



CITY OF MARSHALL

COMMISSION AGENDA INFORMATION SHEET:

MEETING DATE: March 10, 2016

PROJECT: Consider approval to issue a Request for Qualifications for engineering or service firms to assist the City of Marshall in specifying, purchasing, and installing new advanced water meters and reading system. (Public Services Director)

DESCRIPTION: On January 14, 2016, we presented a report to the City Commission and requested permission to move forward with continued evaluation of replacing our aged water meter infrastructure with a state of art Advanced Meter Infrastructure (AMI) system. We have since developed a Request for Qualification proposal package for issuance to engineering firms or service providers to assist the City of Marshall in evaluation of the type meters, reading and antenna systems best suited for the City of Marshall, followed with (after additional approval of the City Commission) assistance in development of a Request for Proposal, purchase of AMI water meters and software, and installation of the meters and metering system.

Installation of an AMI metering system is a very detailed and time consuming process, especially since we are replacing over 9,300 residential meters. We are not staffed to handle the dedication of time and evaluation necessary to move this project forward; a firm is needed to assist in each segment of this process. Many engineering firms and other service firms are available to assist us. With engineering firms involved, we are required by State Purchasing Regulations to utilize the RFQ process and cannot base selection based on price; the process requires an evaluation and negotiated cost with the recommended provider if they are an engineering firm.

Once a firm is approved by the City Commission, we will negotiate pricing and come back to the City Commission for approval.

*We have a RFQ advertisement scheduled for Legal Notices in the Sunday edition of the Marshall News Messenger on March 13, 2016 – which will run unless we cancel first thing Friday morning the 11th.

COST:

N/A – RFQ process at this point; requires negotiation with firm selected.

FUNDING:

Acct. Name & No

Original Budget

As Bid

N/A – RFQ process at this point

RECOMMENDED

ACTION:

Approval to issue a Request for Qualifications for engineering or service firms to assist the City of Marshall in specifying, purchasing, and installing new advanced water meters and reading system.

CITY CONTACT: J. C. Hughes, Public Services Director 903-503-4503

ATTACHMENTS:

RFQ – AMI Water Meters and System Evaluation – Engineering – Procurement Package

cc: File



City of Marshall, Texas

Request for Qualifications

AMI Water Meters and System Evaluation – Engineering – Procurement Process Bid No. WU-2016-1-AMI

Issued: March 13, 2016

Receipt Deadline: 2:00 PM, March 28, 2016

J.C. Hughes
Public Services Director
City of Marshall, Texas
605 East End Blvd. South
Marshall, TX 75670
903-935-4489
jchughes@marshalltexas.net

REQUEST FOR QUALIFICATIONS

CITY OF MARSHALL
P.O. BOX 698
605 East End Blvd South
MARSHALL, TEXAS 75671

BID NO. WU-2016-1-AMI

Sealed RFQ Proposals are requested by the City of Marshall on the herein-described item (s):

Request for Qualification Proposals from qualified service firms to assist the City Water Utility System in the evaluation, engineering, procurement, and installation process of a fixed based Advanced Metering Infrastructure (“AMI”) water meter and metering reading system

Address RFQ Proposals to the attention of the Public Services Director, City of Marshall, Address proposal(s) to the attention of the J.C. Hughes, Public Services Director, City of Marshall, P.O. Box 698, Marshall, Texas 75671 - or – FedEx/UPS/Etc. proposal to 605 East End Blvd South, Marshall, Texas 75670 (the postal service does not deliver regular mail to our Water Plant street address). Proposals must be in a sealed envelope or package, with the RFQ #, opening date and time, and item proposed, clearly marked on the lower left-hand corner of the envelope or package.

Proposals will be publicly opened, read aloud, and tabulated at 2:00 PM (receipt deadline), Monday, March 28, in the Conference Room, 2nd Floor, of the Marshall Water Treatment Plant, 605 East End Blvd. South, Marshall, Texas.

Specifications and proposal information may be obtained from the office of the Public Services Director at 903-503-4503, or email jchughes@marshalltexas.net in Marshall, Texas.

Directly faxed or emailed proposals will not be accepted by the City of Marshall and proposals received after the receipt deadline will be rejected and returned unopened.

The City of Marshall reserves the right to reject any or all bids, waive any or all formalities, and to award a contract to the bidder who provides goods and/or services at the best value for the municipality in accordance with the Texas Local Government Code.

