

SUBJECT

Resolution 2013-058 Approving an Intergovernmental Agreement Between the City of Fort Collins and Fort Collins-Loveland Water District For Participation in a Joint Regional Water Treatment Solutions Study.

EXECUTIVE SUMMARY

Staff proposes to enter into an intergovernmental agreement to fund a joint study to examine options for regional water treatment solutions between the Tri-Districts and the City of Fort Collins. The Fort Collins-Loveland Water District shall be the lead agency entering into the contract with the consultant. The scope of any cooperative solution is strictly limited to creating a business model of receiving raw water, treating it, and returning a finished potable water product to the member entities at a wholesale rate. Options range from remaining independent, additional intergovernmental agreements, combining facilities, or other options to be determined during the investigation phase of the study. Acquisition and control of water rights or raw water storage is not part of this discussion. The utilities would maintain separate control over their raw water and their distribution systems.

BACKGROUND / DISCUSSION

The City and the Tri-Districts (comprised of East Larimer County Water District, Fort Collins-Loveland Water District, and North Weld County Water District) each operate a water treatment plant, located next to each other on LaPorte Avenue. Both plants treat the same raw water sources, although there are different blends available depending on the water rights and time of the year, and distribute potable water to their customers. In addition, the City has the ability to share potable water with North Weld and Fort Collins-Loveland through interconnections in its distribution system, using long-standing agreements.

While regionalization has been discussed many times in the previous 30 years, there is a renewed interest in determining the cost benefit for regional opportunities available to the utilities. Growth of the districts' service area, excess capacity in the City's facility, and costs of providing water are the driving forces for this work. Capital costs associated with new expansion, aging infrastructure, and efficiencies of operations and maintenance has led to the desire to look at the financial issues associated with collaboration.

To that end, the Regional Water Cooperation Committee (RWCC), a committee made up of managers from each utility, developed a scope of work to request a consultant to assist with the decision making process. While all four entities agree in principle that collaborations between the utilities can only mean increased efficiencies, there has not been a thorough analysis of the financial implications of regionalization.

CONSULTANT PROPOSALS

The RWCC developed institutional options of regionalization, including:

1. Stay the same (status quo)
2. Enhanced collaboration through Sales Agreements, but remain separate entities
3. Merger of treatment facilities, similar to an Authority model
4. Other option as determined by the consultant and the project team.

The committee conducted a rigorous request for qualifications from several (9) firms, and short-listed three, who then provided more detailed proposals. The apparent preferred consultant, Arcadis/Red Oak Consulting, provided a strong proposal that identified their approach through stakeholder engagement, integration of a work plan and analysis of options. In the financial analysis they would provide:

1. Assessment of value and accounting of assets from the utilities
2. Development of fair and equitable wholesale and retail cost allocation
3. Present worth and future cost projects for alternatives

It was unanimously agreed by the RWCC that a third-party analysis was critical to determining the financial piece of enhanced collaboration, particularly when evaluating regionalization through an authority model. The utilities would maintain separate control over their raw water and their distribution systems. The Fort Collins-Loveland Water District shall be the lead agency entering into the contract with the consultant.

This item was presented to the City Council at its June 25, 2013 Work Session. Councilmembers expressed concerns about the final use of the treated water, as well as the governance of any joint operations. All options are being considered and would be presented in the final report later this fall. Council expressed general consent to bring the item forward for final consideration at its next regular Council meeting.

FUTURE ACTION REQUIRED

The investigation and analysis phases of the project are scheduled to be complete in the fall of 2013. Staff proposes to hold a joint meeting of the City Council and District Boards to review the findings and determine our next course of action.

FINANCIAL / ECONOMIC IMPACTS

The initial fee for the consultant providing these services is \$220,185. This fee would be split evenly between the four entities. Staff is recommending the IGA state that Fort Collins shall reimburse 25% of the final costs for the study, not to exceed \$75,000. Funds are available in our Water Enterprise Contingency Funds..

The individual Boards of the Tri-District entities have approved the expenditure of their shares of the cost. Upon approve of this expenditure by the City Council for the Fort Collins portion, the RWCC will negotiate with Red Oak to finalize the details of the scope of work.

ENVIRONMENTAL IMPACTS

As a result of this study, staff will have the information to truly understand any potential impacts to either the environment or from a social perspective.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

BOARD / COMMISSION RECOMMENDATION

The Water Board discussed this item at its June 20, 2013 meeting and voted unanimously to recommend City Council consider adoption of an Ordinance authorizing the joint funding of a Regional Water Treatment Solutions Study for 25 percent of the final cost, with the City of Fort Collins' share not to exceed \$75,000.

