

PUBLIC NOTICE

The City of Mercedes, Texas, is accepting sealed Statement of Qualifications for **Operations of Water/Wastewater Treatment Facilities and Lift Station** until 10:00 am, October 18, 2019. Bid product specification criteria is available and can be obtained on the City's website at www.cityofmercedes.com or at the Office of the City Manager, 400 South Ohio, Mercedes, Texas 78570.

Posted on this 27TH day of August, 2019.
/s/ Joselynn Castillo, Interim City Secretary
City of Mercedes, Texas

City of Mercedes

Request for Qualification

of the

Operation, Maintenance and Management

for the

Water, Wastewater Facilities and Lift Stations

Date: 8/27/2019

Request for Qualifications

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1 Introduction

The City of Mercedes (City) is issuing this Request for Qualifications (RFQ) to solicit statements of qualifications from firms capable of providing full service operations, maintenance and management of the water and wastewater treatment facilities (Facilities) as described in Section 1.4 of this document.

This RFQ, issued in accordance with the provisions of the laws of the State of Texas, invites qualified firms to submit statements of qualifications (SOQs) describing their qualifications to provide the services described. Subject to approval by the City, the contract term under consideration is for five years with two optional five-year renewals.

1.1 Background and Objectives

The City is currently investigating the operational and financial feasibility of contracting the operation of the Facilities with an outside contractor experienced in operating this type of system. The objectives of this potential outsourcing of operations include:

- Managing operating and capital expenses
- Minimizing or eliminating permit excursions
- Providing technical assistance to address the City's existing assets, future capacity and regulatory issues
- Removing the City's day-to-day burden of operating the system

Full service contract operations may require the Contractor to provide all treatment facility operation and maintenance staff and pay all chemical costs. The Contractor will be responsible for:

- All aspects of facility management, operation and maintenance and for all costs including hiring, training and administering all personnel-related issues.
- Furnishing and maintaining vehicles and light duty service trucks to carry on daily operations.
- Maintaining all land, buildings, improvements and permanent equipment. Equipment maintenance shall be performed by the Contractor in accordance with manufacturer's recommendations, and the Contractor will be required to provide proof thereof to the satisfaction of the City.

Required capital expenditures will continue to be the responsibility of the City. Utility costs – including power, water and gas – may or may not be included in the scope or associated pricing depending upon negotiations with the Contractor.

It is understood that the information contained in the RFQ and the qualifications and experience demonstrated by the Contractor shall be the general basis for the selection of a Contractor for the consideration to provide these initial scope of services and future services.

The City expects to select the most qualified, responsive, resourceful and experienced Contractor based on the review by the City and its evaluation/selection committee. The overall most responsive firm will be selected at the sole discretion of the City based on the review of and scoring of the Contractors' overall submittals.

Upon selection of the finalist, the City will immediately begin scope clarifications, draft agreement revisions and price negotiations with the most responsive Contractor. Should the negotiations fail to result in an executed agreement with the most responsive Contractor, the City may elect to terminate negotiations with the most responsive Contractor and begin negotiations with the second most responsive

Contractor (and so on) or cancel the procurement process.

1.2 Purpose of Solicitation

In issuing this RFQ, the City is seeking to ensure the overall efficiency and operation of the Facilities by contracting with a firm having the technical and financial resources to perform the required operation, maintenance and management services.

The City's ultimate objectives for operation of the Facilities is to select a Contractor who will provide a strong technical support team, operate in compliance with state and federal regulations, and improve maintenance and operational efficiencies.

The Annual fee and scope of services be will be negotiated after selection of a contractor and will be based on clarification of the scope of services as well as the terms and conditions of a final agreement.

The City expects to select the most qualified, responsive, resourceful and experienced Contractor based on the review by the City and its evaluation/selection committee. SOQs submitted by firms will be evaluated in accordance with the criteria outlined in Section 4 of this RFQ. The best qualified firm will be selected at the sole discretion of the City based on the review and scoring of the Contractors' submittals. A response to this RFQ is mandatory for consideration.

Upon selection of the finalist, the City will immediately begin scope clarifications, development of a detailed scope of services, price and contract negotiations with the best qualified Contractor. Should the negotiations fail to result in an executed agreement with the best qualified Contractor, the City may elect to terminate negotiations and begin negotiations with the second-best qualified Contractor or cancel the procurement process.

1.3 Overview of Services

The City is seeking qualified Contractors capable of providing operation, maintenance, management and other related services for the Facilities. The Contractor ultimately selected from the Contractors pursuant to the City's comprehensive procurement process shall be required to provide various services associated with all or a portion of the Facilities. This may include, but not be limited to, provision of:

- Labor and benefits
- Process chemicals
- Laboratory and analytical services
- Routine maintenance of Facilities and associated equipment
- Reporting to regulatory agencies
- Management of the operations and maintenance

The Contractor will be responsible for satisfying the State of Texas regulatory requirements and for operating, maintaining and managing the Facilities in compliance with all other applicable local, state and federal laws and regulations. Services for the operation, maintenance and management of the Facilities shall be provided in a safe, secure, effective and efficient manner.

