

MEMORANDUM

**TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS**

**FROM: THOMAS L. FREDERICK, EXECUTIVE DIRECTOR
ROBERT C. WICHSER, DIRECTOR OF WATER AND WASTEWATER
OPERATIONS**

SUBJECT: DREDGING SOUTH FORK RESERVOIR

DATE: JUNE 28, 2011

Attached is a letter from HDR Engineering Inc. on the subject of “Additional Dredging Procurement Support Services” along with a preliminary draft of an RFP. The letter addresses HDR’s advice that the attached draft be considered preliminary and subject to further revision, and not be issued until some additional preparatory work is performed. HDR outlines in their letter the additional planning work they recommend the Board have performed prior to issuing an RFP to convey the Board’s desire to attract top quality dredging contractors to submit proposals and assure a decision making process that focuses on the technical merits and qualifications of the proposing contractors. HDR will be present at the meeting to discuss their letter and respond to the Board’s questions.

Among the support services discussed in HDR’s letter is a two-part issue they call the financial plan. Most of the services they outline would be developed after proposals are received (to the extent necessary, based on the need to validate financing methods proposed). However, they also mention a first part, with two options for the Board to consider, whereby one of those options is as simple as a commitment of a budget by the Board. This issue is quoted from HDR’s letter below for convenience:

“First, RWSA has not yet established a funding mechanism or budget for the dredging project. Lack of an established capital improvements budget or draft financing plan for this project could lead prospective contractors to question whether the project will move forward and decline to bid.”

As part of the Board’s deliberation of HDR’s letter, the Board could choose to quickly address one of the issues, while publicly conveying the extent of its commitment to a dredging project, simply by defining an amount of funding the Board wishes to commit and directing it be established as part of the RWSA capital improvement program. To assist the Board should the Board choose this path, estimates for dredging segments 1-3, taken from HDR’s Dredging Feasibility Study in June 2010, are provided at the top of the next page:

Estimates taken from HDR June 2010 Dredging Feasibility Study (Segments 1-3)

Cost before Material Recovery Revenues: \$7,766,518 to \$12,973,515

Potential Sand Revenues: \$4,774,699 to \$9,469,978

Potential Other Material Revenues: (\$177,147) to \$2,133,865

Potential Total Revenues: \$4,597,552 to \$11,603,843

Net Cost over Revenue (Low End of Range): \$7,766,518 - \$4,597,522 = \$3,168,996

Net Cost over Revenue (High End of Range): \$12,973,515 - \$11,603,843 = \$1,369,672

Net Cost over Revenue (Mid- Range): \$10,370,016 - \$8,100,682 = \$2,269,334

Given the present weaknesses in the construction market that would have a tendency to push both construction costs and potential revenues toward the lower side of the range, further allowing for direct costs RWSA would need to incur for legal expenses, financing, and engineering services to assure a contractor conforms to the terms of the comprehensive agreement, and further allowing for some potential market escalation since the June 2010 cost estimates from HDR were published, a total budget in the range of \$3,500,000 to \$4,000,000 would be deemed appropriate at this time if the Board's current level of public financial commitment is based on estimates for Segments 1-3.

HDR and RWSA staff are available to assist the Board as it deliberates its objectives, scope, and the further preparation and planning necessary for a successful Dredging RFP.

Attachments: HDR Letter: "Additional Dredging Procurement Support Services"
HDR Preliminary Draft of Dredging RFP



June 21, 2011

Rivanna Water & Sewer Authority
695 Moores Creek Lane
Charlottesville, VA 22902

Attention: Mr. Thomas Frederick, Director

Subject: Additional Dredging Procurement Support Services

Dear Mr. Frederick:

HDR Engineering, Inc. (HDR) is pleased to provide this proposal to provide additional services to Rivanna Water & Sewer Authority (RWSA) in support of soliciting a dredging contractor(s) to dredge some or all of the South Fork Rivanna Reservoir. RWSA intends to develop a Request for Proposal (RFP) and solicit said dredging services under their recently enacted Public-Private Education Facilities and Infrastructure Act of 2002 Guidelines (PPEA Guidelines), and has selected HDR to develop the RFP subject to RWSA approval.

The PPEA process is a powerful procurement tool, however (to our knowledge) it has not been used before for a dredging project in Virginia. Therefore, HDR recommends additional planning and preparation by RWSA in addition to preparation of the RFP. HDR's proposal to address these additional areas is the subject of this letter, which supercedes our proposal dated April 11, 2011. HDR's work, if authorized by RWSA, will be conducted under the terms and conditions of our existing Engineering Services Agreement, dated November 12, 2009, as amended.

Background

RWSA has determined to proceed with solicitation of dredging services under their PPEA Guidelines. The PPEA Guidelines allow a more flexible approach on dredging the South Fork Rivanna Reservoir. Rather than specify a dredging approach, RWSA's intent is to solicit creative ideas from the private sector before specifying or adopting a budget or specific scope of work to be accomplished.

RWSA's purpose is to restore Reservoir segments 1 – 3 to their original contours less the recommended no-dredge areas identified in HDR's earlier dredging feasibility study. Dredging to original contours less recommended no-dredge areas will also be solicited in some or all of the remainder of the Upper Main Stem and/or Ivy Creek on an optional basis. RWSA selected

HDR to prepare a Request for Proposal for the subject dredging services under the RWSA PPEA guidelines.

During HDR's review of RWSA PPEA guidelines and preparation of a preliminary draft RFP, we identified several areas in addition to the RFP where further planning and preparation effort by RWSA is recommended in order for the procurement process to meet RWSA objectives:

1. Conducting a "Market Sounding" – Dredging projects are typically done on a design-bid-build basis although we are aware of several dredging projects that have been conducted on a design-build basis. Dredging contractors may not be familiar with the PPEA process and may be uncertain as to how to respond and/or what is required. Therefore, HDR recommends reaching out to a representative sample of dredging contractors through a series of confidential discussions to identify, from the contractor's perspective, what elements are necessary for a successful procurement process under the PPEA guidelines. This would include seeking information regarding market demand, risk transfer and management, technical or financial concerns, potential for creative financing, as well as potential "fatal flaws" that could derail the project. Information derived from the market sounding would be used to modify the procurement process as warranted.

