

# TOWN OF ORO VALLEY

## NOTICE OF REQUEST FOR PROPOSALS #13011

Notice is hereby given that the Town of Oro Valley is conducting a competitive proposal process with the intent of contracting for a consultant to perform a cost of service study for Oro Valley Water. All inquiries for information regarding this solicitation should be directed to: Brian Garrity at [bgarrity@orovalleyaz.gov](mailto:bgarrity@orovalleyaz.gov).

### **Due Date**

Sealed Proposals will be received until **December 7, 2012 at 4:00 PM**

Proposals should be mailed or hand delivered to:

Town of Oro Valley, Town Clerk  
11000 N. LaCañada Drive  
Oro Valley, Arizona 85737

### **Pre-Proposal Conference**

November 15, 2012 at 10:00 AM

Town of Oro Valley Administration Building  
Kachina Conference Room  
11000 N. La Cañada Dr., Oro Valley, AZ 85737

### **Description**

The Town of Oro Valley will be selecting a consultant to perform a Cost of Service Study for the Oro Valley Water Utility to determine if the existing water rate structure is equitably recovering its costs across all user classifications.

A copy of this solicitation and possible future addenda may be obtained from our Internet site at: [http://www.orovalleyaz.gov/Town\\_Government/Procurement.htm](http://www.orovalleyaz.gov/Town_Government/Procurement.htm). Internet access is available at the Oro Valley Public Library as well as all Tucson-Pima Public Libraries.

Any interested bidder without Internet access may obtain a copy of this solicitation by calling (520) 229.4722, or a copy may be picked up during regular business hours at 11000 N. La Canada Drive, Oro Valley, Arizona 85737.

**The Town of Oro Valley takes no responsibility for informing recipients of changes to the original solicitation document.** It is the Offeror's responsibility to obtain a copy of any addenda relevant to this solicitation. Failure to submit addenda with the solicitation response may be grounds for deeming a bid non-responsive.

Post Date: November 2, 2012  
Publishing Date: November 5, 2012

REQ: Town of Oro Valley  
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# **Request for Proposals #13011**

## **For**

# **COST OF SERVICE STUDY**

### **Due Date**

December 7, 2012 at 4:00 PM  
Town of Oro Valley  
11000 N. La Cañada Dr.  
Oro Valley, AZ 85737

### **Pre-Proposal Conference**

November 15, 2012 at 10:00 AM  
Town of Oro Valley Administration Building  
Kachina Conference Room  
11000 N. La Cañada Dr., Oro Valley, AZ 85737

### **Oro Valley Water Utility**

Shirley Seng  
Water Utility Administrator  
520.229.5013  
[sseng@orovalleyaz.gov](mailto:sseng@orovalleyaz.gov)

## I. INTRODUCTION

The Town of Oro Valley will be selecting a consultant to perform a Cost of Service Study for the Oro Valley Water Utility to determine if the existing water rate structure is equitably recovering its costs across all user classifications.

## II. BACKGROUND

The Town of Oro Valley (Town) was founded in 1974. At that time, water service to the residents of Oro Valley was provided by four different water providers. In 1996, the Town purchased two private water utilities to establish a municipal water utility which is currently called the Oro Valley Water Utility (Utility). The water system is managed by the Utility, a self-supporting enterprise fund of the Town. The Utility is the retail provider of water service to all residents in the Town except for about 1500 residents as well as some of the commercial entities along Oracle Road near the southern boundary of the Town. These residents and commercial entities are served by Tucson Water and the Metropolitan Domestic Water Improvement District. The Utility is also the retail provider of water service to a satellite water service area located approximately 12 miles west of the Town known as the Countryside water service area.

### A. Existing Facilities

Major facilities in the potable water system include supply wells, transmission pipelines, distribution pipelines, storage reservoirs, pumping facilities and pressure reducing facilities. The Town maintains 22 active wells for supplying domestic water to its service area. There are over 350 miles of transmission and distribution pipelines ranging in size from 4-inch to 16-inch. There are 19 storage reservoirs with a total capacity of 11.6 million gallons. The 25 booster pumping stations deliver water to higher elevation pressure zones. Twenty-five (25) pressure reducing stations deliver water from higher to lower pressure zones.

The Town maintains a major potable water system interconnection which provides capacity to receive Central Arizona Project (CAP) water that is wheeled to the Town through Tucson Water facilities. This interconnection was completed in January 2012. It is anticipated that the Town will take delivery of approximately 1500 acre feet of CAP water annually. The CAP water is blended as it enters the Utility's potable water distribution system. Other than disinfection, no other treatment is undertaken prior to delivery.

Major facilities in the reclaimed water system include a 1.5 million gallon reservoir, approximately 15 miles of transmission and distribution pipeline ranging in size from 8-inch to 24-inch, disinfection equipment and 2 pumping facilities to distribute reclaimed water for turf irrigation to 5 golf courses and the athletic fields at one elementary school.

The Town has already installed Automated Metering Infrastructure (AMI) in the Countryside water service area. AMI includes stationary towers and antennas, electronic meters and SmartPoint transceivers. Installation of AMI in the rest of the service area will begin this fiscal year and will be phased in over the next 3 or 4 years. During this fiscal year, the Town will be replacing approximately 2,900 water meters. Once the project is complete, approximately 18,600 meters with advanced technology will allow for two-way communication with the Utility and will provide customers with real time usage data to help them conserve water. The Utility anticipates financing a portion of this project in the amount of \$4.5 million.

