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AGENDA ITEM REQUEST FORM

Hays County Commissioners Court

Tuesdays at 9:00 AM

Request forms are due in Microsoft Word Format via email by 2:00 p.m. on Wednesday.

AGENDA ITEM

Discussion and possible action to approve specifications for RFP 2013-P05, Request for Proposals for Alternative Groundwater Supply, and authorize Purchasing to solicit for proposal and advertise.

ITEM TYPE	MEETING DATE	AMOUNT REQUIRED
ACTION-MISCELLANEOUS	April 16, 2013	

LINE ITEM NUMBER

AUDITOR USE ONLY

AUDITOR COMMENTS:

PURCHASING GUIDELINES FOLLOWED: N/A AUDITOR REVIEW: N/A

REQUESTED BY	SPONSOR	CO-SPONSOR
	WHISENANT	N/A

SUMMARY

During the April 8, 2013 Hays County Water and Sewer Authority meeting, a Request for Proposal for alternative groundwater supply was discussed. The HCWSA decided to create a RFP with input from the newly formed HCWSA executive committee. The original plan was to develop the RFP over the next month. Due to various circumstances, the timeline for this process has been moved up. The HCWSA will have considered the attached RFP draft during a specially called meeting on April 15, 2013. Commissioner Whisenant will present the recommendations resulting from the April 15th meeting of the HCWSA.

**Request for Proposals for
Alternative Groundwater Supply**



RFP# 2013-P05

Issue Date: April 16, 2013



**Request for Proposals (RFP) for
Alternative Groundwater Supply
RFP# 2013-P05**

1. INTRODUCTION

1.1. GENERAL RFP INFORMATION

This document is a Request for Proposals for detailed technical and cost proposals regarding concepts/strategies to provide Hays County, a political subdivision of the State of Texas, a supplemental, renewable groundwater supply to allow the County to meet the future needs of its citizens.

This RFP is seeking detailed information regarding feasible and affordable, potable water supply options. Detailed engineering plans, pipe alignments, pump station designs, etc. are not required at this stage, however respondents are encouraged to include as much detail as possible to demonstrate the viability of their proposed groundwater supply option and are asked to include information confirming and clarifying respondent's present and future rights to retrieve and transfer the groundwater supply featured in respondent's submittal.

This RFP invites Respondents to submit a Technical and Cost Proposal describing the means and approach to providing an alternative source of groundwater supply that will meet the County's objectives, which are described in this RFP.

Proposals must be submitted and received by Hays County no later than **12:00 pm on Friday, May 17, 2013** at the following location:

**Hays County
Purchasing Department
712 South Stagecoach Trail
Suite 1071
San Marcos, TX 78666
Attention: Cindy Maiorka
E-Mail: cindym@co.hays.tx.us**

All proposals shall be submitted in sealed packages and in accordance with the requirements of Section 4 of this RFP.

1.2. OBJECTIVES AND PROJECT REQUIREMENTS

Hays County is seeking a Respondent that can deliver a renewable, potable groundwater supply. Hays County is open to ideas and approaches from Respondents to this RFP in regards to points of

delivery and treatment options.

Requirements:

- Respondent will maintain the necessary rights to obtain and withdraw groundwater originating from portions of the Carrizo-Wilcox aquifer group for annual delivery to Hays County of 25,000 acre-feet minimum or up to 50,000 acre-feet maximum of groundwater throughout the term of a Wholesale Water Supply Contract and any extension, as negotiated by the Parties.
- Respondent will acquire and/or maintain the necessary permits and other governmental authorizations needed to drill the necessary wells to withdraw ground water that can be transported to Hays County, as negotiated by the Parties.
- Respondent will assist with the design, construction, operation and maintenance of the infrastructure (e.g. equipment and facilities) needed to produce and transport potable groundwater to Hays County.
- Respondent will have a history of paying royalty disbursements for the resource well field addressed in the proposal.
- Respondent's resources, when pumped at its permit level, will, at commencement of a Wholesale Water Supply Contract, have limited impact on adjacent wells and will therefore be less likely to cause a reason to curtail pumping.