ATTACHMENTS

1. Water Board minutes, June 20, 2013

Excerpt from Unapproved Water Board Minutes, June 20, 2013**Approve Joint Funding of a Regionalization Feasibility Study with the Tri-Districts**

(Attachments available upon request).

Water Engineering and Field Operations Manager Jon Haukaas introduced the item and shared background information on the subject of regionalization.

The City of Fort Collins and the Tri-Districts (East Larimer County Water District, Fort Collins-Loveland Water District, and North Weld County Water District) each operate a water treatment plant, located next to each other on LaPorte Avenue. The City has the ability to share potable water with North Weld and Fort Collins-Loveland through interconnections in its distribution system.

Staff is currently investigating options for regional water solutions. Regionalization has been discussed in the past and there is renewed interest in determining the cost benefit due to growth in the service areas, excess capacity in the City's facility, and the rising costs of treating water.

A Regional Water Cooperative Committee was established by an Intergovernmental Agreement for Water Sharing and includes Operations Managers for each treatment facility.

Mr. Haukaas presented the reasoning behind the study:

- Both plants serve the citizens of Fort Collins
- Parties agree in principle that collaboration is a more sustainable approach and can increase efficiencies.
- A third party analysis is critical to determining the financial evaluations around costs.

A Request for Proposal was developed:

- Scope of Work
- Consultants will meet with Stakeholders to discuss individual concerns or constraints.
- Focused around developing a cooperative business model to receive "raw water" from the participants and return finished potable water.
- Charging the members based on a Cost of Service model.

Mr. Haukaas presented some limits of the study:

- Member parties shall maintain control and responsibility for water rights, raw water storage, and distribution systems.

The consultants will present the results to the City and the Tri-Districts late 2013 or early 2014.

Mr. Haukaas presented the costs:

- Initial fee is \$220,185 split four ways
- Fort Collins share would be approximately \$55,050.
- The three Water Districts have approved their contributions.

Highlights from the discussion:

- A board member asked if the amount of water used for hydraulic fracturing ('fracking') by North Weld will also be a part of the study. Mr. Haukaas stated this is not part of this study. This particular study looks at options for water treatment, and the demands from North Weld are not driving the study. Population growth in south Fort Collins is driving the study.

Excerpt from Unapproved Water Board Minutes, June 20, 2013

- A board member inquired as to who brought the idea forward. Mr. Haukaas stated the idea is a result of the discussions by the Regional Water Cooperative Committee.
- A board member asked about options for sewer treatment as part of the project. Mr. Haukaas stated staff has approached Boxelder Sanitation District to discuss options. Currently, there are no opportunities to increase the customer base.
- A board member asked if improvements to the plant would be necessary. Mr. Haukaas stated a financial analysis is necessary to determine these costs.

Ms. Voytko shared background information on the Regional Water Cooperation Committee. This committee includes Plant Managers and City Senior Managers. A subcommittee was formed to look at the Request for Proposal. The subcommittee made a recommendation to the full committee from a list of three possibilities. Mr. Haukaas reiterated the decision was made based on the consultants' qualifications. Costs were in a sealed envelope so the committee would not automatically choose the low bid.

Board Member Brown moved that the Water Board recommend City Council consider approval of an Ordinance authorizing the joint funding of a Regional Water Treatment Solutions Study for 25 percent of the final cost with the City of Fort Collins' share not to exceed \$75,000. Board Member Goldbach seconded the motion.

Discussion on the motion: There was no discussion on the motion.

Vote on the motion: It passed unanimously.

RESOLUTION 2013-058
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF
FORT COLLINS AND FORT COLLINS-LOVELAND WATER DISTRICT FOR
PARTICIPATION IN A JOINT REGIONAL WATER TREATMENT SOLUTIONS STUDY

WHEREAS, three area water districts, the Fort Collins-Loveland Water District (“FCLWD”), the East Larimer County Water District (“ELCO”) and the North Weld County Water District (“NWCWD”), together referred to as the Tri-Districts, cooperatively own and operate the Soldier Canyon Filter Plant (the “Plant”), which is located near the City’s Water Treatment Facility; and

WHEREAS, the Tri-Districts provide drinking water service to customers within portions of Fort Collins, the Fort Collins growth management area, Larimer County, Weld County and the surrounding region, including the towns of Windsor, Eaton, Ault, Timnath, Pierce and Nunn, as well as the Sunset Water District, and portions of the Northern Colorado Water Association; and

WHEREAS, the Tri-Districts will need to expand their treatment plant capacity to continue to comply with applicable regulations and to meet future capacity needs; and

