

Attachment A - SCOPE OF SERVICES

City of St Louis Water Division
AND

Black & Veatch Corporation
FOR

Contract Procurement Assistance

CITY: City of St. Louis Water Division ("SLWD" or "Water Division")

ENGINEER: Black & Veatch Corporation ("B&V" or "Engineer")

Project:

Assist the St. Louis Water Division in selecting a vendor (Ops Consultant) to provide operational assistance to help improve the Water Division's efficiency, reduce cost, reduce non-revenue water, and increase overall revenue. The City is not seeking to contract out operation or management of the Water Division. Operational assistance will not result in layoffs in SLWD staff.

General Scope of Services:

Engineer will assist SLWD in procuring the services of a private company to assist the City as an Operations Consultant (Ops Consultant), and who is a specialist to advise the SLWD on ways to achieve improved efficiencies in operations, reduce cost, and increase revenues. Services of the Engineer are to be as flexible as possible to enable the SLWD to adjust to the variety of potential selection processes and Ops Consultant's.

This scope covers the services of the Engineer for three phases of work:

- I. Preparing the Documents and process for selecting an Ops Consultant
- II. Assisting the City in the Selection Process and advising on the Selection of Ops Consultant
- III. Oversight and management of the Ops Consultant during the efficiency improvement process.

Initially, Phases I and II are authorized. Upon the completion of Phase II the City will negotiate a detailed scope and compensation for Phase III with the Engineer.

Other services to be provided under this scope include the completion of the City's Bi-annual Rate Sufficiency Study.

Black & Veatch has been selected to perform these services by the City, through its Board of Public Service. The Notification of the selection and authorization is contained in President of the Board of Public Services' January 26th, 2012 letter to Black & Veatch.

Specific Services to be provided:

Phase I – PREPARING SELECTION DOCUMENTS

Task 1 - Communications and Public Awareness

Engineer may be asked to provide an array of services related to Communications and Public Awareness which may include such activities as:

1. Assist City staff with providing content for website, memos, PowerPoint presentations, etc. to inform employees regarding the selection of an Ops Consultant as requested and directed by SLWD.
2. Assist SLWD as needed, in developing a consistent message about the Ops Consultant role, selection process, and function.
3. Provide as-needed, correspondence, text and content for SLWD use to explain status and progress of the Operational Assistance Plan and selection process for press releases, internal communications and websites.
4. Assist City staff with material for press releases or media interviews
5. Assist SLWD staff with presentations to the public, City administration, and Aldermen.

Task 2 – Baseline information

To establish a baseline of performance on financial, water quality, and efficiency issues, Engineer will assist the City staff in identifying and establishing baseline performance of Water Division's over the past several years.

1. Conduct a workshop to discuss baseline, data requirements, and criteria for establishing and measuring the performance measures
2. Collect from the Water Division the data necessary to establish the baseline performance.
3. Prepare a technical memorandum outlining the selected baseline and the basis used to create the baseline values.

Task 3 - Prepare a Request for Interest (RFI)

1. In a Project Initiation Meeting and Workshop, help City to identify potential Ops Consultant vendors to be considered for selection, determine criteria for qualifications to be considered in selecting the Ops Consultant, and outline the Request for Interest process.
2. Engineer will assist the SLWD with the RFI process. Activities may include preparation of RFI to be issued, soliciting short statements of interest and possibly conducting interviews or meetings with interested Ops consultants.

3. Address questions and inquiries during the RFI process.
4. Identifying and obtaining relevant SLWD reference material and information and material from City and supplying such to potential Ops Consultants
5. Review the Statements of Interest that are submitted
6. Provide City with a Memorandum summarizing the Statements of Interest submitted and provide the City with a recommendation as to the qualifications and suitability of potential Ops Consulting firms to be considered for Requests for Proposals.

Task 4 - Prepare the Request for Proposal (RFP) Document.

1. Conduct a workshop with SLWD staff to discuss and determine the selection format and criteria. Prepare a memorandum establishing the selection criteria and submit to SLWD and City Officials.
2. Prepare RFP materials, including selection criteria, required submittal material, format, process, schedule and requirements for submitting a proposal.
3. Acquire from the City and organize for distribution the information and data to be made available to bidders.
4. Submit draft RFP to City for review and comment. Meet with City and SLWD to discuss, if necessary.
5. Address questions and inquiries during the RFP process.
6. Disseminate additional information as needed from the City to Proposers.
7. Review and analyze the proposals in conjunction with the City during a workshop. Determine if interviews are necessary.

Task 5 - Presentations (if desired and required) (Involvement of Engineer on any task will be at the option of the SLWD)

1. Develop the necessary material to be sent to firms selected to be interviewed. Provide correspondence on the time, place, duration, procedures, guidelines and content of the interviews.
2. Schedule interviews.
3. Support SLWD staff in preparing questions for the interview and provide support during the interview process.
4. Convene a meeting of the selection committee and facilitate a discussion regarding the interviews following the completion of the interviews.

Phase II – ASSIST IN REVIEWING AND ANALYZING OPS CONSULTANT
Task 6 – Assist City in the Selection Process

1. Provide the City with assistance as needed in the Ops Consultant selection. Make analysis of the proposals providing the City with commentary and recommendations on the proposals. Provide the City with Engineer's analysis and general ranking of Proposers, including top ranked firms and indicating any firms that we believe would meet the qualifications to serve in a capacity as Operations Advisor to the City.
2. Assist with the establishment of benchmarks for utilization in the Operational Assistance Contract.