1.4 Description of the Facilities

1.4.1 Wastewater Treatment Plant

The wastewater treatment plants, located at 1501 Mile 8 North Mercedes, TX, has a design capacity of 5 MGD and currently treats an average daily flow of 1.6 MGD. The wastewater treatment plants are operated under NPDES Permit # WQ0010347001 and consists of Extended Aeration (describe processes).

1.4.2 Pumping Stations

The following pumping stations are included in the Facilities:

- 33-Operational (list of pump stations available upon request)
- 2-under construction
- _____

1.4.3 Water Production

The water production facilities consist of 1 well located at: The Mercedes Water Treatment Plant

- G1080007B
- _____
- _____
- _____
- _____

1.4.4 Water Treatment Plant

The water treatment plant, located at Mercedes, Texas, has a design capacity of 3.78 MGD and currently treats an average daily flow of 2.2 MGD. The water treatment plant is operated under Permit # 1080007PWSID and consists of Surface Water Treatment (describe process).

1.4.5 Storage Tanks

The following storage tanks are included in the Facilities:

- Underground storage 87,000 G (list storage tanks)
- Underground Storage 180,000 G
- Underground Storage 1,230,000
- Northwest Elevated Storage Tank .750 MG
- East Elevated Storage Tank .750 MG

1.4.6 Booster Stations

The following booster stations are included in the Facilities:

- NONE
- _____
- _____

1.4.7 Pressure Reducing Valves

The following pressure reducing valves are included in the Facilities:

- TBD (list pressure reducing valves)
- _____
- _____

2 Description of Procurement Process

2.1 Procurement Process and Schedule

A summary procurement schedule of the major activities associated with this solicitation process is presented below. This schedule is based on the City's general intent to enter into a viable agreement with the selected Contractor on or before 09/31/2020.

Activity	Date
Issue RFQ	<u>August 27, 2019</u>
Receive statements of qualifications from Contractors	On or before 10/18/2019
Evaluation of submittals complete	On or before 11/15/2019
Council consideration to select firm	On or before 12/17/2019
Site evaluation by most qualified Contractor	45 Days after selection
Initiate contract negotiations with most qualified Contractor	On or before 1/28/2020
Award contract	03/03/2020

2.2 City Rights and Options

The City, at its sole discretion, reserves the following rights:

- To supplement, add to, delete from and change this solicitation document
- To determine which Contractor, if any, should be selected for negotiations
- To reject any or all SOQs or information received pursuant to this RFQ
- To supplement, amend, substitute or otherwise modify this RFQ at any time
- To cancel this RFQ with or without the substitution of another RFQ or pre-qualification process
- To request additional data or information after the submittal date, if such data or information is considered pertinent, in the City's sole view, to aid the review and selection process

- To conduct investigations with respect to the qualifications and experience of each Contractor
- To take any action affecting the RFQ or the services or facilities subject to this RFQ that would be in the best interests of the City
- To require one or more Contractors to supplement, clarify or provide additional information in order for the City to evaluate the RFQs submitted
- To waive any defect or technicality in any RFQ received
- To reject any portion of any submittal and/or reject all submittals, to waive any informalities or irregularities in the submittals or to re-advertise

2.3 Expense of Submittal Preparation

The City accepts no liability for the costs and expenses incurred by the Contractors in responding to this RFQ, preparing responses for clarification, attending interviews, participating in contract development sessions or meeting and presentations required for the contract approval process. Each Contractor that enters into the procurement process shall prepare the required materials and submittals at its own expense and with the express understanding that they cannot make any claims whatsoever for reimbursement from the City for the costs and expenses associated with the procurement process.

2.4 Information Disclosure to Third Parties

The public disclosure of the contents of each SOQ submitted in response to this RFQ is generally governed by State of TEXAS Open Records Act.

If any submittal contains confidential, technical, financial, or other types of information, the contractor must clearly label the specific portions sought to be kept confidential and specify the exemption that the contractor is relying upon. Marking all, or substantially all of, a response as confidential may result in the response being considered non-responsive by the City.

Notwithstanding the foregoing, contractors recognize and agree that the City will not be responsible or liable in any way for any losses that the contractor may suffer from the disclosure of information or materials to third parties.

