

**PDC-RFP-2012-01: Regional Consolidation of Sewer System Assets Study
Q&A**

Q1: Are Transmittal Letter and Title Page included in 25-page count?

A1: The Transmittal Letter is NOT included in the 25-page count. The Title Page IS included.

Q2: Basis for Selection. Is this space intended to be used to address how firms believe they comply with the eleven evaluation criteria? This can typically be accomplished in the Overview and Summary section up front.

A2: This section was intended to be used by a bidder to give us any additional information about them that would help the evaluation committee make a better decision.

Q3: Required Forms. It seems as though the five pages of forms need to be submitted with the proposal, and are not simply shown as required attachments to the final contract. Affirmative Action and DBE Participation...the response here could take several pages. Can we assume that HRPDC/HRSD intends these forms to be classified as "Other Items" and are excluded from the 25-page count limitation?

A3: Yes, the five pages of forms need to be part of the proposal submittal. If additional pages are required for AA/DBE, those additional pages would not count toward the 25-page count.

Q4: Under "Study Areas" item #1 is Asset Valuation. What is meant by the last sentence?:

"Identification of previous joint ventures for installations of regional sewer facilities ("lease purchase" or "interest participation") shall also be identified."

A4: Some localities have entered into agreements with HRSD and/or perhaps other entities (public or private) to construct sewer assets with various repayment options. The study should identify any such agreements that would be impacted by a consolidation of sewer assets and the effect of such on the net value of the sewer assets.

Q5: Items #3 and #6 relate to rate forecasts, do any of the localities currently have long-term rate forecast models in place to leverage?

A5: The availability and detail of long term forecast rate models varies among the localities. The consultant will use best available information and professional judgment as needed to fill in gaps in source data.

Q6: Item #6, revenue and rate forecast, what period is this intended to encompass (item #3 references 10 years)?

A6: Ten years or longer.

Q7: Do all of the localities currently bill residents based on metered usage?

A7: No. Some have flat rate.

Q8: Do all of the localities currently have long term capital improvement plans?

A8: Yes.

Q9: What is the estimated number of cumulative sewer related facilities currently owned and operated by the localities?

A9: Gathering this information from the localities and HRSD will be part of the study. As a matter of reference, HRSD currently serves an estimated population of approximately 1.6 million people.

Q10: What is the estimated number of cumulative total personnel employed by the localities and involved in sewer activities?

A10: Gathering this information from the localities and HRSD will be part of the study. As a matter of reference, HRSD currently serves an estimated population of approximately 1.6 million people.

Q11: Have all entities been studied and identified? Is there a listing?

A11: Yes, there are 14 localities and HRSD:

- HRSD
- Chesapeake
- Gloucester County
- Hampton
- Isle of Wight County
- James City County (JCSA)
- Newport News
- Norfolk
- Poquoson
- Portsmouth
- Smithfield
- Suffolk
- Virginia Beach
- Williamsburg
- York County

Q12: Is part of study to determine interest level of each locality? Quantitative or Qualitative analysis?

A12: The study is primarily a quantitative analysis and does not encompass gauging interest of each of the participants. As a matter of reference, each of the localities' and HRSD's governing bodies expressed interest in participating in the study by approving formal resolutions of interest and participation.

Q13: Is the consolidation effort an all-or-nothing proposition?

A13: The region has not determined whether this is an "all or nothing" proposition. A proposer should be prepared to discuss the feasibility of not all localities participating in a consolidation effort. Currently, all localities are participating in the study.

Q14: Will there be other stakeholder committees besides the Steering Committee (i.e., public advisory, policy, legal...)?

A14: The Steering Committee has not discussed this, but we expect that there will be several committees or areas of expertise (i.e., legal, financial) within each of the localities and HRSD that will be participating in the study effort.

Q15: How will potential conflicts of interest be handled?

A15: The Steering Committee recognizes the potential for conflicts among proposers since 14 localities and HRSD are all participating in the study. As part of the proposal, the selection committee will want to understand a proposer's existing contractual relationship among HRSD and the localities. The Selection Committee will make a determination whether these potential conflicts impact the proposer's ability to successfully perform all tasks required as well as impact the credibility of the final study recommendations.

Q16: RFP's Study Area #9, Legal Review. What type of legal review is desired? Are you seeking a legal opinion?

A16: We are not seeking a legal opinion. We imagine the legal review will involve legal counsel reviewing appropriate state statutes and enabling legislation for the localities and HRSD to determine if there are legal barriers to a consolidation effort.

Q17: RFP's Study Area #9, Legal Review. Are you looking for an attorney-privileged document?

A17: At this point we don't believe the legal review would require attorney privilege. The documents to be reviewed are generally state statutes and legislation; all of which are public documents.

Q18: There are many moving parts in this study. Will there be support for consultant to collect data from localities?

A18: Yes. The awarded consultant(s) will need to request assistance from John Carlock, HRPDC to work with CAOs and/or Directors of Utilities. Localities are aware of time-frame needed to meet Consent Decree and Consent Order.

Q19: To the extent information does not exist, what is consultant's responsibility to create data?

A19: The consultant will use best available information and professional judgment to fill in gaps in source data where needed.

