

REQUEST FOR PROPOSALS

CITY OF ALPENA AND CHARTER TOWNSHIP OF ALPENA

Joint Water and Sewer Rate Study and Proposed Water and Sewer Authority Agreement Review

March 2022

Prepared By:

City of Alpena
Engineering Department
208 N. First Avenue
Alpena, MI 49707
(989) 356-1730

and

Charter Township of Alpena
4385 US-23 North
Alpena, MI 49707
(989) 356-0297

Request for Proposals

The City of Alpena (herein after referred to as "City") and Charter Township of Alpena (herein after referred to as "Township") will receive proposals from consulting firms relevant to conducting a joint water and sewer rate study of the City's and Township's combined water and sewer utilities and evaluation and review of a proposed water and sewer authority agreement between the City and the Township.

Proposals will be received in the City Engineer's office, Stephen Shultz, 208 N. First Avenue, Alpena, MI, 49707 in hard copy format, as well as digitally via pdf emailed to jointrfp@alpena.mi.us until 2:00 pm, Monday, March 14, 2022. The City and Township reserve the right to reject any proposals and to waive irregularities in Proposals, which may be in the best interests of the City and the Township.

Beginning on Monday, February 21, 2022, the Request for Proposals may be obtained on the City of Alpena website at www.alpena.mi.us.

Please mark the outside of the envelope **"PROPOSALS –Joint Water and Sewer Rate Study and Proposed Water and Sewer Authority Agreement Review – March 2022"**

City of Alpena



By: Anna Soik
City Clerk

Charter Township of Alpena



By: Michele Palevich
Township Clerk

Project Outline

Proposals from Consulting Firms relevant to conducting a water and sewer rate study and evaluation and review of the proposed Water and Sewer Authority Agreement between the City of Alpena and Charter Township of Alpena.

Background Information

The City of Alpena owns and operates both the water and wastewater utilities within the City, including the Water Production Plant and the Water Recycling Plant. The water fund and sewer fund are enterprise funds with no subsidy from the general fund. The operation of these utilities is contracted out to SUEZ who has operated them, under several ownerships, since 1986. The City's system highlights are as follows:

- Distribution System
 - Approximately 81 miles of water mains
 - Two water towers with 1.25 million gallons of storage
 - 1 pump station
- Collection System
 - Approximately 75 miles of gravity and force sewer mains
 - 13 pump stations

The Charter Township of Alpena owns and operates the water and wastewater utilities within the Township, as well as a major wastewater force main within the City. The Township's water and sewer funds are enterprise funds with no subsidy from the general fund. The operation of the Township's facilities is contracted out to F&V Operations and Resource Management. The Township's system highlights are as follows:

- Distribution System
 - Approximately 60 miles of water mains
 - Three water towers with 1.3 million gallons of storage
 - 1 pump station
- Collection System
 - Approximately 36 miles of gravity and force sewer mains
 - 19 pump stations

The proposed combined system would serve approximately 4,640 City customers and 2,692 Township customers.

The City has served the Township for the past 44 years with water and sewer service via a Water and Sewer Agreement between the two parties. Upon expiration of this agreement, both parties began deliberating the most appropriate way to determine the new rates for all customers. Preliminary discussions led to the possibility of creating a joint water and sewer authority that would operate the combined City and Township Systems and set the rates based on the needs of the combined systems. This authority would have to consider the needs of the combined systems and set equal rates for all

customers connected to the combined systems.

Proposed Activities

The City and Township anticipate, at minimum, the following activities to be undertaken by the successful firm:

- Review the revenue requirements for the combined water and sewer utilities to:
 - Evaluate the rates necessary to assure ongoing maintenance and operation of the plants and the combined collection and distribution systems and provide recommended modifications if warranted.
 - Evaluate the proposed administration and overhead charges by the City of Alpena to the authority to determine if they are justified and appropriate.
 - Evaluate the short-term capital needs as developed by the City's and Township's 6-year Capital Improvement Plans.
 - Determine whether the long-term needs of the combined system, both water and sewer, can be adequately met.
 - Evaluate the rates that would be appropriate to meet both short-term and long-term needs.
 - Evaluate the existing maintenance needs in relation to budgeted funding.
- Review the proposed joint water and sewer authority agreement between the City of Alpena and Charter Township of Alpena and provide the following:
 - Opinion as to the pros and cons of the agreement and its impact on each party.
 - Suggest modifications to the proposed agreement to protect the interest of the City and the Township.
 - Opinion as to the short and long range impacts to both parties maintaining the proposed agreement
 - Does the proposed agreement equitably distribute operations, maintenance, and repair costs as well as provide reasonable compensation for the City to complete the additional tasks
 - Suggest a recommended rate formula, or a way to determine rates based on the demonstrated needs for each party for future rate setting.

