



City of Westminster, SC
Rate Study for Combined Utility System
Request for Proposal

Issued January 14, 2025

City of Westminster
P.O. Box 399
Westminster, SC 29693

City of Westminster, S.C. Rate Study Proposal for Combined Utility System

Request for Proposal

Issue Date: January 14, 2025

Respondents interested in being considered for this work should respond with one [1] original and two [2] copies of this submittal form along with the bid form no later than **2:30 p.m. on February 4, 2025** and must clearly be marked "Rate Study Proposal for Combined Utility System." They can be brought personally to the public opening at 2:30 p.m. Any submittal received after this date and time will not be considered and will be returned unopened to the firm. The submittal must be signed by an official authorized to bind the firm to the project. The submittal must contain all the evaluation criteria listed in the Request for Proposal (RFP).

Return this signed form with Bid Form

Must include an original copy signed by a person duly authorized to legally bind the person, partnership, company, or corporation submitting the bid.

Send Request for Bid to:

US Postal Mail Address

City of Westminster, S.C.
Attn: Reagan Osbon
P.O. Box 399
Westminster, SC 29693
Ph. (864)647-3212

Street Delivery Address

City of Westminster, S.C.
Attn: Reagan Osbon
100 E Windsor Street
Westminster, SC 29693
Ph. (864)647-3212

The City of Westminster is not liable for any costs incurred by respondents prior to contract award. The City of Westminster reserves the right to waive technicalities in its evaluation of proposals.

Acknowledgement:

Signature: _____

Name (Print): _____

Title: _____

SC Drug Free Workplace Compliance

The following statement must be certified by the proposing firm:

By signing this Statement, I certify that we [our firm] will comply with all requirements of SC Code Section 44-107-10 et. seq., relating to the S.C. Drug Free Workplace Act:

Authorized Signature	Printed Name	
Date	Email Address	
Company	Telephone	
Mailing Address		
City	State	Zip Code

SUBJECT: Rate Study Proposal for Combined Utility System

INVITATION TO BID

General Bid Instructions

IMPORTANT NOTICE TO BIDDERS: ABSOLUTELY NO BIDS WILL BE CONSIDERED UNDER THIS REQUEST UNLESS THEY ARE ACTUALLY RECEIVED IN HAND BY THE NAMED RESPONSIBLE PERSON ON THE STATED DEADLINE AT THIS SPECIFIED LOCATION:

RESPONSIBLE PERSON: Reagan Osbon- Assistant City Administrator

PHONE NUMBER: 864-647-3212

DEADLINE AND SEALED BID OPENING: Tuesday February 4, 2025 at 2:30 p.m.

LOCATION: 100 E Windsor Street, Westminster, SC 29693

BIDDERS ARE RESPONSIBLE FOR MAKING SURE THAT THIS NAMED RESPONSIBLE PERSON HAS ACTUALLY RECEIVED THEIR BID PRIOR TO THIS DEADLINE. BIDS POSTMARKED OR OTHERWISE PLACED WITH ANY TYPE DELIVERY SERVICE PRIOR TO THIS DEADLINE WHICH ARE NOT ACTUALLY RECEIVED WILL NOT BE CONSIDERED AND WILL CONSTITUTE A "NO BID" UNDER THIS REQUEST.

BACKGROUND

The City of Westminster owns and operates a wastewater collection system. The City is a member in the Oconee Joint Regional Sewer Authority (OJRSA), along with the cities of Seneca and Walhalla. The cities collect wastewater, which is processed by OJRSA. The City Wastewater collection system is accounted for as a part of the Combined Utility System, which also includes the City's water and electric systems.

The primary focus of this rate study is to evaluate the wastewater collection system rates. However, the city is interested in a system study of its water system (which includes water treatment and water line distribution) and its electric distribution system.

For the wastewater collection system: The City is billed monthly by OJRSA based on Water consumption of the City's customers. This rate study is designed to compliment and inform OJRSA's feasibility study and the Ad Hoc Feasibility Committee. The tasks described below reflect the same language of the rate study from OJRSA to keep the studies "like-to-like." The feasibility study can be found at <https://ojrsa.org/wp-content/uploads/Regional-Feasibility-Presentation-Study-2024-8-5-DRAFT.pdf>.

The City requests an **alternative bid** to complete a rate study as described herein for the entire Combined Utility System, including three systems: wastewater collection, water treatment and distribution, and electric distribution. The alternate will provide all of the deliverables described for each system individually, with a summary of the entire Combined Utility System.

GENERAL CONDITIONS

1. The City of Westminster, South Carolina, will publicly open sealed proposals at 100 E Windsor Street, Westminster, S.C. 29693 for the items/service listed on the attached specifications.

Proposals will be opened _____ Tuesday, February 4, 2025 at 2:30 P.M.

2. The City of Westminster reserves the right to reject any and all proposals and to waive technicalities in the best interest of the City. Factors to be considered in awarding a contract will include experiences in use by the City or through research findings, and suitability for use by the City.