WHEREAS, as an alternative to expanding the Plant, the Tri-Districts, through FCLWD, desire to confer with the City regarding possible arrangements under which the City might provide for the treatment of a portion of its water flows to meet the Tri-Districts’ near term and future needs; and

WHEREAS, the City has historically worked with FCLWD and with NWCWD through water sales and exchanges in order to cooperate in providing cost-effective and efficient water treatment and supply, and those existing agreements are currently under review and proposed to be updated; and

WHEREAS, the City has unused treatment capacity at its Water Treatment Facility, which facility was constructed prior to water conservation efforts; and

WHEREAS, if such water treatment arrangements were made, each of the Tri-Districts would remain independent from the City and the City will assess only those charges directly or indirectly related to the use of its treatment capacity for the Tri-Districts’ water flows; and

WHEREAS, the Tri-Districts would provide their own raw water to the City for treatment; and

WHEREAS, consolidation of water treatment services would eliminate construction at the Plant and increase efficiencies that could benefit the City, the Tri-Districts and the region; and

WHEREAS, on April 21, 2009, the City Council adopted Resolution 2009-041, authorizing the City Manager to investigate options for a cooperative arrangement that would

provide water treatment services to the Tri-Districts and to negotiate a proposed agreement for future Council consideration; and

WHEREAS, in order to more fully develop and evaluate options for cooperative arrangements and then prepare a proposal for City Council consideration if a desirable alternative is identified, the Tri-Districts have worked with City staff to develop a proposal for a study by outside experts of the technical and financial aspects of alternatives for cooperation (the "Study"); and

WHEREAS, FCLWD is willing to coordinate the Study for the benefit of the Tri-Districts and the City, provided that each of the four entities pay twenty-five percent of the overall cost; and

WHEREAS, the City's share of the costs of the Study is expected to be approximately \$55,000, and will be limited to no more than \$75,000; and

WHEREAS, the funds required to pay the City's share of the costs are appropriated and available in the Water Enterprise Contingency Fund; and

WHEREAS, City staff has proposed that the City enter into an intergovernmental agreement with FCLWD, attached hereto as Exhibit "A" and incorporated herein by this reference (the "Agreement"), in order to provide for ongoing City staff involvement in directing and reviewing the work of the outside experts preparing the Study, and to provide for payment by each of the parties of an equivalent share of the Study costs; and

WHEREAS, Article II, Section 16 of the City Charter of the City empowers the City Council, by ordinance or resolution, to enter into contracts with other governmental bodies to furnish governmental services and make charges for such services or enter into cooperative or joint activities with other governmental bodies.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS that the Mayor is hereby authorized to execute an Intergovernmental Agreement for the Funding and Coordinating of a Regional Water Treatment Solutions Study between the City and FCLWD consistent with the terms of this Resolution, with such additional terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary and appropriate to protect the interests of the City or effectuate the purpose of this Resolution.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 16th day of July, A.D. 2013.

Mayor

ATTEST:

City Clerk

**INTERGOVERNMENTAL AGREEMENT
FOR COOPERATIVE STUDY OF
REGIONAL WATER TREATMENT OPTIONS**

THIS AGREEMENT is made and entered into as of the ___ day of _____ 2013, by and between the City of Fort Collins, a home rule municipality, acting by and through its _____ (hereinafter “Fort Collins”), and the Fort Collins-Loveland Water District, acting by and through its Water Enterprise (hereinafter “the District”) (collectively “Parties”).

RECITALS

WHEREAS, three area water districts, the Fort Collins-Loveland Water District (“FCLWD”), the East Larimer County Water District (“ELCO”) and the North Weld County Water District (“NWCWD”), together referred to as the Tri-Districts, cooperatively own and operate the Soldier Canyon Filter Plant (the “Plant”), which is located near the City’s Water Treatment Facility; and

WHEREAS, the Tri-Districts provide drinking water service to customers within portions of Fort Collins, the Fort Collins growth management area, Larimer County, Weld County and the surrounding region, including the towns of Windsor, Eaton, Ault, Timnath, Pierce and Nunn, as well as the Sunset Water District, and portions of the Northern Colorado Water Association; and

WHEREAS, the Tri-Districts will need to expand its treatment plant capacity to continue to comply with applicable regulations and to meet future capacity needs; and

WHEREAS, as an alternative to expanding the Plant, the Tri-Districts, through FCLWD, desire to confer with the City regarding possible arrangements under which the City might provide for the treatment of a portion of its water flows to meet the Tri-Districts’ near term and future needs; and

WHEREAS, the City has historically worked with FCLWD and with NWCWD through water sales and exchanges in order to cooperate in providing cost-effective and efficient water treatment and supply, and those existing agreements are currently under review and proposed to be updated; and