J. C. Hughes
Public Services Director
City of Marshall, Texas
903-503-4503

Advertise: March 13, 2016
 March 20, 2016

CITY OF MARSHALL, TEXAS REQUEST FOR QUALIFICATIONS

AMI Water Meters and System Evaluation – Engineering – Procurement Process

The City of Marshall, Texas (the “City”) desires to undertake the evaluation, engineering, and procurement process (including construction and installation oversight) for a fixed based Advanced Metering Infrastructure (“AMI”) water meter and metering reading system, with the assistance of a qualified service firm (the “Service Provider”) and is accepting Request for Qualification proposals (“RFQ”) for the purpose of possibly entering into a service agreement (the “Agreement”) to assist the City’s water utility system (the “Utility”). The process is intended to achieve an AMI water metering and reading structure that will increase metering efficiency, reduce water loss, and assure adequate revenues for operations and capital improvements on a self-sustaining basis, while also considering the economic impact on the Utility’s customers.

The ultimate purpose of the RFQ is to provide the City with information sufficient to support recommendations with regard to determining the most appropriate meter and meter reading system when considering all issues, such as cost/benefit principles, financial stability, data collection, future operational costs, best overall meter and system, develop Request For Proposal (“RFP”) packet and Bidders List, vendors evaluation assistance, system procurement assistance, construction and installation oversight, and staff and customer education.

1. Information about the City.

Marshall is located in a rural setting of Northeast Texas, at the intersection of Interstate 20 and US Highway 59 approximately 220 miles north of Houston, Texas, 150 miles east of Dallas, Texas, 41 miles west of Shreveport, Louisiana, and 20 miles west of the Texas/Louisiana state line. The city was founded in 1841, covers 29.6 square miles of incorporated city limits, and serves as the county seat of Harrison County. Marshall has a very rich history and is home to several colleges/universities of higher learning (East Texas Baptist University, Texas State Technical College, Wiley College). Marshall’s economy is emerging as the oil and gas industry hub, a cultural and arts center, a top tourist destination in the Ark-La-Tex, and the musical center of East Texas. The 2010 Census reports the city’s population as 23,523 and includes 7,988 households; the racial and ethnic composition is 42.6% non-Hispanic white, 38.1% non-Hispanic black, and 17.0% Hispanic or Latin. The median value of owner-occupied housing units is \$81,100; median household income is \$35,688, with 22.3% of persons listed below the poverty level.

2. Information about the water & sewer system.

Raw Water Delivery System: The City of Marshall obtains its raw water solely from Big Cypress Bayou, located on Pump House Road off FM-134, 13.5 miles northeast of the water plant located on Highway 59. The City’s raw water delivery system consists of two 24-inch diameter raw water lines that extend from the pump station 10.1 miles to the raw water pre-

sedimentation basin on CR 2100 (Fern Lake Cut-Off) . The raw water pump station system consists of four (4) variable frequency drive controlled vertical pumps and (when operating a maximum of three pumps) has a firm capacity raw water delivery of 17.3 million gallons a day (MGD). Two raw water lines, one 20-inch and one 24-inch, run some 3.4 miles from the pre-sedimentation basin by gravity flow to the raw water treatment plant, located on Highway 59 (605 East End Blvd. South) with a raw water transfer capacity of 14.3 MGD through the gravity flow system.

Water Treatment System: The City of Marshall water treatment plant system consists of the use of static mixers, splitter box, two clarifiers, eight filters, and two three-million gallon clearwells for processing and storing potable water, with a daily treatment capacity of approximately 17.0 MGD.

Wastewater Treatment System: The wastewater treatment plant is responsible for treatment of sewer collected from within our community, and discharging the fully treated product back into the Parker Creek watershed south of Interstate 20. Wastewater is collected and piped and gravity flows from our three (3) major trunk lines (a 24" line from Highway 59, 30" line from east of Five Notch Road, and a 33" line from Highway 31) into the east side of the wastewater treatment plant for processing, with an approximate daily average treatment level of 8.0 MGD.

Water Billing System: The City of Marshall water billing system consists of approximately 9,307 5/8", 1", and 2" active water customer accounts, with a 2015 overall metered consumption of approximately 1.6 billion gallons of treated water, of which about 861.3 million gallons (approximately 53.96% metered gallons) was used by one large commercial customer (Cabot/Norit Americas), and approximately 327.6 million used by other commercial customers and six (6) rural water districts. In 2016 the water utility is budgeted to generate approximately \$5,898,740 in water sales revenue.