3. This Invitation for proposal document is also available online at:

- a) <https://westminstersc.org/departments/administration/#bids>
- b) <https://scbo.sc.gov/online-edition>

4. Questions must be submitted in writing, and any response affecting proposal award shall be conveyed in writing to all vendors. Official proposal specification changes are issued only by the designated official, Assistant City Administrator Reagan Osbon.

All inquiries should be directed to Assistant City Administrator – Reagan Osbon at (864) 647-3212 or rosbon@westminstersc.org

5. Awards are not official until the preferred vendor is formally notified, in writing, by the City.

6. Discrimination in employment practices on the basis of race, color, religion, national origin, sex, age or handicap (referred to as Equal Employment Opportunity) is prohibited. Proposers must certify that

their workers are legally qualified to work within the borders of the United States of America.

7. The City will follow its approved procurement policy. The policy can be found at <https://westminstersc.org/wp-content/uploads/2024/03/Procurement-Policy-adopted-10-2022.pdf>.

8. The will post any addenda, questions, or project changes at www.westminstersc.org/departments/administration/#bids. All questions will be posted.

9. The City will follow the procurement schedule as described below. Any changes to the schedule will be noted as an addendum:

RFP Published	January 14, 2025
Pre-Bid Meeting	January 27, 2025 at 2:00pm (Westminster City Hall; Virtual meeting link available upon request)
Questions Due	January 30, 2025 at 5:00pm
Bid Opening	February 4, 2025 at 2:30pm
Anticipated City Council Award	February 11, 2025
Anticipated Notification of Award	No later than February 14, 2025

10. Proposals should be directed to the attention of Reagan Osbon, City of Westminster, S.C., P.O. Box 399, Westminster, South Carolina 29693, with the notation "Rate Study for Combined Utility System Proposal" clearly marked on the outside of the envelope.

Acknowledgement of General Conditions:

Signature: _____

Name (Print): _____

Title: _____

Combined Utility system Rate Study

Scope of Services

Phase 1 – Data Collection & Review

Task 1.1 – Data Collection. As a means of initiating the project activities, the City of Westminster, S.C. (City) will be provided with an initial list of basic data needed to conduct the study. The data request will include items such as financial and operating data, customer account and billing data, reports prepared by others, budgets, audits, capital improvement programs, official bond statements and debt service schedules.

Task 1.2 – Data Review. Upon allowing time for the City to gather data in accordance with the initial data request, a kick-off meeting will be made with key City representatives to receive available data collected by staff, discuss additional data requirements, and to ensure that the project objectives are clearly defined and understood by all parties. Data will be reviewed for completeness and to ensure a sufficient understanding of historical utility operations

Phase 2 – Revenue Requirements and Rate Determinants

Task 2.1 – Historical Billing Data Analysis. The data request document will provide instructions for the development of historical customer billing information. It is anticipated that the billing information will be provided in a format necessary to summarize the wastewater system accounts and volumes by customer class, meter size and usage blocks for a recent historical period for which audited revenues exist. The customers and flows provide the basis on which operating revenues are derived and are therefore the primary factors utilized in reviewing the user rates and charges.

Task 2.2 – Customer and Flow Projections. Each system accounts and usage will be forecast for a five-year planning period. Such projections will be developed by considering historical growth trends, local economic conditions, the potential for adding/losing major utility customers, changes in customer class usage patterns over time, and experienced judgement. The flow projections will be based on the projected number of utility accounts and a usage per account analysis to differentiate the historical effects of account growth and increased (or decreased) average usage by customer class.

Task 2.3 – Projected Revenues Under Existing Rates. Projections of utility system revenues under existing rates for the planning period will be developed for each utility recognizing projected accounts, flow volumes, and usage patterns by customer class (as determined in the billing analysis under the previous tasks).

Task 2.4 – Projected Revenue Requirements. Revenue requirements (i.e. system expenditures) will be developed for the system based on an analysis of historical, currently budgeted, and anticipated operating and capital expenditures. The revenue requirements will be projected on a fiscal year cash flow basis, taking into account expected operational changes, changes in staffing or operating expenditures for new facilities, system growth occurring from new development, anticipated extraordinary expenses, and allowances for inflation. The projections will include, as appropriate, the following utility system requirements:

- Operation and Maintenance Expenses,
- Outlay for Routine Annual Capital Additions and Replacements, if applicable,
- Debt Service and Reserve Requirements on Existing and Anticipated Debt Instruments,
- Transfers to Fund Major Capital Improvement, and
- Other Expenditures and Transfers.

Task 2.5 – Projected Revenue Requirements. The projected revenues and revenue requirements will be summarized into a five-year cash flow statement providing the projected operating results of the system under the existing rates. The five-year cash flow statement will be used to estimate annual adjustments in utility revenues necessary to fund expenditure requirements, meet bond covenant requirements, and maintain prudent utility management practices. The estimated timing and magnitude of future debt issues required to finance proposed capital improvements will also be shown. Concurrent with the development of the projected operating results, the study will review the general financial health of the utility operations and, as necessary, make recommendations for changes in fund balances, reserves, and debt service coverage ratios to maintain financial integrity and a stable bond rating.

