



CITY OF PETERSBURG
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ADDENDUM #2

DATE: January 20, 2017
PPEA: #17-0008– Water and Wastewater Systems
DATED: December 14, 2016
DUE DATE: Tuesday, February 07, 2017 @ 2:30 p.m. EST (Changed)
SUBJECT: **Due Date Extension, Clarification to the Process and Request for Documents/Questions and Responses**

This Addendum supplements, modifies, deletes from or adds to the original Request for Competing Proposals noted above in response to a question(s) received to date, and is made a part of the resulting contract documents.

A. EXTENSION

Due Date and Request for Competing Proposals Date Extension:

The due date for competing proposal submissions has been extended to Tuesday, February 07, 2017 no later than 2:30 p.m.

B. CLARIFICATION RESPONSE

(1) Please clarify what information the proposer must submit on January 30th in order to have its proposal be deemed compliant?

Section II of the “Receipt of Unsolicited PPEA Proposal and Solicitation of Competing Proposals” (the “Solicitation”) states that selection will be a multi-step process involving a Step 1 submission of “conceptual” proposals, and that if there are a number of competing conceptual proposals, the City will likely select a limited number of proposers from Step 1 to submit Step 2 “detailed-phase” proposals by a deadline in the future. However, the Timeline- Unsolicited Proposals posted by the City at <http://www.petersburgva.gov/DocumentCenter/View/2452> (“Timeline”) does not indicate a timeframe for a Step 2, detailed-phase submission. Please confirm that the language in Section II of the Solicitation is controlling.

Please also confirm that a conceptual proposal incorporating the information described in Section IV.A of the City’s PPEA guidelines (and not the information described in Section IV.B) is what is required to be submitted to the City by January 30th in order for a proposal

to be in compliance. If not, please confirm whether a proposal submitted on January 30th must contain the information described in Section IV.A and IV.B of the City's PPEA guidelines to be in compliance?

(2) Please clarify whether it is the City's intention to proceed to a detailed-phase submission with one or more proposers selected from the conceptual-phase proposers prior to negotiating a comprehensive agreement with one or more proposers.

Assuming the City receives competing bids, does the City intend to proceed to a detailed-phase submission process with two or more proposers, by a deadline to be specified in the future? Under the Solicitation, this appears to be the intended approach, followed by the City conducting negotiations with one or more proposers. However, the Timeline suggests that the City will move directly to negotiate a comprehensive agreement with one of the proposers based solely on the initial, conceptual-phase submissions which are due on January 30th. Please confirm that it is the City's intention to proceed to a detailed-phase submission as described in the Solicitation.

Response: The City is requesting conceptual proposals by the deadline time on January 30, 2017 to be submitted, as outlined in Section II of the "Receipt of Unsolicited PPEA Proposal and Solicitation of Competing Proposals." This is consistent with Section IV. A. of the City's PPEA Guidelines (which sets forth the Format for Submissions at Conceptual Stage). Following receipt of any conceptual proposals the City will determine whether or not to proceed with a detailed proposal stage and whether any or all of the information described in Section IV. B. of the City's PPEA Guidelines will be requested or expressly waived. Proceeding with the detailed proposal stage may result in a change to the timeline for unsolicited proposals that the City has posted on its website, as this timeline is subject to change.

C. REQUEST FOR DOCUMENTS/QUESTIONS AND RESPONSES

1. Any proposed long-term financial plans.

Response: The city does not have any proposed long term financial plans regarding the Utilities Department.

