through the typical water meter billing process. Historical data will be provided to form a basis for revenue estimation.
- f. Review the history of tract sewer connection fees collected by the City including the portion of such fees that were remitted to other agencies under current agreements.

4. Prepare rate recommendations for the entire rate study period. At least three alternative rate structures shall be provided with alternatives considering the following factors:

- a. Magnitude of monthly customer charge and variation between customer classifications.
- b. Size of reserve to be achieved in the sewer fund at the end of the study period.
- c. Magnitude of capital facility charges (tract sewer connection fees) to be levied
- d. High and low level of development projections
- e. Incorporate increases in the operating expenses due to increase in the size of the sewer system to be maintained by the City. The consultant will be provided with a singular estimation of annexed area to be included during the study period.
- f. Each rate structure shall include monthly projections of revenues and monthly treatment and billing costs for the five year study period.
- g. Compare the rate recommendations to other cities receiving sewage treatment from the City of Omaha for an average single family customer and an average commercial/industrial user.

- h. Compare the rate recommendations to other nearby cities such as Blair, Fremont, Plattsmouth, Lincoln (all in Nebraska) and Council Bluffs, IA for the same average single family customer and average commercial/industrial user.
- i. Analyze sewer division operation and maintenance expenses versus industry standards for the size and age of system maintained by the City and make recommendations as to adjustments to be considered that could significantly affect the sewer rates.

5. The process for conducting the study shall include the following:

- a. Prepare a schedule for study tasks prior to starting work which shall be accepted by the City.
- b. Attend 2 meetings with City staff at the beginning of the project to obtain and discuss available data, processes, and budgetary information.
- c. Prepare an initial draft report after which a meeting will be held with City staff to discuss the report.
- d. Finalize the rate study and prepare recommendations.
- e. Attend a City Council meeting to present the recommendations and answer questions.

PROJECT SCHEDULE

All firms submitting proposals must be prepared to initiate work on this project on or about November 2, 2022, after receipt of a Notice to Proceed. The selected firm must be able to complete the services in order to present the recommendations to the City Council during November of 2023.

PROPOSAL REQUIREMENTS

In order to facilitate review of the project proposals by the City of La Vista, the following information must be included in the proposal in the order listed:

1. A letter introducing the firm, summarizing your general qualifications and outlining your approach to conducting a sewer rate study. This letter should indicate the length of time for which the proposal is valid (not less than 90 days).
2. A work plan for the services to be provided. Identify any tasks to be completed by City staff which have not been listed in this Request for Proposal as something the City will provide.
3. A fee estimate on a phased basis. Include a spreadsheet identifying personnel, hourly rates, project responsibilities, and estimated amount of time expected for each phase expressed in person-hours. Budget is to be presented as a not-to-exceed figure with all overhead and expenses included. The terms on payment, based on monthly billings to the City, should be outlined.

4. The names of key personnel, their respective titles, experience, and periods of service

with the firm shall be provided. Please identify the primary contact for the study. If sub-consultants are to be used in any aspects of the work, those firms are to be identified in the proposal. The availability of the key personnel to work on this study must be addressed in the proposal.

5. Provide a list and description of at least three relevant studies of a similar scope and complexity which have been completed by the firm submitting the proposal. These three studies shall have been completed in the last five years. Include contact references for each study. Include a digital copy of one completed study that best illustrates a rate study completed by your firm to the study being requested. The digital copy can be provided via flash drive or by link to a web site or a file sharing service. A print copy is not desired.
6. Submit seven (7) bound copies of the Proposal and one (1) Flash Drive containing a pdf copy of the Proposal. Proposals must be submitted to the City Clerk by the date listed on the cover of this Request for Proposal. Address Proposal to:

Pamela Buethe, City Clerk
City of La Vista
8116 Park View Boulevard
La Vista, NE 68128

EVALUATION

Due to the nature of the services sought, evaluation of proposals will in large part be subjective. Award of a contract will be based on a number of factors and may or may not be on the basis of lowest cost to the City. The City reserves the right to accept any proposal in whole or in part and to reject any and all proposals, to waive irregularities and to negotiate and revise terms with proposers without notice to other proposers.

Proposals will be reviewed by an internal review committee. The committee anticipates conducting interviews during October 2022. Those firms, whose key personnel are located in an office more than 1 hour drive time from the City, may conduct their interview video conference option.

PROTOCOL

Firms submitting proposals should contact Pat Dowse, City of La Vista Public Works Department, 9900 Portal Road, La Vista, NE (402) 331-8927, or pdowse@cityoflavista.org for any additional questions regarding the project. No interpretation of the meaning of the Request for Proposals, or other documents, nor correction of any ambiguity, inconsistency, or error herein will be made orally to any consultant. Every request for such interpretation or correction should be in writing to Pat Dowse at the e-mail address listed above.

The City considers all information, documentation, and other materials submitted in response to this request to be of a non-confidential and/or non-proprietary nature and therefore shall be subject to public disclosure.

The consultant, with regard to the services performed by it during the project, shall not discriminate on the grounds of race, color, national origin, sex, age and disability/handicap including selection of sub-consultants.

END OF RFP