

ADVERTISEMENT FOR STATEMENT OF QUALIFICATIONS

The URBANA & CHAMPAIGN SANITARY DISTRICT is soliciting a request for statement of qualifications (RFQ) for a **Wastewater Treatment Financial Planning and Rate Study**. Statements of qualifications will be received until **3:00 PM prevailing time on September 30, 2022** per the instructions in the RFQ. The information package is available on the website (www.u-csd.com). Questions should be directed to Matt Garard, Director of Finance at mgarard@u-csd.com or (217) 367-3409 ext. 1236.

Qualification submittals received after the closing time will not be accepted. The Urbana & Champaign Sanitary District, reserves the right to reject any or all submittals and to waive any informalities in the process.

URBANA & CHAMPAIGN SANITARY DISTRICT

Dated: Wednesday, August 31, 2022

By: Derek Winstanley
Clerk

Request for Statement of Qualifications
for
Professional Services
for a
**Wastewater Treatment Financial Planning
and Rate Study**



Urbana & Champaign Sanitary District
Urbana, IL

August 2022

1. **Submittal Deadline**

- **Submittal Date and Time: SOQs are due no later than 3:00 PM prevailing time on Friday, September 30, 2022 at 1100 E. University Avenue, Urbana, IL.** No proposals will be accepted after this date and time for any reason.

2. **Introduction**

The Urbana & Champaign Sanitary District (the District) wishes to procure professional services for a Wastewater Treatment Financial Planning and Rate Study Report. The District plans to evaluate the proposals and make a recommendation to the Board of Trustees at the Board meeting on November 1, 2022. Information will be provided to the extent UCSD determines it to be necessary for submitting a Statement of Qualifications (SOQ).

Any questions regarding this request should be directed to:

Matt Garard

Director of Finance

Email: mgarard@u-csd.com

Phone: (217) 367-3409 ext. 1236

3. **Description of Entity and General Scope of Work**

UCSD is a special district incorporated under the 1917 Sanitary District Act of Illinois. The District has approximately 50 employees, an annual budget of approximately \$17 million, excluding special capital projects. It is governed by a three-member Board of Trustees appointed by the Champaign County Board.

The District operates two wastewater treatment plants. The Northeast Treatment Plant (NETP) located in Urbana is permitted at 17.3 mgd. The Southwest Treatment Plant (SWTP) located in Champaign is permitted at 7.98 mgd. Services are provided to approximately 41,000 accounts in the Cities of Urbana and Champaign, the Villages of Savoy and Bondville, the University of Illinois, and unincorporated areas surrounding these municipalities.

UCSD provides billing services to Champaign, Urbana, and Savoy for sanitary sewer use fees. Billing services are also provided to Champaign and Urbana for stormwater fees, Urbana for recycling fees, and Bondville for sewer debt recovery fees.

General Scope: The primary objective of this study is to help UCSD staff develop a financial plan and rate structure for at least the next five (5) years which provides adequate revenues sufficient to fund operations, capital improvements, and debt service while being fair, equitable, and publicly responsible. UCSD requests submittals from qualified financial consultants to independently assess and evaluate the District's income and expenses and provide recommendations for an appropriate rate structure. The plan will be structured to meet current and future capital funding needs identified by District staff.

4. **Requirements of Wastewater Treatment Financial Planning and Rate Study**

The following specific items are expected to be addressed in the report:

- Quantify revenue requirements needed to cover all operations and maintenance (O&M) costs.
- Quantify revenue sources and requirements needed to cover current and anticipated debt obligations funded by the O&M, Construction, and Interceptor Cost Recovery Funds.

- Identify possible alternatives for project funding and debt service and the mechanisms and costs associated with alternatives.
- Evaluate long-term liabilities and debt obligations.
- Recommend an amount of cash reserves appropriate for the District's operations.
- Identify and analyze user rate systems to mitigate financial impacts on low-income customers.
- Perform alternative analysis on the options for each level of funding that includes:
 - Expected capital improvements including 2023 SWP Improvements, NEP Phase 1 Improvements, and NEP Phase 2 Projects
 - Expected O&M costs
 - User rate revenues decreases due to lower water consumption
 - Operational costs due to lower discharge limits
 - Permit revenue decreases due to declining development growth
 - Analysis that quantifies the impact of an additional 10% in Capital costs
 - Analysis that quantifies the impact of an additional 10% in O&M costs
 - Analysis that quantifies the impact of a 10% reduction in more than one of the top five income sources
 - Other impacts as identified
- Evaluate and make recommendations regarding the existing user charge rate structures. Evaluate and make recommendations regarding the District's agreement to provide sewer services to the University of Illinois and potential solutions for substantiating the data provide by the University.
- Evaluate and make recommendations regarding the District's connection permit and interceptor cost recovery fee structures including the impact of combining these fees.
- Evaluate and make recommendations regarding the District's trucked waste and industrial pretreatment rates and programs.
- Evaluate and make recommendations regarding the District's collector sewer user rates.
- Prepare a forecast of revenues, expenditures, and capital improvements for each of the funds for a five-year study period. Extrapolate the five-year forecast to 20 years to ensure that funding sources will be adequate to meet debt coverage requirements.
- Provide the District with an Excel model which can be easily used to consider alternative scenarios.
- Provide underlying data supporting analysis and conclusions.
- Review impact of all proposed rate changes on customers.
- Review borrowing capacity.
- Prepare preliminary funding plans for capital intensive projects including 2023 SWP Improvements, NEP Phase 1 Improvements, and NEP Phase 2 Projects.

