

Memorandum



Date: January 4, 2020

To: Gary Hartfield, Assistant Director
Internal Services Department
Small Business Development

From: Josenrique Cueto, P.E., Interim Director
Miami-Dade Water and Sewer Department

Subject: Review Item: Water and Sewer Rates, Fee Analysis
and Bond Engineering Services -Project No. E20-WASD-09

This is to advise you that Miami-Dade Water and Sewer (WASD) is proposing to employ an engineering firm to provide Water and Sewer Rates, Fee Analysis and Bond Engineering Services.

WASD is seeking one (1) qualified Consultant to prepare a Rate Study (Study) of WASD's retail and wholesale rates and bond consulting engineering services to act in the capacity of WASD's Consultant pursuant to the Senior Bond Ordinance No. 93-134. A detailed scope of services is attached as "Notice to Professional Consultants." The term for the Non-Exclusive Professional Services Agreement (PSA) is three (3) years with a two (2) one (1) year option-to-renew. The maximum compensation for this PSA is four million five hundred thousand dollars (\$4,500,000), with a ten percent (10%) contingency allowance in accordance with Ordinance 00-65. No minimum work or compensation will be assured to the retained Consultant.

The Prime Consultant providing engineering services must be certified in the following technical categories with the respective percentages of the disciplines as indicated below:

Technical Category (TC)	Description	TC Percentage
6.01 PRIME/OTHER	Water and Sanitary Sewer Systems - Water Distribution and Sanitary Sewage Collection and Transmission Systems	34%
6.02 PRIME/OTHER	Water and Sanitary Sewer Systems – Water and Sanitary Sewage Pumping Facilities	33%
6.03 PRIME/OTHER	Water and Sanitary Sewer Systems - Water and Sanitary Sewage Treatment Plants	33%
	TOTAL	100%

The Prime Consultant will also be providing rate and fee analysis as described in the NTPC in an amount of \$1,500,000. These services do not fall under the A/E technical category.

The Prime Consultant and/or Subconsultant(s) selected for this project will be prohibited from executing future agreements with Miami-Dade County for design services for WASD for the duration of this PSA. Therefore, WASD does not recommend an SBE goal. Attached is the scope of services and minimum experience and qualifications.

Should you have any questions, please contact Patty Palomo, Chief, Intergovernmental Affairs Section at patty.palomo@miamidadecounty.gov or (786) 552-8040.

Attachments

**MIAMI-DADE COUNTY, FLORIDA
NOTICE TO PROFESSIONAL CONSULTANTS
MIAMI DADE WATER AND SEWER DEPARTMENT
WATER AND SEWER RATES, FEE ANALYSIS AND BOND ENGINEERING SERVICES
ISD PROJECT NO. E20-WASD-09**

The County Mayor, Miami-Dade County (County), pursuant to Section 287.055, Florida Statutes, 2-8.1, 2-8.2.12 and 2-10.4 of the Miami-Dade County Code, Administrative Order 3-39 and Ordinance 14-77, announces that WASD requires a qualified consultant to prepare a Rate Study (Study) of WASD's retail and wholesale rates and bond consulting engineering services to act in the capacity of WASD's Consultant pursuant to the Senior Bond Ordinance No. 93-134.

Miami-Dade Water and Sewer Department (WASD) is one of the largest public utilities in the United States, serving a population of more than 2.6 million. WASD provides direct service to more than 451,000 accounts, wholesale water service to 15 municipalities, and wholesale sewer service to 13 municipalities.

SCOPE OF WORK

Task 1: Annual Adequacy of Rates and Charges Report (Required By Master Bond Ordinance)

The Prime shall be responsible for preparing a written annual report on the water and sewer utility system before September 1st of each year. In the Report, the Prime will set forth recommendations as to any necessary revision of rates and charges; determine the amount to be deposited in the renewal and replacement fund during the next fiscal year; and advise and/or make recommendations as appropriate.

