

REQUEST FOR QUALIFICATIONS

RELEASE DATE: May 8, 2017

for

CITIES OF CASHMERE AND LEAVENWORTH, CHELAN COUNTY PUBLIC UTILITY DISTRICT (PUD) WASTEWATER, PESHASTIN WATER DISTRICT AND CHELAN COUNTY UTILITY CONSOLIDATION

PROFESSIONAL, TECHNICAL AND EXPERT SERVICES

PROPOSALS DUE: May 30, 2017 by 2:00 pm

Statements of Qualifications(s) shall be sealed and clearly marked on the package cover with Project Title and Company name.

Submit one (1) original and six (6) complete copies of the Qualifications to:

City of Leavenworth
Post Office Box 287
700 Hwy. 2
Leavenworth, WA 98826

Refer Questions to:

Joel Walinski
City Administrator
City of Leavenworth
jwalinski@cityofleavenworth.com

LEGAL REQUIREMENTS - Contractors shall comply with all statutes and applicable laws of the State of Washington, and any subsequent amendments or modifications, as applicable to providers licensed in the State of Washington.

ALL proposals submitted become the property of the City of Leavenworth. It is understood and agreed that the prospective Proposer claims no proprietary rights to the ideas and written materials contained in or attached to the proposal submitted. The City has the right to reject or accept proprietary information.

AUTHORSHIP - Applicants must identify any assistance provided by agencies or individuals outside the proposers own organization in preparing the proposal. No contingent fees for such assistance will be allowed to be paid under any contract resulting from this RFQ.

CANCELLATION OF AWARD – The City reserves the right to immediately cancel an award if the contractual agreement has not been entered into by both parties or if new state regulations or policy make it necessary to change the program purpose or content, discontinue such programs, or impose funding reductions. In those cases where negotiation of contract activities are necessary, the City reserves the right to limit the period of negotiation to sixty (60) days after which time funds may be unencumbered.

CONFIDENTIALITY: Proposer shall comply with all applicable state and federal laws governing the confidentiality of information.

CONFLICT OF INTEREST - All proposals submitted must contain a statement disclosing or denying any interest, financial or otherwise, that any employee or official of the City or the appropriate Stakeholders Group may have in the proposing agency or project.

CONSORTIUM OF AGENCIES - Any consortium of companies submitting a proposal must certify that each company or agency of the consortium can meet the requirements set forth in the RFQ.

COST OF PROPOSAL & AWARD - The contract award will not be final until the City and the prospective contractor have executed a contractual agreement. The contractual agreement consists of the following parts: (a) the basic provisions and general terms and conditions, (b) the special terms and conditions, (c) the project description and goals (Statement of Work), and (d) the budget and payment terms. The City is not responsible for any costs incurred prior to the effective date of the contract. The City reserves the right to make an award without further negotiation of the proposal submitted. Therefore, the proposal should be submitted in final form from a budgetary, technical, and programmatic standpoint.

DIVERSITY IN EMPLOYMENT AND CONTRACTING REQUIREMENTS – The City is an equal opportunity employer and is committed to providing equal opportunity in employment and in access to the provision of all City services. This commitment applies regardless of race, color, religion, creed, sex, marital status, national origin, disability, age, veteran status, on-the-job injury, or sexual orientation. Employment decisions are made without consideration of these or any other factors that are prohibited by law. In compliance with department of Labor Regulations implementing Section 504 of the Rehabilitation Act of 1973, as amended, no qualified handicapped individual shall be discriminated against in admission or access to any program or activity. The prospective contractor must agree to provide equal opportunity in the administration of the contract, and its subcontracts or other agreements.

INDEPENDENT PRICE DETERMINATION - The prospective contractor guarantees that, in connection with this proposal, the prices and/or cost data in any contract or Task Order have been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition. This does not preclude or impede the formation of a consortium of companies and/or agencies for purposes of engaging in jointly sponsored proposals.

LIMITATION - This RFQ does not commit the City to award a contract, to pay any costs incurred in the preparation of a response to this RFQ, or to procure or contract for services or supplies.

LATE PROPOSALS - A proposal received after the date and time indicated above will not be accepted. No exceptions will be made.

ORAL PRESENTATIONS: At the City's sole discretion, an oral presentation may be required of those prospective contractors whose proposals are under consideration. Prospective contractors may be informed that an oral presentation is desired and will be notified of the date, time and location the oral presentation is to be conducted.

OTHER AUDIT/MONITORING REQUIREMENTS - In addition, auditing or monitoring for the following purposes will be conducted at the discretion of the City.

REJECTION OF PROPOSALS – The City reserves the right to accept or reject any or all proposals received as a result of this RFQ, to negotiate with any or all prospective contractors on modifications to proposals, to waive formalities, to postpone award, or to cancel in part or in its entirety this RFQ if it is in the best interest of City to do so.

SUBCONTRACTING - No activities or services included as a part of this proposal may be subcontracted to another organization, firm, or individual without the approval of City. Such intent to subcontract shall be clearly identified in the proposal. It is understood that the contractor is held responsible for the satisfactory accomplishment of the service or activities included in a subcontract.

VERBAL PROPOSALS: Verbal proposals will not be considered in making the award of any contract as a result of this RFQ.

1. Introduction and Purpose

The City of Cashmere, City of Leavenworth, Chelan County, Chelan County PUD and the Peshastin Water District are requesting Statements of Qualifications (SOQ's) from qualified consultants to conduct an analysis and study of the five organizations in order to advise the agencies about a potential consolidation and merger of their respective water and wastewater utilities. The selected firm will address each area outlined in the Section 4B and include the development of an implementation plan if the elected bodies choose to move forward with the concept.