5. **Special Considerations**

Listed below are a number of special considerations that should be considered in this study.

- Impact of recommended significant improvements to the NETP and SWTP, including the resulting debt burdens.

- The District entered into an agreement in 2014 with Cronus Chemicals, LLC (Cronus) to provide 6.3 mgd of effluent to via a 21-mile force main that will run from the SWTP to the site in Tuscola, IL. Currently this project has not been developed but the District has annually extended its commitment should development eventually occur.

6. **Submittal Requirements**

The SOQ shall be on 8.5" x 11" paper. The minimum font size shall be 11 point. Responses shall be kept concise and be no more than twenty-five (25) pages in length, excluding covers, index pages, or Appendix resumes. A letter of interest or cover letter is not required, but if included, shall be considered as part of the 25-page limit. Submit one original and three (3) copies of the SOQ in an envelope marked "Wastewater Treatment Financial Plan and Rate Study." An electronic PDF of the SOQ is also required to be submitted on a flash drive along with the paper copies.

Mailed SOQs shall be sent to:

Matt Garard, Director of Finance
Urbana & Champaign Sanitary District
P.O. Box 669
Urbana, IL 61803-0669

SOQs sent via other methods shall be delivered to:

Matt Garard, Director of Finance
Urbana & Champaign Sanitary District
1100 E. University Avenue
Urbana, IL 61802

The SOQ shall include the following components in order listed for each section.

1. **Executive Summary** – Include key provisions of the proposal, including understanding of the District's goals, respondent's role on study, brief description of proposed study plan, relevant experience with local governments, and key timeline dates.
2. **Study Team** – Provide brief biographies of key team members' experience on similar studies. Include an estimated percentage of the total study hours that each member or member category is expected to spend on the study. Assign a manager responsible for the study.
3. **Firm Qualifications** – Provide brief firm qualifications such as specialized resources available to the study team or other information deemed relevant. Include firm size, location of primary office for this study, location of offices supporting the study, and firm overview. Provide the same for any subconsultants.
4. **Relevant Experience** – Provide up to five (5) similar study descriptions. For each study description, provide client contact name and phone number, which of the proposed team members were involved, period of services (start and end month and year), approximate contract value, brief summary of services provided, and key technical addressed. Studies that do not include any proposed study team members are not considered as relevant experience and should not be included. If desired, additional relevant experience may be provided in a table format listing client, study name, brief description, completion date, approximate contract value, and team members involved.
5. **Proposed Scope of Services** – Describe a plan of services to meet the study needs and special considerations. Include descriptions of major tasks as needed. This section will be used to

determine that the submitter understands the District's goals and objectives and has an approach to reach them that is consistent with the District's intent. Identify study deliverables, anticipated study meetings, and overall schedule. Outline any special data collection requirements and timeline expected from the District.

7. **Submittal Review**

- **Selection:** The District may choose to make a preliminary selection based upon the SOQs submitted or may choose to short list and interview up to 3 proposers. Once a preliminary selection is made, the District will enter into negotiations on final scope and fee of services. If the District cannot come to terms with the preliminary selection, the District may negotiate with the second selection or restart negotiations.
- **Fees:** Negotiation of fees will include providing an estimated breakdown of task hours by individual team members, direct labor rates, and salary multipliers or billing rates for each team member, as well as a definition of additional expenses to be billed. The Proposer will provide a copy of its standard contract language which is expected to be used for the contract.
- **Confidentiality:** The District will examine the submittals to determine the validity of any written requests for nondisclosure of trade secrets and other proprietary data identified in submitted SOQs. After the award of the contract, all responses, documents, and materials submitted pertaining to this SOQ will be considered public information and may be made available for inspection in compliance with the Freedom of Information Act (FOIA). It will be the responsibility of the consultant to inform the District in writing what information cannot be made part of the public record in accordance with the FOIA and the reasons why it should be withheld. All data and documentation submitted as a result of these contractual services shall become the property of the District.
- **Reserved Rights:** The District reserves the right, at its sole discretion, to use without limitation any of the information, concepts, and data submitted in response to this RFQ, or derived by further investigation thereof. The District further reserves the right to cancel this solicitation, to reject any or all submittals, to supplement, add to, delete from, or otherwise change this RFQ if conditions change. The District may seek clarifications from a Submitter at any time and Submitter's failure to respond promptly may be cause for rejection. The District also reserves the right to interview only those consultants it determines will be most advantageous for this study, to make a selection without interviews, and to negotiate with one or more Submitters deemed acceptable by the District.
- **Incurred Costs:** The District will not be liable for any costs incurred by Submitters in replying to this RFQ.
- **Addenda:** If deemed necessary, prior to the receipt deadline, the District may issue addenda in writing which modify or interpret the RFQ by addition, deletion, clarification, or correction. Addenda will be issued via email to all parties who have indicated via email the intent to submit an SOQ. The District will not be responsible for potential submitters who do not receive the addenda which are not listed with the District as potential submitters for this study. Submittal of an SOQ shall be taken to mean that such consultants have received all addenda and that the consultants are familiar with the terms and requirements thereof.

8. **Evaluation Criteria**

The selection committee will be members of the District management staff. The following criteria will be used to evaluate the submittals:

- Study Team

- Firm Qualifications
- Relevant Experience
- Proposed Scope of Services
- Overall Impression