

**Proposed Process for Solicitation of Proposals
For Engineering Services Related to
The \$35M Elwood Agreed Order
(Deadline Monday, December 8, 2012)**

The following professional services selection process is offered as a preliminary effort to begin addressing a complex series of tasks and projects, in accordance with the IDEM Agreed Order with the City of Elwood. This process is based on engineering selection processes for several state agencies and municipalities, and can be adjusted to serve the specific needs of any particular community and situation. Please feel free to offer comments, suggestions and/or questions as to the process.

PURPOSE OF THIS SOLICITATION OF ENGINEERING PROPOSALS BY THE CITY OF ELWOOD

The City of Elwood is confronted with an Agreed Order that is based on a Long Term Control Plan (LTCP) which recommends the expenditure of ~\$35 million in sewer facilities improvements. The estimated impact of implementing the LTCP would be to increase sewer utility rates by more than \$66/month for residential users. The City of Elwood has serious doubts that such a utility fee increase can be absorbed by Elwood utility customers.

The purpose of this solicitation of engineering proposals is to seek the thoughts and ideas of professional engineers with the intent of reducing the cost of this compliance.

The City's current focus is to address the needs at the Wastewater Treatment Plant (WWTP). The LTCP (pp. 5-15 through 16) indicates that the cost of WWTP improvements to be \$7 to \$10 million. Therefore, responding engineers are encouraged to review the LTCP before submitting an engineering proposal, in order to assure that engineering proposals conform to the LTCP. Proposals determined to not meet the LTCP requirements will be unlikely to be competitive.

The City's intent in this solicitation is to develop a set of integrated strategies which will reduce the overall cost of LTCP compliance. **Each engineering proposal should include all services necessary to coordinate the engineering proposal with IDEM and the terms of the LTCP and Agreed Order.**

REQUEST FOR PROPOSALS: AGREED ORDER (CASE NO. 2011-19996-W) & LONG TERM CONTROL PLAN

The City of Elwood is soliciting proposals from professional consulting engineering firms to assist in addressing the mandates contained in Agreed Order (Case No. 2011-19996-W). An electronic copy of the Agreed Order is posted on the City of Elwood's website (link: <http://www.elwoodcity-in.org/public-records/>) for reference purposes. As such, no paper copy of the Agreed Order will be provided by the City to any responder.

All proposals are expected to specifically address the requirements contained in the Agreed Order. The City of Elwood will review the proposals in the context of the requirements of the Agreed Order and the extent to which the proposal addresses the requirements of the Agreed Order.

The Agreed Order is supported specifically by the July, 2011, Long Term Control Plan (LTCP), an electronic copy of which is also posted on the City of Elwood's website (link: <http://www.elwoodcity-in.org/public-records/>), for reference purposes. As such, no paper copy of the LTCP will be provided by the City to any responder.

The Agreed Order and the LTCP form the core technical documents which serve as the basis for the engineering services being solicited. It is the City of Elwood's expectation that any responding engineering firm will have made themselves intimately familiar with the contents of those documents in order to prepare a proper professional proposal.

REQUEST FOR PROPOSALS: PROJECT DESCRIPTION

The City of Elwood is seeking proposals from professional engineering firms with regard to the development of preliminary engineering and preliminary design documents specifically addressing the necessary improvements to the Elwood Wastewater Treatment Plant (WWTP). A preliminary description of the WWTP project is contained in the LTCP, with a summary of the WWTP recommendations contained in Section 5.4 of the LTCP, entitled "Existing Wastewater Treatment Plant Upgrades," and shown on pages 5-15 through 5-16.

Professional engineers are encouraged to review the LTCP in its entirety in order to establish a sufficient engineering basis to develop their proposals. At the same time, each engineering firm is required to make its own determination as to any proposed configuration of WWTP facilities which they might deem appropriate to address the issues contained in the Agreed Order.

As stated above, the City's focus is to achieve compliance with the terms of the Agreed Order. At the same time, the City is prepared to entertain proposals which afford the City more cost-effective solutions than might have been itemized in the LTCP.

OFFER OF A PLANT WALK-THROUGH ON NOVEMBER 26, 2012

The City of Elwood will offer a plant walk-through for any engineering firm desiring additional information and/or observation of the Elwood WWTP. The walk-through will be held at 9:00 AM Eastern Time on November 26, 2012, at the WWTP. The walk-through will be conducted by City of Elwood personnel familiar with the WWTP, but no engineering design or other advice/input will be provided. There will be no other date offered for the plant walk-through.

Any engineering firm desiring to attend the walk-through of the WWTP must call the Elwood Utilities Office (765-552-9844) at least 48 hours in advance of the walk-through to notify the Utilities that unauthorized personnel will be at the WWTP. If no engineering firm provides the requisite 48-hour notice, the walk-through will not be held.

PLEASE NOTE: The City and City personnel will not entertain or otherwise accommodate individual consultants seeking separate City staff attention in preparing their proposals. Separate individual contacts (or attempts) are not an efficient use of city resources. The City asks each prospective engineering firm to respect the City's interests in this regard.