The water billing system is a single tiered water rate system consisting of (2" and below):

	<u>5/8" x 3/4"</u>	<u>1"</u>	<u>2"</u>	<u>Total</u>
Number of meters – active				
Residential	(7,024)	(859)	(117)	(8,000)
Commercial	(553)	(324)	(159)	(1,036)
Government	(14)	(13)	(11)	(38)
Schools	(19)	(24)	(57)	(100)
Churches	(77)	(39)	(17)	(133)
	(7,687)	(1,259)	(361)	(9,307)
Number of 5/8" & 1" meters – total				
Residential	(8,017)	(957)	(130)	(9,104)
Commercial	(685)	(361)	(186)	(1,232)
Government	(27)	(21)	(30)	(78)
Schools	(21)	(26)	(59)	(106)

Churches	(83)	(40)	(17)	(140)
	(8,833)	(1,405)	(422)	(10,660)

A. Current water rate structure – City Residents/Customers

1) Minimum for first 1,000 gallons or less:

	<u>Monthly Rate</u>
a) ¾ - 5/8" Meter	\$ 8.53
b) 1" Meter	\$ 12.74
c) 2" Meter	\$ 25.63
d) 3" Meter	\$ 42.69
e) 4" Meter	\$ 85.36
f) 6" Meter	\$ 170.73
g) 8" Meter	\$ 256.09
h) 10" Meter	\$ 341.47
i) 12" Meter	\$ 512.18
j) Multiple-Residential shall be charged a minimum of \$8.53 for each dwelling unit.	
k) For Multiple Non-Residential units served by a single meter, each unit shall be charged a monthly minimum based on meter size.	

2) \$4.11 per 1,000 gallons for all over 1,000 gallons.

B. Schedule of water rates for out-of-city customers on Hwy. 43 South, Cooks Road, Grangeway South, South Grangeway Road, Rosborough Springs Road, Hwy 31, and Brown Road:

1) Minimum for first 1,000 gallons or less:

	<u>Monthly Rate</u>
a) ¾ - 5/8" Meter	\$ 10.49
b) 1" Meter	\$ 15.05
c) 2" Meter	\$ 27.99
d) 3" Meter	\$ 48.98
e) 4" Meter	\$ 97.96
f) 6" Meter	\$ 188.92
g) 8" Meter	\$ 279.87
h) 10" Meter	\$ 384.84
i) 12" Meter	\$ 559.76
j) Multiple-Residential shall be charged a minimum of \$10.49 for each dwelling unit.	
k) For Multiple Non-Residential units served by a single meter, each unit shall be charged a monthly minimum based on meter size.	

2) \$4.38 per 1,000 gallons for all over 1,000 gallons

C. SCHEDULE OF WATER RATES FOR ALL OTHER OUT-OF-CITY CUSTOMERS (out-of-city customer billing is determined by the location of the unit receiving city service, not by the location of the meter).

*The Rate shall be double the regular rates for customers within the City Limits.

D. The City of Marshall reserves the right to negotiate a contract with any customer for water sales and sewer usage at a rate other than those contained herein, should it be in the best interests of the City of Marshall.

E. \$1.87 per 1,000 gallons; the City of Marshall water rate for Cabot/Norit Americas

Water and wastewater operations are accounted for as an enterprise fund in the City's Water Utility Fund consisting of the following:

- Administration
 - Water Production
 - Distribution and Collection
 - Wastewater Treatment
 - Water Billing
 - Engineering
 - Non-Departmental
 - Debt Service
 - Transfer to General Fund
-

The City of Marshall is considering restructuring the water rate design to a tiered conservation rate design to provide incentives for water conservation and is also considering converting its water meters and meter reading system to a fixed base – antenna read type system (AMI) including installation of new meters; the City estimates that its metered loss rate is approximately 8.48%, in large part due to nearly 51% of our water meters being over 15 years of age, with 38.7% overall being over 20 years of age and older. 15 years is the accepted industry standard for meter accuracy and replacement.

3. Scope of Services.

The firm ultimately chosen will provide expert assistance to the City in determining their recommendation(s) of the appropriate meter and reading system for Water Utility and Billing Systems. The RFQ, at a minimum, should include the following:

3.1 Assist the City in evaluation of the best overall meter and reading system options for our utilities operations.

- 3.2 Collection of financial data and operational costs.
- 3.3 Evaluate the economics of the cost/benefit of installing new water meters and an AMI fixed base operating system.
 - 3.3.1 Perform reading sample test on 200 existing various meter locations to evaluate reading efficiency of existing meters
 - 3.3.2 Evaluate current water meter system's non-read loss data.
 - 3.3.3 Evaluate how current operations will change.
 - 3.3.4 Compare current meter reading cost, versus future AMI costs.
- 3.4 Prepare a written report documenting the findings of the study.
- 3.5 Develop a RFP packet and bidders list and assist the City in soliciting competitive proposals.
- 3.6 Assist in evaluation of RFPs received for an AMI water meter and reading system and present evaluation to the City RFQ review committee and City Commission.
- 3.7 Provide construction oversight of meter and equipment installations and any software requirements and integration with existing water billing and city financial operational software.
 - 3.7.1 GPS location of each new meter installation.
 - 3.7.2 Picture of installed meter and location.
- 3.8 Assist with education of City staff and the public.