### B. Water Supply

During fiscal year 2011-12, the Town obtained 68% of its potable water supply from groundwater wells located within its two water service areas. Approximately 7% of the potable supply came from CAP water that was wheeled through Tucson Water facilities. The remaining 25% of water deliveries was reclaimed water that was also wheeled through Tucson Water facilities to the Town

for turf irrigation. It is anticipated that over the next five years, the Town will continue to wheel approximately 1500 acre feet of CAP water annually for potable uses proportionately reducing the volume of groundwater pumped.

### **C. Water Rates, Fees and Charges**

Water system operations, maintenance, personnel, existing system capital improvements and related debt service are entirely funded from water rates, fees and charges. Water rates are reviewed annually pursuant to the Mayor and Town Council Water Policies. The Oro Valley Water Utility Commission is a seven (7) member advisory board whose charges include making recommendations on water rates. Water rates are subject to approval by the Town Council. Rates, fees and charges are adjusted as needed to meet budgetary requirements. Water rates are not subject to regulation by the Arizona Corporation Commission or by any other State agency.

Water rates are composed of (i) a base rate or service charge component designed to recover a portion of the fixed costs of the water system, and (ii) a commodity charge calculated on the volume of water used to recover the remaining fixed costs of the water system as well as the demand-related costs. The commodity charge is a tiered structure designed to encourage water conservation.

The base rate or service charge for all customers is based on the size of the water meter. The base rates for potable and reclaimed water use customers are the same. The commodity rates for potable water use are the same for each tier regardless of the meter size; however, the volume of water included in each tier varies depending on the size of the water meter. The commodity rate for reclaimed water use is a flat rate equal to Tier 1 of the potable water rates.

Included in the fees charged by the Utility is the Groundwater Preservation Fee (GPF). This is a flat fee calculated on the volume of water used. These fees are collected to specifically pay for the planning and development of renewable water resources. Revenue received from the GPF is deposited into the Alternative Water Resources Development Impact Fee Fund which is described below.

### **D. Water Utility Funds**

The Utility is comprised of three (3) individual funds that were established for specific purposes and are known as: the Operating Fund; the Alternative Water Resources Development Impact Fee Fund; and the Potable Water System Development Impact Fee Fund. The revenue and expenditures of all three funds are combined within a financial analysis primarily to determine if the Utility meets the debt service coverage requirements. Otherwise, each fund is independent with regard to revenue and expenses. The revenue from the individual impact fee funds may not be consolidated nor used for any purpose other than for which they were originally established.

The Operating Fund of the Utility receives revenue from water sales, meter fees, construction inspection fees and other service fees and charges. This revenue is used to finance the operations of the potable and reclaimed water systems including: personnel, operations & maintenance, capital improvements to the existing potable and reclaimed water systems, and related debt service.

The Alternative Water Resources Development Impact Fee Fund receives its revenue from Groundwater Preservation Fees and Alternative Water Resources development Impact Fees assessed when new water meters are purchased. This revenue is used to finance renewable water resource studies, renewable water sources of supply, renewable water infrastructure and related debt. The adjustment of Alternative Water Resources Development Impact Fees and the Groundwater Preservation Fees are specifically excluded from this analysis; however, the projected revenue and expenses will be an integral part of the financial projections.

The Potable Water System Development Impact Fee Fund receives its revenue from Potable Water System Development Impact Fees assessed when new water meters are purchased. The revenue generated from the impact fees is used to finance growth or expansion related capital improvements to the potable water system. The adjustment of Potable Water System Development Impact Fees is specifically excluded from this analysis; however, the projected revenue and expenses will be an integral part of the financial projections.

#### **E. Financial Policies**

The Oro Valley Water Utility was established as a financially self-supporting enterprise fund of the Town of Oro Valley with all costs associated with the operation of the Utility to be funded from revenues derived from the sale of water and other water-related income sources. It receives no monies from the General Fund. The Utility does transfer money to the General Fund to pay for administrative services including financial, legal, information technology, rent, insurance, and fleet maintenance.

The Town of Oro Valley Mayor and Town Council Water Policies, as amended 12/5/07, provide policies related to cash reserve requirements; debt service coverage requirements; and the establishment of water rates.

Financial matters, including potential new or adjusted water rates, fees, and/or charges are presented to the Oro Valley Water Utility Commission for their recommendation prior to submitting the information to the Town Council.

### **III. SCOPE OF SERVICES**

The selected firm ("Consultant") shall conduct a cost of service study which will involve the performance of several required tasks with the detailed findings resulting from the completion of all tasks. Consultant should complete a draft report within 120 calendar days from Notice to Proceed and provide a final report with supporting documentation by June 7, 2013. The specific tasks and responsibilities associated with each phase are outlined below.

#### **A. General:**

Consultant shall organize and lead a "kick-off" meeting to include all identified participants in the project. The purpose of the meeting will be to identify the Project Committee, verify needs, schedule, and goals of the work to take place. Consultant shall define all targets, meetings, reviews and deliverables on a master schedule. Consultant will report to the Utility's Project Manager and the Project Committee. Consultant shall prepare minutes of all meetings between the Utility and Consultant for review and approval by the Utility. Consultant shall prepare a Master Project Schedule and Monthly Project Budget encompassing the entire project for review and approval by the Utility. Consultant shall base the initial schedule upon information developed by Consultant and provided by the Utility. Consultant shall then be responsible for maintaining and updating the schedule on a monthly basis during the course of the project. Consultant shall submit each schedule revision to the Town for review and approval.