Preferences:

- Preference is given to the Simsboro formation in Lee and Bastrop Counties due to a combination of factors, including the existence of a prolific supply that is efficiently recharged and the ability for preserved water quality and water quantity levels due to the absence of major industrial activities in the area.
- RFP's from respondents that have not received a permit to transport, but have an application pending will be considered as this may establish an advantageous price upon receipt of permits.
- Preference is for a well spacing that realizes at least 1 acre per 2 acre-feet.

Hays County, or an appropriate governmental or quasi-governmental authority or authorities within Hays County, may contract to pay respondent a specified wholesale rate, including an initial reservation fee for any and all water delivered to or reserved for use in Hays County. The reservation fee would commence on a date to be negotiated by the Parties, given that the date would not be before such time as respondent had secured a final permit authorizing the retrieval and wholesale transfer of groundwater. The reservation fee would be paid until such time as the negotiated wholesale rate payments began, which date would coincide with the date that the Project is complete and operational.

The delivery amounts listed are based on regional and county-wide projections for population growth, economic development, and respective consumption rates. Hays County is open to any and all concepts from Respondents that achieve this supply, while meeting all other requirements

included in this RFP. Hays County is also open to evaluating options that complement each other. In addition, Hays County may elect to consider blocks of water supply from multiple proposals in order to best achieve a diverse and reliable supply solution.

2. GENERAL BACKGROUND INFORMATION

2.1. OVERVIEW

One of the major goals of Hays County is to assist in establishing a renewable, sustainable water supply to meet future demands. Existing local groundwater supplies are stressed and challenged due to a combination of circumstances, including population growth, recharge challenges, and environmental factors.

2.2. BACKGROUND

Hays County created the Hays County Water and Sewer Authority (HCWSA) on May 9, 2000 in response to groundwater issues in the northwest portion of Hays County. Specifically, the primary purpose was to expand surface water service while reducing demands on the Trinity and Edwards Aquifers, insuring a safe and reliable water source for all residents of Hays County. The Lower Colorado River Authority (LCRA) was able to provide surface water from Lake Travis to certain areas of the County in response to the demand for additional sources of water. In early 2011, LCRA announced its intention to sell its water and wastewater systems, including the treated surface water system serving northwest Hays County. Subsequently the HCWSA was re-formed and incorporated in June of 2011 in order to assist the County in understanding the effects of the divestiture of LCRA's water systems and to consider action which would secure the much needed resource for the citizens of Hays County. Specifically, the HCWSA Articles of Incorporation state:

The Corporation is organized for the purpose of aiding, assisting, and acting on behalf of Hays County, a political subdivision of the State of Texas ("Hays County"), as defined in Sec. 394.003, Texas Local Government Code and these Articles, in the performance of their governmental functions to promote the common good and general welfare of Hays County and to assist local groups and entities to preserve valuable rights, serve as a legal entity to organize, finance, purchase and transfer ,or hold, operate and sell, water and wastewater assets, facilities, utilities and systems; and the development and improvement of public utilities, systems and infrastructure.

Throughout the LCRA divestiture Hays County and the HCWSA worked with regional and local entities to insure an important resource was maintained for the wellbeing of Hays County citizens. Potential long-term drought conditions, complex local groundwater challenges, and the need for future water resources has created an environment in which Hays County must again work with local and regional entities for the common good of our citizens.

In order to fully evaluate Hays County's long-term options and to continue in the efforts to secure essential water resources, the HCWSA has recommended, and the Hays County Commissioners Court has approved, a RFP process to solicit potential providers of alternative sources of

groundwater supply that may exist in the market place.

3. RFP PROCESS

3.1. SCHEDULE

A summary schedule of the upcoming major milestones associated with this RFP process is presented below. This schedule is based on the Hays County's intent to identify additional groundwater resources. Dates shown in this schedule are target dates only and the Hays County reserves the right to alter this schedule.

ANTICIPATED MILESTONE RFP SCHEDULE

Issue RFP	April 16, 2013
Final Date to Submit Requests for Clarification	April 26, 2013
Final Addenda Issued	April 29, 2013
Proposal Submittal Date	May 17, 2013

3.2. REQUESTS FOR CLARIFICATION

Requests for Clarification of any topics in this RFP shall be directed to: Lon A. Shell at lon.shell@co.hays.tx.us.

Requests for Clarification must be received in writing no later than the date indicated in the schedule provided above. Interpretation or modification of this RFP document will be done by addenda only. Oral responses and interpretations or modification given by other methods are not binding. Responses to requests for clarification will be in writing and shall be distributed to all Respondents in the form of an Addendum and without identification of the source of any inquiry.