Phase 3 – User Rate and Charge Analysis

Task 3.1 – Evaluate Existing Rate Structure. The existing rate structure will be evaluated for the effectiveness in equitably recovering costs of utility service from customers. Consideration will also be given to the City’s policies, existing rates, pricing objectives, and practical limitations.

Task 3.2 – Rate Structure Alternatives. An interactive model will be developed by the Consultant that will allow for the consideration of alternative rate structures while still meeting the funding needs required for the wastewater system. The rate structure alternatives will be developed to recover the projected revenues needed to fund utility operations, recognizing equitable cost recovery, establishing reasonable recovery of costs, and complying with applicable regulations and policies.

Task 3.3 – Projected Operating Results Based on Proposed Rates. The proposed rates will be applied to the projected customers and flows to estimate the revenues to be generated from the proposed rates for the test year and the subsequent years of the projection period. In addition, similar to the process described in **Task 2.5**, the five-year cash flow statement will identify annual adjustments in utility system revenues necessary to meet bond covenant requirements, prudent management practices, and/or sound capital financing considerations.

Phase 4 – Capital Financing Plan

Task 4.1 – Review Capital Improvement Program (CIP). The City’s existing/updated utility system CIP will be reviewed in conjunction with City staff. The objective of such review is to gain an understanding of the types of projects scheduled, the timing associated with such projects, and associated expenditure requirements.

Task 4.2 – Development of a Capital Financing Plan. Based on the findings made in the previous task and the Projected Operating Results described in **Task 3.3**, a general financing plan will be developed to provide for the anticipated capital expenditure activities, including new debt issuances, relative to the

CIP. Such a financing plan will include consideration for the use of restricted and unrestricted funds, surplus operating reserves, capacity fees, and future rate adjustments.

Phase 5 – Reports and Deliverables

Task 5.1 – Draft Report Preparation. A preliminary draft report will be prepared addressing the study findings and recommendations. Contents will also include salient assumptions relied upon for the projection for customers and service characteristics, revenue requirements, revenues, operating results, and any proposed adjustments to utility rates. An electronic copy of the preliminary draft report will be submitted for staff review.

Task 5.2 – Final Report Preparation. Based on review comments received from staff and other participants, the draft report will be revised to incorporate the agreed upon changes. Upon completion, an electronic copy will be provided for the City’s records.

Task 5.3 – Final Model. As previously addressed, a model will be developed to allow for the consideration of alternative rate structures that meet the funding needs of the system. The rate model will have all the elements necessary to conduct a full financial analysis and rate study. Features of the analysis model include the ability to incorporate line-item data and assumptions that are then summarized in graphical representation to show key financial indicators for the utility system. Upon completion of the rate study project, the final model will be provided to the City for continued use as necessary by staff.

Phase 6 – Meetings and Presentations

Task 6.1 – Initial Meeting. An initial kick-off meeting is part of the Phase 1 activities. The purpose of the initial meeting is to discuss project requirements, finalize project scheduling and reporting requirements, and receive overall project direction.

Task 6.2 – Project Status Conferences. During the course of the project, conferences will be scheduled to present the progression of the analysis to staff in order to obtain input and feedback associated with any rate adjustments that may be presented. These meetings will assist in the completion of rate analyses and guide the development of the draft report.

Task 6.3 – Draft Report Conference. After allowing sufficient review time from the delivery date of the draft report, a conference will be scheduled to present the results to staff. The purpose of the conference will be to 1) provide staff members with a better understanding of the analyses and assumptions applied in developing the proposed rates, and 2) obtain feedback and comments from the staff members who will be responsible for implementing any proposed revisions.

Task 6.4 – Public Presentation. If desired by the City, the results of the rate study will be presented to the City of Westminster City Council during a public meeting. This presentation will be provided to offer the supporting rationale for the proposed revisions and to address any questions and/or concerns raised by Members of City Council prior to action being taken on the rates and fees.

Alternate: Combined Utility System Rate Study

The City requests an **alternative bid** to complete a rate study as described herein for the entire Combined Utility System, including three systems: wastewater collection, water treatment and distribution, and electric distribution. The alternate will provide all of the deliverables described for each system individually and a summary of the Combined Utility System.

To continue to compliment the OJRSA rate study as described in the background section, the Wastewater portion of the study will need to be accessible as a stand-alone item to distribute to OJRSA.

Acknowledgement of Alternate Bid:

Signature: _____

Name (Print): _____

Title: _____

Rate Study Proposal for Combined Utility System Proposal Bid

Total Wastewater	\$
Alternate: Wastewater Collection, Water Treatment and Distribution, and Electric Combined Utility Fund	\$

Date

Authorized Signature

Telephone Number

Fax Number

Email

Company

Address

Printed Name and Title