



City of Arkansas City Request for Proposals Water Rate Study

City of Arkansas City, Kansas

City of Arkansas City
118 Central Ave.
PO Box 778
Arkansas City, KS 67005
Phone: 620-441-4414

RFP Release Date – Friday, May 19, 2023,
RFP Due Date – Friday, June 2, 2023

Overview

The City of Arkansas City invites qualified professional firms to submit proposals to conduct a cost-of-service rate study for the City of Arkansas City's water utility system. The study will include recommended changes to the rate structure and rate adjustments to fully cover all costs associated with providing water service, including costs required to operate the City's supply, treatment, and distribution system and the administrative costs incurred by the City in managing this utility over the next five years.

Background

The City provides water services to approximately 4,950 customer accounts through use of a self-supporting water enterprise fund.

Water System

The city owns and operates its own supply, treatment, and distribution system and is the sole provider of water to its residents. Last year the City of Arkansas City produced 1,087,182.8 (KGals) of Finished water.

The City's 2022 Yearly flow report is included in **Attachment B**

Water Rate Structure

The city uses a base minimum water rate for the first 2,000 gallons based on customer class, and a variable rate per 1,000 gallons to all customers.

The City's current water rates are included in **Attachment A**

Water Billing Software System

The city currently utilizes Tyler Technologies' Incode Version 9 Billing Software. Historical Data is available for analysis. Once the contract is awarded, the exact format and media for data delivery will be determined.

Scope of Work

In preparing a response to this Request for Proposals (RFP), the Consultant shall address the following specific components that should be included in the scope of the work. The final scope of work will be coordinated with the city staff and the selected Consultant.

1. Services to be performed by the Consultant.

- a. Meet with the City Manager, Finance Director, and Environmental Services Superintendent to go over expectations and get input before development of the proposed rate structure.
- b. Meet with City Staff members to collect and review available information and review the methodology to be used in the development of the recommended rate structure.
- c. Review historical account and operational cost information and calculate future costs for a 5-year study period including consumption, capacity, and operational forecasts.
- d. Identify and prioritize Capital funding needs for the 20-Year Master Water Plan.
- e. Identify and prioritize Capital Improvement funding needs for a Five-Year CIP budget and facility improvement plans, and other supplemental improvements that the city may deem warranted.
- f. Develop a forecast of annual revenue requirements.
- g. Recommend a rate structure which will generate the level of revenue needs with a distribution of those costs on an equitable basis by customer category. Provide "sample bills" for all customer categories illustrating recommended rates.
- h. Work with staff to provide a timeline and sample letter in accordance with all state and federal laws providing for notice of water rate increase, if proposed and subsequently adopted.

2. Timeline Requirements

- a. The Consultant shall begin work soon after the June 20, 2023, selection date with a completion date of no later than Friday, September 1, 2023.

3. Reporting and Communication

- a. The Consultant will meet periodically during the on-site fieldwork process with the City Manager, Finance Director, and Environmental Services Superintendent to discuss issues, concerns, preliminary findings, and recommendations.
- b. The consultant will provide regular updates to the city regarding the process on the analyses and recommendations and request any additional information or direction needed to complete the project on time and within budget.
- c. Prior to issuing their final report, the consultant will meet with the City Manager, Finance Director, and Environmental Services Superintendent to review the draft report and recommendations to be presented to the City Commission.

4. Other Considerations

- a. All working papers, reports, and records relating to the work performed under the Professional Services Agreement will be property of the City of Arkansas City and will be delivered upon completion.
- b. The consultant will be required to attend at least one City Commission meeting to present the rate study and answer any questions either body may have regarding the study or recommendations. Meetings will be held in-person.

Proposal Content

Proposal responses must adhere to the requirements outlined in this section. The original proposal and each subsequent copy must be submitted on paper, properly bound, and appropriately labeled in the following order:

1. **Introduction:** Provide a cover letter and introduction including the name and address of the organization with the name, address, telephone and fax numbers, and e-mail address of the contact person who will be authorized to make representations for the organization. An Executive Summary shall be provided with an overview of the proposal, its highlights, and the approach to successfully completing this project.
2. **Scope of Work and Schedule:** Discuss each task outlined in the "Scope of Work" section above with a cost estimate and cost proposal for the project including a breakdown of costs by each task requested and service to be performed. Include a scope of work and schedule of completion.
3. **Qualifications:** Describe the firm's resources, experience and capabilities as follows:
 - a. Provide an outline of the firm's background, qualifications, and ability to perform the scope of services required. Identify any subcontractors proposed for the project.
 - b. Provide a list and/or organizational chart to identify the person(s) who will be primarily responsible for contact with the city.
 - c. Identify all key project personnel, their relationship to the project, relevant qualifications and experience, and their level of effort toward completing all needed tasks. Include a description of specific projects similar to this request and the specific tasks performed by the project personnel.
 - d. Provide a brief outline of the firm's current workload, staffing and ability to meet the schedule and deadlines described in this RFP.
4. **References:** Identify at least two (2) successfully completed projects of a similar nature, preferably with direct involvement of municipal governments in Kansas. Each project listed shall include the name of the agency, project manager, phone number, and description of work performed. Consulting projects currently underway may also be submitted for consideration.
5. **Additional Data:** This section will be limited to five (5) pages. Proposals may include any other information the Consultant deems essential to the evaluation of the qualifications and proposal statements.

Proposal Submittal

To be considered, please submit three (3) hard copies and one (1) electronic copy, on a USB drive, of your proposal to:

City of Arkansas City
Attn: City Clerk
118 W Central Ave.
P.O. Box 778 (USPS)
Arkansas City, KS

Proposals received after the due date will not be considered.

Questions regarding this proposal may be directed to Randy Frazer, City Manager at 620-441-4414 or by email at rfrazer@arkansascityks.gov.

Review and Selection Procedure

The City Manager, Finance Director and Environmental Services Superintendent will evaluate each proposal and provided a recommended consultant for the city commission to consider at the June 20, 2023, City Commission Meeting. The following evaluation criteria will be used in selecting a consultant:

1. Experience with similar efforts.
2. Commitment of Senior Staff to the Project.
3. Relevant qualifications of key personnel.
4. Familiarity with applicable State and Federal laws.
5. Knowledge of local issues in the City of Arkansas City and the surrounding region.
6. Proposed schedule and ability to meet applicable deadlines.
7. Overall responsiveness to this RFP.

Please note that the ability of the Consultant to complete the overall project according to all the stated selection criteria will be considered. The lowest cost proposal will not necessarily be selected. The City of Arkansas City reserves the right to reject any and all proposals and to waive any informality in proposals received.

Insurance Requirements:

For the duration of the contract, the service provider must maintain Commercial General Liability insurance with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate, Professional Liability Insurance with limits of not less than \$1,000,000 per occurrence if available to a professional engaged in consultant's regular course of business, Automobile Liability insurance with a minimum limit of \$1,000,000 per accident, and Workers Compensation Insurance as required by the State of Kansas . Service Provider shall maintain liability insurance in an amount of not less than \$1,000,000 per occurrence, naming the City as an additional insured, covering any such unauthorized disclosure of Protected Information caused by a defect or failure of the Software or any electronic communication system maintained or controlled by Service Provider.

The City reserves the right to establish that these insurance requirements be met and complied with prior to any contractual agreement is entered into. The cost of such insurance is the service provider's responsibility. Failure to comply could result in non-award of the contract.

Attachment A

City of Arkansas City

WATER RATE RESOLUTION

RESOLUTION NO. 22-12-3515

City of Arkansas City Comprehensive Fee Schedule

Adopted by Resolution No. 2022-12-3515



The City of Arkansas City strives to provide a high quality of life for its citizens by furnishing a variety of efficient services in a professional, courteous manner.



Public Services Water Utility

- A. Every consumer shall pay for each new water service installed, which includes the water raw tap, service line and meter installation. The customer or contractor must have the water main ready for immediate tap. Therefore, these costs do not include removal and replacement of pavement or excavation costs. The customer or contractor must submit plans to Neighborhood Services for approval prior to construction a new service. A permit will not be issued until Neighborhood Services verifies and approves the plans.

1" Tap, Service Line and 5/8" meter (25 gpm)	\$850.00
1" Tap, Service Line and 3/4" meter (35 gpm)	\$1,500.00
2" Tap, Service Line and 1" meter (55 gpm)	\$3,000.00
2" Tap, Service Line and 1.5" Meter (200 gpm)	\$3,800.00
4" Tap and 2" meter (250 gpm)*	\$3,000.00
4" Tap and 3" meter (650 gpm)*	\$3,500.00
6" Tap and 4" meter (1,250 gpm)*	\$4,200.00
8" Tap and 6" meter (2,500 gpm)*	\$8,800.00
12" Tap and 8" meter (3,500 gpm)*	\$13,900.00
4" Fire Services Detector Check Valve*	\$2,500.00
6" Fire Services Detector Check Valve*	\$3,800.00
8" Fire Service Detector Check Valve*	\$5,000.00
12" Fire Service Detector Check Valve*	\$8,000.00
Reinstall 1" or smaller meter in existing meter pit	\$450.00
* Costs include water main tap, meter/detector check valve and installation in customers vault only. All piping, valves and vault shall be the responsibility of the customer or contractor.	
Note: Public Works will always be responsible for the service line and meter set on 1" or 2" taps.	