2.5 Questions/Clarifications Request

No interpretation or clarification of the meaning of any part of this RFQ will be made orally to any Contractor. Contractors must request such interpretation or clarification in writing from the City. If any Contractor has questions concerning the proposed project, finds discrepancies or omissions in the solicitation document or otherwise requires clarification, such matters should be submitted by email no later than 4:00 p.m. local time on October 14, 2019 (date) to:

Mr. Sergio Zavala Email: szavala@cityofmercedes.com
City Manager
400 S Ohio Ave
Mercedes TX, 78579
 Phone: 956 565-3114

Only emailed inquiries will be acknowledged.

Any and all such interpretations and supplemental instructions will be made in the form of written addenda which will be sent to all recipients of the RFQ and shall become part of this RFQ. Copies of all

questions and answers, and any addenda to supplement the RFQ, will be sent by fax and U.S. Mail to each Contractor no later than four days prior to the SOQ due date. Only formal written responses to properly submitted questions will be binding.

Contact with City officials (other than Mr. Sergio Zavala, City Manager) is not allowed and will be considered as grounds for disqualification from the selection process.

2.6 Equal Opportunity Requirements

The selected Contractor, in the performance of all services, will not discriminate on grounds of race, color, religious creed, national origin, age, sex or handicap in employment practices in the selection or retention of subcontractors, or in the procurement of materials and rentals of equipment.

3 **Submittal of SOQs**

3.1 General Instructions and Submittal Deadline

Contractors are requested to submit one original and 6 copies of the SOQ to:

Mr. Sergio Zavala
City Manager
400 S Ohio Ave
Mercedes TX, 78579
Phone: 956 565-3114

SOQs are due on October 18, 2019 by 10:00 a.m. local time. No facsimile copies will be accepted. The package should be clearly labeled “Statement of Qualifications for the Operation, Maintenance and Management of the Water, Wastewater Facilities and Lift Stations.”

3.2 Document Organization

The SOQs must provide the following information and be organized into sections that include at least the following:

1. Cover Letter.
2. Corporate Profile.
3. Financial Qualifications.
4. Qualifications.
5. General Approach to Operation & Maintenance of Water and Wastewater Facilities.
6. Appendices (primarily for supporting financial information).

Narrative pages are to be on 8 ½ x 11 paper and all materials shall be bound into one volume. A clear and concise presentation of information is encouraged.

Contractors are required to organize the information requested in this RFQ in accordance with the format outlined. Failure of the contractor to organize the information required by this RFQ as outlined may result in the City, at its sole discretion, disqualifying the contractor from further consideration.

3.2.1 Cover Letter

The SOQs must include a letter of transmittal attesting to its accuracy. The cover letter should provide the name, address and telephone number, and web address of the contractor along with the name, title, address and telephone numbers of the executive that has the authority to contract with the City.

3.2.2 Corporate Profile

- Include the full name, tax identification number, main office address, telephone, and the web address of the contractor and the principal contact person. This shall include a description of the firm or organization (corporation, partnership, joint venture, etc.) that will serve as the contracting party. A project organization chart clearly delineating lines of authority within the organization is required. The history, ownership, organization, and background of the contractor shall also be provided.
- If the contractor is a joint venture, the required information shall be submitted for each member of the joint venture firm. The contractor shall describe the history of the relationships among team members, including a description of past working relationships.
- The SOQ shall also identify which portions of the work, if any, will be subcontracted. If subcontractors are proposed, the proposed contractual relationships between the contractor and all major partners and subcontractors relative to the project shall be outlined in the SOQ.
- Identify when the contractor was organized and, if a corporation, where incorporated, and how many years engaged in providing contract O&M and management services under that name.
- Provide a description of the circumstances, if any, related to any City employee, City Council member, or other officer, employee or person that is payable in whole or in part from the City that has or had any direct or indirect personal interest in the contractor.

3.2.3 Financial Qualifications:

Submit audited financial statements for the past three fiscal years. The financial statements must include income statements, balance sheets, and statements of cash flow.

The contractor must:

- Demonstrate annual company revenues from full service municipal contract operations contracts for the management, O&M of water and wastewater facilities of at least \$50 million.
- Be able to furnish liability and property damage insurance of not less than \$2 million combined single limits for bodily and/or property damage. Submit evidence of the ability to provide coverage in this amount.

3.2.4 Qualifications

This section establishes standards of experience that the City requires for a contractor to be considered qualified. The City, at its sole discretion, will decide if a contractor meets the standards. Full-service municipal public-private contracts for O&M and management means, at a minimum, providing all labor and management, paying all O&M expenses, and guaranteeing performance including regulatory agency compliance.

The contractor must:

- Have been in the business of providing full service public-private contracts for operation, maintenance and management of water and wastewater treatment facilities in the State of Texas for at least five years.