POTENTIAL IN INTEREST USING A GUARANTEED SAVINGS CONTRACT (GSC)

The City of Elwood is currently investigating the potential for using a Guaranteed Savings Contract (GSC) in implementing this WWTP project, however, no final determination has been made. As such, each engineering firm is requested to provide information regarding their previous project experience with GSC's, as well as stating whether the engineering firm would be interested in/amenable to using a GSC in this project. (This material is requested in the "Contents of the Engineering Proposal" section, below.)

CONTENTS OF THE ENGINEERING PROPOSAL

Each proposal submitted must contain the following elements in order to be considered complete and responsive:

- Cover letter summarizing the proposal, including;
 - Preliminary estimates of costs of proposed WWTP improvements
 - Engineering and other "soft" costs
 - Proposed form of financing;
 - "other costs" based on the engineer's experience.
- A graphic/schematic of the Elwood WWTP clearly showing the specific WWTP facilities proposed to be rehabilitated and/or reconstructed as part of each engineering proposal, including (as examples)
 - Designation of any existing facility proposed to be abandoned or removed from services, and the estimated cost/price;
 - Designation of any existing facility proposed to be rehabilitated as part of the engineering recommendation and the estimated cost/price;
 - Designation of any new facility proposed to be constructed and the estimated cost/price;
 - Designation of the estimated total cost of the preliminarily-recommended WWTP improvements necessary to meet the provisions of the LTCP, including:
 - Construction costs;

- Design and other ‘soft’ costs;
 - Suggested form of financing (Indiana TLF, revenue bonds or other);
 - Other costs determined by each engineering firm.
- Statement of Experience Using Guaranteed Savings Contracts (GSC’s)
 - Please state whether the engineering firm has any prior experience with the use of GSC’s, and itemize any projects/cities where the engineering firm has used a GSC.
 - Please state whether the engineering firm would be amenable to the use of a GSC in the case of this specific project.
 - The City has not yet determined whether a GSC would be appropriate in this case, but the City will consider the use of the GSC as part of the overall effort to define the WWTP project and select an engineering firm.
- Preliminary Design Proposal (each proposal must address the items contained in the LTCP (pp. 5-15 through 16), including:
 - Headworks recommendations
 - Sludge processing recommendations
 - Primary clarifier recommendations
 - Aeration tank recommendations
 - Disinfection facilities recommendations
 - Other recommendations could potentially include:
 - Site piping recommendations
 - Laboratory recommendations
 - Suggestions to abandon or re-purpose existing facilities
 - Flow equalization facility recommendations
- Preliminary Cost Estimates for WWTP Improvements
 - Each Proposal will be evaluated in part on the basis of cost-effectiveness with regard to LTCP recommendations.
 - Proposing engineers may choose to affirm the estimates contained in the LTCP.
 - Proposing engineers may also develop cost estimates based on new ideas and alternatives, so long as the engineering firm is prepared to stand behind its professional recommendation.
 - “Low-ball” estimates are enthusiastically discouraged.
- Itemization of Proposed Improvements to the WWTP
 - Each engineering proposal should contain a list of the proposed improvements at a level of detail which the engineering firm is comfortable in representing as reflecting the firm’s professional reputation.
- Itemized Scope of Services
 - Each engineering proposal must include an itemization of the specific services which the Consulting Engineer proposes to provide, as well as an itemization of specific services which the consulting Engineer does not propose to provide, or proposes to provide under separate contract.
 - Consulting services must include, as a minimum:

- engineering pre-design documents/preliminary engineering reports;
- preparation and submittal of documents necessary for acquiring financing, including the recommended form of financing for the WWTP project;
- formal approval of the amendment of the LTCP by IDEM;
- any necessary amendment of other IDEM items, i.e., NPDES permit and wasteload allocation amendments, etc.;
- coordination with the City's Financial Advisor, Bond Counsel and Legal Counsel;
- engineering design services;
- plans, specifications and construction documents, including all necessary approvals and permits;
- construction bidding services (please itemize these services, as specifically as possible);
- construction bid review and recommendations;
- any proposed construction inspection/management services;
- Proposed/Estimated Engineering Fees
 - Itemized in accordance with the breakdown of services provided above.
 - Proposed engineering services to be specifically terminated in the event of failure to obtain approval of LTCP Amendment necessary to comply with the Agreed Order in the event of a change in the recommendations from those contained in the LTCP.

DEADLINE FOR SUBMISSION OF ENGINEERING PROPOSALS FOR THE WWTP PROJECT

The deadline for submission of engineering proposals shall be the close of business in the offices of the Elwood Mayor or the Elwood Utility office in Elwood City Hall Monday, December 8, 2012. Proposals may be submitted electronically to sanderson@cityofelwood.com. Paper copies of engineering proposals **are not encouraged**, but will be accepted at the either of the offices stated above.

SUPERFLUOUS SUBMISSIONS DISCOURAGED

While the City of Elwood seeks to be respectful to all professionals in this endeavor, the City wishes to discourage the submission of voluminous documents in what might be interpreted as an attempt to impress the reviewers with volume, more than substance. Elwood, Indiana, is located in Indiana, and our primary focus is to satisfy an Agreed Order with an Indiana regulatory agency, IDEM. Please submit only the amount of relevant information necessary to address the requirements being placed on Elwood. Bonus points will not be awarded based on volume and/or weight.