Q20: Formal appraisal or evaluation needed?

A20: No, a formal appraisal is not expected as part of this study. After the study is complete and if the region moves toward consolidation, a formal appraisal may become necessary.

Q21: Are you looking for a formal recommendation regarding consolidation and a transition plan or are you looking for a listing of options?

A21: We are looking for a set of recommendations regarding both consolidation and a plan of transition.

Q22: Are you seeking recommendation of feasibility of consolidation or negotiating points regarding a consolidation effort?

A22: We are seeking recommendation regarding the feasibility of consolidation and, if a positive recommendation, a transition plan. Included in this feasibility recommendation should be an analysis of the "all or nothing" scenario previously discussed (Q13).

Q23: Have you considered the impacts of consolidation on future economic development and system expansion?

A23: Yes. The general concept is that a regional wastewater authority will support local comprehensive plans for development and system expansion. How that will be accomplished remains a question and should be a recommendation of the study.

Q24: How will the proposals be reviewed? (25 copies to whom?)

A24: As of now, the entire Steering Committee will review proposals and develop a short list for consideration.

Q25: Will you release names of Steering Committee?

A25: Yes, see the list following the Q&A.

Q26: HRSD's presentation to its Commission stated a project budget of approximately \$500,000. The RFP now shows \$500,000 - \$1,000,000. Is there a meaning behind this change?

A26: As the project scope developed, we began to feel a project budget of \$500,000 might be too small. The HRSD Commission approved funding for the study up to \$1,000,000.

Q27: Do you expect Public Relations outreach from consultant?

A27: The Steering Committee continues to debate the type and quantity of public relations appropriate for the study phase of this project.

Q28: The timeframe for the study is pretty tight.

A28: The study's timeframe is primarily driven by the US Department of Justice and the Environmental Protection Agency (EPA). HRSD recently met with the EPA to discuss the project. Currently, the Regional Wet-Weather Management Plan (RWWMP) is due in November 2013. We made a case to the EPA that a RWWMP may be substantially different depending on whether it is one regional entity addressing the requirements or 14 localities and HRSD addressing the requirements. We've requested up to a 30-month delay in enforcement in the November 2013 date, if the region elects to consolidate. We expect an answer from the EPA in mid-June 2012. **Proposers should be aware that a Contract will not be awarded until HRSD receives notice from the Department of Justice addressing the requested delay.**

Q29: Have you looked at other districts that have done a similar effort?

A29: On a cursory level we have reviewed other examples of locality consolidation efforts.

Q30: Regarding a proposer's minority participation, can the 10% be apportioned to more than one firm?

A30: Yes. It is helpful if the firms are certified as a DBE by the Commonwealth of Virginia.

Q31: Do we need to include an insurance certificate in the submittal?

A31: Yes.

Q32: What is required to be submitted to fulfill the “Licenses’ Requirements” (for instance, we can provide pictures of copies of our Virginia State Corporation Commission certification or our City of Norfolk Department of Professional and Occupational Regulation registration).

A32: Copies of the State certification.

Q33: Do all 4 of the required forms attached in the RFP need to be included in our submittal (from the RFP Required Forms Section, starting on page 15-20)?

A33: Yes

Q34: Are the required forms part of the 25 page limit?

A34: See answer A3.

ATTENDEES AT PRE-PROPOSAL CONFERENCE

CONSULTANTS

Caroline Heggie, Davenport & Co.
Jessica Hou, Gannett Fleming
Mike Luning, Gannett Fleming
Ed Donahue, Municipal & Financial Service Group
Jon Davis, RFC
Raj Shelat, KPMG
Ali Mahon, HDR
Franklin Hudgins, Hazen & Sawyer
Lamont Curtis, Parsons Brinckerhoff
W. Page Cockrell, Hurt & Proffitt, Inc.
Chris Guvernator, O'Brien & Gere Engineering
Robert Ryell, Black & Veatch
Paul Delphos, Black & Veatch
Mike Gaffney, RK&K
Stanley Barr, Kaufman & Canoles
Michael Quinn, Arcadis
Mark Prentice, AECOM
David Whitman, Appros Consulting, Inc.
Mark Warner, Plante Moran
David Bondell, Mercer Group

STEERING COMMITTEE IN ATTENDANCE

Ted Henifin, HRSD
Steve deMik, HRSD
Robert Carteris, City of Norfolk (sub for Kristen Lentz)
Thomas Leahy, Virginia Beach
Reed Fowler, Newport News

Staff:

John Carlock, HRPDC
Nancy Collins, HRPDC
Whitney Katchmark, HRPDC
Tiffany Smith, HRPDC

COMPLETE LISTING OF STEERING COMMITTEE

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Steve deMik, HRSD
Bryan Foster, Portsmouth
Reed Fowler, Newport News
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John Hudgins, York
Thomas Leahy, Virginia Beach
Kristen Lentz, Norfolk
John McDonald, James City County (JCSA)
William Meyer, Chesapeake
Jason Mitchell, Hampton
Albert Moor, Suffolk
Martin Schlesinger, Gloucester
Robert Speechly, Poquoson
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