HDR recommends the market sounding or interview of contractors be done prior to release of the RFP. Based on the response from the contractors interviewed, RWSA may wish to modify or re-evaluate their procurement strategy. The remaining tasks would only be applicable should RWSA decide to continue with the PPEA procurement strategy.

2. Preparing Performance Specifications - The RFP as requested presents a project goal but does not present performance specifications indicating the details of what must be achieved by the project and the levels to which the work must be performed. On a traditional design-bid-build project, drawings and prescriptive specifications are prepared and then a contractor provides a price for that work. Under design-build, a set of minimum performance specifications are established that set out what the desired outcomes will be, and leaves the design-build team to find the way to get there. Some of the dredging design-build projects have essentially developed design documents to the 30 percent level prior to the solicitation and obtained project environmental permits. As currently configured, this RFP currently states a broader goal (area to be dredged) and leaves the details open.

HDR recommends preparing a set of performance specifications for the dredging activity. These performance specifications would then become part of the draft Comprehensive Agreement described below, and should be prepared prior to the release of the RFP.

3. Preparing a draft Comprehensive Agreement - In the PPEA process, the Interim Agreement and/or Comprehensive Agreement are the critical legal documents that will govern the project. Currently, drafts of these documents do not exist. It will be difficult for the contractors (particularly at the Detailed Proposal stage) to know how to price the

project unless they have a definitive idea of what RWSA will be looking for in these agreements. Similarly, the contractors will need to have the general and special conditions that will govern how the project will be run – again so that teams are not submitting “apples and oranges” proposals. Therefore, HDR recommends a draft Comprehensive Agreement be prepared and included with the RFP. A final Comprehensive Agreement would be developed following selection/negotiation with a dredging contractor. As the Interim and Comprehensive Agreements are legal contracts, RWSA should seek advice of counsel in the preparation of the documents.

4. Preparing a Proposal Evaluation Plan - RWSA has identified a procurement strategy where they want to receive solicited proposals under the conceptual phase and then make a determination whether RWSA will want to proceed to a detailed phase. However, the process to carry this strategy forward has not been clearly defined. For the conceptual phase, a simple pass /fail evaluation may be all that is necessary here (i.e.: the Proposer is qualified and their concept seems to meet the RWSA’s requirements). However, when you get into the detailed phase, it will be possible and likely that submitted proposals will be quite different in terms of project approach, costs, financing and material handling and placement and it could be difficult to compare proposals. Plus, the process for comparing the proposals has not been determined.

HDR recommends RWSA prepare a written evaluation plan including a framework to evaluate alternative approaches. While this evaluation framework would be helpful for the conceptual phase, we believe it is critical for the detailed phase. In any event, how RWSA will transition into the detailed phase should be established (at least internally) with greater clarity and focus. This task should be accomplished prior to release of the RFP to ensure consistency in requirements.

5. Preparing a Financing Plan – This is a two-part issue. First, RWSA has not yet established a funding mechanism or budget for the dredging project. Lack of an established capital improvements budget or draft financing plan for this project could lead prospective contractors to question whether the project will move forward and decline to bid. (Note, this could be a question to be addressed during the contractor interviews in Task 1). HDR recommends RWSA establish a preliminary budget or initial draft plan for financing the dredging project prior to release of the RFP.

Second, part of the PPEA process is allowance of innovative financing techniques, to be proposed during the detailed proposal phase. Such innovative financing may include imposition of user fees, service payments, issuance of debt instruments, equity, or other securities or obligations. RWSA is not obligated to accept the proposed financing method of the bidder and may wish to develop their own financing plan, either before or after receipt of the detailed proposals. Any final budget/plan would be developed following consideration of any proposed innovative financing methods and selection/negotiation with a dredging contractor.

6. Proposal Evaluation Support – reviewing the proposals will require a multidisciplinary team of dredging and other technical experts (including staff knowledgeable on the

PPEA process) as well as RWSA decision-makers and other stakeholders. Key elements will include review of the conceptual proposals; selection of contractors (if any) to advance to a detailed proposal stage; and review of detailed proposals. A review board must be formed, and at some stage in the process prior to entering into a comprehensive agreement, a public hearing must be held. HDR proposes to provide technical assistance to RWSA throughout this process.

Scope of Services

HDR proposes to provide the following services to RWSA in three Phases:

Phase I

HDR recommends Task 1 described below be conducted prior to RWSA moving forward with the PPEA procurement process.

Task 1. Conduct Dredging Contractor Interviews (aka Market Sounding)

HDR will conduct interviews with up to four dredging contractors to identify, from the contractor's perspective, what elements are necessary for a successful procurement process under the PPEA guidelines for this project. HDR will contact selected dredging companies to discuss the project and procurement process, and after the company has had an opportunity to become familiar with the project, follow-up with an interview. The interviews will be confidential and informal. HDR will report the results of the interview to RWSA in a memo report, including recommendations for adjustments, if any, to the procurement process based on the interviews. The report will identify all issues raised, but will not identify companies interviewed.

Assumptions:

- HDR will interview up to four (4) contractors
- Interviews will be done via conference call or other electronic means. Some local travel may be required.
- HDR will be able to find 4 contractors willing to review the PPEA guidelines and project materials and commit time to be interviewed.
- Contractors will not be reimbursed for their time/effort.
- HDR will attend one meeting with RWSA staff to discuss the findings and recommendations from the contractor interviews. HDR's Project Manager and other senior technical staff will attend the meeting.