WHEREAS, the City has unused treatment capacity at its Water Treatment Facility, which facility was constructed prior to water conservation efforts; and

WHEREAS, if such water treatment arrangements were made, each of the Tri-Districts would remain independent from the City and the City will assess only those charges directly or indirectly related to the use of its treatment capacity for the Tri-Districts’ water flows; and

WHEREAS, the Tri-Districts would provide their own raw water to the City for treatment; and

WHEREAS, consolidation of water treatment services would eliminate construction at the Plant and increase efficiencies that could benefit the City, the Tri-Districts and the region; and

WHEREAS, on April 21, 2009, the City Council adopted Resolution 2009-041, authorizing the City Manager to investigate options for a cooperative arrangement that would provide water treatment services to the Tri-Districts and to negotiate a proposed agreement for future Council consideration; and

WHEREAS, in order to more fully develop and evaluate options for cooperative arrangements and then prepare a proposal for City Council consideration if a desirable alternative is identified, the Tri-Districts have worked with City staff to develop a proposal for a study by outside experts of the technical and financial aspects of alternatives for cooperation (the "Study"); and

WHEREAS, FCLWD is willing to coordinate the Study for the benefit of the Tri-Districts and the City, provided that each of the four entities pay twenty-five percent of the overall cost; and

WHEREAS, the City's share of the costs of the Study is expected to be approximately \$55,000, and will be limited to no more than \$75,000; and

WHEREAS, the funds required to pay the City's share of the costs are appropriated and available in the Water Enterprise Contingency Fund; and

WHEREAS, City staff has proposed that the City enter into an intergovernmental agreement with FCLWD (the "Agreement"), in order to provide for ongoing City staff involvement in directing and reviewing the work of the outside experts preparing the Study, and to provide for payment by each of the parties of an equivalent share of the Study costs; and

WHEREAS, Article II, Section 16 of the City Charter empowers the City Council, by ordinance or resolution, to enter into contracts with other governmental bodies to furnish governmental services and make charges for such services or enter into cooperative or joint activities with other governmental bodies.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements hereinafter set forth, it is agreed by and between FCLWD and Fort Collins as follows:

AGREEMENT

1. AUTHORITY. This Agreement has been duly adopted by the Parties' governing body and the undersigned representatives authorized to execute this Agreement on behalf of the respective Party.

2. PURPOSE. The foregoing Recitals are hereby incorporated into and made part of this Agreement.

3. FUNDING. FCLWD will fund the Study, using its own funds, payments to be received from the other Tri-Districts, and using the funds provided by Fort Collins, as provided herein.

4. APPORTIONMENT OF COSTS AND DUTIES.

- 4.1. FCLWD has advertised and requested bids for the Study, pursuant to the Request for Proposals, attached hereto as Exhibit "A" and incorporated herein ("RFP") and shall execute a professional services contract in generally the form attached hereto as Exhibit "B" and incorporated herein ("Contract"), with a qualified consulting firm (the "Contractor") to perform the services as generally described in the RFP (the "Work"). The parties acknowledge and agree that although the Contractor team includes a legal advisor, the role of any attorney or attorneys under the Contract will be to provide general information and facilitate discussion among the parties, but will not be to provide legal advice or representation to any of the entities involved. The parties agree to work cooperatively to ensure that this limitation is properly incorporated into the Work and to manage the Contract accordingly.
- 4.2. FCLWD, ELCO, NWCWD and Fort Collins shall be joint project managers for the Work. Fort Collins shall be entitled to review and receive copies of all drafts, notes, summaries, data or work product or deliverables prepared by the Contractor in connection with the performance of the Work.
- 4.3. FCLWD shall be the contract manager for all activities under the Contract, including but not limited to all of the Work thereunder.
- 4.4. Upon receipt of invoices for the Work, FCLWD shall provide a copy to Fort Collins for review. Fort Collins shall be entitled to request additional information to confirm the tasks completed and the charges associated with those tasks. No later than twelve (12) business days after provision to Fort Collins by FCLWD of notice that FCLWD has prepared payment to the Contractor, Fort Collins shall remit to FCLWD twenty-five percent (25%) of the payment amount as reimbursement for Fort Collins' share of the total payment, up to a total maximum payment by Fort Collins of \$75,000.
- 4.5. FCLWD shall account for and maintain records of the Work and all invoices and payments under or related to the Contract, and shall retain such records for a period of not less than five (5) years after full completion of the Work. Upon request, FCLWD shall allow Fort Collins to inspect all accounting or other financial records related to the Work or the Contract.