Consultant Submittals

Each firm shall submit the following information with regard to their ability to undertake and complete the project in the time frame provided.

1. Each firm shall submit a listing of the project team who will be responsible for performing the evaluation and analysis.
2. Each firm shall submit a principal in charge, who shall be an officer of the firm, and who shall be responsible for ensuring the timely completion of the evaluation and

analysis.

3. Each firm shall submit a list of similar projects undertaken by the firm as demonstration of its ability to undertake and complete the task within the time frame given.
4. Each firm shall submit a timeline outlining the proposed schedule for completion of the project.
5. Each firm shall submit a billing or fee structure for the design team, providing an hourly fee for each employee. Additional expenses, which are not covered under the hourly rate, shall be identified.
6. Each firm shall provide any additional information, which may be beneficial in determining the ability of the firm to complete the project.
7. Each firm shall submit a detailed and comprehensive list of all the additional documents and information it will need from the City and the Township to allow the firm to perform its proposed review, evaluation, analysis, and opinions as contemplated by its proposal.

The following will be provided to the awarded firm:

- The 6-year Capital Improvement Plans (City and Township) will be provided to the awarded firm for review.
 - The proposed Sewer and Water Authority Agreement is currently under attorney/client privilege and will be released only for the awarded firm to review.
8. Each firm shall submit their proposal electronically in pdf format to the following email address: jointrfp@alpena.mi.us. Each firm shall also submit a total of ten (10) bound and two (2) unbound copies of the Proposals to the following address: Stephen Shultz, City Engineer, City of Alpena, 208 N. First Avenue, Alpena, MI 49707.

Proposed Schedule

The City and Township have established a June 30, 2022 timeline for completion of this review and analysis. This timeline is based on award of the project at meetings held in March 2022. If delays occur beyond this date the schedule will be adjusted accordingly.

Attachments

The City and the Township have attached the following documents relevant to the project to assist prospective firms in preparing their Proposals:

- The existing budgets for the Sewer Fund and Water Fund (City and Township)

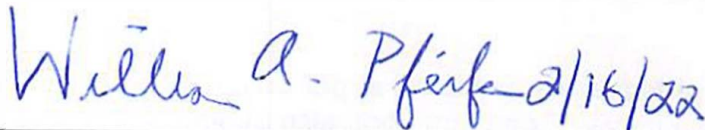
Review and Selection Process

It is the intent of the City and the Township to complete the review process and enter into a contract with a consultant for these services, as soon as practical. The City Engineering Department and additional City and Township staff, as necessary, will review the Proposals received. A recommendation will be presented to the City Council and the Township Board at subsequent meetings. The City and Township will negotiate a time and materials, not-to-exceed contract, for development of each project element. Entities may provide proposals on each element individually or both elements.

The City and Township reserve the right to delete or amend the contract and to add projects upon negotiation with the consultant.

Any questions regarding the Proposals or the items to be included in the submittal should be directed to jointrfp@alpena.mi.us.

Attorney Document Review

 2/16/22

William Pfeifer, City Attorney

Date



2/16/2022

William Fahey, Township Attorney

Date

Insurance

PROFESSIONAL SERVICES - INSURANCE REQUIREMENTS:

The Professional shall maintain, at its own expense during the term of this Contract, the insurance coverage(s) where indicated by an [X]:

1. Workers Compensation Insurance:
 - a. Professional shall maintain statutory workers compensation and employer's liability insurance. Limits shall be no less than \$ 500,000 for bodily injury by accident or \$500,000 each employee for bodily injury by disease. Dependent on the type of project the minimum coverage may be increased.
 - b. Waiver of Subrogation - Professional waives all rights against the City of Alpena and Charter Township of Alpena, their agents, public officials, employees, and volunteers for recovery of damages to the extent these damages are covered by workers compensation and employer's liability insurance obtained by the Professional.
 - c. If Professional is self-insured for purposes of workers compensation, the Professional must submit a copy of a current letter, permit, or certification issued by the appropriate state agency.