The purpose of the consolidation and merger analysis would be to identify opportunities to expand, and/or to strengthen the delivery of water and sanitary sewer services to the City of Cashmere, City of Leavenworth, and unincorporated areas of Chelan County served by the Chelan County PUD and the Peshastin Water District. The following interests have been expressed in the development of this RFQ:

- Continue to provide a high level of service
- Identify legal requirements
- Outline options for managing of services
- Identify challenges, opportunities, weaknesses, and threats to the consolidations and merging of services
- Identify and quantify efficiencies to be gained by the consolidation and merging of services
- Identify deployment strategies to improve service or facilitate economic efficiencies.

The Agencies desire to negotiate a contract with a single qualified firm to provide the services described generally herein. A contract with a negotiated scope of work, schedule and budget will be developed subsequent to this RFQ process with the selected firm.

The RFQ's should fully address the tasks identified in Section 4B. Proposals will be evaluated by the Stakeholders Group, which is a team of representatives from each Agency. The Stakeholder Group will make a recommendation on the approval of scope, schedule and budget. The final contract will be between the selected firm and the City of Leavenworth.

The Agencies expect the awarded contract to be completed within six (6) months, and to include services to develop a consolidation and merger analysis, complete reports of the findings, and to provide presentations and reports to the participating Stakeholders Group and the Agencies representative board members.

2. Background

All the agencies interested in this consolidation study are located or provide services in the Upper Wenatchee area. The City of Cashmere and City of Leavenworth are both full service cities located within Chelan County in the upper valley. The Chelan County PUD provides wastewater service and water service to a number of areas of the unincorporated areas of Chelan County in the upper valley. The Peshastin Water District provides water service to the unincorporated town of Peshastin. Provided below is more specific background and general information about each agency.

CITY OF CASHMERE BACKGROUND AND GENERAL INFORMATION

Governance:

Cashmere is classified as a non-charter code city with a Mayor-Council form of government pursuant to RCW 35A.12. The City Council is the decision-making entity for the City. The City Council approves all expenditures, payroll, budget, ordinances, policies, etc., for the City. Five council members are elected for 4-year terms.

City of Cashmere

Cashmere is located in Chelan County, and has a population estimate of approximately 3,063. Cashmere is primarily a residential community with a large percentage of the population commuting to Wenatchee for employment. Residential properties comprise approximately 441 acres, which is 54% of the total land area within city limits. Industrial activities include processing as well as warehousing activities such as, Bethlehem Construction (pre-cast concrete plant) and the fruit packing and storage plants owned by Blue Star Growers and Crunch Pak. Commercial areas include the downtown business district, the East Cashmere area, Sunset Highway and there are several small businesses at various locations within the City.

Prioritization:

The City has prioritized its waste treatment plant, collection system, and water plant and distribution system significant for development and redevelopment over the next 30 years. A major component of the waste treatment plant upgrade includes a reduction in phosphorus discharges; other improvements include the ongoing replacement and upsizing of the existing water, sanitary sewer and stormwater mains throughout the City and Urban Growth Area.

The City hired FCS Group to provide a water/wastewater utility rate study, which may include funding of capital projects. This study is anticipated to be completed summer 2017.

City Personnel

The Water and Wastewater Foreman, Bruce Germain is responsible for supervising the daily operations of the water and wastewater utility.

The current wastewater utility operations and maintenance staff consists of several operation and maintenance personnel who function under the Water and Wastewater Foreman. The wastewater system tasks that are performed by the operations and maintenance staff include development review; inspection, testing, installation and repair of system facilities; routine operation and preventive maintenance; water quality sampling; regulatory compliance monitoring; recordkeeping; administrative tasks and general clerical work; and corrective or breakdown maintenance required in response to emergencies.

The City allocates funds annually for personnel training, certification and membership in professional organizations. The City believes that the time and money invested in training, certification and professional organizations are repaid many times in improved safety, skills and confidence.

Water System

The City's drinking water is supplied by two groundwater wells and one surface water source from the Wenatchee River. The City presently provides service to approximately 1,237 customer connections within the City's water service area, which incorporates all the City limits and Urban Growth Area. The City limits and water service area comprise an area of approximately 2.5 square miles.

The City's chlorinated water supply is provided by two groundwater wells and the Wenatchee River source, which flows through a slow sand filter treatment plant. Water storage is provided by two reservoirs

CITY OF CASHMERE BACKGROUND AND GENERAL INFORMATION (Continued)

that have a total capacity of 3.0 million gallons (MG). In addition, the Cashmere water system has four pressure zones with seven pressure reducing stations, one booster pump station, and approximately sixteen miles of water main.

Sanitary Sewer System

The City owns and operates a wastewater collection and treatment plant system located just south of the City. Wastewater collection, treatment and disposal are provided through a conventional gravity collection system and a treatment. The City provides service to approximately 1,039 customer connections within the City's wastewater service area. The City's wastewater system is comprised of 1 treatment plant, 4 pump stations and approximately 20 miles of gravity collection and force main pipes.

The City owns and operates a Wastewater Treatment Facility (WWTF) that provides treatment of domestic and commercial wastewater from within the City. The WWTF has a maximum month hydraulic design capacity of 1.23 MGD and maximum month loading capacity of 5700 lbs of biochemical oxygen demand (BOD). An equalization basin is present at the facility to provide equalization of high influent flow rates or high influent loading. The facility provides enhanced biological phosphorus and nitrogen removal through a modified bardenpho process utilizing anaerobic, anoxic and aerobic zones. A future upgrade to the facility will implement tertiary filtration of effluent in order to meet future effluent phosphorus limits. The WWTF uses ultraviolet light to disinfect effluent prior to discharging to the Wenatchee River. The facility produces Class B biosolids through aerobic digestion. The biosolids are dewatered with a belt filter press and dried on an onsite asphalt pad prior to hauling to land application sites on the Waterville Plateau.