5. ASSIGNMENT. The Parties may not assign this Agreement without prior written consent from the other party.

6. NOTICE. All notices, demands, or other written communication required or permitted to be given by this Agreement shall be by electronic mail, hand delivered or sent by certified or registered mail, postage prepaid, and return receipt requested, to the parties as follows:

If to Fort Collins:

With a copy to:

If to FCLWD:

With a copy to:

7. NO WAIVER OF IMMUNITY. Notwithstanding any other provision to the contrary, nothing herein shall constitute a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions of the Colorado Governmental Immunity Act (“CGIA”), CRS §24-10-101, et seq., or the Federal Tort Claims Act (“FTCA”) 28 U.S.C. 2671 et seq., as applicable, as now or hereafter amended nor shall any portion of this Agreement be deemed to have created a duty of care which did not previously exist with respect to any person not a party to this Intergovernmental Agreement. Liability for claims for injuries to persons or property arising from the negligence of the Parties, its departments, institutions, agencies, boards, officials, and employees is controlled and limited by the provisions of the CGIA or the FTCA as applicable, as now or hereafter amended.

8. MUTUAL INDEMNIFICATION-GENERAL. To the extent provided by law, FCLWD shall indemnify, save, and hold harmless Fort Collins, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred as a result of any act or omission of FCLWD, or its employees, agents, or assignees pursuant to the terms of this Agreement. Likewise, Fort Collins shall indemnify, save, and hold harmless FCLWD, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred as a result of any act or omission of Fort Collins, or its employees, agents, or assignees pursuant to the terms of this Agreement. The provisions hereof shall not be construed or interpreted as either party’s waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions, of the CGIA or the FTCA as applicable, as now or hereafter amended.

9. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. The forum for any dispute regarding this Agreement shall be in the Larimer County District Court, State of Colorado.

10. COMPLETE AGREEMENT. This Agreement consists of all the agreements, understandings, and promises between the Parties, and there are no agreements, understandings, or promises between the Parties other than those set forth in this Agreement.

11. AMENDMENTS. Any amendments or modifications to this Agreement must be in writing and executed by all parties to be valid and binding.

12. BINDING EFFECT. This Agreement, when executed and delivered, shall bind the parties and their successors and assigns.

13. SEVERABILITY. If any provision of this Agreement is invalidated by any court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set opposite their respective signatures below.

FORT COLLINS-LOVELAND WATER
DISTRICT ENTERPRISE

THE CITY OF FORT COLLINS,
COLORADO

By: _____
Board President

By: _____
Karen Weitkunat, Mayor

Dated: _____

Dated: _____

ATTEST:

ATTEST:

By: _____
Board Secretary

By: _____
City Clerk

APPROVED AS TO LEGAL FORM

By: _____
City Attorney

EXHIBIT A

Regional Water Cooperation Committee

Request for Proposal

Regional Water Treatment Solutions for the Tri-Districts and City of Fort Collins

April 19, 2013

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REQUEST FOR PROPOSAL

Regional Water Treatment Solutions for the Tri-Districts and City of Fort Collins

The City of Fort Collins and the Tri-Districts (Fort Collins – Loveland Water District (FCLWD), North Weld County Water District (NWCWD) and the East Larimer County Water District (ELCO)) have formed a Regional Water Cooperation Committee (RWCC) to evaluate the merits of creating regional water treatment solutions to providing drinking water to their customers in Northern Colorado. This Request for Proposals (RFP), as delivered to prequalified firms, seeks proposals that describe in more detail the plan to evaluate the cost and impact of regional water treatment cooperative alternatives. The evaluation will need to include, but not be limited to, equitable financial representation of assets and debt, cost of service equity, equitable treatment of staff and equal representation relative to governance.

Written proposals from qualified firms must be received at the location as given in the submittal deadline section of this document.

RFPs will be distributed electronically by the RWCC only to those prequalified firms. Questions concerning this RFP should also be directed to Mr. Terry Farrill, tfarrill@aol.com, (970) 226-3104 extension 104 or Ms. Lisa Voytco, lvoytko@fcgov.com, (970) 221-6692.

The TRI-DISTRICTS is subject to public information laws, which permit access to most records and documents. Proprietary information in proposals must be clearly identified and will be protected to the extent legally permissible. Proposals may not be marked 'Proprietary' in their entirety. Information considered proprietary is limited to material treated as confidential in the normal conduct of business, trade secrets, discount information, and individual product or service pricing. Summary price information may not be designated as proprietary as such information may be carried forward into other public documents. All provisions of any contract resulting from this RFP will be public information.