2. Commercial General Liability and Umbrella/Excess Liability Insurance:
 - a. 1. Professional shall maintain commercial general liability (CGL), and, if necessary, commercial umbrella/excess insurance with a limit of not less than \$1,000,000 each occurrence/\$2,000,000 aggregate. If the CGL insurance contains a general aggregate limit, such limit shall apply separately to this project.
 2. Projects of a larger scope that could or would impact the greater population may require a CGL of \$2,000,000 per occurrence and \$4,000,000 aggregate. The required amount of coverage will be included in the proposal specifications.
 - b. CGL insurance shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract, including this contract.
 - c. City of Alpena and Charter Township of Alpena shall be included as an additional insured under the CGL and under the commercial umbrella/excess, if any. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance

program afforded to the City of Alpena and Charter Township of Alpena. ***A copy of the certificate shall be provided to the City and Township prior to the execution of the contract.*** On the Additional Remarks Schedule of the certificate, it shall state: "The City of Alpena and the Charter Township of Alpena are an Additional Insured on the noted policies with respect to any contract between the Named Insured and the Certificate Holder."

- d. Waiver of subrogation - Professional waives all rights against the City of Alpena and Charter Township of Alpena and their agents, public officials, employees, and volunteers to the extent these damages are covered by the CGL or commercial umbrella liability maintained pursuant to this agreement.

3. Business Auto and Umbrella/Excess Liability Insurance

- a. Professional shall maintain business auto liability and, if necessary, commercial umbrella/excess liability insurance with a limit of not less than \$1,000,000 each accident. Such insurance shall cover liability arising out of any auto, including owned, non-owned, and hired.
- b. Waiver of subrogation – Professional waives all rights against the City of Alpena and the Charter Township of Alpena and their agents, public officials, employees, and volunteers for recovery of damages to the extent these damages are covered by the business auto liability or commercial umbrella insurance obtained pursuant to this agreement.

4. Professional Liability Insurance:

- a. Professional shall maintain professional (Errors & Omissions) coverage with a limit of not less than \$1,000,000 per loss.
- b. Such insurance shall cover damages arising out of a Wrongful Act including any error, omission, or negligent act committed in the performance of professional services for the City of Alpena and Charter Township of Alpena.
- c. If coverage requested in 4 is written on a claims-made basis, the Professional warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this contract; and that continuous coverage will be maintained, or an extended discovery period (EDP) will be exercised for a period of 3 years beginning from the time that work under this Contract is completed. Contractor shall bear the expense of purchasing the EDP, if applicable.

- d. ***A copy of the certificate shall be provided to the City and Township prior to the execution of the contract.*** On the Additional Remarks Schedule of the certificate, it shall state: “The City of Alpena and the Charter Township of Alpena are an Additional Insured on the noted policies with respect to any contract between the Named Insured and the Certificate Holder.”

All of the above insurance policies shall contain the following wording:

“It is agreed that this insurance shall not be canceled, materially changed, or non-renewed without at least a Thirty (30) day written notice to the City of Alpena and Charter Township of at their principal mailing addresses.”

Insurance Company Approval and Certificates of Insurance:

Insurance Companies, additional insured endorsements, and policy forms shall be subject to the approval of the City of Alpena and Charter Township of. Such approval shall not be unreasonably withheld. Professional shall furnish the City Clerk and the Township Clerk with certificates of insurance or a certified copy of the policy if requested by the City or Township Clerk.

HOLD HARMLESS CLAUSE

The Professional shall defend, pay on behalf of, and hold harmless the City of Alpena and the Charter Township of Alpena, their employees, agents, public officials, and volunteers from and against any and all losses, damages, expenses, claims, suits, and demand of whatever nature resulting from damages or injuries, including death, to any persons or property, and including any claim for losses incurred by reason of project delay, impact (soft) costs, or other intangible losses that might result from Professional’s late or defective performance, caused by or arising out of any action, omission, or operation performed in connection with work attributable to this contract; provided, however, the Professional shall not be required to indemnify the City of Alpena and the Charter Township of Alpena, their employees, agents, public officials, and volunteers for any damages or injuries, including death, to any person or property caused solely and exclusively by the negligence of the City of Alpena or Charter Township of Alpena, or their employees, public officials, and volunteers