CITY OF LEAVENWORTH BACKGROUND AND GENERAL INFORMATION

Governance:

Leavenworth is classified as a non-charter code city with a Mayor-Council form of government pursuant to RCW 35A.12. The City Council is the decision-making entity for the City. The Council approves all expenditures, payroll, budget, ordinances, policies, etc for the City. Seven council members make up the city council; six are elected for 4-year terms, one is elected to a 2-year term.

City Of Leavenworth

Leavenworth is located in Chelan County, and has a 2016 population estimate of 1990. The City is approximately 1.38 square miles and also provides water service to areas outside the City boundaries and urban growth areas. The City has prioritized its waste treatment plant, collection system, and water plant and distribution system significant for redevelopment over the next 30 years. A major component of the waste treatment plant upgrades includes upgrading the plant to address a reduction in phosphorus discharges; other improvements include the ongoing replacement and upsizing of the existing water, sanitary sewer and stormwater mains in the downtown core.

The City of Leavenworth is a resort and tourist destination for approximately 2.5 million visitors moving through town each year. Festival weekends in Leavenworth attract as many as 60,000 tourists. As a result, water demands, garbage service demands and sewer discharge by businesses can vary substantially with tourism peaks. The City will complete an updated utility rate study in 2017.

City Personnel

The water and wastewater operations are coordinated under the Public Works Department with each utility having a licensed and certified operator at each plant. Antonio Muro is the Waste Treatment Plant Supervisor and Arnica Briody is the Water Plant Supervisor.

The wastewater and water system tasks that are performed by the operations and maintenance staff include development review; inspection, testing, installation and repair of system facilities; routine operation and preventive maintenance; water quality sampling; regulatory compliance monitoring; recordkeeping; administrative tasks and general clerical work; and corrective or breakdown maintenance required in response to emergencies.

The City allocates funds annually for personnel training, certification and membership in professional organizations. The City supports the time and money invested in training, certification and professional organizations. The quality of staffing is repaid many times in improved safety, skills and confidence.

Water System

The Water Utility Fund, a division of the Public Works Department, ensures the delivery of safe and reliable drinking water to approximately 3,020 citizens as well as a thriving tourist population. The City services approximately 1162 residential accounts and 235 commercial accounts on average, of these 374 residential and 22 commercial accounts are located outside the City municipal boundaries.

The water system utilizes two pressure zones, surface water intake and a well field. The surface water treatment plant (WTP) is located on Icicle Creek and the well field is located near the Wenatchee River, these locations supply water pressure to Zone 1 and the Icicle Road Reservoir. In general, the WTP provides the primary water supply and the wells provide a secondary supply when system demands exceed capacity of the WTP or when surface water turbidity in Icicle Creek requires the WTP to go out of service. The Ski Hill Booster Station supplies Zone 2 and the Ski Hill Reservoir provides storage to Zone 2. The Ski Hill booster pump station and reservoir were constructed in 2005 and the Icicle Road

CITY OF LEAVENWORTH BACKGROUND AND GENERAL INFORMATION (Continued)

Reservoir was reconstructed in 2008. The WTP was constructed in 1969 and the well field (Well Nos. 1 and 2) were constructed in 1989. Well No. 3 went online in 2015 and offers redundancy back-up to

the system. Well No. 1 was completely rebuilt in 2013 and Well No. 2 was rebuilt in 2016. At this time commercial water meter accounts are read and billed on a monthly basis. Residential account meters are read from April through October; however, the City is looking into new meter replacements citywide that will allow for year round reading for all accounts.

The City of Leavenworth is currently working on a Water System Plan which should be completed in 2017. The City last completed a Water Distribution System and Sewer Collection System Master Plan in 2008 along with completing a study for Water System Development Charges; both adopted by City Council the same year. A Water System Plan was completed in 2011.

As part of this year's Utility Rate and Fee Study, the City will require consideration for additional implementation of a conservation rate program and an analysis of operating and fixed costs of the system.

Sanitary Sewer System

The Sewer Utility Fund, a division of the Public Works Department, ensures that the wastewater generated is safely and reliably transported to the City's wastewater system for treatment. The City's collection system serves all of the City limits area and part of the urban growth area on the north side of the City. The City sanitary sewer system currently has approximately 810 residential connections and 167 commercial connection accounts on average. The City adopted its current Wastewater System Comprehensive plan in 1999, and the wastewater treatment plant was constructed in 2000. The City is currently developing a new wastewater facility plan which is under the Department of Ecology review; at this time significant waste treatment capital improvements will be necessary as the City updates its plant in 2019/2020 to address a Phosphorous TMDL on the Wenatchee River as well as addressing mechanical lifecycle replacements. The Study will need to anticipate the potential for rate increases based on the capital costs for the waste treatment plant updates. The current rate structure for residential users is a monthly base rate; commercial sewer rates are tied to water use and user class.

CHELAN COUNTY PUBLIC UTILITY DISTRICT (PUD) BACKGROUND AND GENERAL INFORMATION

General

The Chelan County Public Utility District (District) was formed in 1936 by local voters who wanted affordable power for all county residents. Electricity was first delivered 11 years later, to a small group of customers near Lake Chelan. Today, the District operates three hydro projects that deliver clean, renewable, low-cost energy to local residents and to other utilities that serve millions of residents of the Pacific Northwest. The mighty Columbia River provides much of the hydropower generation and the District is proud to take a leadership role in environmental stewardship as related to this great river system. The District is directed by five commissioners elected by Chelan County voters. Commissioners oversee a utility system that includes electricity, water, wastewater and wholesale fiber-optic services.

