

# **Johnson Municipal Merger Study**

## **Request for Proposals**

### Overview

The voters of both the Town and Village of Johnson each approved conducting a study of a potential merger of the two municipalities at the annual meeting of each entity in 2018. To respond to the voters' direction, the Town and Village are issuing this Request for Proposals (RFP) for a consultant to complete an analysis of the potential costs, benefits, and impacts, both positive and negative, of a merger of the Town and Village.

### Study Goals & Deliverables

The goal of the merger study is to provide the Town and Village with a thorough, independent and neutral evaluation of the pros and cons of a potential merger, including both quantifiable data and qualitative information. The merger study must describe the costs and benefits of merger from the perspective of different stakeholders (local businesses, utility customers, town and village staff and residents). It will serve as a framework for decision-making and so it shall provide next steps for likely scenarios to inform and promote the community discussion of the results of the study.

The required deliverable for the study is a final report that includes:

- 1) A complete written report and analysis of the main components of the scope of work (see below),
- 2) Copies of all financial and economic analyses completed as part of the scope of work, and
- 3) Documentation of any interviews performed and all public comments received.

### Scope of Work

- 1) Existing Conditions Review: The finances, administrative functions, departmental operations (non-administrative functions), staffing levels/compensation, equipment/capital materials, rules/bylaws/ordinances, and real estate assets of the Town and Village, including existing joint activities of the Town and Village, should be reviewed and documented. The existing conditions review should identify current challenges as well as what currently works well.
- 2) Areas of Impact: Based on the review of the existing conditions, the study should identify ways a merger could impact financial, level of service, resident experience or other tangible or intangible effect to the Town, Village, or both. The analysis should include cost impacts for: labor and staffing levels across all departments and administrative functions, possible reductions in levels of compensation resulting from merger, duplication of services and costs, opportunities for sharing some functions, revenues and expenses for town and village and the resultant impacts to tax rates and service based rates, opportunities for reducing equipment and or land, buildings and grounds needs.

- 3) **Analysis of Impacts:** A detailed report on the effects that will be felt by stakeholders. Should reflect the perspective of town and village residents and the relative pros and cons for each. It should identify to the extent possible intangible effects and benefits (non financial) in addition to the quantifiable impacts. It should identify potential savings or additional costs associated with merger overall. It should identify and estimate possible changes to tax rates and utility rates separately for town and village.
- 4) **Comparisons:** A brief report on the experience of similarly situated towns and villages that have considered merger. What hurdles or unexpected results have they faced? Why did they merge? Similar towns and villages would be rural and have municipal utilities.
- 5) **Scenarios:** Analyze the cost and benefits to describe the potential scenarios: full merger, partial merger, more sharing, less sharing, or staying the same. What would be the impact on the town and village if the town and village merged, stayed the same or increased sharing?

#### Proposal Contents

Parties responding to this RFP shall include the following in their proposals and use the following formats:

- 1) **Experience/Staff** – Please document your experience conducting studies and analyses similar to the merger study outlined above. The Village of Johnson operates three utilities, electric, water and sewer, and owns and operates the Fire Department. Therefore we are particularly interested in consultant teams that can demonstrate utility experience and knowledge. Resumes for the key staff assigned to this project should be included in the proposal as an appendix. Clearly highlight any potential conflicts of interest or connections to any local stakeholders.  
**Max Length:** The maximum length for this section of the proposal (not including resumes) shall be two pages.
- 2) **Methodology** – Please document the approach you will use to complete the scope of work. Explain in detail the methodology you will use, the data you plan to reference, and the ways you will evaluate the potential positive and negative impacts of a merger. The Town and Village are particularly interested in ensuring the study be factual and neutral. Therefore, please include a few sentences in this section on how you plan to ensure all parties and views are fairly represented.  
**Max Length:** The maximum length for this section of the proposal shall be three pages.
- 3) **Project Timeline** – Please create a schedule for the project that clearly demonstrates the length of time it will take you to complete each of the items in the scope of work and when a final report will be available. The schedule should reference the number of days from the time the consultant is given a notice to proceed until the work will be

completed. Please also indicate the date when your team would be available to begin the study.

**Max Length:** The maximum length for this section of the proposal shall be one page.

- 4) Project Cost – Please indicate the total cost (single dollar figure) to complete the scope of work and issue a final report as outlined above. In addition to the total cost to complete the report, please break out the components of the total cost and identify the number of hours each member of the project team will devote to the project and the fully allocated hourly rate (including overhead) for each person that will work on the study.

**Max Length:** The maximum length for this section of the proposal shall be one page.

### Evaluation Criteria

Each of the proposals will be evaluated and scored as follows, with a maximum score of 50:

- 1) Experience – maximum 20 points  
High scores will be awarded to consultants who can demonstrate direct and relevant experience with completing similar studies and analyses for municipalities. Demonstrated knowledge and understanding of municipal utilities (electric, water, and sewer) will also contribute to a higher score. Additionally, demonstration of completed projects within Vermont will be viewed positively.
- 2) Methodology – maximum of 20 points  
The Town and Village understand that evaluating the functions and processes of two municipalities will be challenging. We therefore place a high priority on proposals that articulate a concise methodology to determine the positive and negative impacts of a potential merger. Higher scores will be awarded to proposals we feel offer a clear and straightforward approach to produce quantifiable data and qualitative information.
- 3) Project Timeline – maximum of 5 points  
With two municipalities included in the study, there will be two Boards (Village Trustees and Town Selectboard) involved. The Village Board meets on the second Monday of the month and the Town Selectboard meets on the third Monday of the month. Project timelines that minimize the need for special meetings and work with the existing Board meeting schedules will be viewed positively. Additionally, completion of the study in an efficient manner is a goal.
- 4) Cost – maximum of 5 points  
Higher scores will be awarded for proposals with costs below \$8,000.

### Proposal Submittal Procedure & Deadline

Please submit your proposal according to the following procedures:

- 1) In a single PDF document no longer than 10 pages (please pay attention to the max length requirements under the “Proposal Contents” section above)

- 2) Via email to [tojadministrator@townofjohnson.com](mailto:tojadministrator@townofjohnson.com) and [vojmanager@townofjohnson.com](mailto:vojmanager@townofjohnson.com)
- 3) No later than **5:00 PM on Friday, March 1, 2019.**
- 4) Proposals will be opened and reviewed at **3:00 PM on Monday, March 4, 2019.**
- 5) Evaluations and scoring will be completed promptly, and the winning bid will be informed.

The Village and Town reserve the right to select any proposal and to cancel the project at any time before contract execution.