
RFP ADDENDUM #2

Date of Addendum: 3/6/2018

NOTICE TO ALL POTENTIAL RESPONDENTS

The Request for Proposals (RFP) is modified as set forth in this Addendum. The original RFP Documents, and any previously issued addenda, remain in full force and effect, except as modified by this Addendum, which is hereby made part of the RFP. Respondent shall take this Addendum into consideration when preparing and submitting its Proposal.

PROPOSAL SUBMITTAL DEADLINE

The Proposal submittal deadline remains the same and is not altered by this Addendum.

QUESTIONS AND ANSWERS

The following questions and answers are provided as a matter of information to clarify issues raised about the RFP.

System Related Questions:

1. Is there flow test data available?

No.

2. Are there distribution maps that are available for inspection/copying?

Yes, for inspection only during regular business hours at 590 Smith Street.

3. Please provide an approved contractor list to work on services and mains?

The City biannually seeks applicants for emergency sewer work. The current contractor is B&W Construction.

4. What lab is used for water quality testing?

This is a contract held by MWC.

5. What is the criteria on small and large meter change-outs (i.e. years in use and who is responsible to change them out)?

The criteria is listed in the City Contract. The Company is responsible for changing out the meters.

6. How many meters remain to be changed out?

All residential meters at the current time. MWC is seeking NJDEP approval to bid replacement meters.

7. What is the non-revenue water percentage?

32.9%

8. Is there district meters for Non-Revenue Water?

No.

9. Is unidirectional flushing or any flushing performed on the distribution system?

Yes, annually.

10. Has valve and hydrant testing been completed in the past? If so, what frequency and results?

Yes, annually in October, as shown in annual report, for hydrants only.

11. Is there a leak detection program?

Yes, a leak detection survey was conducted in 2017 throughout the City by an outside contractor paid by the City; see the final report on the McManimon, Scotland & Baumann File Transfer Protocol site (FTP) site at <https://msbnj.ftptoday.com/> with the following sign-in information:

Username: PerthAmboySystems

Password: 2018RFP

12. Is transmission and distribution system operation subcontracted? If so, who is the subcontractor?

No

13. Have the force mains been analyzed for leaks?

No. External visual inspection only.

14. Are there Air Release Valves on the Force Mains? How many on sewer and how many on water?

Yes. Sewer - 5

Water - 2

15. Are the funds for FEMA reimbursement allocated to a PA account or NJOEM?

To the City of Perth Amboy.

16. What CMMS program(s) are used for above ground and below ground assets?

None.

17. Has there been any OSHA/PEOSHA safety violations, i.e. any recordables in the last 5 years?

No.

18. Are the employees unionized?

No. City employees will serve as operations staff.

19. Who handles the cross connection control program?

Contract Operator.

20. What is the successful bidder's obligation, if any, for the Woodbridge interceptor (maintenance costs, coordination, etc.)?

The Company must coordinate with Woodbridge who operates the interceptor, there are no cost obligations by the Company.

21. Will the successful bidder be responsible for the operations and maintenance of 590 Smith Street?

Yes.

22. Is it possible to have an additional site visit?

None planned.

Water Quality and Compliance:

23. Please provide the most up to date Emergency Response Plan and Water Conservation Plan:

These have been filed with the NJDEP, but are not available for public distribution in accordance with Homeland Security protocol.

24. Is there a notification system for water and sewer issues?

NIXLE and Middlesex County Emergency Notification System.

25. Is there a Water Quality Management Plan with the NJDEP for Pb and Cu and Point of Entry sampling?

Yes.

26. Optimization Plan?

Yes.

27. Was there a Pb and CU sampling done in 2017?

Yes.

28. How many CSO overflows in 2017?

16 CSO's with 81 overflow events in 2017.

29. When net failures occurred, was the NJDEP hotline notified?

Yes.

30. Is flooding, blockages and backups tracked? If so, please provide information?

See "Wastewater Operations" on FTP site.

