



CITY OF PORT ARANSAS, TEXAS

REQUEST FOR QUALIFICATIONS (RFQ) **GAS RATE CONSULTANT SERVICES**

NOTICE TO BIDDERS

NOTICE is hereby given that the City of Port Aransas, Texas, is seeking a Gas Rate Study. All proposals must be clearly marked “**SEALED BID – RFQ - GAS RATE CONSULTANT SERVICES**” and returned to the City Secretary’s office, 710 W. Avenue A, Port Aransas, Texas 78373 prior to Tuesday, February 6th, 2024 at 3:00 pm, at which time they will be publicly opened and acknowledged in the City Hall Council Chamber. The City of Port Aransas reserves the right to reject any or all proposals and to waive any and all formalities as deemed to be in the best interest of the City.

Specific information and/or specifications for Gas Rate Consultant Services are on file and may be examined without charge in the office of the City Secretary at 710 W. Avenue A, Port Aransas, Texas during normal business hours or online on the city’s website at www.cityofportaransas.org. All inquiries should be directed to Assistant City Manager Lawrence Cutrone via lcutrone@cityofportaransas.org or at (361) 749-4111 ext. 226.

POSTED this the 28th day of **DECEMBER, 2023** on the bulletin board at Port Aransas City Hall, 710 W Avenue A, Port Aransas, Texas, and on the webpage www.cityofportaransas.org. **TIME: 5:00 p.m. PUBLISHED** in *The South Jetty* in the Thursday, December, 28th, 2023 and January 4th, 2024 editions.

CITY OF PORT ARANSAS, TEXAS

Francisca Nixon, City Secretary

The City of Port Aransas purchased the natural gas distribution system in 1995 from Gulfside Gas, and currently operates it as the City of Port Aransas Gas Department. The natural gas distribution system is projected to grow significantly in the next 2 years. Currently, the natural gas distribution system serves approximately 1,400 residential and commercial customers throughout the City of Port Aransas, Mustang Island, and parts of the City of Corpus Christi, Nueces County, Texas.

The City of Port Aransas, Texas is seeking the services of a qualified Rate Consultant to provide services as required in conducting a Natural Gas Rate Study. The Rate Consultant will report to the City Manager, Assistant City Manager, and/or the Finance Director.

The study must be conducted in accordance with industry standards for rate calculations and defensible with the State of Texas regulatory requirements. The City of Port Aransas desires a comprehensive natural gas rate study from a qualified consultant or consulting firm to provide information sufficient to support recommendations for revenue requirements, cost of services, and rate design. Analysis should include, but not be limited to; analysis historical operating expenses, analysis of existing debt, analysis of impacts to consumption with growth projections, analysis of historic demand and consumption characteristics in order to classify varying costs associated with different functions and customers, analysis of existing utility fund financial condition and capital improvement fund to support future capital improvements, analysis of the impact of peak demands on the cost of providing services, cost of services, and recommendations for fixed versus variable elements of rate.

The City will expect this natural gas rate study to adequately analyze and obtain a thorough understanding of the Gas Department's financial position taking into consideration a fair yet appropriate rate structure for our customers. Deliverables to the City of Port Aransas shall provide detailed and executive summaries of findings, methodologies, and recommendations. The City expects the rates developed by the study to be adequate for at least two years and the rate schedule (i.e. comparative rates by customer class) to maintain its integrity for at least five years. The rate model also must be compatible with the existing utility billing computer system, and it must be easily described to customers and lay persons. Benchmarking is expected to compare and contrast the City's existing rate and new rate with other Cities. Benchmarking should include comment as to whether the developed rates will materially impact the ability to attract and retain retail and commercial customers. The model should allow for updating of consumption patterns, operating, debt service, and capital costs. The model should include pre-defined graphical presentation of consumption, revenue and expense data. Consultant will train city personnel to periodically update model costs factors and develop scenarios by rate. The consultant will be expected to present their analysis findings with city staff, address questions and/or concerns and incorporate management comments into final recommendations. The consultant may also be expected to attend council meetings to discuss the recommendations.

