

# ADDENDUM No. 1

## RFP # 20-12

### WWTP & Lift Stations Asset Management Program

#### Bids Due: February 11, 2020 at 2:00 P.M. (Local Time)

The information contained herein shall take precedence over the original documents and all previous addenda (if any) and is appended thereto. **This Addendum includes four (4) pages.**

**The offeror is to acknowledge receipt of this Addendum No. 1, including all attachments in its proposal by so indicating in the proposal that the addendum has been received. Proposals submitted without acknowledgement of receipt of this addendum may be considered non-conforming.**

**The following forms provided within the RFP Document must be included in submitted proposal:**

- **Attachment B - Non-Discrimination Declaration of Compliance**
- **Attachment C- Living Wage Declaration of Compliance**
- **Attachment D- Vendor Conflict of Interest Disclosure Form**

**Proposals that fail to provide these forms listed above upon proposal opening will be rejected as non-responsive and will not be considered for award.**

#### I. CORRECTIONS/ADDITIONS/DELETIONS

Changes to the RFP documents which are outlined below are referenced to a page or Section in which they appear conspicuously. Offerors are to take note in its review of the documents and include these changes as they may affect work or details in other areas not specifically referenced here.

<b>Section/Page(s)</b>	<b>Change</b>
Page 15	Remove: "Develop existing Asset Inventory for WWTP and Lift Stations"  Replace with: "Develop, Review and Evaluate Existing Asset Inventory for WWTP and Lift Stations."
Page 15	Remove: "Recommend how asset inventory is to be reported"  Replace with: "Recommend how asset inventory is to be reported and maintained"
Page 16	Remove: "Analyze all available historic financial data regarding life cycle costs for assets"

- Page 16 Remove: "Determine local costs for repair, renewal, and replacement of the assets so that this data is available for later steps"
- Replace with: "Determine costs for repair, renewal, and replacement of the assets so that this data is available for later steps"
- Page 16 Remove: "Evaluate the required Levels of Service per all State and Federal regulatory requirements"
- Replace with: "Evaluate Asset Compliance per all State and Federal regulatory requirements"
- Page 16 Remove: "Perform Gap Analysis between target Level of Service and current system performance"
- Replace with: "Perform Gap Analysis between target Level of Service requirements and current system performance"
- Page 17 Remove: "Estimate expenditures for maintenance, corrective action and capital improvement taken during the fiscal year"
- Replace with: "Estimate expenditures for maintenance, corrective action and capital improvement taken during each fiscal year"
- Page 17 Remove: "Establish Sustainable Funding Strategy"
- Replace with: "Recommend Sustainable Funding Strategy"
- Page 17 Remove: "Work closely with City Finance staff and other City staff to review projections of expected revenues for the WWTP budget"
- Replace with: "Request and receive projected revenues for the Sewage Disposal System Fund"
- Page 17 Remove: "Prepare rate calculation demonstrating sufficient revenues to cover OM&R expenses. The ultimate goal of the Asset Management Program is to ensure sufficient revenues to fund OM&R expenses"
- Page 17 Remove: "Expenditures for maintenance, corrective action and capital improvement taken during the fiscal year"
- Replace with: "Provide estimated expenditures for maintenance, corrective action and capital improvement taken during the fiscal year"
- Page 18 Remove: "ongoing CIP programming"
- Replace with: "Prioritization for capital investments"
- Page 18 Remove: "ongoing financial analyses"

Page 18 Insert under "A": "City of Ann Arbor - Water and Sewer Cost of Service Study Final Report, June 21, 2018"

Page 19 Remove: "Financial Information for Public Services Area Administration Maintenance and Operation and Capital Costs"

Replace with: "Financial Information for City's Sewage Disposal System Fund"

## II. QUESTIONS AND ANSWERS

The following Questions have been received by the City. Responses are being provided in accordance with the terms of the RFP. Bidders are directed to take note in their review of the documents of the following questions and City responses as they affect work or details in other areas not specifically referenced here.

Question 1: Does the City envision working with an outside rate consultant to provide recommendations regarding debt financing, etc., or is the City planning to use internal finance staff?

**Answer 1: The City will utilize existing internal staff.**

Question 2: Is there an anticipated budget for the work to be performed by the consultant?

**Answer 2: As part of the City's budget process, a budget was estimated; however, the proposals, including the fee proposal, will be evaluated. Award will be based on the evaluation criteria presented in the RFP.**

Question 3: Is the intent to continue with Cityworks as the primary CMMS for the WWTP and pump stations? Other than ESRI and Cityworks, are there any other existing software packages the City envisions utilizing or integrating with as part of the AMP?

**Answer 3: The City plans to continue using Cityworks as its primary CMMS for the WWTP and pump stations. There are no other existing software packages the City envisions utilizing currently. Offerors should include in their proposals any other specific software packages that they believe are needed.**

Question 4: Are there any assets that have already been prioritized for more intensive condition assessment, such as structures or specific equipment?

**Answer 4: No. The level of assessment that an offeror believes is necessary for the assets described in the RFP are to be included in their proposal.**

Question 5: For the first submittal to EGLE, is the City going to provide all required information related to the collection system for the consultant to incorporate into the submittal to satisfy the collection system questions in the permit language?

**Answer 5: The only portions of collection system to be addressed under this RFP are the lift stations as described in the RFP.**

Question 6: It is unclear how many pump stations are to be included. On page 3, it indicates that six pump stations will be included in the program and on page 14 under objective, it indicates five stations are to be included.

**Answer 6: Two of the six lift stations that were to be included in the AMP are adjacent to each other. The design engineer has recommended consolidating these two lift stations into one. As a result, five lift stations are to be included in the AMP. Three of these lift stations are scheduled to be replaced before completion of the AMP. For any lift station not replaced by the completion of the AMP, the consultant is to provide a guidance document or SOP that identifies the content and preferred format of the information needed to readily incorporate these lift stations into the AMP once they are replaced.**

Question 7: Task 9 includes a Gap Analysis, rate calculation, and other funding issues. A full, detailed rate study is not requested. Is the expectation to integrate the anticipated OM&R expenses into the rate model developed in 2018? Will the consultant be expected to update the rate model, or will the City staff update the model based on the recommendations of the AMP and Gap Analysis?

**Answer 7: Yes, it is anticipated that the recommended optimized OM&R expenses will be input to the existing financial model. There is no expectation for the consultant to update the model with the recommendations.**

Question 8: How many years of rates is the City looking to evaluate?

**Answer 8: The expectation is to develop a sustainable funding strategy. The City's financial model/planning currently is through FY 2029.**

Question 9: Does the City require community engagement or education as part of the rate calculation, and if required, the complete rate study?

**Answer 9: Community engagement or education is not anticipated for this effort.**

Question 10: We are not clear on what needs to happen in the 20 months following submission of the AMP. The RFP says the AMP is due to EGLE by July 1, 2020, and the completed Program to Ann Arbor by December 31, 2021. What is involved in the completed Program? Is further rate analysis required during this period?

**Answer 10: The plan that is due to EGLE by July 1, 2020, is an overview of the elements to be included in the Program, including what will be done by when to create the Program. The Program is to be completed and submitted to the City by December 31, 2021. Offerors are to identify in their proposals what they are to include in the completed Program. Any further rate analysis will be performed by City staff based on the information provided by the Program.**

Offerors are responsible for any conclusions that they may draw from the information contained in the Addendum.