31. Does the City/USAPA rely on MCUA for enforcement of FOG, illegal discharges to sewer?
How many SIU's are there?

Contract Operator enforces FOG and illegal discharges. There are 2 SIU's.

Customer Service & Billing:

32. Confirm that successful bidder will have billing, collection and customer service obligations. (See page 13, Section 4.3(A) of the draft contract. **The City will be responsible for billing, collection and customer service functions.**

33. Name of billing system and whether it is hosted locally or via a third party vendor?

N/A

34. Licenses or service agreements for the billing system maintained and when do they expire? **N/A**

35. What telephone system do you have and is it capable to queue calls? Please name provider of the PBX service.

Customer Service/Billing/Collections is on City system. 590 Smith and other locations are MWC.

36. What volume of calls do you receive monthly?

Call volume is not recorded.

37. Do you have an IVR?

No.

38. Do you have any system that records customer conversations for quality control monitoring? Please name system.

No.

39. Are customers able to access their account information via web? **N/A**

40. Do you have any mass communication systems to notify customers of disruption of service and other emergencies? Please name the system.

NIXLE and Middlesex County Emergency Notification System.

41. What meter reading system do you have? And what meter manufacturer do you use?

Meters are Sensus and Neptune. Contract operator owns meter reading equipment.

42. What is the average age of your meters?

19 years old.

43. How many meters do you have that are residential, commercial and industrial?

R – 10,624 C-999 I – 32 Municipal – 39

44. What is the yearly consumption for residential, commercial and industrial users?

2016:	R – 257,503,150	C-37,389,100	I –26,832,745
2017:	R – 252,061,100	C-37,362,700	I – 26,484,472

45. How many billing cycles do you have and how many routes per cycle?

Currently most meters are read quarterly. 103 commercial/industrial meters are read monthly (high consumption users).

46. What is your frequency of billing, monthly, bi-monthly, quarterly, semi-quarterly, yearly?

N/A

47. Do you have e-billing and name of vendor?

N/A

48. Do you outsource bill print? Who is the vendor?

N/A

49. What payment methods do you offer and vendor names?

N/A

50. Do you shut-off for non-payment?

Yes.

51. How frequent do you run Lien Sales and how many accounts qualified for lien in 2017?
Annually.

52. Do you have any Municipal Liens and do you permit write offs for In-Rem properties?
N/A

Administrative:

53. Please provide City Contracts related to the System that will become the responsibility of the successful bidder (See #4, Page 20, of the draft contract).

- **WTP security contract.**
- **All open improvement contracts are expected to be completed by year end.**
- **Possibly, the replacement of residential meters will extend into new operations contract.**

Introduction and General Information

54. Pg. 20, Section 2.5.5 Technical Information (Section V), (7), Such reporting system must be capable of producing upon demand, a list of all customers of the City System.

Question According to the RFP, the City will be taking responsibility for billing and collections and therefore, the contractor would not have access to customers' information. Since there would be no customer information available to the contract operator, will the City be removing the requirement to provide a list of all customers in the system?

Yes, removed. RFP Section 2.5.5(d)(7) is revised as follows:

(7) Its proposed reporting systems and its approach to sharing information with the City relative to technical, budgetary and financial matters. ~~Such reporting system must be capable of producing, upon demand, a list of all customers of the City Systems.~~ Examples of reports (operation and maintenance, budgetary and regulatory submittals) should be included.

Appendix A - Form of City Contract

55. Pg. 3, Section 1.1 – Definitions, “Capital Improvements and Major repairs.”

This definition makes reference to “those Capital improvements items and..., that are capitalized in accordance with the Generally Accepted Accounting Principles as applied in regulated utility accounting by the NJBPU.

Question The NJBPU does not have a specific definition as to what can be capitalized. Utilities submit their own judgements and the BPU can approve all or not, the utility’s accounting treatment of any capital additions. Can the City elaborate in more detail on what qualifies as a capital addition and the method by which such a determination is made?