Please specify in the proposal the actual tasks proposed to be performed and your suggested or anticipated time schedule for each of the above.

4. Information to be provided.

Request for Qualifications from qualified firms must include the following information, as a minimum, in the following order to be considered:

- 4.1 Firm and Project Team Profile. A description of the firm, its history and the services offered in this scope of work, and a description of study project team members, including resumes.
- 4.2 Work Plan. Develop a summary of a work plan, approach, and tasks. Include a brief outline of information that will be required from City staff in a separate appendix.

4.3 Timing. Estimated timeframe required to complete the RFP development process.

4.4 Representative Projects and References. Provide a list of a minimum of three representative projects and references for which the same type of work was performed by the project team members.

4.5 Firm must provide information that supports their knowledge of and experience with:

- Past evaluation and recommendation of municipal AMR or AMI systems (AMI preferred but not required).
- Past conversion of municipal hand-read systems to AMR or AMI systems (AMI preferred but not required).
- Cost of service studies, and customer class cost allocation studies for wholesale and retail public utilities.
- Financial and operational characteristics of municipally-owned utilities.

Only include references for engagements that the members of the assigned project team have worked on. Include the client reference name, address, contact person, telephone, facsimile numbers, and e-mail addresses.

5. Evaluation Criteria.

Request for Qualifications received will be evaluated based on the following criteria:

- Completeness of introductory qualifications proposal and proposed fee.
- Experience in municipal AMR/AMI conversions for other cities, especially in the State of Texas.
- Qualifications of personnel assigned to the study.
- References of the firm; experience from previous cost of service studies with other city water utility or utility companies may also be included in the response. Firms are encouraged to include any written references from other cities or companies where your firm has performed similar type operations.
- Responsiveness to the RFP Proposal, completeness of requested information, clarity, and conciseness.
- Level of understanding of the local socio-economic environment of Marshall, Texas.

Submission of RFQ Proposal: Submit One (1) original and three (3) copies and CD as a PDF file of the proposal (as one file). To the extent permitted by law, all documents pertaining to this RFP will be kept confidential until a contract is awarded. No information about any proposal will be released to the public until the process is complete.

Request for Qualification proposals will be reviewed and evaluated by the following individuals:

- City Manager (or designee)
- City Public Services Director

- City Support Services Director
- City Utility Billing Manager

Evaluation Criteria: The proposals submitted in response to this request will be evaluated by a City evaluation committee. The City will evaluate the qualifications of firms submitting proposals based on, but not limited to, the following criteria and will award points in each category up to the maximum number of points listed.

VENDOR:	MAXIMUM POINTS	SCORE
CRITERIA		
Experience - Related project experience of the firm and the individuals who would be assigned to this Project.	25	
Capacity - Firm's capacity to perform the specific work requested. Ability to perform the work in a satisfactory and timely manner.	25	
Past Performance - Completed projects of similar size/scale, and complexity of past projects including evaluation, procurement, and construction oversight.	25	
Project Understanding - Knowledge and overall experience with similar type(s) of projects and creativity approach.	25	
TOTAL POINTS	100	

Equal Opportunity Requirements – The City of Marshall encourages proposers to include Affirmative Action practices in their employment programs, meaning proposers shall not discriminate against any employee or applicant for employment because of race, color, national origin, religion, sex, age, disability, or political belief or affiliation.

Small, Minority and Women Business Program Requirements – The City of Marshall highly encourages proposers, when joint venturing and/or subcontracting is appropriate, to form joint ventures and/or provide subcontract opportunities to small, minority and women owned firms.

The City of Marshall reserves the right to evaluate each proposal on a separate and individual basis and to invite selected firms to make personal presentations to the RFQ evaluation committee. The City further reserves the right to reject any and all proposals submitted, or accept a proposal deemed most advantageous to the City.

Following the receipt of Request for Qualifications, the evaluation committee will rank in order of preference, those firms whose proposals are deemed most qualified. The City of Marshall may select two or more firms to be interviewed, based on qualifications and cost estimates.

The City of Marshall desires to achieve a cost effective project with a major emphasis on quality.