Deliverable:

- Memo Report

Phase II

HDR recommends Tasks 2, 3 and 4 be performed after Task 1 is complete (and assuming RWSA intends to continue moving forward with the PPEA process for this project). Note the scope, assumptions, and fee for these tasks may change based on findings from Task 1.

Task 2 - Prepare Performance Specifications

HDR will prepare a set of performance specifications for the dredging activity, describing in additional detail the area to be dredged, limits on dredging, material and debris handling requirements, standard methods for evaluating sediment volumes and payment quantities, and other requirements.

Assumptions:

- The performance specifications will not specify ways and means, points of access, equipment, dredging/dewatering approach, schedule, staging areas, or placement of dredged materials.

Deliverables:

- Draft Performance Specifications
- Final Performance Specifications

Task 3 – Prepare draft Interim & Comprehensive Agreements

HDR will provide assistance as necessary to RWSA in preparing draft Interim & Comprehensive Agreements related to general, special technical, and managerial conditions that will govern how the project will be operated. HDR's assistance does not include providing advice on legal matters and we strongly recommend that RWSA engage legal Counsel familiar with the PPEA to lead the development of these agreements. However, there is not sufficient information regarding RWSA's legal and contract requirements to provide a detailed scope of services or cost estimate at this time.

Assumptions:

- RWSA will engage legal and procurement expertise as required to lead the development of these agreements.

Deliverables:

- Professional Services as necessary.

Task 4. Prepare a Proposal Evaluation Plan

HDR will prepare a written evaluation plan for RWSA internal use in evaluating and comparing the conceptual and detailed proposals. The evaluation plan will lay out a process for review of the conceptual proposals and decision criteria for requesting detailed proposals, evaluation procedures for detailed proposals, and set forth the responsibilities of the evaluation committee members and chairperson's responsibilities. The plan will include evaluation forms for use during the process.

Assumptions:

- The plan does not address the individual membership of the evaluation committee.
- The plan will describe the evaluation process in accordance with the existing RWSA PPEA guidelines, and will incorporate the evaluation criteria identified in the RFP.
- This task (at least the draft stage) would be performed prior to release of the RFP.

- Final Evaluation Plan would not be due until the format and content of the detailed proposals is finalized.

Deliverables:

- Draft Evaluation Plan
- Final Evaluation Plan

Phase III

Phase III Tasks 5 – 6 would be performed after the release of the RFP and subsequent receipt of proposals.

Task 5 - Preparing a Financing Plan

HDR will assist RWSA in evaluating the detailed cost proposals and reviewing each proposer's suggested financing method. This assistance may include cost estimating, cost-benefit comparisons, and life cycle cost analyses. Evaluation of the detailed cost proposals is included within Task 6 below.

HDR assumes RWSA will prepare an internal financing plan during final negotiations with the contractor and before entering into an interim and/or comprehensive agreement. HDR also assumes RWSA may require some assistance from HDR in preparing this internal financing plan. However, there is not sufficient information regarding how this project could be financed or otherwise funded (i.e.: developer financing, CIP, RWSA bonds, etc.) to provide a detailed scope of services or cost estimate for said assistance from HDR at this time. Alternatively, should RWSA pursue standard project financing through their existing capital improvements process, HDR's assistance may not be necessary.

Assumptions:

- HDR's services do not include bond or debt advice or analyses.

Deliverables:

- Professional Services as necessary.

Task 6 - Proposal Evaluation Support

HDR will provide technical assistance to the Evaluation Committee, including review of conceptual and detailed proposals, as follows:

- a. HDR will review the Conceptual Proposals in accordance with the Evaluation Criteria established within the RFP and in accordance with the Evaluation Plan and identify those Conceptual Proposals that meet or exceed RWSA's Criteria. Responders to the Conceptual Stage are expected to indicate interest in the project, demonstrate the qualifications of their team to carry out the project, and submit information regarding their concept(s) for carrying out the project as directed in the RFP. Assuming one or more Conceptual Proposals are acceptable to RWSA, it may then invite one or more responders to proceed to a "Detailed Proposal" stage for final consideration. HDR will prepare a

report summarizing its review of the Conceptual Proposals, and recommending those Conceptual Proposals that meet or exceed the Criteria for submittal of a Detailed Proposal. However, final approval of Conceptual Proposals and/or request for Detailed Proposals remains RWSA's responsibility.

Assumptions:

- RWSA will receive from proposer's and coordinate all activities therein, and provide conceptual proposals to HDR.
- HDR will attend two meetings with RWSA staff and/or the Evaluation Committee to discuss the Conceptual Proposals assessment. HDR's Project Manager and other senior technical staff will attend these meetings.
- HDR assumes there will be not more than seven (7) Conceptual Proposals.

Deliverables:

- Memo report summarizing HDR's review of the Conceptual Proposals and/or review forms as required by the Evaluation Plan
 - Letter for RWSA signature requesting Detailed Proposals from selected respondents and establishing a timeline for submittal to RWSA (Optional).
- b. HDR will review the Detailed Proposals in accordance with the Evaluation Criteria established within the RFP and in accordance with the Evaluation Plan, and identify those Detailed Proposals that meet or exceed the Criteria. HDR's review of the Detailed Proposals will be documented in a memo report.

Assumptions:

- HDR will attend two meetings with RWSA staff and/or Evaluation Committee to discuss evaluation of the Detailed Proposals. HDR's Project Manager and other senior technical staff will attend these meetings.
- HDR assumes there will be no more than three (3) Detailed Proposals.

Deliverables:

- Memo report summarizing HDR's review of the Conceptual Proposals and/or review forms as required by the Evaluation Plan
- c. HDR will attend a public hearing to solicit public input on the conceptual/detailed proposals received prior to RWSA finalizing an agreement with a contractor.

Assumptions:

- HDR's Project Manager and up to two other senior technical staff will attend this meeting.