The City's Comprehensive Financial Report (CAFR) can be found:

<https://cityofportaransas.org/departments/finance/audit/>

The City's annual budget can be found at:

<https://cityofportaransas.org/departments/finance/budget/>

The City's fee schedule can be found on the City's website under the "Government" tab.

<https://cityofportaransas.org/>

The purpose of the proposal is to demonstrate the qualifications, competence and capacity of the individuals and/or firms seeking to complete the rate study based on the requirements stated within the request for qualifications. As such, the substance of proposals will carry more weight than their form or manner of presentation. The proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this project. It should also describe the specific study approach to be used including applicable software that will meet the request for qualification requirements.

The proposer should address all the points outlined in the request for qualifications. The proposal should provide a description of the proposer's capabilities to satisfy the requirements of the request for proposals.

Interested individuals or firms are encouraged to use their own preferred style and format in preparing a proposal. However, it is suggested that the proposal include at least the following arranged accordingly:

- A. Cover Letter
- B. Qualifications and Experience The proposal should state:
 - 1) Firm Size
 - 2) Location of the firm
 - 3) Number and position of the professional staff to be employed to the rate study
- C. Recent Project References

The submitter is to provide a complete listing of all recent projects for which the submitter has performed services of similar size, scope and complexity within the past five (5) years. This list shall include the name, contact person, address, and phone number of each party for whom the service was provided, as well as a description of the services performed, project type and date of performance. In addition to this requirement, the proposal shall include a list of the actual experience of the designated team by individual employees.

- D. A statement which discloses any past ongoing or potential conflicts of interest which the submitter may have as a result of performing the work on this project.
- E. Work Plan for Accomplishing Rate Study Requirements

The individual or firm proposing should include a detailed work plan describing the specific approach necessary to meet the requirement described in Section II. This work plan should include but not be limited to:

- 1) Detail list of tasks to be performed
- 2) Engagement team proposed and which team member performs which tasks
- 3) Specific software to be used
- 4) Surveying techniques to be used

F. Estimated Time for Completion of Project

The individual or firm submitting a proposal should include an estimated time for completion. The estimation should include proposed start date assuming that the contract is to be awarded no later than February 15th, 2024 at the monthly regular City Council meeting.

- G. Include any other pertinent information or details that would highlight qualifications and experience of your firm or its employees. Also include any other components to the rate study that would be beneficial to the City that has not been discussed.

Three (3) sealed copies of the proposal shall be submitted.

Qualifications submitted by the required deadline will be reviewed by an evaluation committee. Each proposal will be evaluated from the information provided against the criteria established herein in order to determine if the proposal is responsive according the requirements. Questions of clarifying nature may be asked only if needed. The City of Port Aransas reserves the right to schedule interviews with considered firms for further clarification, although interviews will not be conducted with all submitted firms.

The following related criteria will be used to evaluate the bidders considered for selection:

- a) (5 points) – Overall Presentation of the RFQ
- b) (25 points) – The extent and quality of experience the individual or firm involved based on the information provided as well as references from former and present clients.
- c) (25 points) – Consultant’s ability and willingness to meet the requirements and needs of the City with respect to the study as outlined in this RFQ and as demonstrated in the proposal.
- d) (30 points) – Proven ability of the firm to meet work schedules, as well as existing and future time commitments of persons assigned to the project and ability to communicate effectively with City staff.
- e) (15 points) – Evaluation of other rate studies completed that are of similarity based on information and references.

The award of any contract will be made to the firm, which in the opinion of the City staff and City Council is best qualified, based on the criteria listed above.

Submission of a sealed proposal indicates acceptance of the individual and/or firm of the conditions contained in the request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the selected firm.

Upon considerations of the proposals, the City of Port Aransas reserves the right to accept or to reject any proposal, to waive technicalities and to make any investigation deemed necessary concerning the bidder's ability to provide the services required and covered by the scope of work, and to accept what in their judgement is the most advantageous proposal.

The City reserves the right to waive any and all formalities contained within this request for proposal except for the deadline for filing.

Proposals received late will not be considered and will be returned, unopened, to the submitting individual and/or firm.

At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves to the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal is selected.