Water

The Wenatchee Valley Water Company (WVWC) provided water service in the unincorporated areas around Wenatchee since the early 1900's. At the request of WVWC, The District assumed ownership and operation of the system on January 1, 1974. In the years that followed, the District made improvements to increase supply, improve water quality, enhance fire protection and accommodate growth in outlying areas. Major expansions in the service area of the District's Wenatchee system included:

- Squilchuck (1978) in response to many private wells going dry during the 1977 drought.
- Sleepy Hollow (1997) in response to many private wells going dry.
- Monitor (2008) in response to private wells going dry and poor water quality.

The District acquired and upgraded several smaller water systems including Dryden (1981), Ollala Canyon (1997) and Chelan Ridge (1997). The District's four retail water systems serve a combined 6,000 connections. The systems serve primarily residential customers (5,500) and about 500 commercial, industrial and fire service connections. The service areas include land within the Wenatchee city limits and unincorporated Chelan County. Although the systems are separated geographically, they are managed and operated as a single system with common rates.

Wastewater

The District entered the wastewater business by a vote of the people in 1975. Prior to this, in the late 1960's and early 1970's, several studies funded by Chelan County identified, in part, sewage disposal problems in the Peshastin and Dryden areas. Later, the Chelan-Douglas Health District identified drinking water problems in Lake Wenatchee attributable to failing on-site septic systems. At the request of Chelan County and these communities, the PUD constructed and continues to operate wastewater treatment facilities in the unincorporated communities of Dryden, Peshastin and Lake Wenatchee. These three systems together serve about 500 connections, primarily residential. Although the systems are separated geographically, they are managed and operated as a single system with common rates.

Management & Personnel

The General Manager reports to an elected board of five Commissioners. The General Manager is responsible for the management of the utility, and oversees the work of six Managing Directors, the General Counsel/Chief Compliance Officer and the Chief Financial/Risk Officer. The water and wastewater utility is overseen by the Managing Director of Customer Utilities. The water and wastewater utility is staffed by a Manager, Superintendent, two Treatment Plant Operators and eight Water Technicians.

Several other business lines offer support to maintain a fully operable water and wastewater utility, including the following.

- Communications
- Customer Services

CHELAN COUNTY PUBLIC UTILITY DISTRICT (PUD) BACKGROUND AND GENERAL INFORMATION (Continued)

- Energy Resources & Conservation
- Engineering Services & Project Management
- Environmental and Permitting
- Finance, Treasury & Accounting
- Fleet Services
- Human Resources & Labor Relations
- Information Technology
- Legal & Compliance
- Office Services
- Procurement and Contract Services
- Real Estate Services
- Safety
- Security
- Tech Shop

Peshastin Water District

Governance:

The Peshastin Water District owns and operates the water system that serves the community of Peshastin, located along the north side of the Wenatchee River three miles east of Leavenworth. The District is governed by three water commissioners who are publicly elected to office.

Water System:

The Water District includes three active wells, four reservoirs, two of which store 190,000 gallons each, a new tower that stores 275,000 gallons, and an additional reservoir located on Larson Rd that stores 30,000 gallons. There are approximately 4 miles of pipe which feed the system. The Water District currently serves 250 customers, including residential, commercial, industrial, an Elementary school, and a day care center. The system is approved for 500 connections, which is sufficient to serve the projected future demand of 598 connections through the year 2025.

In the summer of 2005, property owners from the Timberline Water User Association approached the Peshastin Water District requesting water to feed their small water system due to lack of water supply. The District applied for and received grant funding totaling \$108,500 from the Emergency Drought Fund from the Department of Ecology to install a temporary 2" water line across the Peshastin Bridge to feed seven residential properties and a commercial business.

In 2016, the Peshastin Water District completed construction of its fourth water tower reservoir at a cost of \$1.1 million dollars. A building moratorium put into place by the Department of Health required the building of the reservoir to ensure adequate water supply in case of a major fire event. Peshastin should now have sufficient water supply for many years to come. The Water District has two employees, a Certified Water Manager and Certified Cross Connection Technician, and a Secretary/Bookkeeper/Office Manager.

CHELAN COUNTY BACKGROUND AND GENERAL INFORMATION

Governance:

Chelan County has a commission form of government with three (3) county commissioners elected on rotating four-year terms. The Commission has budget authority for all services performed by the County, although several independently elected officials retain certain authorities (e.g Assessor, Treasurer, Prosecuting Attorney, etc.). The Commission also appoints certain department heads within the County who serve at the pleasure of the Commission, including Public Works Director, Community Development Director, Natural Resources Director and others. For the purposes of this study, the Community Development Director Hank Lewis and Natural Resources Director Mike Kaputa will participate in the development and water resources issues affecting the County.

Water

Chelan County does not own or manage any water systems in the upper Wenatchee valley, relying on permit-exempt wells, group water systems or city water to provide water supply for development under county jurisdiction; however, Chelan County, primarily through its Natural Resources Department, facilitates and coordinates multiple water resource planning efforts with the cities and PUD and many other stakeholders, including federal and state agencies, tribes, citizens, irrigation districts and non-profit organizations. These efforts include the Icicle Work Group, Wenatchee Watershed Planning effort, Wenatchee coordinated cost reimbursement process, Mission Creek water supply evaluation and other smaller efforts. The County is particularly interested in exploring different models of providing water supply certainty in rural areas given the changing legal landscape from recent court cases, including *Hirst*, *Foster*, *Swinomish* and others. Potential models worth exploring could include water banks and/or water utilities in rural areas.