Deliverables:

- Presentation/summary of proposals and their evaluation.
- d. HDR will provide technical assistance as requested to RWSA during negotiations with a contractor.

Assumptions:

- Work will be performed on a time and materials basis.

Deliverables:

- Technical opinions and commentary in various forms, including letters, email, verbal, etc.

Work Schedule

HDR will conduct Tasks 1 and 2 in accordance with the schedule shown below. This schedule is based on our assumptions that HDR will have ready access to available data sources and that input from RWSA and key stakeholders will be provided in a timely manner. Delays in receipt of notice to proceed and/or input from RWSA will delay the schedule accordingly.

Work Element	Schedule of Performance
Phase I	Immediate
1. Contractor Interviews (Market Sounding)	6 - 8 weeks from Notice to Proceed (NTP)
Phase II	Prior to release of RFP
2. Performance Specifications	6 weeks from NTP
3. Draft Interim & Comprehensive Agreement	To be determined (TBD)
4. Proposal Evaluation Plan	6 weeks from NTP for draft; final may be held until detailed proposals are defined.
Phase III	After release of RFP & receipt of proposals
5. Financial Plan	TBD
6. Proposal Evaluation Support	TBD
a. Review of Conceptual Proposals	
b. Review of Detailed Proposals	
c. Public Meeting	
d. Assistance with Negotiations	

Fee

HDR will conduct Task one on a time and materials basis, applying our hourly rates and other costs in accordance with the terms and conditions of our contract, for an amount not to exceed \$15,500. A detailed cost proposal is attached. This cost proposal is subject to the assumptions stated herein, and is good for a period of 60 days. Requests for additional services not included herein will be reimbursed at a time and materials basis.

HDR has also provided estimated costs for Tasks 2 – 6, based on our knowledge and understanding of the project. These costs are subject to change based on the findings from Task 1 and any subsequent modifications of the procurement process, scope or schedule. At present there is insufficient information to provide detailed cost estimates for Tasks 3 and 5, and for these we have provided a ballpark cost estimate. Costs for Task 6 are dependent on the number and extent of proposals received, and the level of evaluation assistance required by RWSA. Actual costs may be more or less. HDR estimates costs for Tasks 2 – 6 as follows:

Task 2. Performance Specifications	\$26,255
Task 3. Draft Interim & Comprehensive Agreement	\$46,000 ¹
Task 4. Proposal Evaluation Plan	\$15,533
Task 5. Financial Plan	\$ 8,500 ²
Task 6 Proposal Evaluation Assistance	
a. Conceptual Proposals (7)	\$51,956
b. Detailed Proposals (3)	\$51,956
c. Public Meeting	\$ 5,359
d. Negotiation Assistance	TBD

HDR appreciates this opportunity to continue providing engineering support to RWSA. We look forward to working with you and your community.

Please call Mr. Carey Burch, AICP, at 804.648.6630 ext 32 or myself at 757.222.1500 if you have any questions or wish to discuss this proposal.

Sincerely,



Kenneth E. Aducci, P.E.
Senior Vice President

¹ HDR's costs are a ballpark estimate only, and do not include costs for legal counsel.

² HDR's costs are a ballpark estimate only.

South Fork Rivanna Reservoir Dredging Project, RFP # xxxxx

RIVANNA WATER & SEWER AUTHORITY

695 Moores Creek Lane
Charlottesville, VA 22902-9016
(434) 977-2970
www.rivanna.org

REQUEST FOR PROPOSALS
RWSA: RFP # _____

ISSUE DATE: _____

TITLE: **South Fork Rivanna Reservoir Dredging Project**

PROPOSAL DUE DATE: _____

4:00 pm, local time

HAND DELIVER OR MAIL PROPOSALS DIRECTLY TO THE ADDRESS SHOWN ABOVE

It is the responsibility of the private entity responding to this request for proposal to ensure their proposal is submitted in a sealed envelope, box, container, etc. that clearly identifies the contents as a proposal submission in response to this Request for Proposals. Also, see Section VI herein.

QUESTIONS/INQUIRIES: E-mail all inquiries for information to Robert Wichser, Director, Water & Wastewater Operations, bwichser@rivanna.org

In compliance with this request for proposal and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish the goods/services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiations.

Name and Address of Firm:

Date: _____

By: _____

Title: _____

Fed ID No. _____

Signature: _____

The Rivanna Water & Sewer Authority does not discriminate on the basis of race, religion, color, sex, national origin, age or disability, or against faith-based organizations as defined under the Virginia Public Procurement Act on the basis of such organization's religious or charitable character.

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South Fork Rivanna Reservoir Dredging Project, RFP # xxxxx

I. GENERAL INFORMATION

INTRODUCTION: The Rivanna Water & Sewer Authority (RWSA) is a regional non-profit corporation and political subdivision of the Commonwealth chartered in 1972 under the Virginia Water and Sewer Authorities Act (1950, as amended). RWSA supplies drinking water to and treats the sewage to an Urban Service Area that consists of the City of Charlottesville and certain areas designated by Albemarle County that surround the City. The RWSA is a wholesale agency with two customers that are the retail agencies: the City of Charlottesville's Public Utilities Division; and the Albemarle County Service Authority. Existing raw water reservoirs for supply to the Urban Service Area include: the South Fork Rivanna Reservoir (dam built in 1966), the Sugar Hollow Reservoir, and Upper and Lower Ragged Mountain Reservoirs.

The South Fork Rivanna Reservoir (Reservoir) stores raw water for treatment at the South Rivanna Water Treatment Plant and in the future is proposed to provide water for transfer to an enlarged Ragged Mountain Reservoir. River flow into the reservoir is from a drainage area, almost entirely within Albemarle County, of approximately 258 square miles, or approximately 36% of County lands. Large portions of this drainage area are forested (73%). The majority of the remainder is in agriculture (24%), with developed areas (1.4%) making up approximately half of the remaining acreage. Soil erosion from natural events, from land use in the agricultural area, from land disturbances in the developed areas, and from re-suspension of flood plain deposits created during the 19th century (stream bank erosion), are likely the causes of significant amounts of sediment becoming trapped within the reservoir. The initial design of the reservoir anticipated the accumulation of these sediments, and a significant portion of the total volume of storage was designated for this purpose.