The definition of “Capital Improvements and Major Repairs” in the Contract is revised as follows:

“Capital Improvements and Major Repairs” will mean those capital improvement items and all renewals, repairs, replacements, additions, improvements, materials or equipment related to the Systems, that are: (i) have a five year or greater useful life; (ii) cost in excess of FIVE THOUSAND DOLLARS (\$5,000); (iii) are approved by the City as provided herein; and (iv) can be capitalized in accordance with the ~~Generally Accepted Accounting Principles as applied in regulated utility accounting by the New Jersey Board of Public Utilities~~ principles set forth in the Local Bond Law, N.J.S.A. 40A:2-1 et seq. and are otherwise consistent with the policies of the Local Finance Board within the Division of Local Government Services in the New Jersey Department of Community Affairs. This definition does not include those items defined specifically as “Maintenance Items” herein. Any uncertainty regarding improvement and/or repairs will be resolved by the Operations Committee established in Article IV herein.

Section 4.4(C)(1) of the Contract is revised as follows:

(C) Additional Capital Improvements to the Systems. Additional Capital Improvements, in addition to the Ongoing Capital Improvements, may be necessary.

(1) The Company will initially, by the end of the first six (6) months following the Commencement Date, present to the Authorized Representative of the City a comprehensive recommendation for improvements to the Systems. This recommendation will be updated annually, or more often should conditions require. The objective of the recommendation is to set forth all necessary Capital Improvements and Major Repairs, the estimated cost of each such Capital Improvement and Major ~~Repairs~~ Repair and a schedule according to which the Capital Improvements and Major Repairs are to be initiated and completed. Collectively, these recommendations and projects will be known as

“Additional Capital Improvements.” These recommendations will constitute the basic input for the Six Year Capital Improvement Program for the Systems which at the time of the execution of this Contract is identified in Exhibit E hereto. As part of the Capital Improvement Program development process, the Company will present their annual proposed improvement report and defend said report before the Mayor and City Council for all proposed ~~capital projects~~ **Capital Improvements and Major Repairs** including estimated required budget amounts. **Additional Capital Improvements shall be subject to approval by the City.**

56. Pg. 12 ARTICLE IV, Section 4.1 (B), The Annual Fee is intended... (Including Maintenance Items and Minor System Repairs...)

Question Please define, in detail, items that are considered Minor System Repairs.

The definition of “Minor System Repairs” in the Contract is revised as follows:

“Minor System Repairs” mean those repairs that (i) occur routinely in the operation of the Systems; and (ii) can be repaired in house by the Company; and (iii) are expensed as an item of maintenance in accordance with the Generally Accepted Accounting Principles as applied in regulated utility accounting by the New Jersey Board of Public Utilities not be capitalized in accordance with the principles set forth in the Local Bond Law, N.J.S.A. 40A:2-1 et seq. and are otherwise consistent with the policies of the Local Finance Board within the Division of Local Government Services in the New Jersey Department of Community Affairs. Any uncertainty regarding repairs will be resolved by the Operations Committee established in Article IV herein.

57. Pg. 12 ARTICLE IV, Section 4.2 – City Responsibilities

Question a. Who will be responsible for providing the customer service personnel and related service, the City or the contract operator?

City

b. If the contract operator is going to be responsible for Customer Service activities, should the contract operator be required to have back-up personnel on staff and available in the event of vacations, disabilities, illness, etc? If so, who will provide the training on the Edmunds system for these individuals?

No

c. How will the City’s Customer Service Representatives communicate to the field personnel regarding customer related field work and how will the results

of field work be communicated back to the City and input to the Edmunds system?

The system gives field personnel the ability to use the Meter Reading application in order to enter a reading while out in the field, and it automatically updates the account in the Edmunds system. Field personnel also have the ability to enter meter reading on their laptop, as well as any tablets or devices that they have with them in the field.

