



**REQUESTS FOR PROPOSAL (RFP)
FOR
UTILITY RATE CONSULTING SERVICES
FOR THE
CITY OF FORT MORGAN**

INTRODUCTION

The intent of this Request for Proposal is to retain a qualified person, firm, or corporation, hereafter referred to as "Consulting Firm" to provide services to the Gas and Electric Utilities of the City of Fort Morgan.

The consulting firm will be responsible for preparing an outline for the contract for professional services for the review and approval of the City Council of Fort Morgan.

To be eligible for consideration, the consulting firm must be capable of supplying the services as noted herein, and must meet all other criteria outlined in this proposal.

INQUIRIES AND CORRECTIONS

All inquiries relating to this request shall be addressed to:

City of Fort Morgan
PO Box 100
Fort Morgan CO 80701
City Manager Pat Merrill: (970) 542-3961

If a consulting firm submitting a proposal finds discrepancies in or omissions from the Request for Proposal (RFP), or should require additional clarification of any part thereof; a written request for interpretation may be submitted. Any interpretation of, or change made to the RFP will be made by written addendum to each proposing engineering firm, and shall become part of the request for any contract awarded.

SUBMITTAL DATE AND LOCATION

All proposals must be delivered prior to 5:00 p.m. on May 1, 2009. Proposals must be submitted in a sealed envelope plainly marked "Request for Proposals/City of Fort Morgan Utility Rate Consultant", addressed to the City Manager, PO Box 100, 110 Main Street, Fort Morgan, Colorado, 80701.

LATE AND ELECTRONIC PROPOSALS

Late proposals will not be accepted under any circumstance and any proposal so received shall be returned to the proposing consulting firm unopened. In addition, electronic proposals and/or proposals sent by electronic devices are not acceptable and will be rejected upon receipt. Sole responsibility rests with the proposing consulting firm to see that their proposal is received on time.

CONDITIONS OF PROPOSAL SUBMITTAL

All proposing consulting firms shall comply with all conditions, requirements, and specifications contained here; any departure will constitute sufficient cause for rejection of the proposal.

A duly authorized official of the proposing consulting firm submitting the proposal must sign the proposal.

Only one proposal will be accepted from any firm.

All price quotes must be firm for a period of one (1) year following the opening of the proposal.

The City of Fort Morgan reserves the right to reject any and all proposals or any part thereof. The right is reserved to waive any formalities or informalities contained in any proposal and to award the proposal to the most responsive and responsible proposing consulting firm as deemed in the best interest of the City of Fort Morgan.

The City of Fort Morgan will not return proposals or other information supplied to the City by the proposing firms.

EVALUATION OF PROPOSALS

The City Council of the City of Fort Morgan and the City Manager will evaluate all proposals. The City may evaluate prospective consulting firms. During the interview and evaluation process, the City reserves the right to accept or request additional information or clarifications from the consulting firm or to allow corrections of errors or omissions. Consulting firms may be required to make oral presentations as part of the evaluation process. The consulting firm selected for the award will be chosen on the basis of the apparent greatest benefit to the City and not necessarily on the basis of the lowest price. Following the notification of the successful consulting firm it is expected a contract will be executed between the parties dependent upon and subject to the availability of specific funding for these professional services.

EVALUATION CRITERIA

Proposals shall be evaluated on the basis of the following criteria:

- a. Responsiveness to the needs of the City both in service cost and in the scope of the services offered.
- b. Responsibility of the proposing consulting firm and its experience in dealing with public utilities, specifically on projects of similar scope and nature.
- c. The degree to which the proposal meets or exceeds the terms of the request for proposal.
- d. The proposed fee structure shall be based on the services to be provided.
- e. Rate design ability including rate design philosophy, rate design skill, rate management skills and project interpretation.

PROPOSAL ELEMENTS AND FORMAT

Proposals submitted shall contain all information as requested herein and any additional information necessary to summarize the overall benefit of the proposal to the City of Fort Morgan.

Proposals shall include the following:

- a. A cover letter shall be provided stating the name, address, email address and telephone number of the consulting firm contact person and must bear the signature of the person having the authority to make the proposal for the consulting firm and bind the firm in a formal contract with the City.
- b. A response that defines the methods and means by which the proposing consulting firm will perform the services outlined in the request for proposal.
- c. A list of at least three (3) references for which services have been provided by the proposing consulting firm for municipal utilities rate projects of this type, include contact names, addresses and telephone numbers.
- d. Evidence that the consulting firm has worked on similar projects.
- e. A statement of qualifications, which will include a list of those individuals who will be working on projects either as employees/principals or as employees of a subcontractor who will work on projects under the supervision of the consulting firm.
- f. Any other information deemed necessary by the proposing consulting firm.
- g. Please provide three (3) copies of the proposal.

Submittal of a proposal shall be taken as prima facie evidence that the consulting firm has full knowledge of the scope, nature, quality and quantity of work to be performed and the detailed requirements and conditions under which the work is to be performed.