SOLICITATION PROCEDURES: The Virginia General Assembly enacted the Public-Private Education Facilities and Infrastructure Act (PPEA) in 2002 to encourage proposals from private companies to State and local governments to create innovative public-private partnerships. Although the title of the act refers to education facilities, the act has been revised to allow for development of a wide range of projects if the state or local government determines there is a need for the project and that private involvement may provide the project to the public in a timely and cost-effective fashion.

Responsible public entities are required to adopt and make publicly available guidelines that are sufficient to enable the public entity to comply with the requirements of the PPEA. RWSA adopted such guidelines March 2011. The PPEA Guidelines for the Rivanna Water & Sewer Authority are available at www.rivanna.org.

RWSA retains all rights granted to it as a responsible public entity under the PPEA, as amended, including but not limited to the following, which it may exercise in its sole discretion:

- Reject any and all bids/proposals at any time;
- Terminate consideration or evaluation of any and all bids/proposals at any time;
- Suspend, discontinue and/or terminate discussions regarding confidentiality agreements, interim agreements and comprehensive agreements at any time prior to the authorized execution of such agreements by all parties;

South Fork Rivanna Reservoir Dredging Project, RFP # xxxxx

- Suspend or eliminate conceptual phase review and proceed directly to detailed phase review;
- Negotiate with a proposer without being bound by any provision in its bid/proposal;
- Negotiate with fewer than all proposers at any given time;
- Request and/or receive additional information regarding any bid/proposal;
- Issue addenda to and/or cancel any request for proposals or invitation for bid;
- Revise, supplement or withdraw all or any part of the Guidelines;
- Assess, retain and/or waive any and all fees required to be paid by proposers in accordance with the Guidelines; and/or
- Request revisions to conceptual or detailed phase bids/proposals.

PROJECT: As the responsible public entity, RWSA is soliciting proposals from private entities to partially restore the water supply capacity of the Reservoir by removing accumulated sediment within segments 1 – 3 of the Upper Main Stem Reservoir (approximately 300,000 cubic yards). As an optional item, proposers may propose to remove some or all of the accumulated sediment from the remainder of the Upper Main Stem and/or Ivy Creek. The project does not involve dredging beyond the original Reservoir contours, shoreline configuration, or wetland or shoreline buffer areas. The successful proposer will be responsible for determining an approach to dredging the Reservoir, obtaining all necessary federal, state, and local permits and approvals, negotiations and agreements with private landowners or other entities, and conduct of the project in compliance with all applicable federal, State and local laws and regulations. RWSA will require all work proposed be covered under 100% Performance and Payment Bonds at the contract stage. The PPEA Guidelines also allow for the proposer to propose a flexible financial plan for obtaining project funding.

Minimum requirements are set forth in the Project Summary provided in Attachment A.

CONCEPTUAL STAGE SOLICITATION: This is a “Conceptual Stage” solicitation under the PPEA. Under a solicitation for a Conceptual Stage Proposal, proposers are expected to 1) indicate interest in the project, 2) demonstrate the qualifications of their team to carry out the project, and 3) submit information regarding their concept(s) for carrying out the project. Assuming one or more proposals at the conceptual stage are acceptable to RWSA, it may then invite one or more proposers to proceed to a “Detailed Proposal” stage for further consideration. The Detailed Stage Proposal will require identification of the proposed method of dredging, staging areas, dewatering areas, and final placement or beneficial reuse of the sediment, plus information on payment measures and project financing requirements, and other information as requested by RWSA, consistent with the Guidelines.

ACCESS TO RWSA FACILITIES AND SOUTH FORK RESERVOIR: Interested proposers may visit RWSA facilities and/or the South Fork Rivanna Reservoir at their own cost to view the facilities and Reservoir areas covered in this request. Proposers will be responsible for all necessary arrangements to view the Reservoir. Appointments are required for RWSA facilities and can be obtained by contacting Robert Wischer at bwischer@rivanna.org.

South Fork Rivanna Reservoir Dredging Project, RFP # xxxxx

This RFP does not authorize or provide permission to access private property and/or land. RWSA is not responsible for obtaining or providing authorization to access private property. Any contact with private landowners is at the discretion of the proposer.

II. INFORMATION TO BE SUBMITTED BY PROPOSERS:

FORMAT FOR SUBMISSIONS AT CONCEPTUAL STAGE: Those interested in being considered for this project should submit the following information:

1. Qualification and Experience

- a. Identify the legal structure of the private entity, firm or consortium of firms making the proposal. Identify the organizational structure for the project, the management approach and how each partner and/or major subcontractor in the structure fits into the overall team. Include a description of the firm or firms health and safety record and general quality assurance and/or quality control plan.
- b. Describe the experience of the private entity, firm or consortium of firms making the proposal with projects of comparable size and complexity specifically including experience dredging water supply reservoirs and/or recovering dredged materials for beneficial reuse. Describe the length of time in business, business experience, public sector contracting experience and other engagements of the firm or consortium of firms. Include the identity of any firms that will provide design, permitting, dredging, construction, material dewatering and/or recovery and completion guarantees and warranties, and a description of such guarantees and warranties.
- c. Provide the names, addresses, and telephone number of three client references from projects of comparable size and complexity.
- d. Describe the experience of the Project Manager, key principals and other key staff involved in the proposed project including experience with projects of comparable size and complexity specifically including experience dredging water supply reservoirs and/or recovering dredged materials for beneficial reuse.
- e. Provide the names, addresses, and telephone numbers of person(s) within the firm or consortium of firms who may be contacted for further information.
- f. Provide a current or most recently audited financial statement of the private entity, firm or firms and each partner or member with an equity interest of twenty percent or greater.
- g. Identify any persons known to the proposer who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to the project pursuant to the Virginia State and Local Government Conflict of Interest Act, Chapter 31 (§ 2.2-3100 et seq.) of Title 2.2.