2. Additional documents related to ARWA and SCWA:

- a. Fiscal Agency Agreement or related financial agreement with any financial institution
- b. Indenture of Trust or related documents(s)
- c. Supplemental Indenture of Trust or related documents
- d. Most recent Official Statement(s)
- e. Most recent Rating Agency Reports

Response: Please refer to the document entitled 2015 A Bond at the link below:
<http://www.petersburgva.gov/index.aspx?NID=562>

3. Copies of any attachments, exhibits or other similar documents referenced in the documents;
Response: The City has attempted to provide copies of fiscal agency agreements, please refer to the agreements section at the link below:
<http://www.petersburgva.gov/index.aspx?NID=562>
4. Where amendments were provided, please provide complete copies of the documents referenced in these amendments back to and including the original agreement(s);
Response: The City has attempted to provide copies of all agreements in our possession, please refer to the agreements section at the link below:
<http://www.petersburgva.gov/index.aspx?NID=562>
5. The schedule provided does not coincide with the 2015 CFAR; please provide a comprehensive listing of all components of the Utility Assets.
Response: The CFAR includes the value of the land and the schedule does not. After adding the value of the land the difference is \$270 which is immaterial.
6. Please include sources of funding for all assets (i.e. grant, customer contributions, debt, etc.);
Response: The City does not have a response to this question.
7. Please confirm if any investments into the treatment facilities of either AWRA or SCWA are included in the values noted in the 2015 CFAR.
Response: The City does not have a response to this question.
8. As to ARWA, please provide an explanation for the rates and also furnish data from January 1, 2016 through July 1, 2016, and please also provide ARWA's rate schedule applicable to the City.
Response: Please refer to the section entitled Rates and Permits determined annually at the below listed link: <http://www.petersburgva.gov/index.aspx?NID=562>
9. As to SCWA, please provide an explanation of the payments outlined in the document provided and supplement the payment history for data from January 1, 2016 through July 1, 2016.
Response: Please refer to the section entitled Rates and Permits determined annually at the below listed link: <http://www.petersburgva.gov/index.aspx?NID=562>
10. As to SCWA, is the City charged for treatment services and, if so, please provide the rate schedule for same.
Response: Please refer to the section entitled Rates and Permits determined annually at the below listed link: <http://www.petersburgva.gov/index.aspx?NID=562>
11. Please provide a summary of payments made by the City for capital investments into the treatment facilities of either ARWA or SCWA.
Response: The city has attempted to provide information on capital investments. Please refer to page #34 and 55 of the 2015 CAFR at the below link: <http://www.petersburgva.gov/DocumentCenter/View/2026>
12. Please provide any and all reports or studies outlining capital needs for the City's water distribution and wastewater collection system.

Response: The has provided all available reports available in the reports section at the below link: <http://www.petersburgva.gov/index.aspx?NID=562>

13. Please provide copies of any studies or reports associated with any improvements to either ARWA or SCWA's treatment facilities wherein the City would be obligated to contribute towards such improvements.

Response: The City does not have this information, if such an improvement were necessary the City and the entity has agreed they would give ample notice

14. Please provide average daily water and wastewater usage for each of the 16 Industrial Accounts.

Response: The city has provided a listing of usage. While it is not displayed the way this question has been presented, please refer to the document entitled customer usage breakdown at the link below: <http://www.petersburgva.gov/index.aspx?NID=562>

15. Please provide average daily water and wastewater usage for each of the top 25 Commercial Accounts.

Response: The city has provided a listing of usage. While it is not displayed the way this question has been presented, please refer to the document entitled customer usage breakdown at the link below: <http://www.petersburgva.gov/index.aspx?NID=562>

16. Please provide an average daily water and wastewater usage (as a group) for the balance of the 1199 Commercial Accounts.

Response: The city has provided a listing of usage. While it is not displayed the way this question has been presented, please refer to the document entitled customer usage breakdown at the link below: <http://www.petersburgva.gov/index.aspx?NID=562>

17. Please provide an average daily water and wastewater usage (as a group) for the 10,656 residential accounts.

Response: Sewage billing is based directly on water consumption; therefore, it does not have a separate usage calculation.

For residential and commercial, the average daily usage for the remaining residential and commercial accounts is approximately 1,803,014 gallons per day.