Sales Prohibited/Conflict of Interest: No officer, employee, or member of the Tri-Districts or its Board of Directors, shall have a financial interest in the sale to the Tri-Districts of any real or personal property, equipment, material, supplies or services where such officer or employee exercises directly or indirectly any decision-making authority concerning such sale or any supervisory authority over the services to be rendered. This rule also applies to subcontracts with the Tri-Districts. Soliciting or accepting any gift, gratuity, favor, entertainment, kickback or any items of monetary value from any person who has or is seeking to do business with the Tri-Districts is prohibited.

The Tri-Districts reserves the right to reject any and all proposals and to waive any irregularities or informalities.

The Tri-Districts anticipates selecting a qualified firm from the proposals received to complete the work based on Section III in this RFP. Additionally, the Tri-Districts reserves the right to solicit additional or revised proposals from any or all of the firms should they deem it in the best interest of the Tri-Districts.

REQUEST FOR PROPOSAL (RFP)

Regional Water Treatment Solutions for the Tri-Districts and City of Fort Collins

I. SCOPE OF WORK

A. General Project Description

The City of Fort Collins currently owns and operates the 87-mgd Fort Collins Water Treatment Facility, . The Tri-Districts own and operate the 45-mgd Soldier Canyon Filter Plant The treatment plants are located in close proximity and draw from the same water sources.

The City and the Tri-Districts have certain water sharing agreements in place and are exploring the potential for some type regional cooperation of their treatment works that may bring a more efficient, long term arrangement that will benefit their customers.

B. Project Activities

The RWCC envisions, in general, the following phases of project activity. The Consultant, in their proposal, is encouraged to expand upon or modify the below activities based on their experience and knowledge conducting this type of analysis.

Phase 1 – Foundation of Regionalization Project

Consultant to focus the members of the RWCC to develop the vision of regionalization by including the goals and expectations of each Tri-Districts, with an end result of a strategic vision for this project.

During this phase the Consultant shall also identify the institutional options of regionalization which shall include, at minimum, the following options:

1. Stay the same (status quo) – with existing and/or enhanced collaboration
2. Combine through agreements, but no merger of assets or governance
3. New Tri-Districts/merger/ of treatment facilities (Authority model)

The Consultant is encouraged to present to the RWCC other possible regionalization options.

Phase 1 Deliverable: A Technical Memorandum will be delivered to the RWCC that summarizes the activities (e.g. meetings, workshops) and evaluations of Phase 1.

Phase 2 – Financial Analysis

The Consultant shall provide a detailed financial analysis of, the regional options identified in Phase 1.

This financial analysis shall include true life-cycle costs, including debt financing and repayment, operation and maintenance costs, reliability and redundancy capabilities of the facilities and depreciation. The analysis must also accommodate future expected costs – plant

capacity expansions, plant process changes (due to regulations or water quality), and other identified future costs.

For the option of the merger/authority, there should be discussion of how merged assets would be valued and accounted for in the authority, as it may be expected that the authority will own the treatment plant assets. The analysis for this option (merger/authority) will also necessitate fair and equitable cost calculations of wholesale and/ or retail charges to the regional customers.

While the completion of this task may entail some technical expertise in regards water resources, finished water quality (water from each facility should be treated to same level), and transmission of the finished water, these technical aspects are not the main focus of the analysis.

There should be a future component that will project costs at present day level, then in 10 and 20 years, as it may be apparent that the options costs and benefits would change over time.

No costs associated with water resource (supply) acquisition, water transmission or distribution should be included. There may be costs associated with finished water delivery that may be addressed.

Phase 2 Deliverable: A Technical Memorandum will be delivered to the RWCC that summarizes the evaluations of Phase 2.

Phase 3 - Strategic Implementation Plan Development

The financial analysis is a large component of the overall recommendation of regionalization solution. The Consultant is to incorporate the financial aspects with the other issues in the strategic plan, keeping the initial RWCC vision intact.

Strategic implementation issues include:

- Operational and management activities
- Governance issues
- Regulatory and legal
- Labor and employee issues
- Organizational cultural assessment
- Internal and external communication plan
- Financial and rate recommendation – cost of service analysis

Phase 3 Deliverables: A final report shall be delivered to the RWCC at the completion of Phase 3. This report shall summarize and incorporate information from the previous phases and make a recommendation to the RWCC on a future institutional option.

C. Scheduling, Project Management and Contracting

The selected Consultant shall be responsible for preparing a project schedule identifying all necessary tasks, milestones and critical path tasks. During the implementation of the project

the Consultant shall, at minimum, provide a monthly update (during all phases of their services, design through start-up) of the status of the project schedule, Consultant's budget and tasks being worked on. The Consultant should demonstrate in its proposal its ability and methods (i.e. software to be used, means of presenting the design and status to the Tri-Districts, etc.) to properly schedule and manage the project.