Sanitary Sewer

The county does not own or manage any sanitary sewer systems in the upper Wenatchee valley.

3. BUDGET AND SOURCE OF FUNDS

The budget range for this project is \$150,000 depending on the level of data collection and determination for final scope of work.

4. PROJECT PROPOSAL REQUIREMENTS

Proposals should be organized in the following format:

A. Cover Letter. Provide a cover letter, signed by a duly constituted official legally authorized to bind the proposer to both its proposal and cost estimate. The cover letter must include the name, address, and telephone number of the proposer submitting the proposal and the name, title, address, telephone number, fax number, and email address of the person, or persons, to contact whom are authorized to represent the proposer and to whom correspondence should be directed.

B. Project Approach and Understanding. Provide a detailed description of the Consultant's proposed approach demonstrating how the Stakeholder Group's objectives will be accomplished as outlined in a draft Scope of Work. Clearly describe and explain the reason for the methods, tasks and products identified in a draft Scope of Work. Elements of this project include, at a minimum, the following items:

- *Review* existing studies specific to consolidation effort and *Research* other related and relevant consolidation examples and studies.
- *Review* regulatory requirements of each agency, *identify* and *recommend* consolidation strategies for compliance.
- *Review* current organizational structure and policies/procedures of each organization, *summarize* inconsistencies that would need to be resolved as a result of a consolidation.
- *Conduct* meetings and/or interviews with key staff at the City of Cashmere, City of Leavenworth, Chelan County, Chelan County PUD and the Peshastin Water District to gain a clear understanding of current levels of service, workflow processes, and staffing allocations.
- *Conduct* salary comparisons of similar staff.
- *Identify* governance options (including administrative and management models) for the City of Cashmere, City of Leavenworth, Chelan County, Chelan County PUD and the Peshastin Water District Consolidation.
- *Recommend* governance option and organizational structures (including a clear definition of roles and responsibilities) to result in best customer service and cost savings, include steps for phased merger over time. *Identify* and call out critical path milestones.
- *Identify* additional resources that may be necessary to implement the recommended organizational structure and schedule. This may include resources necessary to address organizational changes to address federal and state labor laws, liquidation of accrued time, union coordination, etc.

C. Project Organization and Team Qualifications. Identification of all services to be provided by the principal firm and those proposed to be provided by subcontractors and information regarding the firm(s) assigned to the project including size of firm(s) and overall capabilities of each as considered relevant to this project. Each firm shall identify a team member with meeting facilitation skills and experience, experience should include both stakeholder meeting facilitation and larger public meeting facilitation. Provide information regarding all personnel assigned as team members to this project including names,

prior experience, position, role and level of responsibility in the project. The City reserves the right to reject any proposed firm or team member or to request their reassignment. The project manager shall be identified by name and shall not be changed without written approval by the City. The principal consulting firm must assume responsibility for any sub-consultant work and shall be responsible for the day to day management and direction of the project.

D. Project Timeline. Proposed timeline for accomplishing the project, including critical paths and milestones, and specific consulting staff by task based on the draft Scope of Work.

E. Project Coordination and Monitoring. Describe the process for ensuring effective communication between the Consultant, Stakeholders Group, and the Agencies, and for monitoring progress to ensure compliance with approved timeline, budget, staffing and deliverables.

F. Proposed Cost of Services. Provide a budget summary broken down by task, time, personnel, and hourly rate, number of hours and cost for each team member including those employed by subcontractors. Fee information should be formatted to correspond to tasks identified in this RFQ; however, this format may be modified to suit the consultant's approach to this project. The summary shall include a budget for reimbursable expenses. The final cost of consulting services will be based on a negotiated detailed scope of work. The budget summary shall also include all required materials and other direct costs, administrative support, overhead and profit that will apply.

G. Similar Project Experience. Provide specific examples of comparable work which best demonstrate the qualifications and ability of the team to accomplish the overall goals of the project under financial and time constraints. Provide names, addresses and telephone numbers of clients associated with each of these projects. Through submission of a proposal, all respondents specifically agree to and release the City of Leavenworth to solicit, secure and confirm information provided.

5. SELECTION OF PROPOSALS

Proposals will be evaluated based on the following criteria:

Thoroughness, quality and conciseness of submittal.	25 pts.
Project understanding and approach for accomplishing the Stakeholder Group's objectives.	20 pts.
Qualifications of the project manager and project team, and proven ability to successfully complete projects of similar scope.	15 pts.
Ability to complete the Scope of Work within six (6) months of when the consulting contract is signed.	15 pts.
Proposed cost of services.	15 pts.
References from past and present clients.	10 pts.
Total	100 pts.

6. PROPOSAL SUBMITTAL AND SCHEDULE

Parties interested in submitting a proposal should contact Joel Walinski, City Administrator to indicate their interest in submitting a proposal and specify the manner to receive any amendments to the RFQ.

Six (6) copies of the proposal shall be submitted to the City of Leavenworth:

**Utility Consolidation Study
ATTN: Chantell Steiner
700 US Hwy 2 / P.O. Box 287
Leavenworth WA 98826**

Proposals must be received no later than **2:00 PM, May 30, 2017**.

Envelopes should be marked: "**Utility Consolidation Study**."

Proposals must be submitted in a sealed envelope. All proposals must be completed in ink or typewritten. Questions may be addressed to:

**Joel Walinski, City Administrator, 509 548-5275; or
jwalinski@cityofleavenworth.com**

Any amendments to this RFQ will be in writing and will be issued to all persons or businesses that have indicated an interest to receive RFQ amendments. No proposal will be considered if it is not responsive to any issued amendments.