18. Some job descriptions appear to be missing when compared to the list of employees and salaries.

Response: The city has added the job description for the Budget Analyst.

19. Please provide copies of any and all agreements, contracts, etc. relating to the City's operation the water and wastewater system by the City.

Response: The city has attempted to provide all agreements which directly are involved with this procurement transaction. Please refer to the section entitled agreements at the below link: <http://www.petersburgva.gov/index.aspx?NID=562>

20. Please provide copies of any and all agreements, contracts, understandings between the City and system customers.
Response: The city has attempted to provide all agreements which directly are involved with this procurement transaction. Please refer to the section entitled agreements at the below link: <http://www.petersburgva.gov/index.aspx?NID=562>
21. Please provide a copy of the JCI Lease (meters) that the City has with Johnson Controls.
Response: The Johnson Control Contract and the Grant Capital Management Lease Agreement for the water meters has now been added to the agreement section at the below listed website: <http://www.petersburgva.gov/index.aspx?NID=562>
22. The Depreciation Schedule posted does not appear to agree to the 2015 financial statements with the same date 6/30/15- Can the City please provide an explanation for the difference?
Response: The City does not have a response to this question.
23. The breakdown of customers posted - lists 11,896 metered customers. Had previously seen in 2015 financials that total customers are approx. 12,300. Are there unmetered customers? What is the explanation for the variance?
Response: In the 2015 financial document referenced not all meters were replaced nor were all meters functional. Also the city was undergoing an installation process of new meters.
24. No usage data has been provided; please provide.
Response: Please refer to the section entitled utility customer information at the link below: <http://www.petersburgva.gov/index.aspx?NID=562>
25. Wastewater system permit #
Response: The City operates its wastewater system under SCWMA permit # VA0025437.
26. Assume that the assets will be purchased on a debt free basis?
Response: City is currently paying for new water meters & ERTs
27. 5-year history of rate increases
Response: please refer to the section entitled rates and permits: <http://www.petersburgva.gov/index.aspx?NID=562>
28. Provide a balance sheet particularly detailing the assets by plant, collection system, etc.
Response: The City does not have a response to this question.
29. 5-year history of sanitary sewer overflows (SSO's), number of, approximate gallons
Response: The City has provided all information that was available please refer to the section entitled reports at the link below: <http://www.petersburgva.gov/index.aspx?NID=562>

30. Average age of plant asset and underground
- a) **Response:**
 - b) **ARWA and SCWMA constructed in 1960**
 - c) **Main Pump Station constructed in 1954**
 - d) **Prince George and Poor Creek Pump Stations Constructed in 1954**
 - e) **Mt. Vernon and Locke Pump Station Tanks & Pump Station Tanks and Stations constructed in 1960**
 - f) **Industrial Pump Station constructed in 1992**
 - g) **Average age of all other underground is 30 to 40 years.**
31. Revenues and number of customers (or ERC's) broken out by class (residential, commercial, Industrial, tap fees, other revenue)
- Response: Please refer to section entitled customer usage at the below listed link**
<http://www.petersburgva.gov/index.aspx?NID=562>
32. The depreciation schedule lists a number of vehicles, none of which are newer than 2010. Is this a result of a decision to defer capital spending, or is this the norm for the utility based on system needs?
- Response: Please refer to the Depreciation Schedule at the link below:**
<http://www.petersburgva.gov/index.aspx?NID=562>
33. 3-year summary of maintenance expense and capital expenditures
- Response: The City has provided a summary of all utility expenses which includes personnel, operating and capital expenditures. Please refer to the section entitled Utility expenses at the link below:** <http://www.petersburgva.gov/index.aspx?NID=562>
34. Summary of plant capacities and utilization (by gallons)
- Response:**
- ARWA – Petersburg has 16.69% of allocation. In MGD this calculates to 15.69 mgd. The 5 year daily average usage is 4.75 mgd.**
- SCWWA – Petersburg has 52.5% of allocation. In mgd this calculates to 12.075 mgd. The 5 year daily average usage is 6.47 mgd.**
35. Rate tariff detailing rules on how customers are billed Info provide in ordinance
- Response: please refer to the Previously provided and on website
- Response: Please refer to the City's Municipal Code Chapter 114 entitled Utilities at the link below:**
<https://www.municode.com/library/search?stateId=46&clientId=12040&searchText=114&contentType=CODES>
36. Why has the City's cost for wastewater services under the SCWWA increased by about \$17k/month since July 2016 (\$376k) through December 2016 (\$460k), and what is the projected trend going forward?
- Response: Increase was a result of finance charges from past due amounts.**

