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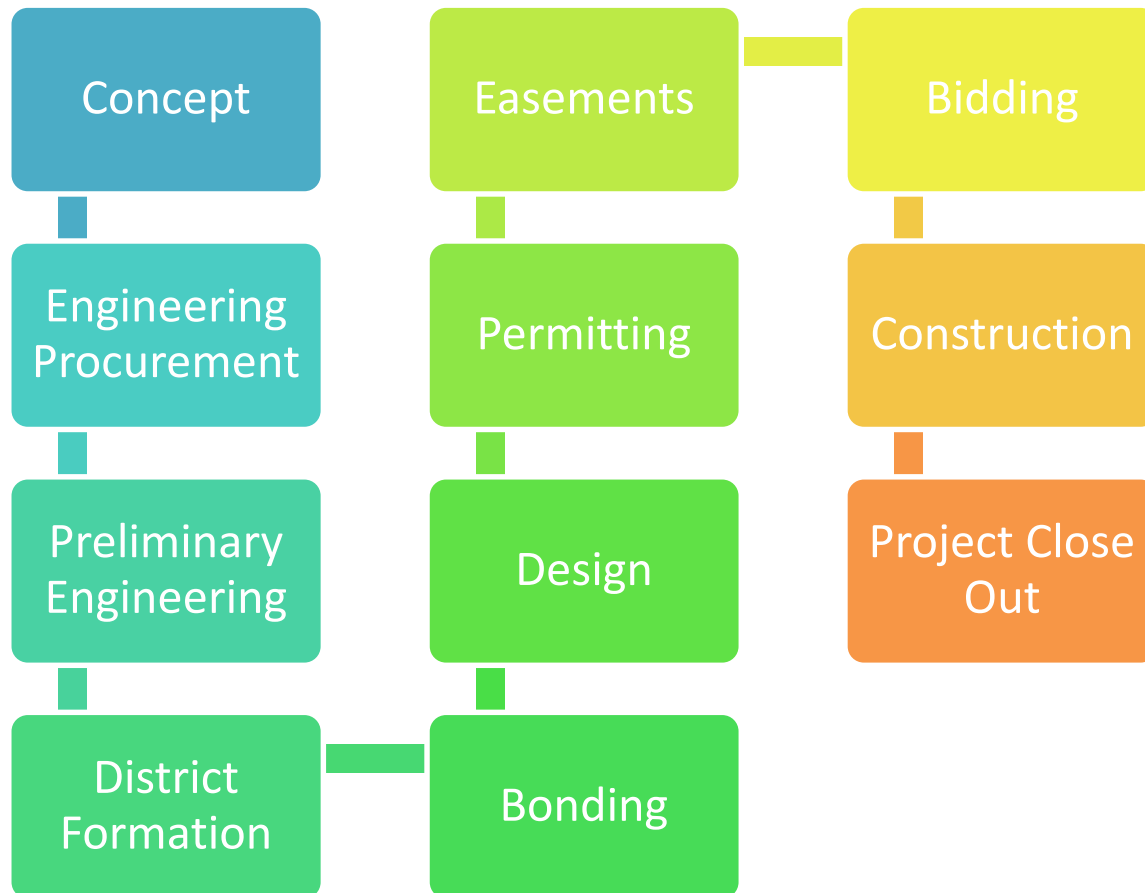
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# Capital Project Planning: Working with Engineering Firms

Carrie Tuttle, PhD, PE, CSP  
Director of Engineering

# Project Planning Life Cycle

Start Early : Plan for 2-4 years from concept to construction



# Project Concept

- What problems are you trying to solve?
  - Are there regulatory drivers?
    - Consent Order
    - Water Quality issue
  - Is infrastructure limiting economic development?
    - Capacity lacking to support growth
    - Areas in Town or Village without service
  - Overall age and condition of system in disrepair



# Assemble Project Team

- Municipal Board Members (target 2)
- Municipal Staff
  - Planner
  - DPW/Highway Superintendent
  - Clerk/Treasurer
  - Water Operator
- Consultant Team
  - Engineer
  - Project Manager
  - Fiscal Coordination
  - Legal
- Regulatory Agencies (Resource)
- Funding Agencies (Resource)