- B. When an account is placed in a customer's name, or when a customer transfers from one account to another, a nonrefundable account service charge in the amount of Twenty-five Dollars (\$25.00), payable in advance, shall be levied to cover the costs of servicing the new account or the transfer request.
- C. The City offers three sets of water rates to users depending on their classification: Inside City Limits, Outside City Limits or Wholesale Customer.
- D. Sales tax and other state fees will be applied to customer bills when applicable according to state law and other regulations.
- E. Bulk water rate shall be ten dollars (\$10.00) per thousand gallons (\$10.00 per month minimum).
- F. A fifty dollar (\$50.00) metering fee shall be charged when applicable.

WHOLESALE RATES AND CONTRACTS ARE NEGOTIABLE FOR LARGE CUSTOMERS.

GENERAL FEES:**G. Inside City Limits:**

Meter Size	2018	2019	2020	2021	2022	2023	2024
5/8"	\$19.64	\$20.03	\$20.43	\$20.84	\$21.26	\$21.69	\$22.12
3/4"	\$29.63	\$30.22	\$30.82	\$31.44	\$32.07	\$32.71	\$33.36
1"	\$49.31	\$50.30	\$51.31	\$52.34	\$53.39	\$54.46	\$55.55
1 1/2"	\$98.17	\$100.13	\$102.13	\$104.17	\$106.25	\$108.38	\$110.55
2"	\$157.13	\$160.27	\$163.48	\$166.75	\$170.09	\$173.49	\$176.96
3"	\$442.11	\$450.95	\$459.97	\$469.17	\$478.55	\$488.12	\$497.88
4"	\$982.16	\$1,001.80	\$1,021.84	\$1,042.28	\$1,063.13	\$1,084.39	\$1,106.08
6"	\$1,166.01	\$1,189.33	\$1,213.12	\$1,237.38	\$1,262.13	\$1,287.37	\$1,313.12
8"	\$3,432.63	\$3,501.28	\$3,571.31	\$3,642.74	\$3,715.59	\$3,789.90	\$3,865.70
Additional Charges per Thousand Gallons Usages above 2,000 Gallons.							
Next 28,000 Gal.	\$7.44	\$7.59	\$7.74	\$7.89	\$8.05	\$8.21	\$8.37
Next 70,000 Gal.	\$5.58	\$5.69	\$5.80	\$5.92	\$6.04	\$6.16	\$6.28
Next 300,000 Gal.	\$4.73	\$4.82	\$4.92	\$5.02	\$5.12	\$5.22	\$5.32
Next 2,600,000 Gal.	\$3.68	\$3.75	\$3.83	\$3.91	\$3.99	\$4.07	\$4.15
Next 7,000,000 Gal.	\$2.85	\$2.91	\$2.97	\$3.03	\$3.09	\$3.15	\$3.21
All Over 10,000,000 Gal.	\$2.50	\$2.55	\$2.60	\$2.65	\$2.70	\$2.75	\$2.81