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2. Project Characteristics

- a. Provide a description of the firm's approach to the project. Describe the proposed project in sufficient detail so that type and intent of the project, the location, and the communities that may be affected are clearly identified. Details should include but are not limited to identification of reservoir access, staging and dewatering areas, type of dredging, dewatering methods, material recovery methods (if any), areas to be dredged, and target volume in cubic yards of in-situ sediment to be removed from the Reservoir.
- b. Identify and fully describe any work to be performed by RWSA or other public entity.
- c. Include a list of all federal, state, and local permits and approvals required for the project and a schedule for obtaining such permits and approvals.
- d. Identify any anticipated adverse social, economic, and environmental impacts of the project. Specify the strategies or actions to mitigate anticipated and known impacts of the project.
- e. Identify the proposed schedule for the work on the project, including the estimated time for completion.
- f. Propose allocation of risk and liability for work completed beyond the agreement's completion date, and assurances for timely completion of the project.
- g. State assumptions related to ownership, legal liability, law enforcement, and operation of the project and the existence of any restrictions on use of the Reservoir, including recreational use and/or water withdrawal during the project.
- h. List any other assumptions relied on for the project to be successful.
- i. List any contingencies that must occur for the project to be successful.

3. Project Financing

- a. Provide a preliminary estimate and estimating methodology of the cost of the work by phase, segment, or both.
- b. Submit a plan for the development, financing, and operation of the project showing the anticipated schedule on which funds will be required. Describe the anticipated costs of and proposed sources and uses for such funds including any anticipated debt service costs. The operational plan should include appropriate staffing levels and associated costs of the project. Include supporting due diligence studies, analyses, or reports.
- c. Include a list and discussion of assumptions underlying all major elements of the plan. Assumptions should include all significant fees associated with financing given the recommended financing approach. In addition complete disclosure of interest rate assumptions should be included. Any ongoing operational fees, if applicable, should also be disclosed as well as any assumptions with regard to increases in such fees.
- d. Identify the proposed risk factors and methods for dealing with these factors.

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- e. Identify any local, state, or federal resources that the proposer contemplates requesting for the project. Describe the total commitment, if any, expected from governmental sources and the timing of any anticipated commitment. Such disclosure should include any direct or indirect guarantees or pledges of RWSA's credit or revenue.
- f. Identify the amounts and the terms and conditions for any revenue sources.
- g. Identify any aspect of the project that could disqualify the project from obtaining tax-exempt financing.

4. Project Benefit and Compatibility

- a. Identify who will benefit from the project, how they will benefit, and how the project will benefit the overall community, region, or state.
- b. Identify any anticipated public support or opposition, as well as any anticipated government support or opposition, for the project.
- c. Explain the strategy and plans that will be carried out to involve and inform the general public, business community, and governmental agencies in areas affected by the project.
- d. Describe the anticipated significant benefits to the community, region or state, including anticipated benefits to the economic condition of RWSA and whether the project is critical to attracting or maintaining competitive industries and businesses to RWSA or the surrounding region.
- e. Describe compatibility with the local comprehensive plan, local infrastructure development plans, the capital improvements budget, or other government spending plan.
- f. Provide a statement setting forth participation efforts that are intended to be undertaken in connection with this project with regard to the following types of businesses: (i) minority-owned businesses, (ii) woman-owned businesses, and (iii) small businesses.

III. FEES REQUIRED WITH SUBMISSION:

RWSA has waived the requirement for fees to be submitted with the solicited conceptual proposals.

IV. PROCESS AND CRITERIA FOR REVIEW OF PROPOSALS AND SELECTION

INITIAL REVIEW OF PROPOSALS UNDER THE CONCEPTUAL STAGE SUBMITTAL

Only proposals complying with the requirements of the PPEA that contain sufficient information for a meaningful evaluation, and that are provided in an appropriate format, as described in this solicitation, will be considered by the RWSA for further review at the Conceptual Phase.

1. Review Committee

RWSA will establish a Conceptual Proposal Committee to review proposals received under this solicitation. RWSA may engage the services of one or more consultants to assist with the review of proposals received under this solicitation.

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2. **Criteria for Selection**

The following items will be considered in the evaluation and selection of proposals. RWSA however reserves and retains the right to reject any request or proposal at any time for any reason whatsoever.

A. Qualifications and Experience

Factors to be considered in either phase of RWSA's review to determine whether the proposer possessed the requisite qualifications and experience may include but shall not be limited to:

1. Experience with similar projects;
2. Demonstration of ability to perform work;
3. Leadership structure;
4. Project manager and key staff experience;
5. Management approach;
6. Financial condition;
7. Project ownership; and
8. Past claims experience.

B. Project Characteristics

Factors to be considered in either phase of review in determining the project characteristics include:

1. Project definition and approach;
2. Proposed project schedule;
3. Operation of the project;
4. Technology; technical feasibility;
5. Conformity to laws, regulations, and standards;
6. Environmental impacts;
7. Condemnation impacts;
8. Federal, State and local permits;
9. Maintenance of the project; and
10. Insurance, indemnifications, warranties and guarantees to be provided.

C. Project Financing

Factors to be considered in either phase of review in determining whether the proposed project financing allows adequate access to the necessary capital to finance the project include:

1. Cost and cost benefit to RWSA;
2. Financing and the impact on the debt burden of RWSA or appropriating body;
3. Financial plan, including the degree to which the proposer has conducted due diligence investigation and analysis of the proposed financial plan and the results of any such inquiries or studies;

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4. Opportunity costs assessment;
5. Estimated cost;
6. Life-cycle cost analysis;
7. The identity, credit history, past performance of any third party that will provide financing for the project and the nature and timing of their commitment, as applicable; and
8. Such other items as RWSA deems appropriate.

