

## ***What is a Stormwater Utility Feasibility Study and How Can We Conduct One?***

A Stormwater Utility Feasibility Study can help your local leadership build a compelling case for why or why not a stormwater utility makes sense for your community. It does not make a recommendation, but instead provides a general framework for a utility fee structure and base fees. This fact-finding study can inform your community and enable the decision-making process.

To conduct a Stormwater Utility Feasibility Study, the first step is to put out a Request for Proposals (RFP) or Request for Qualifications (RFQ) to find the right consultant. Although there are standard components included in a Stormwater Utility Feasibility Study, it is very important to customize the scope for your community. The tighter the scope defined in an RFP, the more proposals you will receive that meet your expectations. This might include details such as deliverables that you expect to receive at the end of the project (i.e., maps, graphics, polished reports, utility fee estimates, raw data, etc.). Equally important is to determine an estimated number of meetings that the consultant should attend. If these meetings include stakeholder engagement, be sure to determine whether you will be leading that process (i.e. setting up, inviting participants, facilitating discussions) or if you expect the consultant to do this. Having a consultant lead this process may significantly drive up the cost of the project depending on how many groups, community leaders, and officials will be involved, and how many meetings will be held, especially if they are in person.

So how do you prepare an RFP/RFQ so that consultant responses are consistent with your goals and expectations? We recommend that communities prepare by answering the following questions first:

- How much do we spend during a typical year on stormwater services/maintenance and capital improvement projects (i.e., What is our Level of Service)?
- What are our primary and secondary drivers for enacting a stormwater utility (i.e., water quality, flooding, operations, sustainable revenue stream, broad base of ratepayers, etc.)?
- What is our vision for engaging the public in the development of a future stormwater program? Do we have a specific idea of what this should look like (i.e., public meetings, formation of a stakeholder committee, a series of open houses, etc.), or do we prefer to work with the consultant to co-create the engagement approach after award?
- What is our timeline for completing the feasibility study and making a go/no-go decision on establishing a stormwater utility?
- What deliverables do we want to receive by the end of this process (i.e., report, maps, etc.)?
- What is our budget for hiring a consultant?
- Who from our municipality/agency will champion this effort and serve as the interface with both the community and consultant?
- What criteria will we use to evaluate our proposals and select our consultant (i.e., lowest bid, qualifications, scope approach, or a combination of all)? Be transparent.

Incorporating answers to these initial questions into an RFP/RFQ can help consultants focus their proposed approach and budget accordingly. Then, local leaders can review and compare proposals that share a consistent scope of work leading to a more competitive selection process.

Below, we have included three examples of RFPs/RFQs that municipalities in New Jersey have issued publicly. Again, we recommend using these as a reference only, and to develop RFP/RFQ content specific to your community:

- Newark, NJ
- Secaucus, NJ
- Princeton, NJ

If you would like more guidance on the RFP/RFQ process, Flood Defense New Jersey is available to meet with you to discuss this further.