H. Outside City Limits:

Meter Size	2018	2019	2020	2021	2022	2023	2024
5/8"	\$39.23	\$40.01	\$40.81	\$41.63	\$42.46	\$43.31	\$44.18
3/4"	\$59.30	\$60.49	\$61.70	\$62.93	\$64.19	\$65.47	\$66.78
1"	\$98.62	\$100.59	\$102.60	\$104.65	\$106.74	\$108.87	\$111.05
1 1/2"	\$196.38	\$200.31	\$204.32	\$208.41	\$212.58	\$216.83	\$221.17
2"	\$314.28	\$320.57	\$326.98	\$333.52	\$340.19	\$346.99	\$353.93
3"	\$884.23	\$901.91	\$919.95	\$938.35	\$957.12	\$976.26	\$995.79
4"	\$1,964.31	\$2,003.60	\$2,043.67	\$2,084.54	\$2,126.23	\$2,168.75	\$2,212.13
6"	\$2,332.02	\$2,378.66	\$2,426.23	\$2,474.75	\$2,524.25	\$2,574.74	\$2,626.23
8"	\$6,865.33	\$7,002.64	\$7,142.69	\$7,285.54	\$7,431.25	\$7,579.88	\$7,731.48
Additional Charges per Thousand Gallons Usages above 2,000 Gallons							
Next 28,000 Gal.	\$14.93	\$15.23	\$15.53	\$15.84	\$16.16	\$16.48	\$16.81
Next 70,000 Gal.	\$11.18	\$11.40	\$11.63	\$11.86	\$12.10	\$12.34	\$12.59
Next 300,000 Gal.	\$9.40	\$9.59	\$9.78	\$9.98	\$10.18	\$10.38	\$10.59
Next 2,600,000 Gal.	\$7.32	\$7.47	\$7.62	\$7.77	\$7.93	\$8.09	\$8.25
Next 7,000,000 Gal.	\$5.70	\$5.81	\$5.93	\$6.05	\$6.17	\$6.29	\$6.42
All Over 10,000,000 Gal.	\$5.00	\$5.10	\$5.20	\$5.30	\$5.41	\$5.52	\$5.63

I. Water Conservation Violations Municipal Code Section 62-203b:

Reconnect Fee:	1 st	2 nd	Additional Connections within one year
	\$75.00	\$150.00	\$300.00

Attachment

City of Arkansas City

Yearly Flow Report

2022

Yearly Flow Report

2022

Flow Meters

Month	Finished Water (kGals)	Bypass (kGals)	Raw Water (kGals)	Well 2 (kGals)	Well 7 (kGals)	Well 9 (kGals)	Well 10 (kGals)	Well 14 (kGals)	Well 15 (kGals)	Process Waste (kGals)	Greensand Backwash (kGals)
January	73,412.0	33,270.8	94,322.5	11,478.5	2,508.6	1,395.3	21,510.9	6,699.5	11,473.9	12,579.2	2,492.7
February	68,721.5	31,582.4	89,868.8	9,356.0	2,861.8	2,352.1	18,710.7	3,970.8	7,543.1	11,541.8	2,188.4
March	76,313.3	34,308.9	99,596.0	8,943.7	3,360.1	1,700.6	20,116.0	4,707.7	8,592.0	14,761.3	2,124.2
April	78,817.3	36,732.1	98,108.8	11,737.8	2,978.1	1,250.4	19,767.5	6,573.5	11,049.8	12,483.0	1,890.2
May	96,316.3	45,323.1	115,473.8	17,219.2	3,987.9	12,743.4	2,105.6	15,593.4	15,291.8	14,873.8	2,097.0
June	102,515.5	47,195.4	122,001.5	16,995.3	3,654.1	13,122.3	17,002.1	16,880.1	13,121.6	14,559.2	1,991.9
July	109,940.8	50,108.9	132,084.5	16,639.8	1,067.9	10,463.1	53,575.7	18,169.8	11,278.4	15,653.1	2,130.0
August	115,352.3	55,408.1	138,658.0	16,909.1		16,384.8	53,575.8	11,093.0	19,348.8	17,048.2	2,136.9
September	98,928.8	45,909.1	120,521.5	7,938.3		16,172.6	43,400.6	16,537.6	16,534.5	15,368.8	2,159.3
October	94,853.3	44,050.9	115,095.5	0.0	0.0	10,979.3	0.0	13,265.3	20,200.1	14,307.2	2,088.8
November	87,251.5	39,496.5	106,615.5	0.6	0.0	9,839.5	0.0	14,814.1	11,383.3	13,685.8	2,129.7
December	84,760.5	38,187.6	104,102.5	0.0	3,307.3	9,689.6	0.0	13,022.4	13,329.7	13,866.9	2,129.9
Totals	1,087,182.8	501,573.8	1,336,448.8	117,218.3	23,725.8	106,092.8	249,764.9	141,327.2	159,147.1	170,728.4	25,559.0
Minimum	1,013,770.8	468,303.0	1,242,126.3	105,739.8	21,217.3	104,697.5	228,253.9	134,627.8	147,673.2	158,149.2	23,066.2
Maximum	2,032,232.0	938,294.4	2,488,706.3	213,602.0	42,081.3	208,438.2	459,308.1	271,984.2	299,277.3	317,335.7	46,436.8
Average	2,969,689.5	1,372,288.5	3,631,236.5	310,398.1	59,938.4	311,435.1	667,446.1	401,904.2	438,358.4	460,723.6	67,378.9