7. Consultant Selection

Firms will be evaluated initially based on their Proposals by the Stakeholders Group. Oral interviews may be requested depending on the number of qualified firms submitting. The final contract will be made with the approval of the Mayor and City Council based on recommendation of the Stakeholders Group. If the Stakeholders Group and the selected consultant are unable to agree on the terms and conditions of the contract, the Stakeholders Group will terminate negotiations and the next most suitable consultant will be contacted for contract negotiations.

8. Professional Services Agreement

Attached as **Exhibit A** is the current Professional Service Contract template used by the City of Leavenworth for consultant services. The City will require this template agreement to be used for this service and scope of work.

**PROFESSIONAL SERVICES AGREEMENT BETWEEN
CITY OF LEAVENWORTH, WASHINGTON
AND _____
FOR CONSULTANT SERVICES**

THIS AGREEMENT (“Agreement”) is made and entered into by and between the City of, Leavenworth Washington, a Washington State municipal corporation (“City”), and _____, a Washington _____ (“Consultant”) [LEGAL STATUS OF ENTITY SHOULD BE INSERTED i.e., LLC; Sole Proprietor; LLP; Inc., P.S.; Partnership, Foreign Corporation licensed to do business in Washington State] .

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, the parties hereto agree as follows:

ARTICLE I. PURPOSE

The purpose of this Agreement is to provide the City with consultant services regarding [INSERT SHORT GENERAL DESCRIPTION OF WHAT SERVICES ARE REGARDING] as described in Article II. The general terms and conditions of the relationship between the City and the Consultant are specified in this Agreement.

ARTICLE II. SCOPE OF SERVICES

The Scope of Services is attached hereto as **Exhibit “A”** and incorporated herein by this reference (“Scope of Services”). All services and materials necessary to accomplish the tasks outlined in the Scope of Services shall be provided by the Consultant unless noted otherwise in the Scope of Services or this Agreement. All such services shall be provided in accordance with the standards of the Consultant’s profession.

ARTICLE III. OBLIGATIONS OF THE CONSULTANT

III.1 MINOR CHANGES IN SCOPE. The Consultant shall accept minor changes, amendments, or revision in the detail of the Scope of Services as may be required by the City when such changes will not have any impact on the service costs or proposed delivery schedule. Extra work, if any, involving substantial changes and/or changes in cost or schedules will be addressed as follows:

Extra Work. The City may desire to have the Consultant perform work or render services in connection with each project in addition to or other than work provided for by the expressed intent of the Scope of Services in the scope of services. Such work will be considered as extra work and will be specified in a written supplement to the scope of services, to be signed by both parties, which will set forth the nature and the scope thereof. All proposals for extra work or services shall be prepared by the Consultant at no cost to the City. Work under a supplemental agreement shall not proceed until executed in writing by the parties.

III.2 WORK PRODUCT AND DOCUMENTS. The work product and all documents produced under this Agreement shall be furnished by the Consultant to the City, and upon completion of

EXHIBIT A Consolidation RFQ

the work shall become the property of the City, except that the Consultant may retain one copy of the work product and documents for its records. The Consultant will be responsible for the accuracy of the work, even though the work has been accepted by the City.

In the event that the Consultant shall default on this Agreement or in the event that this Agreement shall be terminated prior to its completion as herein provided, all work product of the Consultant, along with a summary of work as of the date of default or termination, shall become the property of the City. Upon request, the Consultant shall tender the work product and summary to the City. Tender of said work product shall be a prerequisite to final payment under this Agreement. The summary of work done shall be prepared at no additional cost to the City.

Consultant will not be held liable for reuse of documents produced under this Agreement or modifications thereof for any purpose other than those authorized under this Agreement without the written authorization of Consultant.

III.3 TERM. The term of this Agreement shall commence on _____ and shall terminate at midnight, _____. The parties may extend the term of this Agreement by written mutual agreement.

III.4 NONASSIGNABLE. The services to be provided by the Consultant shall not be assigned or subcontracted without the express written consent of the City.

III.5 EMPLOYMENT.

a. The term “employee” or “employees” as used herein shall mean any officers, agents, or employee of the of the Consultant.

b. Any and all employees of the Consultant, while engaged in the performance of any work or services required by the Consultant under this Agreement, shall be considered employees of the Consultant only and not of the City, and any and all claims that may or might arise under the Workman's Compensation Act on behalf of any said employees while so engaged, and any and all claims made by any third party as a consequence of any negligent act or omission on the part of the Consultant or its employees while so engaged in any of the work or services provided herein shall be the sole obligation of the Consultant.

c. Consultant represents, unless otherwise indicated below, that all employees of Consultant that will provide any of the work under this Agreement have not ever been retired from a Washington State retirement system, including but not limited to Teacher (TRS), School District (SERS), Public Employee (PERS), Public Safety (PSERS), law enforcement and fire fighters (LEOFF), Washington State Patrol (WSPRS), Judicial Retirement System (JRS), or otherwise. *(Please indicate No or Yes below)*

_____ No employees supplying work have ever been retired from a Washington state retirement system.

_____ Yes employees supplying work have been retired from a Washington state retirement system.

EXHIBIT A Consolidation RFQ

In the event the Consultant indicates “no”, but an employee in fact was a retiree of a Washington State retirement system, and because of the misrepresentation the City is required to defend a claim by the Washington State retirement system, or to make contributions for or on account of the employee, or reimbursement to the Washington State retirement system for benefits paid, Consultant hereby agrees to save, indemnify, defend and hold City harmless from and against all expenses and costs, including reasonable attorney’s fees incurred in defending the claim of the Washington State retirement system and from all contributions paid or required to be paid, and for all reimbursement required to the Washington State retirement system. In the event Consultant affirms that an employee providing work has ever retired from a Washington State retirement system, said employee shall be identified by Consultant, and such retirees shall provide City with all information required by City to report the employment with Consultant to the Department of Retirement Services of the State of Washington.

