



**WATER AND SEWER UTILITY RATE STUDY  
FOR  
WATER & SEWER DIVISION**

**REQUEST FOR PROPOSALS (No. 042-15)**

The following questions are to be addressed by **Addendum No. 1**:

1. *Based on the rates presented in Exhibit A, it does not appear that the utility has separate rates for customer classes, but rather separate rates based on Zones. Should the study focus on the equity of revenue recovery per zone, or for the customer classes (residential, commercial, industrial, etc.) within the corporate limits of the City (Zone 1)?*

The Study focus and case studies to be presented under the Reporting requirements of Section 2 should be on the later case ... customer classes within the corporate limits of the City.

2. *The RFP requests that the report address “a fully articulated discussion of the positive and negative impacts of a wholesale rate agreement and its terms”. Is it the City’s request that a wholesale rate be calculated for existing wholesale customer(s) as part of the Rate Study? Do you have a current wholesale contract with Floyd County?*

The City of Rome currently has a wholesale agreement with Floyd County that will expire at the end of 2015. Negotiations to create a new Agreement will likely be underway but may be incomplete before the Rate Study is completed. The City can furnish the successful Bidder with data on the history of wholesale consumption and its rates. Because water rates and consumption are inextricably linked and foundational to the business and funding model for the water system’s enterprise fund, it is appropriate that the Rate Study address the impacts of any wholesale agreement or specially negotiated arrangements for service that can have a significant impact on that model. Specific reference in the Study to the Floyd County Wholesale Agreement will be appropriate. Assistance in calculating a wholesale rate for that Agreement as a part of the Study is not contemplated at this time.

3. *The RFP states that the “Long term costs of capital improvements shall consider the age of the existing infrastructure and reasonably expected changes in environmental regulations and other impacts”. Does this statement imply that, as part of the rate study/cost of service analysis, the City would like for the costs associated with the capital improvement plan be reviewed by consultant, or developed by consultant?*

The statement is a tenet of Rome in developing the capital improvement program (CIP) that has been established and will be furnished to the successful bidder.

The RFP does not intend that the Rate Study validate the existing CIP, nor develop another plan.

4. *Will consultant's estimated project costs be considered as part of the evaluation process?*

The Cost Proposal is not a factor in the ranking of proposals as described in Section 8.2. It will certainly be considered in the final selection of the successful bidder and is subject to discussion in the Bidder Interview.

5. *In item 2 on page 6 of the special instructions document included with the RFP, it requests, "The firm's financial strength as contained within the firm's last three fiscal year's audits." As a privately held firm, we do not have audited financial statements. Would it be sufficient for us to provide our last three years' financial statements prepared by our Chief Financial Officer?*

Financial strength is readily determined from an audit report. An internal financial statement may or may not provide the information necessary to make an acceptable determination of financial strength. Proposals without the required audit reports will not be summarily rejected but may suffer under review, and in the final rankings with respect to basic company information, if the information provided in-lieu thereof is deemed insufficient or non-responsive.