#### Current Rate Structure Analysis:

Consultant will evaluate, benchmark, and compare to industry standards the current rates with regard to achieving revenue sufficiency, stability, and sustainability and ensuring full costs recovery for services provided.

#### Cost of Service and Fees Analysis:

Consultant shall identify all direct and indirect costs associated with providing water service to all customers. These costs will include, but are not limited to: ongoing O&M, direct operating expenses, salaries, overhead, materials, debt service, general fund transfer, and indirect costs. Information may be compiled from various sources, including the Utility's Capital Improvement Plan, Water System Master Plan, Comprehensive Annual Financial Report (CAFR), Budget, Water Utility Annual Report, past studies and interviews with Utility staff.

#### Proposed (Alternate) Water Rates and Fees:

After analyzing current rates and fees, Consultant will propose alternate rates and fees scenarios to achieve revenue sufficiency, stability, sustainability, meet debt service coverage requirements, and ensure full cost recovery for services provided. Based on analysis of the current rates, Consultant should also recommend revisions to the current water rates structure that would continue to promote water conservation and provide cost recovery equitably across all customer classifications. One of the major elements of this study will be to determine the rate structure as it pertains to residential and commercial customers. Projected cash flow patterns should be provided for each alternative. Consultant shall identify other potential areas for service and system charges and recommended changes necessary to support services.

Consultant will explore the opportunity for and legality of differential rates based on cost of service. Consultant will also propose alternatives that ensure the Town remains eligible for consideration of grants and loans. If significant changes are expected, Consultant will propose alternatives with phased-in rates and fees to avoid undue hardship on water customers.

#### Compatibility with Billing Software:

Consultant will ensure that the Utility's billing software will accommodate any proposed rate and fee changes.

#### Water Rate Model:

Consultant shall utilize their findings to develop a Model using Excel software. Consultant shall teach Town staff how to use the Model in the future to project water rates necessary to support all costs associated with providing water service. The Model shall include a five-year planning period in which varying revenue, expense, capital projects, and customer growth rates are addressed. The Model shall also include costs necessary to meet anticipated demands associated with future growth over the five-year planning period. Consultant shall describe how the Town will implement the new rate structure and how often it should be reviewed. Consultant shall teach Town staff how to use the Model.

#### Rate Structure:

Based on the five-year Model, Consultant shall apply the selected service allocation methodology to identify the optimum rate structure to ensure the Utility continues to be self-supporting. Consultant shall summarize how the water fees would impact the operating revenue, O&M expenses, debt service payments, rate funded capital needs, and any other identified revenues or expenses related to Utility operations. Consultant shall prepare an implementation plan for the new structure and evaluate the feasibility of phasing various recommendations if necessary.

#### Study Recommendations:

Consultant shall incorporate the following recommendations into the cost of service study:

- Rate structure for potable and reclaimed water for all customer classifications;
- Modifications and/or additions to customer service fees and charges;
- Impacts of changes to rate structure and fees; and
- Other recommendations as appropriate.

#### Deliverables:

Consultant will complete all tasks and prepare a written report, which shall include: an executive summary, methodologies, detailed findings, various scenarios for rate structures and the modification of existing and/or the establishment of new fees and charges, comparisons to other regional water utilities, recommendations for the Utility's consideration, and any impacts the recommendations would have on water customers.

Five (5) draft copies of the report will be given to the Water Utility Administrator for comment and review prior to final printing. Once approved for final submission, Consultant shall provide the final report in WORD, Excel and Adobe PDF format along with five (5) original, printed, and bound copies. All written and electronic documents, including but not limited to data compilations, studies, models and reports which are prepared in the performance of this project shall remain the property of the Town and will be delivered to the Project Manager before final payment to Consultant.

Presentations and Meetings:

In addition to working meetings with Town staff, Consultant may be requested to attend one (1) meeting the Water Utility Commission.

#### **IV. Financial Considerations**

- A.** For services rendered under the resulting contract, the Town shall pay the Consultant based on the amounts as agreed upon between the Consultant and the Town which include overhead, profit and all other costs associated with performing services under the Contract. If the Scope of Services or the Project budget increases or decreases significantly, the amounts of compensation shall be revised in accordance with Town procedures.
- B.** Progress payments will be made consistent with Town procedures. The Consultant shall prepare Pay Requests for the amount representing the actual value of the services rendered and submit these forms to the Project Manager for approval and processing.
- C.** Consultants shall not be reimbursed for normal business use mileage within Pima County. Work requiring travel outside of Pima County shall include reimbursement for travel and per diem expenses paid per current Town allowances. Vehicle usage, lodging, and per diem expenses for out of town consultants must be identified and approved in the consultant's cost proposal.
- D.** Consultant shall consider normal computer usage for daily activities as a part of overhead. Computer time for complex graphics, computer dedicated to field activities or computer time for numerical modeling as needed for a specific task must be identified and approved in the consultant's price proposal.
- E.** Reimbursable Expenses (which are all not-to-exceed allowances) shall be paid at cost to consultant and shall include no markup. Pay Requests shall be submitted with documentation of incurred expenses for reimbursement as approved expenses are incurred but not to exceed the amount agreed upon by the Consultant and the Town.

