

**RFP No. 25-44 – Cost of Service and
Rate Development for the Ann Arbor SEU**

Fee Proposal

Revised

Prepared for:

**City of Ann Arbor
Procurement Unit
301 E. Huron Street
Ann Arbor, MI 48104**

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1.0 FEE PROPOSAL

This section contains a description of the estimated fees and expenses for the anticipated work to provide advise the City of Ann Arbor SEU along the three phrases described in our work plan. Section 1.1 provides our schedule of fees by tasks, Section 1.2 includes our estimated reimbursable expenses, and Section 1.3 provides notes on some of the underlying assumptions in our cost proposal.

TABLE 1: SUMMARY OF PROPOSED BUDGET

Cost Item	Amount
Fees (Tasks 1-7)	\$248,423.67
3-Years Ongoing Support (Task 8)	\$58,415.60
Reimbursable Expenses	\$5,650.00
Bid Total	\$312,489.27

1.1 Schedule of Fees

This section contains a summary of the estimated fees anticipated by project task. Our \$306,839.27 in fees are detailed across the tables below. First, Table 2 and Table 3 present the proposed hourly rates for Exeter and Ricardo staff by position. Our hourly rates, which depend upon individual qualifications, include administrative assistance and normal overheads.

Then, Table 4 (Fees by Staff) and Table 5 (Fees by Task) show how our budget by tasks were developed by estimating staff task-hours. Please note the task-hours by staff in Table 4 are meant to be indicative and the actual number of hours and specific staff that provide inputs to each task will inevitably depend on the needs and evolution of the project.

TABLE 2: EXETER RATE SHEET

Exeter Positions	Rate (\$/hr)
Senior Manager 1	\$250.00
Senior Manager 2	\$240.00
Senior Manager 3	\$215.00
Senior Manager 4	\$200.00
Manager 1	\$195.00
Manager 2	\$185.00
Senior Analyst/Economist 1	\$150.00
Senior Analyst/Economist 2	\$145.00
Analyst/Economist 1	\$120.00
Analyst/Economist 2	\$115.00
Research Assistant 1	\$110.00
Research Assistant 2	\$100.00

TABLE 3: RICARDO RATE SHEET

Ricardo Positions	Rate (\$/hr)
Associate Director	\$250.00
Principal Consultant	\$185.00
Senior Consultant	\$145.00
Consultant	\$114.00
Analyst	\$96.00

TABLE 4: SCHEDULE OF FEES BY STAFF

Task		Exeter Senior Mngr. 1	Exeter Senior Mngr. 2	Exeter Senior Mngr. 4	Exeter Sr. Anal. /Econ. 1	Exeter Analyst/ Econ. 1	Ricardo Assoc. Director	Ricardo Principal Consult.	Ricardo Principal Consult.	Ricardo Senior Consult.	Ricardo Analyst	Total Hours
Phase 1	1. Refine and refresh model	6.00	10.00	1.00	22.00	24.00	8.40	33.00	4.71	-	4.00	113.11
	2. Strategic thought partner	16.00	65.00	4.00	40.00	40.00	8.40	16.30	2.42	14.80	18.80	225.72
	3. Develop cost of service model	2.00	8.00	2.00	4.00	4.00	52.80	29.70	4.20	-	163.10	269.80
	4. Benchmark tariff structures	2.00	10.00	1.00	20.00	40.00	4.70	16.30	2.42	14.80	18.80	130.02
	5a. Develop pilot service rates for grant-supported solar and geothermal offerings	4.00	26.00	2.00	24.00	24.00	8.40	19.70	2.80	37.00	41.00	188.90
	5b. Develop pilot service rates for commercial/institutional customers served by existing solar assets	4.00	26.00	2.00	24.00	24.00	6.60	19.70	2.71	-	41.00	150.01
Phase 2	6. Develop tariff design & rates for:											
	i. Solar	4.00	8.00	2.00	12.00	16.00	7.00	18.30	2.72	-	15.10	85.12
	ii. Solar plus storage	4.00	8.00	2.00	12.00	16.00	5.90	16.00	2.33	-	11.40	77.63
	iii. Standalone Storage	3.00	8.00	4.00	11.00	16.00	7.00	18.30	2.72	-	15.10	85.12
	iv. Networked Geothermal	3.00	10.00	2.00	12.00	14.00	7.00	18.30	2.72	-	15.10	84.12
	7. Presentation of rate proposals	4.00	28.00	4.00	24.00	32.00	4.70	29.70	4.20	-	18.80	149.40
Phase 3	8. Ongoing support	8.00	45.00	8.00	40.00	80.00	18.50	96.20	-	-	66.60	362.30
Hours Subtotal		60.00	252.00	34.00	245.00	330.00	139.40	331.50	33.965	66.60	428.80	1,921.26
Staff Position Rate (\$/hour)		250.00	240.00	200.00	150.00	115.00	250.00	185.00	145.00	114.00	96.00	
Total Budget Cost (\$)		15,000.00	60,480.00	6,800.00	36,750.00	37,950.00	34,850.00	61,327.50	4,924.57	7,592.40	41,164.80	306,839.27

TABLE 5: SCHEDULE OF FEES BY TASK

Task		Hours by Task	Budget by Task
Phase 1	1. Refine and refresh model	113.11	19,432.54
	2. Strategic thought partner	225.72	39,958.04
	3. Develop cost of service model	269.80	38,841.64
	4. Benchmark tariff structures	130.02	18,733.04
	5a. Develop pilot service rates for grant-supported solar and geothermal offerings	188.90	28,304.54
	5b. Develop pilot service rates for commercial/institutional customers served by existing solar assets	150.01	23,624.04
Phase 2	6. Develop tariff design & rates for:		
	i. Solar	85.12	13,939.46
	ii. Solar plus storage	77.63	12,827.61
	iii. Standalone Storage	85.12	13,939.46
	iv. Networked Geothermal	84.12	13,939.46
	7. Presentation of rate proposals	149.40	24,883.84
Phase 3	8. Ongoing support	362.30	58,415.60
Total Budget Cost (\$)		1,921.86	306,839.27

1.2 Reimbursable Expenses

TABLE 6: REIMBURSABLE EXPENSES

Expense	Quantity	Unit Price	Total
Travel Expenses for Meetings in Ann Arbor	4	\$1,350	\$5,400.00
Miscellaneous / Printing Materials for Meetings	1	\$250	\$250.00
Total Budgeted Expenses			\$5,650.00

1.3 Working Assumptions in Fee Proposal

Our fee proposal is based on the following assumptions:

- We have included estimated costs for four trips to Michigan for a total of eight days. We have assumed that this would include two trips of Exeter team members and two of trips of Ricardo team member based in the U.S..
- We will populate the Cost-of-Service model with up to three scenarios to be agreed and discussed with the City.

- We have assumed that we will use and build upon Ricardo's in-house Microsoft Excel © Cost-of-Service model for task 3.
- For the solar asset valuation under task 5, we have assumed that we would support the asset valuation of up to five assets.
- For Phase 3, which involves the ongoing support on an as-needed basis, we have accounted for an average of 10 hours per month from the combination of our experts and support pool. However, depending on the needs of the requests, this time may need to be refined.
- To develop the Cost-of-Service model under task 3, we will submit an information request to the City. To meet the City's timelines, we assume that we will receive the information within five business days. We understand there may be data gaps and therefore, we have accounted for up to three (3) days of effort to develop assumptions and address data gaps in consultation and agreed upon with the City. If the level of effort is expected to exceed the three days, refinement of the scope or budget may be discussed.

These assumptions were based on our review of the RFP and some additional outside research preparing the proposal.