3.3. PROPOSAL EVALUATION PROCESS

3.3.1 OVERVIEW

Proposals will be evaluated by the Hays County Water and Sewer Authority. The evaluation will utilize the evaluation criteria (factors) set forth in this RFP. The result of the evaluation will be a recommendation to the Hays County Commissioners Court whether to pursue one or more of the alternative sources of supplies presented by respondents, to pursue a hybrid solution consisting of all or a portion of one or more of the alternative proposals, or to defer any further action on any of the alternatives at this time. In the event that the Hays County Commissioners Court selects one or more of the water supply options, there will be concerted efforts to reach definitive and binding contractual commitments.

Hays County may utilize technical, legal, and financial consultants in completing its evaluation.

3.3.2. PROPOSAL EVALUATION CRITERIA

The Hays County Water and Sewer Authority will review the Respondents conceptual approach to ascertain whether Respondents proposal adequately documents the technical viability of their proposed solution. That includes evaluating the ownership nature of the water that is the subject of the respondent's proposal.

Hays County will consider the financial impacts associated with the proposed solution. Respondents are encouraged to provide a complete explanation for all costs related to their concept. That includes providing estimated capital and long term operational, maintenance and replacement (OM&R) costs associated with infrastructure that may be required to be developed by Hays County or others in order to fully make use of the alternative source of supply presented. For example, if a respondent proposes a cost structure for a fixed cost per 1000 gallons of water provided but excludes additional pipeline and treatment costs from the unit price calculation, the respondents shall provide their best estimates of the additional costs that Hays County would incur to fully utilize the supply presented. Those estimates for additional capital and OM&R costs should include an explanation of any underlying assumptions used in developing the respondent's estimate.

Particular attention should be paid to detailing the amounts and timing of costs of the respondent's approach. Cost information submitted should clearly identify the amounts and timing of any capital expenditures by respondent's organization and those envisioned by respondent to be made by Hays County. In addition, respondent should indicate what OM&R costs are anticipated, the amounts and timing of expenditures envisioned for respondent's approach.

Respondents will be evaluated based on their exhibited understanding and familiarity of Hays County's water supply issues as demonstrated by the Respondent's unique perspective and presentation on the proposed approach, the technical feasibility of the proposed solution, financial capacity of the proposing organization to fully develop and deliver the proposed source of supply, proposed schedule for delivery and costs. Hays County will consider all criteria in performing a comprehensive evaluation of the proposals. Specifically, Hays County will evaluate the proposals based on the following criteria.

1. Project Concept to Deliver Alternative Source of Supply

Each proposal will be evaluated on the project approach. Information that may be necessary to evaluate the project approach is listed below:

- Any permits, orders, decisions or pending applications related to the allowed diversion and use of subject water rights (if applicable)
- Any deeds associated with the subject water rights or infrastructure
- Any studies relating to the anticipated yield of subject water rights
- Any maps showing the location of existing or proposed infrastructure, including wells, historic irrigated areas, current irrigated areas, augmentation stations,

- recharge/accretion sites, reservoirs, diversion points, pipelines and treatment facilities;
- A description of new infrastructure required, the status of and schedule for obtaining any necessary permits, approvals, easements
- Any modeling studies or reports regarding current and historical water levels and any trends in water level declines
- Any studies, reports or data related to pre- and post-treatment water quality
- A description of how the respondent plans to use the water rights and facilities to deliver water to Hays County

2. Pricing/Cost of Proposed Solution

Each proposal will be evaluated based on several price/cost criteria that include the overall cost of the project to Hays County, the present value per acre-foot unit cost of water provided, the amount of capital required from Hays County for the proposed solution, estimated long-term OM&R costs associated with the proposed solution, and compatibility with existing Hays County resources and other regional supply infrastructure. Below is a list of information that would be helpful to effectively analyze each proposal:

- An annual infrastructure schedule and other capital expenditures by year and type of expense for thirty year period
- A timeline indicating type and volume of water supply provided for cost
- Anticipated annual operations, maintenance, and replacement expenses for thirty year period
- Expected administrative expenses by year
- A discussion of funding/financial structure of the project/transaction (i.e. how the project could be financed)
- An indication of proposed charges to Hays County (i.e. fixed, take-or-pay provisions, volume rate, other payments)
- Description of the methodology for how the above charges will be determined; how they will be adjusted in the future, etc.
- A sample Water Purchase/Delivery contract or a list of key terms of a potential contract.

