

**Request for Qualifications  
Financial Capabilities Assessment and  
Modeling On-Call  
Pre-Submittal Meeting**

**May 1, 2018**



# Proposed Schedule

Task	Schedule
Task 1: Complete calculations in the EPA “Combined Sewer Overflows – Guidance for Financial Capability Assessment and Schedule Development”	One month following Notice to Proceed
Task 2: Compare the merits of up to four alternative methods of measuring affordability.	One month following Notice to Proceed
Task 3: Replicate methodologies in provided studies to present measures of utility affordability. Identify low-income census tracts for SPU.	Two months following Notice to Proceed
Task 4: Prepare final report with findings to submit for SPU review.	Three months following Notice to Proceed
Task 5: Prepare final report with findings to submit to EPA	Four months following Notice to Proceed
Task 6: Work with staff to create a flexible financial model that can be updated in the future by staff.	Three months following Notice to Proceed

# Background

- SPU operates under a Federal Consent Decree and Washington Department of Ecology Individual Wastewater permit for CSO overflows.
- A financial capability assessment was conducted in 2014 for the Plan to Protect Seattle's Waterways (aka CSO plan).
- SPU needs a completed financial capability assessment to inform SPU's 2021 CSO plan update.

# Overview of Scope (Work Assignment 1)

- SPU seeks a request for qualifications to conduct a financial capability study, as well as an updated financial model to assist with a CSO plan update.
- This Work Assignment has 6 tasks.

# Task 1 - Complete EPA Calculations

- EPA is open to receiving alternative measures of affordability in addition to the calculations in the 1997 EPA “Combined Sewer Overflows –Guidance for Financial Capability Assessment and Schedule Development” and 2014 “Financial Capability Assessment” framework.
- These calculations must be updated to provide a starting point for the CSO plan update.

## Task 2 - Compare Potential Methods

- A wealth of new research has been conducted in recent years regarding the EPA's definition of affordability, and method of assessing financial capacity. New methods for measuring affordability (for utilities and customers) are being published.
- SPU needs guidance on which alternative measures of affordability would be impactful for SPU.

# Task 3 - Apply Methods to Measure Financial Capability

- After a suitable methodology is identified, SPU needs the methodology to be replicated. This methodology will be used in development of the CSO plan update.
- To help support this work, SPU needs a list of low-income census tracts in Seattle, and relevant data points for these tracts.

# Task 4 - Prepare and Submit Draft of Findings

- Consultant will provide a final written report detailing findings and calculations for Tasks 1-3. This report should also provide a separate section offering recommendations for facts and figures to submit to the EPA.



# Task 5 - Prepare Final Report

- Consultant will provide a final report for submitting to the EPA. This report will be based off the report in Task 4, but will be tailored based on SPU Project Lead review. SPU Staff will review paper upon completion.

# Task 6 - Financial Model

- Consultant will design a flexible financial model that can be updated in the future by staff.
- Required Functionalities
  - Can provide long term (30 year) rate projections structured around current SPU financial policies (including net income, year-end cash target, debt service coverage, etc.)
  - Can perform sensitivity analysis with various inputs.
  - Can perform both program and project financing scenarios (including, but not limited to, bond sizing and timing, and integration of loans.)

# Task 6 - Financial Model (Continued)

- Required Functionalities (Continued)
  - Must include user-defined inputs that can be updated over time (such as tax rates, interest rates, programmatic enrollment, and consumption forecasts.)
  - Must have the ability to allocate portions of expenses between drainage and wastewater (including the allocation of third party expenses.)
  - Must be able to be integrated into existing program structure and rate models in Excel.
  - The model must be able to produce reports (including an income statement, construction fund cash flow report, rate study tables, and a quarterly financial report.)