6. Submission of Request for Qualifications.

Firms are invited to submit a formal sealed Request for Qualification (RFQ) in reply to the above noted project. Requests for Proposals will be accepted until a deadline of:

2:00 PM CT MONDAY, MARCH, 28, 2016

After which time the City of Marshall shall stop accepting Request for Qualifications for the above noted project. Address proposal(s) to the attention of the J.C. Hughes, Public Services Director, City of Marshall, P.O. Box 698, Marshall, Texas 75671 - or – FedEx/UPS/Etc. proposal to 605 East End Blvd South, Marshall, Texas 75670 (the postal service does not deliver regular mail to our Water Plant street address). Proposals must be in a sealed envelope or package, with the RFQ #, opening date and time, and item proposed, clearly marked on the lower left-hand corner of the envelope or package. Proposals will be publicly opened, read aloud, and tabulated in the City of Marshall Water Treatment Plant, 2nd Floor Conference Room, 605 East End Blvd South, Marshall, Texas 75670.

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7. City Contact.

All questions regarding this RFP should be directed to J.C. Hughes at the email address and telephone number listed above.

8. Proposal Calendar of Events.

The following is a proposed calendar of events for the RFQ selection. Dates are subject to change.

Description of Events Date Completed (study portion assumed to be completed in four (4) months)

- Advertise RFQ package beginning Saturday 03/13/2016 and 03/20/2016.
- RFQ due date Monday 03/28/2016 2:00 pm.
- Committee selection of firm(s) for interview Tuesday 04/01/2016.
- Recommendation of selected firm to City Commission for consideration on Thursday 04/14/2016.

- Recommendation by staff of a contract with selected firm and consideration by the City Commission 04-28-16.
- Firm to conduct study and make presentation of draft study and RFP packet and recommendations to Study Evaluation Committee Thursday 06/20/2016. (6 to 8 weeks)
- Presentation of a recommendation to the City Commission of the study findings and RFP packet recommendation 06-23-16.
- Advertise RFP package beginning Saturday 07/02/16.
- RFP due date Tuesday 07/19/16 2:00 pm. (2 weeks)
- Presentation of study and recommendation to City Commission for consideration on Thursday 08/11/2016. (1 week)
- Begin implementation of AMI project Thursday 08/25/2016. (2 weeks)
- Complete AMI installation and begin operations 06/01/2017. (38 to 40 weeks)

9. RFQ Proposal Format

9.1 Separate RFQ in sections as follow:

- Evaluation of meter and meter reading software and system options. (3.1)
- Collection of internal financial data and operational costs. (3.2)
- Evaluation of cost/benefit of installing new meter and AMI system. (3.3 & 3.4)
- Develop RFP packet and bidders list and assist in evaluation of proposal responses and recommendation to review committee. (3.5 & 3.6)
- Construction oversight of meter and metering system installations; education of staff and public. (3.7 & 3.8)
- Total of all elements – City of Marshall reserves the right to proceed or suspend activity under this RFQ based on preliminary evaluations, or if evaluations do not result in a self-sustaining cost/benefit when utilizing an AMI system; the City of Marshall reserves the right to consider and convert the proposed RFP solicitation, based on preliminary evaluations.

10. General Terms and Conditions.

10.1 There is no expressed or implied obligation for the City to reimburse responding firms or individuals for any expenses incurred in preparing proposals to respond to this request.

10.2 During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

10.3 The City reserves the right to retain all RFQs submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the proposer of the conditions contained in this RFQ, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the Service Provider selected.

10.4 Subcontracting. If subcontracting with another firm or individual is proposed that fact, along with the name of the proposed subcontracting firm, must be clearly identified in the proposal. Following the award of the contract, no additional subcontracting will be permitted without the express prior written consent of the City.

10.5 Proposals shall state it is valid for a period of not less than ninety (90) days from the date of receipt of the RFQ proposal by the City.

11. Compensation.

Upon determination of an appropriate detailed scope of work and schedule, compensation will be negotiated with the selected Service Provider. If a mutually acceptable Agreement for services cannot be developed with the selected Service Provider, the negotiations with this Service Provider shall end and the second most qualified Service Provider will be contacted and negotiations with this Service Provider shall begin. This process will continue until a mutually agreeable Agreement is developed with a qualified Service Provider.

12. Confidentiality of Documents.

All proposals submitted will be deemed confidential during the evaluation process. RFQ proposals will not be available for review by anyone other than City personnel and/or authorized agents or representatives of the City. Following award of a contract, all proposals shall become public documents, available for public view upon written request.