II. COMPENSATION

Payment will be made based on the unit rates of work satisfactorily performed. The total compensation to the selected firm shall be subject to a not to exceed maximum amount. These unit rates are to be contained within the fee schedule submitted with the firm's proposal.

III. PROPOSAL SUBMITTAL

Respondents must submit a technical proposal and a separate cost proposal.

A. Technical Proposal

1. General Information: Name of firm, contact person for this proposal, title, phone number, fax number, e-mail address, street and mailing addresses, any previous names of firm in last ten (10) years, and date established.

2. Project Approach

- a. Describe the firm's proposed method of evaluating, developing the work products, and completing the work.
- b. Schedule: Provide a project schedule outlining the major tasks, phases, timeframes, and milestones necessary to complete the project as proposed.

3. Key Project Staffing

- a. Provide an organization chart of anticipated staff (including management), with names, that will be involved in the project including subcontractors/sub consultants.
- b. Project responsibility descriptions of key positions (i.e., project manager, financial analyst, etc.)
- c. Resumes of proposed staff, if different than those proposed from the SOQ. Page limit to 1 page per resume.

4. Insurance: Provide documentation that the firm will provide insurance coverage as follows:

General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Worker's Compensation	As required by law
Professional Liability	\$2,000,000 (with no property or damage or bodily injury exclusion)

B. Cost Proposal

Cost proposals shall be delivered in a separate, sealed envelope and clearly marked "Cost Proposal". Cost proposals must include, at minimum, the information listed below.

1. Tasks and Costs: Include a cost proposal for completion of work for all phases that clearly delineates the tasks, staff skill level allocation per task, hours allocated to each staff skill

level per task, unit rates, and task subtotals for hours and cost. Cost proposals shall also show any other direct or indirect costs.

2. Hourly Rate Schedule: Include an hourly rate schedule for all staff proposed by the firm, including subcontractors, if any.

IV. OTHER PROPOSAL REQUIREMENTS

A. Proposal Length:

Technical proposals must be limited to 20 pages maximum, appendices, exhibits, cover letters, dividers, cover sheets and figures not counted. Do not supply firm history or other generic material on the firm. Do not duplicate background material that was already presented in the SOQ.

B. Proposal Submittal:

1. All hard copy proposals must be printed double sided in an 8-1/2" x 11" page format, single line spacing, 10 point font minimum size. Electronic proposal submittals must be in 'Adobe PDF' format.
2. Submit hard copy proposal documents in sealed packages, Technical and Cost Proposals in separate packages, labeled as follows:
 - a. Technical Proposal: "Technical Proposal – Regional Water Treatment Solutions for the Tri-Districts and City of Fort Collins"
 - b. Cost Proposal: "Cost Proposal – Regional Water Treatment Solutions for the Tri-Districts and City of Fort Collins"
3. Submit one (1) hard copy and one electronic (.pdf format) copy of the Technical Proposal and 8 (eight) hard copies of the Cost Proposal.

V. PROPOSAL SCHEDULE:

Distribution of RFP (electronically):	Friday, April 19, 2013
Final Addendum Issued:	Wednesday, May 1, 2013
RFP Final Questions Due:	Friday, May 3, 2013
RFP Due:	Monday, May 6, 2013, 12:00 Noon
Short List Identified:	Thursday, May 9, 2013
Interview Schedule (If Required):	May 13-15, 2013
Selection Committee Recommendation:	May 16, 2013

VI. SELECTION PROCESS AND CRITERIA

Firms will be ranked by a Selection Committee based on the information provided in their Proposal and the selection criteria below. The Selection Committee will make a recommendation to the Tri-Districts based upon the rankings of the firms. The Tri-Districts will make the final determination of the consulting firm selected. The selection criteria are summarized below, along with the weighting factors that will be used for each of the criteria. The Selection Committee will evaluate proposals using the following factors.