# Procuring Prof. Services

- Federal/state laws require local govts. to competitively procure goods/services
- NYS General Municipal Law requires local govts. adopt written policies and procedures for procurement of services, including prof. services
- The Office of the State Comptroller recommends that these policies include some type of competitive method such as a Request for Proposal Process (RFP)
- Professional services involve specialized skill, training and expertise, and use of professional judgment or discretion; and do not have to be awarded based on “low bid”
- \$133.6M was spent by local governments for auditing, legal and engineering services in 2016

<https://www.osc.state.ny.us/localgov/pubs/research/professional-service-procurement.pdf>

# RFP Process



# Develop RFP

- Designate single point of contact for all communication
- Objectives: *What do you want this project to accomplish?*
- Deliverables: *What items will the firm complete?*
- Fees: *How do you want the firm to submit their fee proposal? Do you expect the work to be completed at a fixed flat fee or on a time and material basis? Do you want certain items broken out as “optional services”?*
- Term: *How much time does the firm have to complete the work requested?*
  - *Grant applications often drive schedule*
  - *Leave time for questions and answers*

# Sample RFP Schedule

## Town of Diana Water System Request for Proposal Schedule

- 4/8/19 – The Board forms a Committee to serve as point of contact during the process.
- Week of 4/15/19 – Draft of the Request for Proposal (RFP) will be sent to the Town for preliminary review.
- Week of 4/22/19 – The Committee will meet to review and discuss any comments or concerns about the RFP.
- Week of 4/29/19 and 5/6/19 – RFP is updated based on comments received.
- May 14, 2019 – Town Board authorizes the Authority to release the RFP to engineering firms.
- May 15, 2019 – RFP will be released to engineering firms.
- June 5, 2019 – Proposals from engineering firms will be due.
- [before June board meeting] – Committee meets to review proposals.
- July 9, 2019 – Committee will present recommendation to the Board, Authority's scope of services ends at this time, unless Town requests additional services per amendment.



# Pre-Proposal Mtg Agenda

Village of X  
Project Title RFP

Date, Time, Location

## 1. Project Personnel & Contact Information

**Owner:** Village of X  
**Project Manager:** XYZ

## 2. Line of Communication/Coordination

- a. All Bid related questions shall be through the Single Point of Contact for RFP
- b. Any additional site visits/site access shall be coordinated through Single Point of Contact for RFP

3. **Proposal Information** - The Request for Proposal is available by email, [XYZ@gmail.com](mailto:XYZ@gmail.com)

4. **MWBE Requirements** - Clearly define for the project based on funding sources

5. **Taxes** - Purchases by the Village of X are not subject to Federal, State or County sales tax.

6. **Contract Deadline** - The Contract shall be substantially complete Z days from the date of the Notice of Award.

7. **Fees** - The labor breakdown shall include budgeted hours and rates to perform each task for the professional services identified in the proposal and the staff assigned.

8. **Questions/Clarifications** - The RFP includes reference documents that relate to the project. If any additional information is required submit a Request For Information.

# Issue RFP

- Public advertising isn't required but may be beneficial to solicit a larger pool of proposals
- Reach out to local consultants to be sure they are aware of the RFP and timing of receipt of proposals
- Talk to other communities with capital projects and find out what firms they are using; solicit feedback
- Be sure the timeline set works for your project and your funding strategy

# Evaluate Proposals

- Assemble ranking/review committee
- Utilize clearly established ranking criteria as stated in RFP
- Ensure apples to apples comparison of proposals – outside technical assistance may be helpful to assist in review
  - Look at number of hours in addition to cost
- First pass screening may eliminate some proposals
- Interviews may be helpful to gain more information from short-listed firms
  - Limit number of short-listed firms to preferably no more than 3
  - Set time limit for each presentation – 30 minutes is usually sufficient with 10-15 minutes for Q&A
  - Conduct all interviews on the same day
- Formally notify all firms that proposed of award