GENERAL REQUIREMENTS OF THE SUCCESSFUL PROPOSING CONSULTING FIRM

The successful proposing consulting firm shall be prohibited from assigning or subcontracting the whole or any part of the contract without the prior written consent of the City of Fort Morgan.

The successful proposing consulting firm and its employees will operate as an independent contractor and will not be considered employees of the City of Fort Morgan.

SCOPE OF SERVICES

The consulting firm will provide consulting services to the City of Fort Morgan as requested by the City from time to time, as outlined below:

Gas Department

The consulting firm shall calculate the annual Gas Supply Charge for the Gas Department, which is anticipated to be effective on or about October 1st of each year, and under certain circumstances is adjusted more frequently due to extreme market volatility. It shall also assist the Gas Department in implementing the annual Gas Supply Charge, including appearing at City Council work session and regularly scheduled City Council meetings, as requested. As part of the services provided pertaining to the Gas Supply Charge, the consulting firm will prepare a report documenting the calculation of the rates approved by the City council. It will also provide other services related to the calculation and implementation of Gas Supply Charge as requested by the City.

In conjunction with the calculation of the annual Gas Supply Charge or at other times as requested by the City, the consulting firm will assist the City in determining if changes in the Metering & Billing Charge and the Delivery Charge are warranted. The consulting firm will conduct a preliminary evaluation of the need for modifying such charges. After consultation with the City, if it is decided such charges need to be revised, the consulting firm will calculate proposed new charges, as requested, and document the calculation of the revised charges in a written report to the City. It will also assist the City in implementing such changes as may be approved by the City Council.

As requested by the City, the consulting firm will provide other consulting services to the Gas Department. Such services may be the following:

- assist in determining the cost of gas for the annual budget
- address issues relating to the utility billing system
- assist in ensuring the gas department accounting records accurately reflect transactions associated with the cost of gas
- review, analyze, and evaluate issues associated with the City's gas supply contracts with the National Public Gas Agency
- review, analyze, and evaluate issues associated with the City's gas transportation and storage contracts with Colorado Interstate Gas Company (El Paso Corp)
- Review, analyze, and evaluate the special contract service the City provides to Dairy Farmers of America as it relates to billing, deferred gas costs, and cash out.
- address tariff issues that may arise from time to time
- address other issues that may arise from time to time, as requested by the City

Electric Department

The consulting firm shall calculate the annual Power Supply Charge for the Electric Department, which is anticipated to be effective on or about October 1st of each year and under certain circumstances be adjusted more frequently due to extreme market volatility. It shall also assist the Electric Department in implementing the annual Power Supply Charge, including appearing at City Council work sessions and regularly scheduled City Council meetings, as requested. As part of the services provided pertaining to the Power Supply Charge, the consulting firm will prepare a report documenting the calculation of the rates approved by the City Council. It will also provide other services related to the calculation and implementation of Power Supply Charge as requested by the City.

In conjunction with the calculation of the annual Power Supply Charge or at other times as requested by the City, the consulting firm will assist the City in determining if changes in the Metering & Billing Charge and the Delivery Charge are warranted. The consulting firm will conduct a preliminary evaluation of the need for modifying such charges. After consultation with the City, if it is decided such charges need to be revised, the consulting firm will calculate proposed new charges, as requested, and document the calculation of the revised charges in a written report to the City. It will also assist the City in implementing such changes as may be approved by the City Council.

As requested by the City, the consulting firm will provide other consulting services to the Electric Department. Such services may include the following:

- assist in determining the cost of purchased power for the annual budget
- address issues relating to the utility billing system
- assist in ensuring the electric department accounting records accurately reflect transactions associated with the cost of purchased power
- review, analyze, and evaluate issues associated with the City's power supply contracts with the Municipal Energy Association of Nebraska and the Western Area Power Administration
- review, analyze, and evaluate issues associated with the City's transmission service contracts with the Western Area Power Administration
- address tariff issues that may arise from time to time
- address other issues that may arise from time to time, as requested by the City

FEES AND BILLING

The proposing consulting firm will provide their consulting services on an hourly basis with their current hourly rate stated on their proposal. The hourly rate for the successful proposing consulting firm will remain in effect for the length of the term of engagement as agreed to in the executed contract.

Billing hours will be billed on the closest quarter hour. Customary and reasonable documented out of pocket expenses including, but not limited to travel, lodging, costs of reproduction, and other direct expense will be reimbursed by the City outside of the hourly consulting rate on the billing statement.

TERM OF ENGAGEMENT

The intent of this RFP is for the term of the consulting agreement to be for one year from the date of the executed contract with the option for additional one year extensions upon a mutually agreed contract between the consulting firm and the City of Fort Morgan.

RIGHT TO REFUSE PROPOSALS

The City of Fort Morgan reserves the right, without prejudice, to reject any and all proposals or any part of any proposal.