



THE CITY OF KEY WEST
3140 Flagler Avenue
Key West, Florida 33040

ADDENDUM 2

TO ALL PROSPECTIVE BIDDERS:

This addendum is issued as supplemental information to the RFP 09-13 package for clarification, correction, and additional information that will be of use to bidders.

RESPONSES TO QUESTIONS/CLARIFICATIONS:

<u>ITEM NO.</u>	<u>QUESTION</u>	<u>RESPONSE</u>
1	Can you please confirm the differences between the information requested in Task 2.0, Subtasks 2.1 and 2.2? Is Subtask 2.1 limited to only individual plants in Florida of 5 mgd or higher, and Subtask 2.2 includes all plants in Florida with only a preference to 5 mgd to 15 mgd?	Sub-Task 2.1 requires to submit a <u>reference list</u> including Client's contact information to verify at least 5 years of contract operations business experience (experience to include advance wastewater treatment facilities in Florida with an average flow rate of 5 mgd or greater). Sub-Task 2.2 requires to submit information about <u>full service contract operations</u> identifying the specific details listed under Sub-Task 2.2 (length of time in existing contract, type of treatment process, etc). It is preferred that the contracts included are for plants with advance wastewater treatment techniques, area designed between 5 to 15 MGD and possible influence by salt water intrusion.
2	Please confirm that Task 2.0, Subtask 2.1 is limited to full contract operations, which means at a minimum, providing all labor and management and paying operations and maintenance expenses, and that it does not include consulting contracts, management contracts, or staff augmentation contracts.	Confirmed.

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3	Task 6.0, Subtask 6.1 requests, among other items, “annual report for the past 5 years.” Our last annual report numbered 85 pages, and 5 years’ worth would be approximately 400 pages. Can this information be included on the requested flash drive, or at least be included in an appendix and fall outside the 75-page limit?	Any of the documentation listed, or additional documentation, can be included if it shows a “record of corporate financial stability and commitment to full service contract operation and maintenance of municipally owned wastewater and stormwater systems.” Annual reports can be included as a digital Appendix, but other documentation shorter in length must be included as part of the response.
4	Task 2.0, Subtask 2.7 – Given the significant number of plants a contractor operates, to list any failure, including all minor failures, is a very large undertaking. Would the City consider altering this to administrative failures or legal actions such as NOVs, AOs, and Consent Decrees?	Modify Task 2.0, Subtask 2.7, as follows: For all previous and current full service contract operations over the past 10 years, provide a summary of any reported failures with regulatory compliance permits; failures to meet contractual or financial obligations, or default.
5	As discussed at the pre-bid conference, please confirm that no alternate bids will be considered.	Confirmed.
6	RFP Page 11, Management Fee: Please confirm that the management fee percentage is mark-up on total direct costs as outlined in Exhibit F, and not the mark-up or margin on total revenues?	Confirmed.
7	Please confirm that each of the following Regional Operational Support-based efforts are part of the management fee: a) Procurement - labor associated with off-site purchasing activities for Direct Cost items for the City of Key West. These efforts would include required practices under the terms of the contract following all City purchasing ordinances. b) Contracts - labor to negotiate subcontracts and other contractual issues with vendors in support of Key West whether the person negotiating and/or writing the contract is onsite or off-site. c) Safety - labor directly supporting the Key West project for safety related tasks (training, site specific program development, incident investigations, etc.) whether the safety expertise is located onsite or off-site for the direct benefit to the City and staff.	Confirmed.