# Sample Comparison

<u>Project Task</u>	<u>Firm 1</u>		<u>Firm 2</u>	
	<u>Cost</u>	<u>Hours</u>	<u>Cost</u>	<u>Hours</u>
Public Participation	\$0	0	\$5,820	42
Mapping Update	\$0	0	\$8,210	104
Assistance with Overflow Metering	\$5,274	62	\$6,020	52
Rain gauge purchase and installation	\$0	0	\$1,510	16
Water Quality Monitoring & Data Review	\$5,544	68	\$9,780	106
Develop Model to Evaluate System Capacity	\$0	0	\$9,720	116
Long Term Control Plan	\$49,878	568	\$55,060	597
Funding Applications	\$5,130	60	\$0	0
Misc. Expense	\$2,500	N/A	\$2,060	N/A
TOTAL =>	\$68,326	758	\$98,180	1,033
Without Public Participation, Mapping , Rain Gauge, and Model	\$68,326	758	\$72,920	<b>755</b>
W/O above items and funding apps.	\$63,196		\$72,920	

<u>Firm</u>	<u>Rank</u>	<u>Overall Score</u>	<u>Understanding of Proj Obj</u>		<u>Approach</u>		<u>Project Team Exp.</u>		<u>Responsiveness</u>		<u>Design % Fee</u>	
100%				15%		30%		15%		20%		20%
Firm 1	2	78	Did not meet with Village staff prior to developing proposal; would have been helpful in developing approach that is more consistent with Village objectives	10	Outlined in Proposal (does not include updating mapping, rain gauge installation, does include development of funding applications)	25	Fairly well qualified project team; good reference checks	13	Not as responsive as would like on another project; neglected controls in design	10	\$68,326; based on 758 hours; includes 10% discount on rates as Village engineer; Proj Eng is staff with most hours (328) and rate is \$76.50/hour vs. Firm 2 rate of \$70/hr	20
Firm 2	1	90	Good understanding of project objectives; met with Village staff prior to developing proposal; discussed approach	15	Outlined in Proposal (includes some items not identified in BC&A proposal which are high priority - mapping initiative, rain gauge). Modeling is an optional item that was discussed in pre-proposal meeting	30	Very qualified project team that has led similar projects; excellent reference checks	15	Great job on another project; extremely responsive	20	\$72,920 plus additional for funding applications; 7% higher than BC&A's proposal; based on 755 hours; Proj Eng. Is staff with most hours (330) and rate is \$70/hr	10

# Award Project

- Formally notify all firms that proposed of award
- Reiterate schedule as outlined in RFP
  - Deliverables due X date from Notice of Award
- Coordinate kick-off meeting with project team as soon as possible to get project moving
- Be responsive in assembly of documents requested to be reviewed by engineer

# Develop Project Scope for PER

- Identify Problems/Needs
  - Service Area Needs
    - Unserved areas
  - Water Quality
    - Regulatory compliance with existing municipal supply or treatment
  - Capacity
    - More demand than existing supply can provide
  - Distribution/Collection System
    - Frequent breaks
    - Undersized supply lines for demand/low pressure
  - Storage/Equilization
  - Economic development

# Considerations

- Are regional/shared service solutions an option?
  - Talk to your neighbors; do they have a similar problem that could be solved with a regional solution?
- Think big
  - Imagine you have one bite at the apple to solve your infrastructure problems
  - It's hard to go back and add more scope, it's easier to downsize or split project
  - Down the road projects can be phased, or down-sized to maintain feasibility



# Funding Life Cycle

## Identify Funding Strategy/Schedule

- NYS Environmental Facilities Corp.
- Empire State Development
- DASNY State & Municipal Grant
- Northern Border Regional Commission
- USDA Rural Development Rural Utility Services
- Office of Community Renewal CDBG

## Submit Grant Applications

## Execute Grant Agreements

## Developing Short & Long Term Financing Plan

# Develop a Funding Strategy

- Objective: Accomplish as many of your project needs as possible with the lowest possible impact to your rate payers
  - To do this, you need experts on your team that understand funding sources
  - You may have the best project in the world but if you can't afford it, then it won't make it to implementation
  - Sometimes a larger project, instead of multiple smaller projects, opens the door to larger sources of funding
- Funding cycles are typically annual, and vary based on the source of funding
  - It may take 2 years to apply for and obtain funding to move your project forward

# Educate Your Board & Rate Payers

- Why is this project necessary?
- What will happen if the project isn't completed?
- Why does the project have to be this size?
- What if some customers don't want municipal water?  
Will they still have to pay?
- Will there be water meters?
- An uneducated public/board can be a show stopper if district formation is required for the project

Bottom Line...