III.6 INDEMNITY.

a. **Indemnification / Hold Harmless.** Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

b. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence.

c. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant’s waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

d. **Public Records Requests.**
In addition to Paragraph IV.3 b, when the City provides the Consultant with notice of a public records request per Paragraph IV. 3 b, Consultant agrees to save, hold harmless, indemnify and defend the City its officers, agents, employees and elected officials from and against all claims, lawsuits, fees, penalties and costs resulting from the consultants violation of the Public Records Act RCW 42.56, or consultant’s failure to produce public records as required under the Public Records Act.

e. The provisions of this section III.6 shall survive the expiration or termination of this agreement.

III.7 INSURANCE.

a. **Insurance Term**
The Consultant shall procure and maintain for the duration of the Agreement, insurance against

EXHIBIT A Consolidation RFQ

claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

b. No Limitation

Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

c. Minimum Scope of Insurance - Consultant shall obtain insurance of the types described below:

- (1). Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage.
- (2). Commercial General Liability insurance shall be written at least as broad on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap, independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.
- (3). Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- (4). Professional Liability insurance appropriate to the Consultant's profession.

d. The minimum insurance limits shall be as follows:

Consultant shall maintain the following insurance limits:

- (1) Comprehensive General Liability. \$1,000,000 combined single limit per occurrence for bodily injury personal injury and property damage; \$2,000,000 general aggregate.
- (2) Automobile Liability. \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (3) Workers' Compensation. Workers' compensation limits as required by the Workers' Compensation Act of Washington.
- (4) Professional Liability/Consultant's Errors and Omissions Liability. \$1,000,000 per claim and \$1,000,000 as an annual aggregate.

e. Notice of Cancellation. In the event that the Consultant receives notice (written,

EXHIBIT A Consolidation RFQ

electronic or otherwise) that any of the above required insurance coverage is being cancelled and/or terminated, the Consultant shall immediately (within forty-eight (48) hours) provide written notification of such cancellation/termination to the City.

f. **Acceptability of Insurers.** Insurance to be provided by Consultant shall be with insurers with a current A.M.Best rating of no less than A:VII, or if not rated by Best, with minimum surpluses the equivalent of Best VII rating.

g. **Verification of Coverage.** In signing this agreement, the Consultant is acknowledging and representing that required insurance is active and current. Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work. Further, throughout the term of this Agreement, the Consultant shall provide the City with proof of insurance upon request by the City.

h. **Insurance shall be Primary - Other Insurance Provision.** The Consultant's insurance coverage shall be primary insurance as respect the City. The Consultant's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any Insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

i. **Claims-made Basis.** Unless approved by the City all insurance policies shall be written on an "Occurrence" policy as opposed to a "Claims-made" policy. The City may require an extended reporting endorsement on any approved "Claims-made" policy.

j. **Failure to Maintain Insurance** Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days' notice to the Consultant to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

k. **Public Entity Full Availability of Consultant Limits**
If the Consultant maintains higher insurance limits than the minimums shown above, the Public Entity shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Consultant, irrespective of whether such limits maintained by the Consultant are greater than those required by this contract or whether any certificate of insurance furnished to the Public Entity evidences limits of liability lower than those maintained by the Consultant.

III.8 DISCRIMINATION PROHIBITED AND COMPLIANCE WITH EQUAL OPPORTUNITY LEGISLATION. The Consultant agrees to comply with equal opportunity employment and not to discriminate against client, employee, or applicant for employment or for services because of race, creed, color, religion, national origin, marital status, sex, sexual orientation, age or handicap except for a bona fide occupational qualification with regard, but not limited to, the following:

EXHIBIT A Consolidation RFQ

employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or terminations; rates of pay or other forms of compensation; selection for training, rendition of services. The Consultant further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth the provisions of this nondiscrimination clause. The Consultant understands and agrees that if it violates this nondiscrimination provision, this Agreement may be terminated by the City, and further that the Consultant will be barred from performing any services for the City now or in the future, unless a showing is made satisfactory to the City that discriminatory practices have been terminated and that recurrence of such action is unlikely.

III.9 UNFAIR EMPLOYMENT PRACTICES. During the performance of this Agreement, the Consultant agrees to comply with RCW 49.60.180, prohibiting unfair employment practices.

III.10 LEGAL RELATIONS. The Consultant shall comply with all federal, state and local laws and ordinances applicable to work to be done under this Agreement. The Consultant represents that the firm and all employees assigned to work on any City project are in full compliance with the statutes of the State of Washington governing activities to be performed and that all personnel to be assigned to the work required under this Agreement are fully qualified—and properly licensed to perform the work to which they will be assigned. This Agreement shall be interpreted and construed in accordance with the laws of Washington. Venue for any litigation commenced relating to this Agreement shall be in Chelan County Superior Court.

III.11 INDEPENDENT CONTRACTOR.

a. The Consultant and the City understand and expressly agree that the Consultant is an independent contractor in the performance of each and every part of this Agreement. The Consultant expressly represents, warrants and agrees that his status as an independent contractor in the performance of the work and services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195 or as hereafter amended. The Consultant, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing the services required under this Agreement. The Consultant shall make no claim of City employment nor shall claim any related employment benefits, social security, and/or retirement benefits.

b. The Consultant shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a tax or assessment as a result of this Agreement, the Consultant shall pay the same before it becomes due.

c. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Consultant performs hereunder.

d. Prior to commencement of work, the Consultant shall obtain a business license from the City.