58. Pg. 13 Section 4.3 – Company Responsibility, (A), The Company will read meters and transmit data in appropriate form to City’s Division of Collections for billing of customers.

Question Will the City be providing the necessary meter reading equipment or will the contractor be required to provide such equipment? If the equipment is to be provided by the contract operator, is the contract operator responsible for the maintenance and repairs of the equipment at its own cost?

The Contract Operator will provide, maintain and repair the necessary meter reading equipment.

59. Pg. 14 (D) The Company will develop and implement effective responses to water loss in the system...

Question a. Please describe in further detail what is meant by “effective response to water loss in the system”?

That response which includes detection, providing notice to the City and taking appropriate action needed for correction.

b. What specific services does the City expect the contract operator to provide?

The Contract Operator will provide any services necessary to meet requirements set forth in paragraph (1) above.

c. There are numerous methodologies used to locate leaks, such as leak surveys of the system, locate leaks through the use of correlators, etc. Each methodology has a different cost. Does the City have a preference for the methodology the contract operator should be using?

The Contract Operator is expected to develop and implement a program for the Systems using its expertise and experience.

d. Will the City pay the costs of the water loss reduction effort?

To be determined in accordance with Contract definition of Capital Improvements and Major Repairs and Maintenance Items and Minor System Repairs

60. Pg. 15 (J) Response Requirements

Question Please confirm that the required response time begins when field personnel receive notification from the customer service representative of the service need.

Yes, and also from police, fire and emergency management personnel

61. Pg. 21 (R) Safety and Security

Question a. Will any of the City-owned facilities require security services? If so, what is the scope of such services and who is expected to be responsible for this cost?

Yes. The Contract Operator is expected to provide and fund security for all Systems facilities.

b. Who is responsible for the cost of incidental maintenance costs at City-owned facilities that are not part of the collection or distribution systems (e.g. repair of fences, landscaping services, snow removal, etc)?

Contract Operator

62. Pg. 22 (U) GIS System

The existing GIS Mapping System is the property of the current contract operator and was implemented by USA-PA for the City's use under a separate agreement.

Question Updating of the GIS mapping system is essential in light of the requirements of New Jersey's Water Quality Accountability Act. Who will be responsible for the cost associated with maintaining and updating the GIS Mapping system?

Contract Operator

63. Pg. 22 (V) SCADA System

Question Would any improvements or updates to the SCADA System be considered Capital improvements?

Specific improvements and updates will be reviewed in accordance with the definition of Capital Improvements and Major Repairs and Maintenance Items and Minor System Repairs

64. Pg. 23 (W) (1) (b) Periodic testing of Water Meters

Question a. Will the Edmunds system include meter information such as meter size, date of installation, etc?

The system will include meter type, meter size, date of installation and any recent meter change outs. The field personnel will be notified in the system or on their tablet/phone app when there is a shut off, turn-on, meter change or meter reading.

Will that data be available to the contractor at no cost if meter change-outs are required? **Yes**

What is the required frequency of the periodic testing? **As indicated in the Contract, in accordance with prudent industry and utility practice.**

b. Who is responsible for the cost of the testing? **Contract Operator**

c. Who is responsible for the cost of the meter testing for the well meters?

Contract Operator

65. Pg. 23 (W) (1) (c) Sludge, spoil and blacktop disposal

Question Who would be responsible for paying the cost for the disposal of sludge produced at the Runyon plant, the spoils and blacktop removed due to excavations performed by the contract operator during repairs of the distribution system components and/or customer-owned service lines?

The City is responsible for sludge, spoils and blacktop removal for Main repairs.

The Customer is responsible for service from Main to house

66. Pg. 24 (W)(1)(h) Maintenance Items, 1. Repairs to structure

Question a. Who will be responsible for the cost of structural repairs to the buildings (interior and exterior) that are occupied by the contract operator?