How much is this going to cost me?

# Improve Your Odds

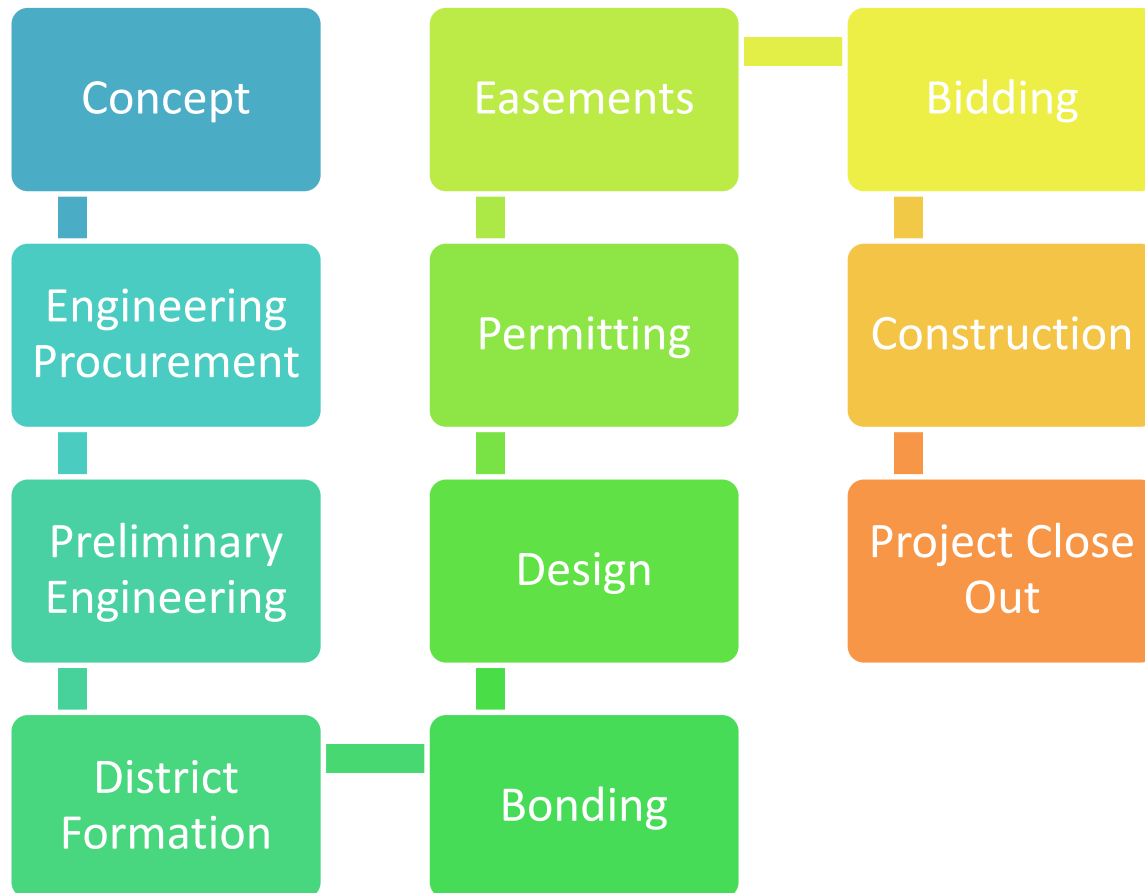
## Shovel Ready Projects Have A Better Chance of Funding

- ✓ Agreements for Professional Services
- ✓ Preliminary Engineering
- ✓ District Formation
- ✓ Bond Resolution
- ✓ State Environmental Quality Review (SEQR)
- ✓ State Historic Preservation Office Review (SHPO)

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- Final Design
  - Permitting (APA, DEC)
  - Regulatory Approval (DOT, DOH)
  - Easements

# Project Planning Life Cycle

Start Early : Plan for 2-4 years from concept to construction



# Thank You

Carrie Tuttle , PHD, PE, CSP  
Director of Engineering  
Engineering & Environmental Services Division

23557 NYS Route 37  
Watertown, NY 13601

[Email: ctuttle@danc.org](mailto:ctuttle@danc.org)

[Website: www.danc.org](http://www.danc.org)

315/661-3259