Phase III – FOLLOW- ON MANGEMENT AND OVERSIGHT OF OPS CONSULTANT

Upon selection of an Ops Consultant for SLWD, the City will negotiate specific tasks and responsibilities for the Engineer to assist the City in oversight of the Ops Consultant's performance and activities under the Contract. This may include, but not be limited to, tracking performance, creating new benchmarks, evaluating alternatives and ideas presented by the Ops Consultant, and other related tasks.

Project Management and Client Communication

Provide project administration and management throughout the Project. Review ongoing activities with the City, monitor schedule and budget, and communicate with City staff on a regular basis regarding Project status, budget and progress. Schedule, administer and coordinate work by subcontractor, review of subcontractor invoices. This task will include conducting all meetings and workshops, providing materials and handouts to be used at meetings and minutes of the meeting upon completion

Summary of Meetings and Workshops included in the Scope

1. Project Initiation Workshop and Request for Interest Process definition
2. Benchmarking Workshop
3. Workshop to establish Selection Criteria and discuss Request for Proposal content
4. Proposal Review Workshop – Determine if Presentations are necessary and if so discussion on Interview schedule, format and process
5. Other meetings as requested by SLWD or City

This ends the tasks for Selection of an Ops Consultant

Rate Sufficiency Study

Engineer shall perform a Rate Sufficiency Analysis for the City of St. Louis Water Division. The work shall consist of performing a detailed financial analysis to provide a water revenue sufficiency test for the Water Division. The Services shall include the following:

Task 1 - Data Collection

This task will involve collecting and reviewing basic data to be provided by the Water Division. Where possible, data will be collected in electronic form to avoid duplication of effort with regard to data entry and to ensure data accuracy. Actual fiscal year 2012 will be utilized.

Specific activities will include:

- Initial Data Request
- Review and Evaluation of Basic Data
- Supplemental Data Requests

Task 2 - Projection of Revenues under Existing Rates

This task will include an analysis of historical water usage and customers served by class and development of revenue projections for fiscal years 2012 through 2017.

Specific activities will include:

- Projection of Revenues Under Existing Rates
- Projection of Other Income

Task 3 - Development of Revenue Requirements and Cash Flow

The development of revenue requirements will be based on an examination of historical financial reports and current operating budgets. By combining the revenue and revenue requirement projections, develop cash flow analyses of water utility operating and capital financing needs. A detailed cash flow analysis will provide an indication of the magnitude of any overall adjustments in respective annual revenue levels needed to meet the Water Division's projected revenue requirements.

Specific activities will include:

- Projection of Operation and Maintenance Expenses
- Projection of Gross Receipts Tax Revenue Requirements
- Forecast of Routine Capital Expenditures
- Development of Major Capital Improvement Program Financing Plan
- Projection of Debt Service Expenses
- Review of Adequacy of Reserve Funding
- Analysis of Projected Revenue Adjustment Needs
- Preparation of Alternatives for Review by the City

Task 4 - Letter Report

The Engineer will provide a letter report outlining the methodology used to test the sufficiency of the Water Division revenues.

Specific activities will include:

- Draft Report
- Final Report

This ends the tasks for the Rate Sufficiency Study

Schedule:

The term of this Agreement shall commence on or about February 15, 2012. Completion of tasks within the schedule below is contingent upon the City issuing a Limited Notice to Proceed (LNTP) authorizing Tasks 1-3 by February 15, 2012, at which time Engineer will begin work immediately on Tasks 1-3.

Upon Issuance of a complete Notice to Proceed (NTP), Engineer will be authorized to begin work on all tasks

Schedule for Selection of Ops Consultant

Engineer will complete tasks on the Operational Assistance Plan Ops Consultant Selection no later than the dates set forth in the following schedule:

Issue Request of Interest (RFI)	No later than 4 weeks after NTP
Issue of Request for Proposal (RFP)	No later than 10 weeks after NTP

Engineer will complete review and analysis of RFIs, RFPs, and Interviews within 2 weeks after the receipt of documents from proposers or completion of the last interview.

Engineer's services for the Operational Assistance Plan Ops Consultant selection are to be provided in a continuous sequence over a period expected to be no more than 120 days. If the City stops or delays the process for more than 30 days, causing the Engineer to restart the process, the City shall compensate the Engineer a Lump Sum amount of \$10,000 to cover inefficiencies and Engineer's effort necessary to restart the process and reassemble Engineer's team and resources. In addition, a new completion date for services will be established.

Schedule for the Rate Sufficiency Study

The Rate Sufficiency Study shall be completed in no more than 90 days from the receipt of all data requested under Task 1 of the Rate Sufficiency Study Scope of Services.

Items Provided by the City:

1. Location and facilities for all meetings, interviews and presentations to and by Ops Consultants.
2. The Contract for the Ops Consultant services, including all legal resources, authoring contract and producing the Contract document.
3. Legal review of the selection process and selection documents prepared by the Engineer.
4. Public Affairs statements regarding the Ops Consultant concept, selection process and the actual response to all media inquiries and requests for information for all parties other than potential Ops Consultant vendors.

5. All required SLWD historical, operations and financial data needed to be provided to potential Ops Consultant candidates and to complete benchmarking task.
6. Office space for Engineer staff as required during the preparation of the selection documents and for review of selection documents submitted as required.
7. City will provide or procure web hosting services for a project-specific web site if needed. All contracts for hosting and the ownership of the domain name for the website will be the responsibility of the City. City will provide up to 5 sets of individual user credentials with appropriate security and permissions to Engineer to allow the posting of content and site configuration information created by Engineer. City will be responsible to create and maintain all content not provided by Engineer and be responsible for maintenance of all other aspects of the site, including security and user provisioning.
8. Final decision on the selection of the firm to be Ops Consultant to the SLWD.