Criteria	Weighting (%)
Project scope and approach	25
Firm and staff experience with similar projects	20
Demonstrated understanding and knowledge of project needs	15
Responsiveness/Location/Intangibles	10
References	10
Schedule	10
Cost effectiveness	5

VII. CONDITIONS OF SUBMITTAL OF PROPOSALS

- A. Proposal Delivery Location: Written proposals from qualified Proposers must be received at the location and by the time given in the submittal deadline section of this document.
- B. Late Proposals: Late Proposals will not be accepted.
- C. Questions or Clarifications: Prospective Proposers may make inquiries concerning this RFP to obtain clarification of requirements. All inquiries must be made in writing to the person identified in the section(s) above. No inquiries will be accepted after the RFP Questions to Tri-Districts Due date noted above. All Proposer inquiries and Tri-Districts responses will be distributed to all Proposers by the Final Addendum date as noted above.
- D. Collusive or Sham Proposals: Any Proposal deemed to be collusive or a sham proposal will be rejected and reported to authorities as such. Your authorized signature on your proposal assures that such proposal is genuine and is not a collusive or sham proposal.
- E. Right or Rejection of Proposals: The Tri-Districts reserves the right to reject any or all Proposals, to waive informalities and minor irregularities in Proposals received and to accept any portion of the Proposals or all items of the Proposals if deemed in the best interest of the Tri-Districts to do so. The Tri-Districts reserves the right to negotiate directly with the Consultant selected for reduced or additional project work. The Tri-Districts also reserves the right to make such inquiries regarding a Consultant's qualifications and reputation, as it deems necessary to evaluate the proposals.
- F. Ownership of Submitted Material: All materials submitted to Tri-Districts in response to this RFP becomes the property of the Tri-Districts and will only be returned to the Proposer at the Tri-District's option. Any person may review responses after the final selection has been made. The Tri-Districts reserves the right to use any or all ideas presented in any Proposer's reply to this request. Disqualification of a Proposer does not eliminate this right.
- G. Cost of Proposal Preparation: The Tri-Districts is not liable for any cost incurred by the Proposers prior to issuance of an agreement, contract or purchase order.

- H. Incorporation of Proposal into Contract: The contents of (or appropriate parts of) the Proposal of the successful Proposer may become contractual obligations if contractual agreement action ensues. Failure of the successful Proposer to accept these obligations in a purchase agreement, purchase order, contract, delivery order or similar acquisition instrument (together all hereinafter referred to as the "Contract") may result in cancellation of the award and such Proposer may be removed from future solicitations.
- I. Ownership of Information: All information, data, documents, photos, computer records, and other materials, of any kind acquired or developed by the Consultant as part of this project shall be the property of Tri-Districts.
- J. Right of Termination: The Tri-Districts shall, at any time, have the right to terminate the Contract for convenience upon giving thirty (30) business days written notice to the contracted firm. Unless otherwise provided for in the Contract, in the event of early termination, the awarded firm shall be entitled to the full amount of the approved estimate of services satisfactorily completed.
- K. News Releases: Proposers shall make no news releases pertaining to this RFP without the express written approval of the Tri-Districts.
- L. Scope of Work Obligations: Contract obligations will include all work defined under the Scope of Work as found in this RFP. In addition, work not specifically called out, but indicated as provided in the proposals shall become contract obligations.
- M. Right to Solicit Additional Proposals: The Tri-Districts intends to select a qualified consultant to complete the work. However, the Tri-Districts reserves the right to solicit additional proposals for any or all of the work should they deem it in the best interest of the Tri-Districts.
- N. Award of Proposal: The Contract will be awarded to that Proposer whose Proposal, conforming to the RFP, will be the most advantageous to the Tri-Districts, price and other factors considered.
- O. Standard Contract Provisions: The Tri-Districts reserves the right to incorporate standard contract provisions into any contract resulting from acceptance of a Proposal submitted in response to the RFP.
- P. Term of Proposal: All firms that submit a Proposal will be obligated to keep their proposals in effect until the Tri-Districts has successfully exercised a contract with one of the submitting firms.

Regional Water Cooperation Committee

Request for Proposal

Regional Water Treatment Solutions for the Tri-District and City of Fort Collins

Addendum 1

April 25, 2013

The technical parts of the proposals are to be **submitted electronically in pdf format** to Terry Farrill, tfarrill@aol.com.

Only the proposed costs are to be mailed to Terry Farrill, Fort Collins – Loveland Water District, 5150 Snead Drive, Fort Collins, CO, 80525. The post mark is to be on or before the due date.

Please acknowledge receipt of Addendum 1 by email to Terry Farrill.

Regional Water Cooperation Committee

Request for Proposal

Regional Water Treatment Solutions for the Tri-District and City of Fort Collins

Addendum 2

April 30, 2013

Clarification was requested regarding Section VI. Selection Process and Criteria, Firm and staff experience with similar experience, page 8. The RFP does not need to duplicate the information submitted in the SOQ. The RFP needs to specifically reference the citation submitted in the SOQ (page, paragraph, etc.).

Please acknowledge receipt of Addendum 2 by email to Terry Farrill tfarrill@aol.com.

**TO BE PROVIDED
AT A LATER DATE**