Specific improvements will be reviewed in accordance with the Contract definition of Capital Improvements and Major Repairs and Maintenance Items and Minor System Repairs.

b. Do the buildings that are to be occupied and used by the contract operator have a valid certificate of occupancy?

The City is still checking to determine if a CO actually exists for any of the facilities; once determined, it will advise the respondents. Regardless, to the extent that a CO becomes necessary or required, the City will bear the responsibility for obtaining it or them and will bear any costs that are necessary in connection there with.

67. Pg. 24 (W) (3) Bulk Water Sales

Question In the event the contract operator is able to sell excess water from the water system, will the City accept the definition of Revenue in this section as net of the production costs incurred to produce the excess water sold?

Yes

68. Pg. 24 (X) (7) Maintenance and repair

Question Will the City reimburse the contract operator for the purchase of the nets and any repairs performed on the netting chambers, overflows, tide gates and any other component of the CSOs?

See Section 4.3 (X)(4) of the Contract.

69. Pg. 30 4.4 Capital Improvements to the Systems (C) (5) There will be no payment to the Company for outside engineering services. Any project for which construction inspection and/or construction administration is outsourced to another agency will not entitle the Company to the aforementioned 10% fee.

Question a. If the City opted to use the services of a consultant engineer to work on a system, what is the operational responsibility of the contract operator?

The Contract Operator would serve as the City's agent, under the oversight of the Operations Committee and would have day to day operational responsibility over the engineer.

Who will be acting as the City's agent under this scenario?

The Contract Operator

b. If the contract operator is overseeing the construction and therefore; 1) ensuring the consultant engineer is working in the best interest of the City; 2) ensuring change orders, if any, are minimized and 3) ensuring any and errors on the part of the engineer are addressed accordingly, would the contract operator be entitled to the 10% management fee?

No

c. If the contract operator provides services related to the preparation and submission of loan applications and reports to secure funds for City approved Capital Projects for which construction and management services would be provided by an outside consultant engineer, would the contract operator be entitled to the 10% management fee?

No

70. Pg. 32 4.4 (G)(3) Provide engineering expertise for private developer project.

- Question a. If the contract operator provides such services, is the contract operator entitled to the 10% management fee? **No**
- b. For construction inspection or other work related with the installation of water mains and appurtenances (similar to current e- Port project) would the contract operator be provided the 10% management fees for such services?
Yes

71. Pg. 35 4.7 Pursuit of Financing and Grants

Question Please explain in further detail what is meant by “applicable fee caps”.

Some Grants will limit administrative fees to 10% of the overall grant.

Update to Addendum #1

72. We request that the City provide the following information:

- a. Equipment/Asset List for Runyon Treatment Plant, all pump stations and netting facilities. Including horsepower and year installed for each piece of equipment.
See FTP site.
- b. Two years of chemical delivery invoices, showing date, type and quantity of each chemical. **Not available***
- c. Two years of Utility Bills (electric, gas, etc.) for all facilities.

Wastewater System: **See FTP site.** <https://msbni.ftptoday.com/> with the following sign-in information:

Username: PerthAmboySystems

Password: 2018RFP

Water System: **Click/copy the following link-**

<https://www.dropbox.com/sh/h28lyin1xb4v55z/AABVCYamsoyorp2837RdX9oaa?dl=0>

* The Systems are currently operated by Utility Service Affiliates - Perth Amboy (USAPA) pursuant to a long term operating agreement for a fixed annual fee that was the result of a response to an RFP in 1998. USAPA has advised the City that, as part of providing the services, it

has negotiated and entered into supply contracts and other related agreements with outside suppliers to more efficiently provide such services to the City. The details of such contracts and agreements have not been provided to the City as those costs do not impact the annual amount the City is obligated to pay under the long term operating agreement. Therefore, the City does not have this information nor is it contractually entitled to it. As such, potential respondents should determine the appropriate level of such costs from their own experience and extrapolate it for themselves from the audit and operating data provided in the RFP.