37. The depreciation schedule provided shows a \$3M+ line item related to the Poor Creek pump station – is that related to work described as being needed in the Poor Creek Pump Station Force Main project, or is that project still necessary? Please provide a high-level description of what was included in the \$3M project. Scope of work was for replaced sections of Force main from Poor Creek Pump Station.
Response: Please refer to the document entitled summary of condition report in the section entitled reports at the link below:
<http://www.petersburgva.gov/index.aspx?NID=562>
38. Regarding the depreciation schedule 2015 item “Water Meters”, please describe the project, including the number of water meters replaced and the number and average age of those not replaced. Was anything else included in this project other than meter replacement?
Response: Total number of meters replaced 11,570 average age between 20 – 30 yrs. of age, this project also included installation of an Electronic Radio Transmitter or ERT
39. Please provide a list of identified capital project (or grouped projects, e.g. upgrading vehicle fleet) needs for projects greater than \$100k, with estimated costs or cost ranges. If the Main Pump Station project as described by the recently submitted Timmons Group PER (estimated at \$623k) is not included, please describe why it is not.
Response: Please refer to the section entitled anticipated capital improvement projects at the below link <http://www.petersburgva.gov/index.aspx?NID=562>
40. Mileage (or run hours) on all vehicles and equipment.
Response: Please refer to the section entitled Utility Fleet Information at the link below <http://www.petersburgva.gov/index.aspx?NID=562>
41. List of any major pumps, motors, treatment plant unit process equipment, sludge treatment/dewatering equipment, etc. which are currently out of service and not available for operation.
Response: Below is a list of major pumps, motors, treatment plant unit process equipment etc. that are currently out of service and not available for operation:
- a. Main Station, one pump out for rebuild, bar rack rake needs repair
 - b. Bank Street, 6-inch pump needs belt installed
 - c. Rohoic Lift Station, problem with pump (may be a starter issue)
 - d. Poor Creek, one pump down due to a pump issue
 - e. Prince George Lift Station, back-up generator down
 - f. Berkley Manor, pump down due to motor issue
42. Summary of all on-going, planned or pending major repairs or replacements of lift station or treatment facility equipment.
Response: Please refer to the section entitled anticipated capital improvement projects at the below link <http://www.petersburgva.gov/index.aspx?NID=562>

43. Average Usage rates and Unit costs (cost per pound, or cost per gallon, etc.) on all chemicals used at the water treatment and wastewater treatment plant(s)

Response: This is a line item located in budget ARWA \$2,200,000/YR

44. 3-year history of monthly or quarterly and annual summary of uncollected customer billings/customer debt IT

Response: The City's billing system will only provide information from the last 90 days. Therefore, we have included a document named customer billings in the section entitled utility customer information. Please refer to the link below:

<http://www.petersburgva.gov/index.aspx?NID=562>

45. Copy of any sludge management planning, and cost basis for sludge disposal (cost/ton for hauling and tipping fee) in the wastewater treatment budget

Response: The City has attempted to provide this documents, please refer to the sludge management section at the link below:

<http://www.petersburgva.gov/index.aspx?NID=562>

The offeror must take due notice and be governed accordingly. This Addendum must be acknowledged in your proposal response or your proposal may not be considered.

Tangela U. Innis

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