## INSTRUCTIONS TO OFFERORS

### 1. DEFINITION OF KEY WORDS USED IN THE SOLICITATION:

For purposes of this solicitation and subsequent contract, the following definitions shall apply:

**Addendum:** A document issued by the Town that has the effect of modifying, clarifying, adding to or deleting specifications, scope, and terms or conditions of the solicitation.

**Amendment:** A document issued by the Town that modifies the specifications, scope or terms and conditions of a contract.

**Contract:** The legal agreement executed between the Town and the Contractor/Consultant. The Contract shall include this RFP document incorporated herein by reference, all terms, conditions, specifications, scope of work, addenda, amendments, the Contractor's offer and negotiated items as accepted by the Town.

**Contractor/Consultant:** The individual, partnership, or corporation who, as a result of the competitive solicitation process, is awarded a contract by the Town.

**Contract Representative:** The Town employee or employees who have specifically been designated to act as a contact person or persons to the Contractor, and is responsible for monitoring and overseeing the Contractor's performance under this Contract.

**Procurement Agent:** The central contracting authority for the Town.

**May:** Indicates something that is not mandatory but permissible.

**Offeror:** The individual, partnership, or corporation who submits a proposal or offer in response to a solicitation.

**Shall, Will, Must:** Indicates a mandatory requirement. Failure to meet these mandatory requirements, if they constitute a substantive requirement, may, at the Town's sole discretion, result in the rejection of a proposal as non-responsive.

**Should:** Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the Town may, at its sole option, ask the Offeror to provide the information or evaluate the proposal without the information.

**Town:** The Town of Oro Valley, Arizona.

**2. PRE-PROPOSAL CONFERENCE:** If scheduled, the date and time of a Pre-Proposal conference is indicated on the cover page of this document. Attendance at this conference is not mandatory. The purpose of this conference will be to clarify the contents of this Request for Proposal in order to prevent any misunderstanding of the Town's position. Any doubt as to the requirements of this Request for Proposal or any apparent omission or discrepancy should be presented to the Town at this conference. The Town will then determine the appropriate action necessary, if any, and may issue a written addendum to the Request for Proposal. Oral statements or instructions will not constitute an addendum to this Request for Proposal.

**3. INQUIRIES:** Any question related to the solicitation shall be directed to the contact person whose name appears on the cover page. The contact person may require any and all questions be submitted in writing. Offerors are encouraged to submit written questions via electronic mail or facsimile, at least five days prior to the solicitation due date. Any correspondence related to a solicitation should refer to the appropriate

solicitation number, page and paragraph number. An envelope containing questions should be identified as such, otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written addendum to the solicitation will be binding.

- 4. SOLICITATION ADDENDUM:** The Offeror shall acknowledge receipt of a solicitation addendum by signing and returning the document by the specified due date and time. The Request for Proposals with Information for Respondents, Supplemental Project Information, any future Addenda may be obtained from the Town's website: <http://www.orovalleyaz.gov/Procurement/>. **It is the sole responsibility of the Respondent to obtain, review, and acknowledge any addenda that may be published on the Town's website.**
  
- 5. FAMILIARIZATION OF SCOPE OF WORK:** Before submitting a response, each offeror shall familiarize itself with the Scope of Work, laws, regulations and other factors affecting contract performance. The Offeror shall be responsible for fully understanding the requirements of the subsequent Contract and otherwise satisfy itself as to the expense and difficulties accompanying the fulfillment of contract requirements. The submission of a response will constitute a representation of compliance by the Offeror. There will be no subsequent financial adjustment, other than that provided by the subsequent Contract, for lack of such familiarization.
  
- 6. PREPARATION OF RESPONSE:**
  - A. All proposals shall be on the forms provided in this solicitation package. It is permissible to copy these forms as required. Facsimiles or electronic mail proposals shall not be considered.
  - B. The Offer page, Price Page if applicable and any solicitation addenda must be signed and returned with the response.
  - C. The Offer page shall be signed by a person authorized to submit an offer. An authorized signature on the Offer page, Proposal addenda, or cover letter accompanying the proposal documents shall constitute an offer to sell the good and/or service specified herein.
  - D. In case of error in the extension of prices in the proposal, unit price shall govern when applicable.
  - E. Periods of time, stated as a number of days, shall be in calendar days unless otherwise specified.
  - F. It is the responsibility of all offerors to examine the entire solicitation package and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a response. Negligence in preparing a response confers no right of withdrawal after due date and time.
  - H. The Town shall not reimburse the cost of developing, presenting, submitting or providing any response to this solicitation.
  
- 7. TAXES:** Sales taxes shall not be included in the price information.
  
- 8. SUBMITTAL FORMAT:** **An original and 5 hard copies (6 total) and an electronic copy on usb or flash drive of each response should be submitted on the forms**

**and in the format specified in the solicitation.** The material should be in sequence and related to the solicitation. The sections of the submittal should be tabbed, clearly identifiable and should include a minimum of the following sections: the completed Offer Page, all signed addenda and the Offeror's response to the Evaluation Criteria including the completed Price Page (if applicable). Failure to include the requested information may have a negative impact on the evaluation of the submittal.