III.12 CONFLICTS OF INTEREST. The Consultant agrees to and shall notify the City of any potential conflicts of interest in Consultant's client base and shall obtain written permission from the

EXHIBIT A Consolidation RFQ

City prior to providing services to third parties where a conflict or potential conflict of interest is apparent. If the City determines in its sole discretion that a conflict is irreconcilable, the City reserves the right to terminate this Agreement.

III.13 CITY CONFIDENCES. The Consultant agrees to and will keep in strict confidence, and will not disclose, communicate or advertise to third parties without specific prior written consent from the City in each instance, the confidences of the City or any information regarding the City or services provided to the City.

III.14 SUBCONTRACTORS/SUBCONSULTANTS.

a. The Consultant shall be responsible for all work performed by subcontractors/subconsultants pursuant to the terms of this Agreement.

b. The Consultant must verify that any subcontractors/subconsultants they directly hire meet the responsibility criteria for the project. Verification that a subcontractor/subconsultant has proper license and bonding, if required by statute, must be included in the verification process. The Consultant will use the following Subcontractors/Subconsultants or as set forth in Exhibit ____:

c. The Consultant may not substitute or add subcontractors/subconsultants without the written approval of the City.

d. All Subcontractors/Subconsultants shall have the same insurance coverages and limits as set forth in this Agreement and the Consultant shall provide verification of said insurance coverage.

ARTICLE IV. OBLIGATIONS OF THE CITY

IV.1 PAYMENTS.

a. The Consultant shall be paid by the City for services rendered under this Agreement as described in the Scope of Services and as provided in this section. In no event shall the compensation paid to Consultant under this Agreement exceed \$_____ without the written agreement of the Consultant and the City. Such payment shall be full compensation for work performed and services rendered and for all labor, materials, supplies, equipment and incidentals necessary to complete the work. In the event the City elects to expand the scope of services from that set forth in Exhibit A, the City shall pay Consultant a mutually agreed amount.

b. The Consultant shall submit a monthly invoice to the City for services performed in the previous calendar month in a format acceptable to the Cities. The Consultant shall maintain time and expense records and provide them to the Cities upon request.

c. The City will pay timely submitted and approved invoices received before the

EXHIBIT A Consolidation RFQ

20th of each month within thirty (30) days of receipt.

IV.2 CITY APPROVAL. Notwithstanding the Consultant's status as an independent contractor, results of the work performed pursuant to this Agreement must meet the approval of the City, which shall not be unreasonably withheld if work has been completed in compliance with the Scope of Services and City requirements.

IV.3 MAINTENANCE/INSPECTION OF RECORDS.

a. The Consultant shall maintain all books, records, documents and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the Consultant shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts and records where necessary to conduct or document an audit. The Consultant shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the Consultant shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

b. Public Records

The parties agree that this Agreement and records related to the performance of the Agreement are with limited exception, public records subject to disclosure under the Public Records Act RCW 42.56. Further, in the event of a Public Records Request to the City, the City may provide the Consultant with a copy of the Records Request and the Consultant shall provide copies of any City records in Consultant's possession, necessary to fulfill that Public Records Request. If the Public Records Request is large the Consultant will provide the City with an estimate of reasonable time needed to fulfill the records request.

ARTICLE V. GENERAL

V.1 NOTICES. Notices to the City shall be sent to the following address:

[INSERT NAME, TITLE AND ADDRESS OF CITY CONTACT]

Notices to the Consultant shall be sent to the following address:

[INSERT NAME, TITLE AND ADDRESS OF CONSULTANT CONTACT]

Receipt of any notice shall be deemed effective three (3) days after deposit of written notice in

EXHIBIT A Consolidation RFQ

the U.S. mail with proper postage and address.

V.2 TERMINATION. The right is reserved by the City to terminate this Agreement in whole or in part at any time upon ten (10) calendar days' written notice to the Consultant.

If this Agreement is terminated in its entirety by the City for its convenience, the City shall pay the Consultant for satisfactory services performed through the date of termination in accordance with payment provisions of Section IV.1.

V.3 DISPUTES. The parties agree that, following reasonable attempts at negotiation and compromise, any unresolved dispute arising under this Agreement may be resolved by a mutually agreed-upon alternative dispute resolution of arbitration or mediation.

V.4 EXTENT OF AGREEMENT/MODIFICATION. This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties.

V.5 SEVERABILITY

a. If a court of competent jurisdiction holds any part, term or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

b. If any provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

V.6 NONWAIVER. A waiver by either party hereto of a breach by the other party hereto of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay or failure of either party to insist upon strict performance of any agreement, covenant or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition or right.

V.7 FAIR MEANING. The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

V.8 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

V.9 VENUE. The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Chelan County, Washington.

V.10 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

EXHIBIT A Consolidation RFQ

V.11 AUTHORITY TO BIND PARTIES AND ENTER INTO AGREEMENT. The undersigned represent that they have full authority to enter into this Agreement and to bind the parties for and on behalf of the legal entities set forth below.

DATED this _____ day of _____, 201__.

CITY OF _____

[INSERT TRUE AND ACCURATE NAME OF COMPANY]

By _____
_____, Mayor

By _____
[PRINT OR TYPE NAME AND TITLE]

Approved as to form:

_____, City Attorney

EXHIBIT A Consolidation RFQ

Exhibit A
Scope of Services