- Have existing full service public-private contracts for operation, maintenance and management of water and wastewater treatment facilities in the State of Texas that have been in effect for at least five years.
- Have experience utilizing business systems in full service public-private contracts for operation, maintenance and management of treatment facilities. Describe the systems and cite examples of past and present utilization.
- Have experience in working with engineers to modify treatment systems to improve performance.
- Have experience in successfully transitioning projects and the associated public employees into the private sector. Site specific examples of transition experience that is on a comparable or larger scale to the City's Facilities and provide references.
- Have experience in successfully implementing risk management plans.
- Have experience in successfully implementing emergency response plans. Describe the Contractor's experience in preparing for or responding to emergency situations and in assisting communities to address critical needs in these situations. Identify the number of the Contractor's employees in the region who could supplement the efforts of existing on-site staff should the need arise.
- Have a strong record of health, safety and environmental compliance. Provide the Contractor's current OSHA recordable rate and EMR and information about any health, safety or environmental violations within the last five years. Describe the Contractor's approach to meeting and guaranteeing permit compliance.
- Be able to furnish liability and property damage insurance of not less than \$2,000,000 combined single limits for bodily and/or property damage. Submit evidence of the ability to provide coverage in this amount.
- Be able to secure a performance bond from a surety licensed in the State of Texas in an amount equal to the annual contract value. The Contractor shall provide a letter from surety indicating the ability to secure this bonding.
- Have access to local resources within the South Texas Region.

3.2.5 General Approach to Operation & Maintenance of Water and Wastewater Facilities

Describe the contractor's general approach to Operation & Maintenance the water and wastewater facilities as well as collection and distribution systems. This section should include specifics on each of the following services:

- a. Management, O&M of water and wastewater facilities and collection and distribution systems.
- b. Experience operating plants during capital upgrades and replacements.
- c. Experience in successfully transitioning projects and the associated public employees into the private sector. Site specific examples of transition experience that are comparable to the City's facilities and provide references.
- d. Experience in successfully implementing risk management plans. Describe the contractor's experience in preparing for or responding to emergency situations and in assisting communities to address critical needs in these situations. Identify the number of the contractor's employees in the region that could supplement the efforts of existing onsite staff should the need arise.

4 Review and Evaluation

Submissions received in response to the RFQ will be evaluated based on the contractor's:

- Corporate capabilities and ability to perform the proposed services.
- Experience in providing these and/or similar services.
- General approach to management, O&M.
- Financial qualifications.

Each contractor's submission will be reviewed for completeness and responsiveness to the RFQ requirements. Based on its review and evaluation of the SOQs, the City will select the most qualified contractor to begin negotiations. The selection will be based on the contractor's demonstrated ability to technically and financially perform the services outlined in this document. Specifically, SOQs will be evaluated based upon the criteria presented in the subsequent paragraphs.

4.1 Evaluation Criteria

In evaluating the RFQ, the City will utilize the requirements outlined in this section to identify the contractor best qualified to perform the services.

Corporate Profile Qualifications — The contractor will be evaluated based on the breadth of its capabilities, project organization structure, and years of experience providing similar services. The contractor shall demonstrate that the company, either under its current name or its predecessor, has provided similar O&M services for a minimum of five years.	20%
Experience and Technical Qualifications. The contractor's experience will be evaluated based upon its past history (such as number of projects, plant sizes, etc.) of successfully providing O&M services for similar facilities. The response will be evaluated based on the number of facilities operated and maintained under similar scenarios and the number of contracts, duration of the contracts, and size of the facilities serviced. References will be contacted in order to verify satisfactory performance on other similar projects.	35%
General Approach to Management, Operation and Maintenance of Water and Wastewater Facilities. This includes strategies for wet weather operations and staffing plan, transition plan, sludge management, emergency response plans and capital improvements approach.	35%
Financial Qualifications. Financial information will be evaluated to determine the overall capacity of the contractor to carry out the contractual commitments for the requested services. At a minimum, the contractor must demonstrate tangible net worth, in each of the past three years, of at least \$3 million. The contractor shall demonstrate that the company, or any affiliate of the company, has never filed for bankruptcy.	10%

4.2 Evaluation of Statements of Qualifications

Each SOQ will be reviewed against the terms of this RFQ to determine if the submittal is complete and responsive and how well the contractor satisfies the evaluation criteria.

The City may reject any submittal found to be incomplete, unresponsive, or not in compliance with the format requirements set forth in this RFQ. A submittal may be determined to be unresponsive if any aspect is found to be unacceptable or contrary to the best interests of the City.

The City regards the submission of the SOQ in response to the RFQ as the most important factor in the selection of a contractor to provide services for the O&M and management of the current scope of services and its capabilities to provide innovative improvements at a future date. The City reserves the right to reject any and all responses to the RFQ and is under no obligation to award a contract.

The City intends to select the best qualified contractor and to negotiate an agreement and price with this firm. However, should the negotiation with the best qualified contractor not produce an acceptable contract arrangement, the City will request to begin negotiations with the next best qualified contractor.

The responsibility for the final selection and negotiation rests solely with the City.