**9. EXCEPTIONS TO CONTRACT PROVISIONS:** A response to any solicitation is an offer to contract with the Town based upon the contract provisions contained in the Town's Standard Contract (attached), the specifications, scope of work and any special terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the contract cannot be modified without the express written approval of the Procurement Agent. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Procurement Agent, the contract provisions contained in the Town's solicitation document and standard contract shall prevail. **NO EXCEPTIONS OR REVISIONS TO THE INDEMNIFICATION PROVISION OF THE STANDARD CONTRACT SHALL BE CONSIDERED.**

**10. PUBLIC RECORD:** All proposals submitted in response to this solicitation shall become the property of the Town and shall become a matter of public record available for review subsequent to the award notification.

**11. CONFIDENTIAL INFORMATION:** The Town is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, or correspondence contains information that should be withheld, a statement advising the Procurement Agent of this fact should accompany the submission and the information shall be so identified wherever it appears. The Town shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.

**12. CERTIFICATION:** By signature on the Offer page, solicitation addenda, or cover letter accompanying the submittal documents, Offeror certifies:

- A. The submission of the offer did not involve collusion or other anti-competitive practices.
- B. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal or State law.
- C. The Offeror has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, meal or service to a public servant in connection with the submitted offer.
- D. The Offeror hereby certifies that the individual signing the submittal is an authorized agent for the Offeror and has the authority to bind the Offeror to the Contract.

- 13. RESPONSES TO THIS SOLICITATION:** In order to be considered, the Offeror must complete and submit its response to the Town Clerk at 11000 N. LaCanada Dr., Oro Valley, AZ 85737, prior to or at the exact date and time indicated on the Notice page. The Offeror's response shall be submitted in a sealed envelope. The words "SEALED PROPOSAL" with the REQUEST FOR PROPOSAL TITLE, REQUEST FOR PROPOSAL NUMBER, PROPOSAL DUE DATE AND TIME and OFFEROR'S NAME AND ADDRESS shall be written on the envelope.
- 14. LATE PROPOSALS:** Late proposals will be rejected and returned unopened.
- 15. OFFER AND ACCEPTANCE PERIOD:** In order to allow for an adequate evaluation, the Town requires an offer in response to this solicitation to be valid and irrevocable for one hundred twenty (120) days after the proposal due date and time.
- 16. WITHDRAWAL OF OFFER:** At any time prior to the specified solicitation due date and time, an offeror may formally withdraw the offer by a written letter, facsimile or electronic mail from the Offeror or a designated representative. Telephonic or oral withdrawals shall not be considered.
- 17. DISCUSSIONS:** The Town reserves the right to conduct discussions with offerors for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.
- 18. CONTRACT NEGOTIATIONS:** Negotiations may be conducted with responsible offeror(s) for the purpose of altering or otherwise changing the conditions, terms and price of the proposed contract unless prohibited. Offerors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors.
- 19. UPON NOTICE OF INTENT TO AWARD:** The apparent successful offeror shall sign and file with the Town, within ten (10) days after Notice of Intent to Award, all documents necessary to the successful execution of the Contract.
- 20. AWARD OF CONTRACT:** Notwithstanding any other provision of the solicitation, the Town reserves the right to:
- (1) waive any immaterial defect or informality; or
  - (2) reject any or all proposals, or portions thereof; or
  - (3) reissue the solicitation.

## EVALUATION REQUIREMENTS

### I. EVALUATION CRITERIA

- A. Qualifications of the Firm / Team
- B. Firm / Team Experience on Similar Projects
- C. Project Understanding and Approach
- D. Price Proposal

### II. REQUIREMENTS SPECIFIC TO EVALUATION CRITERIA:

The narrative portion and the materials presented in response to this Request for Proposal should be submitted in the same order as requested and must contain, at a minimum, the following:

#### A. QUALIFICATIONS OF THE FIRM / TEAM (25)

- 1. A brief history of the Offeror's firm, including how long the Offeror has been in business performing services as requested in the Scope of Work.
- 2. A list of specific qualifications the Offeror, staff or subcontractor has in supplying the services listed in this solicitation, including any applicable professional designations, certifications or licenses, etc.
- 3. Identify the project principal, project manager, key staff, subcontractors, and their qualifications and experience as it relates to this project. Resumes of key personnel and subcontractors (if applicable) shall be submitted as part of the proposal.
- 4. Time commitment of key team members.
- 5. Any unique qualifications or characteristics of key team members.

#### B. FIRM / TEAM EXPERIENCE ON SIMILAR PROJECTS (20)

Provide the experience of the proposed firm / team on similar projects. Identify type and location of similar work to illustrate the work quality. Show how the experience relates to this particular project.

- 1. A list of at least three (3) previous and current contracts, which are considered identical or similar to the Scope of Work herein. For each client listed, please include the name and phone number of a reference who is able to comment on the related experience.
- 2. A list of subcontractors (if applicable), and their respective experience and success on similar projects. The Town reserves the right to approve or deny proposed subcontractors.

#### C. PROJECT UNDERSTANDING AND APPROACH (40)

Offeror shall prepare a detailed method of Approach, which indicates the service proposed to be performed by the Offeror. This should address in depth, how Offeror plans to meet the requirements of the project. The method and approach should be

addressed in a manner that reflects understanding and commitment to providing services as needed in a professional and timely manner.