Task 2: Annual Bond Consultant Report (Required By Master Bond Ordinance)

The Prime shall conduct an annual physical inspection of approximately one-third of WASD'S facilities; render a written report as to the state of condition and repair of the water and wastewater systems, including therein recommendations as to repairs, replacements and improvements required, prioritized based on criticality for consideration within the Multi-Year Capital Improvement Plan.

Task 3: Bond Feasibility Report (Required By Master Bond Ordinance)

The Prime shall issue an Engineering Consultant's Report for inclusion in official statements for water and sewer revenue bond offerings.

Task 4: Annual Wholesale Rate Review and Meeting (As Requested)

The Prime shall annually be tasked with a thorough analysis of Wholesale Customer costs allocations and rate calculations based on actual, projected, proposed, and budgeted costs. On an annual basis, the Prime will perform an analysis and make recommendations regarding a) True-Up of actual audited costs, including allocations to regional and local costs and b) Proposed wholesale rate calculations and allocations. In addition, on an annual basis, the Prime shall hold a minimum of one meeting by June 30th with Wholesale customers to include a written and visual presentation in support of costs methodologies and rate calculations. The County Project Manager may request additional analysis on an as needed basis.

Task 5 Retail Rate Study (Optional)

The water and wastewater systems operating revenues streams need to provide sufficient funding for WASD'S costs requirements including reserves. Adequate revenue streams are necessary to operate and maintain both the water and wastewater systems and to maintain strong financial

ratios that determine the cost of financing future debt required to fund the Multi-Year Capital Improvement Plan. Water and wastewater tiered rate structures require annual analysis to ensure that adopted rates and fees allocations are generating revenues as anticipated through the course of annual rate adjustments. WASD is facing a multi-year, multi-billion capital program, which includes a \$1.6 billion Consent Decree Settlement Agreement. Given the magnitude of future capital needs, a review of retail rates and rate structure to fully recover revenue requirements of both the systems is needed.

Task 6: Service Area Releases (As Requested)

During the term of the Agreement, the Prime, shall conduct a review of the Service Area Release application with the standards set forth in section 6.11 of Ordinance 93-134, and prepare a letter certifying that the release is in compliance.

Task 7: Misc. Tasks as approved by the Director through task authorizations.

During the term of the Agreement, the Prime, at the sole discretion of WASD, will also provide consulting services for WASD, such as planning; feasibility, vulnerability and risk assessment; process studies; sea level rise analyses; and other relevant studies or tasks, which do not present conflicts of interest relative to the firm's bond consultant duties.

During the term of the Agreement, the Prime, at the sole discretion of WASD, will also provide consulting services for WASD, such as planning; feasibility, vulnerability and risk assessment; process studies; sea level rise analyses; and other relevant studies or tasks, which do not present conflicts of interest relative to the firm's bond consultant duties. In addition, WASD may require services from the Prime which may be related to, but not included in the Scope of Services *above*.

The Prime and/or Subconsultant under this Agreement will not be allowed to propose or be considered for any design projects for WASD advertised during the term of this Agreement.

PREFERRED EXPERIENCE AND QUALIFICATIONS

The Prime Consultant's team must have performed bond engineering services for a comparable sized utility of 200,000 customers or greater.

The Prime Consultant's team must have experience in water and wastewater planning, major facility design and construction management, and permitting as well as rate studies of a water and wastewater facility that serves 200,000 customers or greater.

The Prime Consultant's team must demonstrate experience providing financial consulting services to medium and large (annual operating revenues between \$50 million and \$300 million) utility systems. Staff assigned to work on this project should have levels of experience and qualifications in water and sewer or other utilities financial services comparable to those denoted in the scope of services for the rates and fee analysis.

The above expertise must be met by a qualified individual(s) of the Prime Consultant's team. The experience must be demonstrated by direct or substantial involvement of the individual(s) in a supervisory capacity at the project manager level or above in these projects. The determination of the individual's qualifications and compliance with the above experience and qualifications shall be at the sole discretion of the County.