# WMBE Inclusion Plan



City of Seattle

WMBE Inclusion Plan – Consultant Contracts  
(SMC CH. 20.42)

Contract Number and Title	<input type="text"/>
Consultant Name	<input type="text"/>
Original Submittal Date	<input type="text"/>
Revision Version Number	<input type="text"/>
Revision Version Date	<input type="text"/>

**You may add pages or separate pages into a more readable format.**

**The Seattle Municipal Code (SMC) and the Mayor’s Executive Order direct inclusion of women and minority firms in City contracting. This form must be completed in full and with robust replies, as part of your solicitation response. Failure to do so may result in rejection of your solicitation as non-responsive and your firm rejected from consideration. The information must be consistent with team assignments elsewhere in your solicitation response. When a contract may include Federal Funds, the City instead uses the federal DBE program. During negotiations before contract execution, the City may negotiate scope and teaming; a revised WMBE Inclusion Plan is likely appropriate and becomes the contractually binding version. Carefully read all instructions embedded and on the back of this form. In any event, this form is required for all consultant contracts above \$289,000 and is a condition of responsiveness. If you are responding to a Request for Proposal or a Request for Qualifications above \$289,000 in value, this form will be required with your submittal. If you are working directly with the department and it is not through a formal solicitation process, you will still have a deadline for submittal before the contract is awarded.**

### 1. Aspirational WMBE Goals

A high priority for scoring is evidence of your strong aspirational intent to include women and minority business (WMBE) as part of your team. In the box below, state the WMBE goals you intend to achieve for this contract including all phases and amendments. While the goals are aspirational, good faith efforts to develop and achieve goals are mandatory. Goals developed in good faith are considered attainable given good faith efforts. A contract amendment may require revisit of this WMBE Inclusion Plan to consider changes that may affect WMBE utilization (see Instructions). WMBE primes can include self-performance in goals below. A zero percentage is non-responsive. Do not provide a range. This percentage must be no less than the Core Work commitments offered on page 2.

Estimated percentage of the total contract value to Women Owned firms	<input type="text"/> %
Estimated percentage of the total contract value to Minority Owned firms	<input type="text"/> %



# Core Work vs. Non-Core Work

**Core Work.** Identify WMBE firms you selected who agreed to perform core disciplines or functions on your team. Such WMBE firms must be integrated into your team and on your organizational chart (if one is submitted in your solicitation response). The percentage you name below is the minimum share of total contract value. All WMBE firms named are to be aware of their role and anticipated compensation. Reasons for a Prime to replace the WMBE firms and their intended share of work is restricted by a list of acceptable reasons and City approval (see instructions). The City will preserve WMBE utilization in core work for these WMBE firms to the extent practicable.

Name of WMBE Firm	Identify as Women (W) or Minority (M)	Minimum value to this WMBE firm out of the total spend	Describe tasks and which project phase each task is within	If WMBE firm utilization depends upon a particular resume, list those individuals below	Signature of WMBE Firm
█	█	█ %	█		
█	█	█ %	█		
█	█	█ %	█		
█	█	█ %	█		
Aspirational Goal (page 1)	█ %	█ % TOTAL			

**Non-Core Work (Value-Added Functions).** Identify work that is value-added and/or not part of the core scope required by the City solicitation.

Name of WMBE firm	Identify as Women (W) or Minority (M)	Describe task and which project phase each task is within.	If WMBE firm utilization depends upon a particular resume, list those individuals below	Signature of WMBE Firm
█	█	█		
█	█	█		
█	█	█		
█	█	█		

# Past Performance and Inclusion Strategies

## Past Performance

Using whatever space you need to fully do so, describe the strategic model you have for integrating WMBE firms, which evidences likely success in doing so for this contract including how you intend to engage WMBE firms. Please identify at least 3 projects of a similar nature as this project by name including name of owner and for each and as to each, list the percentages of utilization of WMBE firms based on total value of the contract and the total final amount of the contract including all amendments. State the total that was spent.

## Inclusion Strategies

Using whatever space you need below to do so, answer each of the following. Do not provide an “NA” response or any equally brief response, or your response and your entire solicitation may be rejected as non-responsive.

- A. Describe the partnership you have with the WMBE firms on your team, whether you teamed in the past, how substantive their role is, and whether they are decision-makers and leaders on your team.
- B. Describe strategies you use to assure consideration of WMBE firms for team assignments not yet made or that result from contract or team changes.
- C. A City objective is to strengthen WMBE firm’s capabilities and experience, making them increasingly competitive. Describe specific strategies your team will employ to achieve this goal. Do not limit your response to formal mentoring programs.



# Questions?