- a. Formulate a basic course of action, or consider preliminary alternative approaches which will be meaningful in meeting the goals and objectives of the project.
- b. Provide an approach that is realistic, clear, and concise.
- c. Provide an approach that presents a basic understanding for potential impacts, impediments, and conflicts.

**D. PRICE PROPOSAL (15)**

Provide price proposal as requested on the Price Page attached herein.

**III. GENERAL**

**A. Shortlist:**

The Town reserves the right to shortlist the offerors on all of the stated criteria. However, the Town may determine that shortlisting is not necessary.

**B. Interviews:**

The Town reserves the right to conduct interviews with some or all of the offerors at any point during the evaluation process. However, the Town may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The Town shall not reimburse the offeror for the costs associated with the interview process.

**C. Additional Investigations:**

The Town reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any offeror submitting a proposal.

**D. Prior Experience:**

Experiences with the Town and entities that evaluation committee members represent may be taken into consideration when evaluating qualifications and experience.

## SPECIAL TERMS AND CONDITIONS

### 1. INSURANCE

The Consultant agrees to obtain insurance coverage of the types and amounts required consistent with the coverage limits shown below.

<u>Coverage Afforded</u>	<u>Limits of Liability</u>
Worker's Compensation Employer's Liability	Statute \$100,000
Commercial General Liability Insurance (including blanket contractual and premises/operations)	\$1,000,000 - Bodily Injury Combined Single Limit \$100,000 Property Damage
Comprehensive Automobile Liability (includes contractor's owned, hired, or non-owned vehicles, assigned to or used in performance of the work)	\$1,000,000 – Bodily Injury and Property Combined Single Limit Each Occurrence

The Consultant shall provide satisfactory certificates on the required insurance coverage before beginning work. All policies shall contain an endorsement providing that written notice be given to the Town at least thirty (30) calendar days prior to termination, cancellation or reduction in coverage policy. Insurance policies shall remain in force until all work has been completed and the completed project has successfully fulfilled its warranty period. If a policy does expire during the life of the Contract, a renewal certificate of the required coverage must be sent to the Town of Oro Valley not less than five (5) workdays prior to expiration date. Each certificate shall include project description, project number and the signed acknowledgement of the insurance company.

The Town of Oro Valley shall be included as an additional insured **and endorsement provided** on all policies except Worker's Compensation. Policies for General, Automobile, and Excess Liability are primary over any insurance available to the Town and as to any claims resulting from the Contract, it being the intention of the parties that the insurance policies so effected shall protect both parties and be primary coverage for any and all losses covered by the described insurance.

In regard to General, Automobile, and Excess Liability, the Consultant agrees to indemnify, defend and save harmless the Town of Oro Valley, its Mayor and Council, appointed boards and commissions, officials, officers, employees, individually and collectively from all losses, claims, suits, actions, payments and judgments, demands, expenses, attorney's fees, defense costs, or actions of any kind and nature resulting from personal injury to any person, including employees of the Consultant or any subcontractor employed by the Consultant (including bodily injury and death) or damages to any property, arising or alleged to have arisen out of the negligent performance of the Consultant for the work to be performed hereunder, except any injury or damages arising out of the sole negligence of the Town, its officers, agents or employees. The amount and type of insurance coverage requirements set forth in the Contract will in no way be construed as limiting the scope of indemnity in this paragraph.

### 2. KEY PERSONNEL

The Consultant must provide an adequate staff of qualified and experienced personnel to provide services under the contract. The Consultant agrees that, once assigned to work under this contract, key personnel shall not be removed or replaced without written notice to the Town. If key personnel are not available to work under this contract for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the

Consultant shall immediately notify the Town, and shall, subject to the concurrence of the Town, replace such personnel of substantially equal ability and qualifications. The Town reserves the right to require replacement of assigned personnel when this is deemed to be in the Town's best interest. Upon such notice, the Consultant **shall promptly assign a new appropriately qualified and experienced employee.**

## **STANDARD TERMS AND CONDITIONS**

### **SECTION I – DESCRIPTION OF PROJECT / SCOPE OF WORK**

Services to be rendered under this agreement shall be negotiated and agreed to by the Consultant and the Town prior to issuance of Notice to Proceed. The detailed list of services and any required deliverables and or milestones shall be documented in the resulting contract. Any changes to the scope shall be authorized in writing by the Town in accordance with Section VIII prior to services being rendered.

### **SECTION II – PAYMENT SCHEDULE**

The negotiated fee process shall be utilized for this Contract. For services rendered under this agreement, the Consultant shall be paid in accordance with the negotiated fee schedule. Payment shall be made monthly on the basis of progress reports. Consultant must provide a clear, detailed invoice reflecting items being billed for, a summary sheet showing percentage of work completed to date, amount/percent billed to date and current status of all tasks within the project with backup support documentation. Work schedule updates will be included in the monthly progress payment reports.

### **SECTION III – PERIOD OF SERVICE**

Following receipt of a Notice to Proceed with the work, the Consultant shall complete all services rendered under this agreement within the negotiated number of consecutive calendar days after Notice to Proceed is issued by the Town. In the event delays are experienced beyond the control of the Consultant, the completion date may be extended by mutual written agreement between the Town and the Consultant.