3. Financial Capacity

Proposals will be evaluated on the Respondent organization's demonstrated financial capacity and resources to secure and deliver the proposed alternative water supply.

4. Permitting and Environmental

Respondent shall present a complete listing and explanation of the required permits from any governmental, regulatory or other entity that must be obtained in order to deliver the alternative source of supply proposed via the delivery strategy proposed. The listing shall identify the regulatory agency or governmental entity, the name of the permit, the estimated timing of permit submittal and review processes and how that fits within the proposed delivery schedule.

5. Schedule

Respondents shall submit a project schedule showing the timing and interdependencies of major tasks envisioned to deliver the proposed alternative source of supply. Respondents are encouraged to present a realistic depiction of the time requirements to accomplish various critical steps in their proposed delivery process and to carefully consider the interdependencies of related activities. The schedule shall indicate the timing of any capital contributions or payments expected to be made by Hays County.

6. Responsiveness to RFP

Hays County will consider responsiveness to the RFP requirements in evaluating the submittals. The degree of completeness of Respondent's proposal will also be considered.

3.3.3. REFERENCE CHECKS

Hays County will verify experience and qualifications, including verification of quality on past projects, through interviews and, possibly, site visits to proposed reference facilities. Hays County may choose to conduct a portion of the reference checks and site visits during the RFP process. Qualifications of firms and individuals may be verified in this manner. In addition, Hays County retains the right to interview and/or visit facilities that have not been listed as references but where Respondent team members, including specific individuals, have worked.

3.3.4. HAYS COUNTY REQUESTS FOR CLARIFICATION OR RESUBMISSIONS

At its sole discretion, Hays County may ask written questions of Respondents, seek written clarifications, conduct in-person or telephone discussions on proposals with Respondents, and solicit updated proposals during the evaluation and selection process.

4. ADMINISTRATIVE REQUIREMENTS

4.1. OTHER PROCUREMENT REQUIREMENTS

4.1.1. RESPONDENT RESPONSIBILITY FOR PROPOSAL PREPARATION COSTS

Hays County is not liable for any costs incurred by any Respondent associated with the preparation of a proposal.

Selected Respondents may be asked to present their proposals and/or to demonstrate ability to provide products or services to Hays County representatives in San Marcos, Texas. The Respondent shall bear all costs for such presentations.

4.1.2. SUBSTANTIVE PROPOSALS

By submitting a proposal, Respondent certifies that (a) Respondent's proposal is genuine and is not made in the interest of, or on behalf of, an undisclosed person, contractor (defined here as any entity capable of contracting with Hays County for provision of products or services), or

corporation; (b) Respondent has not directly or indirectly induced or solicited any other contractors to put in a false proposal; (c) Respondent has not solicited or induced any other person, contractor, or corporation to refrain or abstain from proposing; (d) Respondent has not sought by collusion to obtain for themselves any advantage over any other Respondent or over Hays County.

4.1.3. INFORMATION DISCLOSURE TO THIRD PARTIES

All material provided to Hays County during the procurement process and any subsequent agreement negotiation and administration would be expected to be used without restriction by Hays County in the future. Respondents shall clearly indicate any portions of their proposal submittals that they wish to have held as proprietary and confidential information by including the following language preceding that section of the proposal:

“The following section contains confidential and proprietary information that may not be disclosed to any party outside Hays County staff without prior written authorization by _____”

4.1.4. HAYS COUNTY RIGHTS

Neither Hays County, its Elected Officials, staff, agents, employees, representatives, nor respondents will be liable for any claims or damages resulting from any aspect of this RFP process. This RFP constitutes an invitation to Respondents to submit proposals to Hays County. Hays County reserves, holds without limitation, and may exercise, at its sole discretion, the following rights and conditions with regard to this RFP process, to which by responding to this RFP, Respondents acknowledge and consent:

- To continue participation in the ongoing discussions with any potential water provider.
- To terminate the procurement process or decide not to enter into an agreement as a result thereof by written notice to the Respondents for any reason whatsoever.
- To waive any defect, technicality, or any other minor informality or irregularity in any proposal, or any other response from Respondents.
- To make major changes or alterations to the RFP schedule for any events associated with this procurement process upon notice to the Respondent. Minor modifications may be made without notice to Respondents.
- To eliminate any Respondent that submits an incomplete or inadequate response, or is not responsive to the requirements of this RFP, or is otherwise deemed to be unqualified during any stage of the procurement process.
- To conduct clarification discussions, at any time, with one or more Respondent, with the understanding that any such discussions would remain confidential with respect to other Respondents..
- Without prior notice, to supplement, amend, or otherwise modify this RFP, or otherwise request additional information.
- In the event Hays County receives questions concerning this RFP from Respondents prior to the deadline for response, Hays County reserves the right to provide such questions, and Hays County’s responses, if any, to all prospective Respondents.

- To visit and examine any of the facilities referenced in the proposals and to observe and investigate the operations of such facilities, as well as other facilities not referenced in the proposals as may be deemed necessary by Hays County.
- To request clarifications, information, and/or revised proposals from one or more Respondents.
- To discontinue negotiations with the selected Respondent and commence negotiations with another Respondent or any other party.
- To alter the procurement process and to select and enter into an agreement with one Respondent whose proposal best satisfies the interests of Hays County and is most responsive in the judgment of Hays County to the requirements of this RFP.

4.1.5. CONFLICTS OF INTEREST

No officer, employee, or agent of Hays County, nor any member of the immediate family of any such officer, employee, or agent, shall have any personal financial interest, direct or indirect, in any agreement resulting from this procurement process, either in fact or in appearance. The Respondent must comply with all federal, state, and conflict of interest laws, statutes, and regulations. The Respondent represents that it presently has no interest and shall not acquire any interest, direct or indirect, in any agreement resulting from this procurement process that would conflict in any manner or degree with the performance of the services and obligations there under.

4.2. SELECT AGREEMENT REQUIREMENTS

4.2.1. GENERAL

Respondent must submit a complete response to the RFP, which will be retained by the Hays County. Proposals should be prepared simply and economically, while providing complete details of the Respondent’s approach to meet the requirements of this RFP. The proposal submittal requirements are presented in Section 5 of this RFP.

4.2.2. AMENDMENTS TO THE RFP

Hays County reserves the right to amend this RFP by an addendum at any time prior to the date set for receipt of proposals. Responses to requests for clarification will be in writing and shall be distributed to all Respondents in the form of an Addendum and without identification of the source of any inquiry. If revisions are of such a magnitude to warrant, in Hays County’s opinion, the postponement of the date for receipt of proposals, an addendum will be issued announcing the new date.

5. SUBMITTAL REQUIREMENTS

5.1. GENERAL REQUIREMENTS

Submit eight (8) written copies and one (1) digital copy of the proposal on or before the stated submittal deadline to:

**Hays County
Purchasing Department
712 South Stagecoach Trail
Suite 1071
San Marcos, TX 78666
Attention: Cindy Maiorka
E-Mail: cindym@co.hays.tx.us**

Proposals must be received by the date and time stated herein. The envelope shall be labeled as Proposal – Alternative Source of Groundwater Supply, and the name and address of the interested Respondent on the front of the envelope.

Interested Respondents are responsible for the timely and accurate delivery of their proposals. Only those proposals received at the above address on or before the date and hour set for receipt of proposals will be eligible for consideration. Any proposal received after the closing time, regardless of the method of delivery, may be returned to the Respondent unopened. Proposals may not be withdrawn after the closing time.

Hays County reserves the right to reject any or all proposals, including without limitation the rights to reject any or all nonconforming, nonresponsive, or conditional proposals and to reject the proposal of any Respondent if Hays County believes that it would not be in the best interest of Hays County to consider a project proposal from that Respondent, whether because the proposal is not responsive or the Respondent is unqualified or of doubtful financial ability or fails to meet any other pertinent standard or criteria established by Hays County.

5.2. FORMAT REQUIREMENTS AND ORGANIZATION

Hays County desires to allow respondents maximum flexibility to be efficient in preparing proposals. As such, no specific format restrictions or page limitations are required. However, respondents are strongly encouraged to submit a concise proposal that provides the detailed explanation of respondent's approach focusing on the requirements previously stated and categories of information that address stated.