In the event that any project is financed through the issuance of obligations that are deemed to be tax-supported debt of RWSA, or if financing such a project may impact RWSA's debt rating or financial position, RWSA may select its own finance team, source, and financing vehicle.

D. Project Benefit and Compatibility

Factors to be considered in either phase of review in determining the proposed project's compatibility with the appropriate local or regional comprehensive or development plans include:

1. Community benefits;
2. Community support or opposition, or both;
3. Public involvement strategy;
4. Compatibility with existing and planned facilities; and
5. Compatibility with local, regional, and state economic development efforts.

E. Other Factors

Other factors that may be considered by RWSA in either phase of review in the evaluation and selection of proposals include:

1. The proposed cost of the project;
2. The general reputation, industry experience, and financial capacity of the private entity making the proposal;
3. The proposed design of the project;
4. The eligibility of the project for accelerated documentation, review, and selection;
5. Local citizen and government comments;
6. Benefits to the public, including financial and nonfinancial;
7. The private entity's compliance with a minority business enterprise participation plan or good faith effort to comply with the goals of such plan;
8. The private entity's plans to employ local contractors and residents;
9. The recommendation of a committee of representatives of members of RWSA and the appropriating body which may be established to provide advisory oversight for the project; and
10. Other criteria that RWSA deems appropriate.

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3. **Determination to Proceed to Detailed Phase of Review**

After reviewing submitted Conceptual Stage Proposals, the RWSA will determine:

- Not to proceed further with any proposal or
- To proceed to the detailed phase of review with one or more proposals, or
- Ask for modifications or amendments to any aspect of one or more proposals.

4. **Detailed Phase of Review**

Capital Improvements

Discussions between RWSA and private entities about the need for capital improvements will not limit the ability of the RWSA to later determine to use standard procurement procedures to meet it's on and off site infrastructure needs.

Right to reject all Proposals

RWSA retains the right to reject any proposal at any time prior to the execution of an interim or comprehensive agreement. Interim and Comprehensive Agreements are addressed in the RWSA's PPEA procedures.

V. QUESTIONS OR ADDITIONAL INFORMATION

Any procurement questions regarding this RFP or the PPEA Guidelines must be submitted in writing at least seven (7) days prior to the proposal due date. Inquiries must identify the RFP by title, number and due date. E-mail all inquiries for information to Robert Wichser, Director, Water & Wastewater Operations, bwichser@rivanna.org, or submit written inquires via regular mail or other special delivery to:

Robert Wichser, Director Water and Wastewater Operations
Rivanna Water & Sewer Authority
695 Moores Creek Lane
Charlottesville, VA 22902-9016
bwichser@rivanna.org

RWSA reserves the right to issue written addenda to any inquiries that alter the scope of the proposal. RWSA will assume no responsibility for oral instructions or interpretation.

VI. PROPOSAL DUE DATE AND SUBMITTAL INSTRUCTIONS

Proposal Due Date: Conceptual proposals shall be clearly identified as a response to this Request for Proposal and are due by 4:00 p.m. local time. Conceptual proposals should be packaged in such a manner that clearly indicates the contents of the package are a response to this request. Proposals are due _____ to:

Thomas Frederick, Executive Director
Rivanna Water & Sewer Authority
695 Moores Creek Lane
Charlottesville, VA 22902-9016

Or, if delivering by hand:

Lonnie Wood, Director of Finance and Administration
Rivanna Water & Sewer Authority
695 Moores Creek Lane
Charlottesville, VA 22902-9016

It is the responsibility of the proposer to ensure that RWSA receives the proposal submittal by the proposal due date and time. No submittals or modifications to submittals will be accepted after the proposal due data and time except as expressly requested by RWSA, consistent with its Guidelines. Late proposals will be unopened, rejected, stored for 60 days by RWSA, and then disposed of or returned at proposer's expense.

Proposal Submittal Instructions: The following instructions in this section are provided as a convenience to assist proposers in preparing their proposals. Nonetheless, proposals must respond to all information required both in the order and format as specified in section V, subsections A1 through A4 inclusive of the PPEA Act of 2002 Guidelines for Rivanna Water and Sewer Authority as adopted by RWSA in March, 2011.

1. Format for Proposals

In order to be considered, proposers must submit a complete response to this RFP. Proposers are required to submit one (1) complete, signed original paper hard copy of the proposal and five (5) paper copies and a copy of the proposal on CD.

- a. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP.
- b. Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.
- c. Cover Letter: A cover letter should be inserted at the beginning of the proposal and should be signed by the CEO, President, or other official designated by the firm as the principal contact for the proposal.
- d. Table of Contents: Please include a Table of Contents.

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- e. Proposal Sections: The proposals should include the following sections:
 - I. Qualifications and Experience
 - II. Project Characteristics
 - III. Project Financing
 - IV. Project Benefit and Compatibility
 - V. Other Information (optional)

2. Separation and Marking of Confidential Information

PPEA procedures require that before a document of a private entity submitted to the RWSA may be withheld from disclosure, the private entity must make a written request to the RWSA at the time the documents are submitted earmarking with specificity the documents for which the protection is being sought and a clear statement of the reasons for invoking the protection with reference to one or more of three classes of records listed in Section I.D.1 of the Guidelines. Any information considered to be confidential by the proposer under these procedures, and therefore in the opinion of the proposer not subject to public disclosure, must be submitted as follows:

- a. Separate from the main proposal the information considered by the proposer to be confidential.
- b. Include a cover letter signed by the same officer signing the main proposal requesting that the information be withheld from public disclosure and specifying under the RWSA PPEA Guidelines why the information is marked as confidential, citing one or more paragraphs from Section I.D.1 of the Guidelines.