### **SECTION IV – APPROVALS**

All work shall be subject to approval by the designated Town Project Manager or designee.

Consultant agrees to exercise the skill and care which would be exercised by professionals performing similar services at the time and in the locality. If failure to meet these standards results in faulty work, Consultant shall undertake at its own expense the corrective adjustments or modifications.

### **SECTION V – INDEMNIFICATION**

The Consultant agrees to indemnify, defend, and save harmless the Town, its Mayor and Council, appointed boards and commissions, officials, officers and employees individually and collectively from all losses, claims, suits, demands, expenses, subrogations, attorney's fees or actions of any kind and nature arising out of the Consultant's negligence or any subcontractor employed by the Consultant including bodily injury and death, damages to any property or any other losses, claims, suits, demands and/or expenses arising or alleged to have arisen out of the work performed, except any injury or damages arising out of the sole negligence of the Town, its officers, agents or employees. The amount and type of insurance coverage requirements set forth in Section VII will in no way be construed as limiting the scope of indemnity in this paragraph.

### **SECTION VI – REPORTING**

Written monthly reports, together with updated work schedules, will be made by the Consultant in the format prescribed by the Town. These reports will be delivered to the Town no later than the fifth day of each month. When requested by the Town, the Consultant will attend Council meetings and provide finished documents including correspondence, supporting charts, graphs, drawings and colored slides for Council action.

### **SECTION VII – INSURANCE**

Proof of insurance as detailed in the Special Terms and Conditions shall be required prior to contract execution.

### **SECTION VIII – AMENDMENTS**

Whenever a change in the scope of work is determined to be necessary, the work will be performed in accordance with the Contract provided. Before a change in the scope of work is implemented, an amendment shall be executed by the Town and the Consultant. Additions to, modifications of or deletions from the project may be made and the compensation to be paid to the Consultant may be adjusted accordingly by mutual written agreement of the contracting parties. It is agreed that no claim for extra work by the Consultant will be allowed by the Town except as provided, nor shall the Consultant do any work not covered by this Contract unless the work is authorized through an amendment and signed by both parties **PRIOR** to starting any additional work.

TIME IS OF THE ESSENCE for this Contract. When the Consultant submits a request for additional time for which work must be completed in a contract, justification outlining the reason for applying for the extension must be provided and a date the work **will** be completed. If the extension is agreed to and signed by the Town and the Consultant, it binds the Consultant to complete the work by the extended date designated in the amendment unless the delay in completion of the work by the Consultant results from an unforeseeable cause beyond the control and without the fault or negligence of the Consultant. It is agreed the Town's only liability for delay from any cause shall be limited to granting a time extension to the Consultant. There is no other obligation, expressed or implied, on part of the Town to the Consultant for delay from any cause.

### **SECTION IX – TERMINATION**

This Contract may be terminated at any time by mutual written consent, or by the Town, with or without cause, upon giving thirty (30) days written notice. If this Contract is terminated, the Town shall be liable only for payment for services rendered and accepted by the Town before the effective date of termination.

The Town reserves the right to terminate in whole or any part of this Contract due to the failure of the Consultant to carry out any term or condition of the Contract. The Town will issue a written notice of default to the Consultant for failing to perform the stipulations, conditions or services/specifications required in this Contract. The Consultant shall have 5 days from receipt of the notice to rectify the failure or establish a plan for remedy. Consultant shall provide documentation of the remedy or proposed plan for approval by the Town.

The Town may terminate this Contract for cause if:

- A. In the opinion of the Town, the Consultant attempts to impose personnel, materials or services of an unacceptable quality;
- B. In the opinion of the Town, the Consultant fails to furnish the required services and/or deliverable within the time stipulated in the Contract;

- C. In the opinion of the Town, the Consultant fails to make progress in the performance of the requirements of the Contract;
- D. The Consultant gives the Town a positive indication that the Consultant will not or cannot perform to the requirements of the Contract.

If funds that are appropriated or allocated for the payment of obligations under this Contract are not allocated by the Town and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the Town at the end of the period for which funds are available. The Town will notify the Consultant in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the Town in the event that this provision is exercised, and the Town shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

Upon Notice of Termination the Consultant shall apprise the work the Consultant has completed and submit this appraisal to the Town for evaluation.

The Consultant shall receive as compensation for services performed through the date of such termination, a fee for the percentage of work actually completed. This fee shall be a percentage of the Consultant fee described in this Contract and shall be in the amount mutually agreed to between the Consultant and the Town. The Town shall make this final payment within sixty (60) days after the Consultant has delivered the last of the partially completed or services or deliverables.

Notice required under this section shall be in writing and shall be served by certified mail upon the other party. When served by certified mail, services shall be conclusively deemed made five (5) days after posting thereof in the United States mail, postage prepaid.

#### **SECTION X – LIQUIDATED DAMAGES**

If the work to be performed by the Consultant under this Contract is not timely completed, as negotiated the Consultant shall pay to the Town an amount as agreed to as liquidated damages for each day the work remains incomplete after the scheduled completion date. This amount is agreed upon because of the impracticability and extreme difficulty of ascertaining the actual damages the Town would sustain. The scheduled completion date for determining liability for liquidated damages shall be stated in consecutive calendar days from the effective date of Town's Notice to Proceed to Consultant subject to Section XI – Force Majeure.

For the purpose of determining applicability of liquidated damages (Section X), completion time shall be extended only if delay in completion of the work by the Consultant results from an unforeseeable cause beyond the control and without the fault or negligence of the Consultant.

#### **SECTION XI – FORCE MAJEURE**

Notwithstanding any other term, condition, or provision hereof to the contrary, in the event any party hereto is precluded from satisfying or fulfilling any duty or obligation imposed upon such party by the terms hereof due to labor strikes, material shortages, war, civil disturbances, weather conditions, natural disasters, acts of God or other events beyond the control of such party, the time period provided herein for the performance by such party of such duty or obligation shall be extended for a period equal to the delay occasioned by such events and must be agreed to **IN WRITING** by both parties.

**SECTION XII – ARBITRATION OF DISPUTES**

Any dispute arising under this Contract that is not settled by the Town and the Consultant may, upon mutual agreement of the parties, be decided by an Arbitration Board composed of a representative of the Town, a representative of the Consultant and a representative mutually acceptable to the Town and the Consultant. The Town, however, reserves its rights as set forth in Arizona Revised Statutes, Title 12. The Consultant shall continue to render all services requested in this Contract without interruption, notwithstanding the provisions of this Section. Nothing herein shall be deemed to require arbitration except at the Town's discretion. The laws of the State of Arizona shall apply to this Contract, and the Consultant agrees to the subject itself to the jurisdiction of the Courts of the State of Arizona for any conflict that arises from the terms of this Contract.

**SECTION XIII – INDEPENDENT CONSULTANT**

It is clearly understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever.

The Consultant is advised that taxes or social security payments shall not be withheld from a Town payment issued hereunder and that Consultant should make arrangements to directly pay such expenses, if any.

The Town will not provide any insurance coverage to the Consultant including Workers' Compensation coverage.

**SECTION XIV – OWNERSHIP OF DOCUMENTS**

All documents including, but not limited to, tracings, drawings, original mylars, estimates, field notes, investigations, design analysis and studies which are prepared in the performance of this Contract are to remain the property of the Town. The Consultant shall furnish the Town, upon request, originals or copies of technical specifications and copies of all documents listed above.

**SECTION XV – NO KICK-BACK CERTIFICATION**

The Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no member of the Town Council or any employee of the Town has an interest, financial or otherwise, in the Consultant firm.

For breach or violation of this warranty, the Town shall have the right to annul this Contract without liability or, at its discretion, to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

**SECTION XVI – CONFLICT OF INTEREST**

This Contract is subject to the provisions of A.R.S. § 38-511 which provides in pertinent part that the State, its political subdivisions or any department of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the state, its political subdivisions or any of the departments or agencies of either is, at any time, while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or a Consultant to any other party to the Contract with respect to the subject matter of the Contract.

**SECTION XVII – ASSIGNMENT**

This Contract shall not be assignable except at the written consent of the parties, and it shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the parties.

The Consultant may assign money due to him under terms of this Contract to a banking or lending institute. The Town shall assist the Consultant in performing the assignment by testifying to the progress of the work as may be required.

**SECTION XVIII – ENFORCEMENT, LAWS AND ORDINANCES**

This Contract shall be enforced under the laws of the State of Arizona.

Each party must comply with all applicable federal, state, county and Town laws, ordinances and regulations.

Consultant shall ensure Consultant's obligation regarding payment of all taxes, license, permits and other expenses of any nature associated with the provision of services herein.

Consultant shall maintain in current status all Federal, State and local certifications required for the business operated by the Consultant.

**SECTION XIX – WAIVER**

The failure of either party of this Agreement to take affirmative action with respect to any conduct of the other which is in violation of the terms of this contract shall not be construed as a waiver thereof, or of any future breach or subsequent wrongful conduct.

**SECTION XX – ENTIRE CONTRACT**

This is the entire Contract between the parties. If any portion(s) of this Contract is (are) later found to be invalid or unenforceable, such portion(s) shall be null and void and without any effect on the rest of the Contract which shall continue in full force and effect.

**SECTION XXI - MISCELLANEOUS PROVISIONS**

- A. The Consultant shall establish and maintain procedures and controls that are reasonably acceptable to the Town for the purpose of assuring that no information contained in its records or obtained from the Town or from others in carrying out its functions under the contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information must be referred to the Town.
- B. The Consultant shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.
- C. In accordance with A.R.S. §35-391, the Consultant hereby certifies that the Consultant does not have scrutinized business operations in Sudan.

- D. In accordance with A.R.S. §35-393, the Consultant hereby certifies that the Consultant does not have scrutinized business operations in Iran.

## PRICE PAGE

Offeror shall provide a charge or fee for provision of all services described herein and in accordance with the following fee schedule.

This fee proposal shall include all work necessary to effectively conduct and complete the Scope of Services. The fees stated below must include all necessary costs including, but not limited to, labor, materials, overhead, administrative charges, profit and insurance.

\$ \_\_\_\_\_  
(Words)

(\$ \_\_\_\_\_)  
(Figures)

**OFFER**

**TO THE TOWN OF ORO VALLEY:**

The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and addenda in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Town                      State                      Zip

\_\_\_\_\_  
Signature of Person Authorized to Sign

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_