Failure to follow these instructions may result in the public release of this information.

ATTACHMENT A. PROJECT SUMMARY

The purpose of the South Fork Rivanna Reservoir Dredging Project is to restore the water supply capacity of the Reservoir to as near its original contours and water storage volume as practical by removing accumulated sediment within segments 1 – 3 of the Upper Main Stem Reservoir, beginning at the Reas Ford Road Bridge and proceeding downstream. As an optional item, proposers may propose to remove additional sediment from the remainder of the Upper Main Stem and/or Ivy Creek sections of the Reservoir. The project does not involve dredging beyond the original contours or expanding the Reservoir beyond its original shoreline configuration.

The proposer will be responsible for determining an approach to accessing and dredging the reservoir, dewatering any dredged materials, and final placement or beneficial reuse of any dredged materials. The successful proposer will also be responsible for obtaining all necessary federal, state, and local permits and approvals, negotiations and agreements with private landowners or other entities, and conduct of the project in compliance with all applicable federal, state and local laws and regulations. RWSA will require all work proposed be covered under 100% Performance and Payment Bonds at the contract stage.

The proposer may suggest a schedule for payment of services provided typical of many dredging projects, based on costs for design and permitting, mobilization, dredging/dewatering, etc. Alternatively, the PPEA Guidelines also allow for the proposer to propose a flexible financial plan for obtaining project funding.

Although this RFP is based, in part, on information provided during a dredging feasibility study by HDR Engineering Inc. (HDR), the proposer is not bound by HDR's assumptions, analyses, or conclusions regarding dredging the South Fork Rivanna Reservoir. Proposers are encouraged to develop alternate approaches as necessary to provide the best value for RWSA.

Background

In 2009/2010, HDR was tasked by RWSA to evaluate the feasibility of dredging the Reservoir. HDR's study evaluated dredging accumulated sediments both within the area of the available water supply volume (Reservoir areas above the water supply intake elevation) as well as areas below the water supply intake. The dredging feasibility study was conducted in two phases: Phase I Reservoir Characterization and Phase II Dredging Feasibility. As part of this study, HDR produced a series of task reports as follows:

Phase I – Reservoir Characterization

- Task 1 Wetlands Assessment
- Task 2 Bathymetric Survey & Volume Analysis
- Task 3 Pre-Dredge Survey
- Task 4 Sediment Characterization

Phase II – Dredging Alternatives Analysis

- Task 6 Dredging Alternatives Evaluation

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Task 7 Dewatering/Processing Alternatives Evaluation

Task 10 Beneficial Reuse Alternatives

Phase III – Dredging Feasibility Summary Report

Task 9 Summary Report

During Phase I of the study, HDR determined that most of the sediment in the Reservoir is located in the upper reaches of the mainstream Reservoir and in Ivy Creek. Sampling and analysis showed no environmental contamination in the sediment. The sediment is composed of sand, silt, and clay-sized particles, with sand predominant in the uppermost reaches of the mainstream Reservoir. Some sediment deposits have become vegetated wetlands. Potential obstacles to dredging activities within the Reservoir include limited access to the Reservoir and limited clearance beneath the Woodlands Road Bridge at the mouth of Ivy Creek.

Phase II of the study evaluated dredging alternatives, dewatering and processing site alternatives, and the possibilities of re-using the sediment. A significant part of these efforts included identifying suitable sites for various dredging activities. As part of the site search, HDR contacted various landowners and other stakeholders. Only sites with “willing landowners” are discussed within HDR’s reports. A “willing landowner” is one that has given HDR permission to publicly evaluate and discuss the potential feasibility of using their site or sites for a dredging project – however, this does not represent a commitment on the part of the landowner for such use to occur. Any such commitment of private property would be subject to future agreement between the property owner and the project proponent.

HDR developed a two-part conceptual dredging approach to maximize the dredging volume: Part I would hydraulically dredge Reservoir segments 1 – 3 (the uppermost portion of the Upper Main Stem beginning at the Rheas Ford Road Bridge), dewater the sediment using mechanical dewatering equipment, and sell or reuse the recovered sediment materials (largely sand) to off-set the cost of dredging. HDR estimated that approximately 290,324 cubic yards of sediment could reasonably be removed from the upper three segments comprising Part I.

Part II would dredge Reservoir segments 4 – 9 (the remainder of the Upper Main Stem down to the Earlysville Road Bridge) and/or Ivy Creek and dewater the sediment using three confined dike facilities. Dredged sediments removed in Part II would remain in the confined dike facilities and there would be no recovery of material. The two part dredging approach could be conducted independently, simultaneously or in sequence, depending on available resources. HDR estimated that approximately 835,686 cubic yards of material could reasonably be removed and dewatered within the space available for confined dike facilities.

Other Available Information

In addition to the information developed by HDR, a number of studies have been carried out and reports have been issued related to sediments in the Rivanna Reservoir watershed:

- South Fork Rivanna Reservoir and Watershed: Reflecting on 36 years, Anticipating 50 years. Stephen P. Bowler, spring, 2003.
- Bathymetric Surveys: 2002, 2001(digital format); 1994, 1988, 1980, 1976 (paper).
- Topographic maps of reservoir area prior to construction.

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- Numerous documents and presentations on alternatives for Community Water Supply, including a Technical Memorandum on concept-level alternative analysis of Dredging the South Fork Reservoir, prepared in December 2004.
- Joint Permit Application for the U.S. Army Corps of Engineers No. 06-1574
- Permit Support Document, Community Water Supply Project, May 17, 2006, Gannett Fleming and Vanasse Hangen Brustlin, Inc.
- South Fork Stewardship Task Force Report, January 2009 and its appendices, and the Minority Report

The HDR reports and other reference materials cited above are incorporated by reference, and are available at:

www.rivanna.org/southfork/index.htm