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	<p>d) Compliance - labor directly supporting the Key West project for specialized compliance and reporting employee training, laboratory audits, incident investigations, permit reviews, etc. whether the compliance expertise is located onsite or off-site for the direct benefit to the City.</p> <p>e) Sustainability - developing project specific sustainability and environmental management systems for the Key West project and support on identification and implementation of sustainability/efficiency improvement activities whether the sustainability expertise is located onsite or off-site for the direct benefit to the City.</p> <p>f) Quality - budgeted quality training programs.</p> <p>g) Accounting - Would labor for accounting professionals working on invoicing and payables tasks related directly to the City of Key West be considered a direct cost?</p> <p>h) Offsite Operations Specialist - providing specific assistance to Key West</p> <p>i) Offsite Maintenance Specialist - providing specific assistance to Key West</p>	
8	Per task 1.3, please confirm that “unbundled pay range classifications” should include only salary and benefits and that all recovery of overhead and profit is intended to be included management fee.	All recovery of overhead and profit is to be included in the Management Fee.
9	<p>Please provide the following reports:</p> <p>a) Previous twelve (12) months of DMRs.</p> <p>b) Copies of all regulatory agencies correspondence for the previous two (2) years.</p> <p>c) Prevention Maintenance Records for the plant, collection system and rolling inventory</p> <p>d) Corrective Maintenance Records for the plant, collection system and rolling inventory</p>	<p>a) See Attachment 3.</p> <p>b) See Attachment 3.</p> <p>c) See Attachment 1, 2 and 3.</p> <p>d) See Attachment 1, 2 and 3.</p>
10	What impact does inflow and infiltration have on the plant? Has either been quantified? Are there remediation plans in-place?	Collection system improvements have been undertaken that have significantly improved its performance. Plant influent flow rate was reduced from 7.5 MGD to 4.5 MGD after improvements were completed. I/I is monitored and not expected to be an issue at

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		the plant.
11	Provide a copy of the last Expanded Effluent Testing Data	See Attachment 3.
12	Can a copy of the latest version of the Operation and Maintenance Manual be provided? Is the Operation and Maintenance Manual up-to-date and accurate?	Operation and Maintenance Manuals are available for review at the City Hall from September 25 to September 27, hours 8:00 AM to 5:00 PM (not available from 12:00 Noon to 1:00 PM). Coordinate with Ms. Isabel Botero to schedule a visit. O&M Manuals are up-to-date and accurate.
13	Are any industry standard key Performance Indicator parameters tracked and if so can you provide these reports? a) Cost per gallon treated for power, chemicals and sludge removal b) Ratio of corrective vs. preventive maintenance work orders.	City is not aware of these parameters being currently tracked.
14	As the plant appears to be under loaded, has there been any effort to increase the customer base? Is the City interested in partnering with an organization with a track record of increasing the utility owner's revenue while improving plant efficiency and compliance in Florida?	The City may consider adding Key Haven (approximately 500 additional homes) to the service area. The final decision will be taken in coordination with the Florida Keys Aqueduct Authority (FKAA).
15	Is the current Process Control Management Plan available for review?	No.
16	Is any effort planned to reduce the corrosion at the new headworks of the facility?	The City encourages preventive/corrective maintenance of all existing equipment and facilities.
17	Does the City have a no odor tolerance policy or odor ordinance? If so, what is the current operator doing in support of the policy?	It is a priority for the City to manage odors. The City has an Ordinance for Nuisance (Sec. 26-32) that covers disagreeable odors. City expects the Contractor to be responsive to complains from residences and businesses. Any complaints receive from neighborhoods should be addressed in a very timely manner. Odor complaints have not been an issue at the wastewater treatment plant.
18	Does the City require all piping be labeled in accordance with industry standards?	The City expects pipe labeling to be in compliance with FDEP regulations and guidelines.
19	Is the Contractor responsible for paying all SCADA and/or telemetry licensing fees? If so, what are the licensing fees associated with the existing SCADA/telemetry system and are all licenses in the Owner's or Contractor's name? FCC? Software? Hardware?	Yes, Contractor is responsible for paying all SCADA and/or telemetry licensing fees. Budget provided in Exhibit F included a line item for licensing and fees. Licenses are in the Contractor's name. Software and hardware are the Owner's property.
20	CMMS a) In an effort to maintain the historical	a) Yes b) Software used is Maintenance

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	<p>integrity of the system and to make informed decisions on lifecycle costing for each asset, we assume an electronic copy of the existing CMMS database will be made available to the selected Contractor, is this correct?</p> <p>b) If the current contractor is utilizing CMMS software to manage the facilities, what CMMS software is being utilized?</p>	Connection
21	Please provide a copy of the current Capital Improvements Plan	See Attachment 3.
22	Please provide the currently approved Contractor's list for the operation and maintenance activities associated with this RFP.	<p>List of Contractors with security clearance to do work at the wastewater plant (may not be comprehensive):</p> <p>Airmark (uniforms) Waste Management Nearshore Electric Walker Landscape Data Flow Systems Debonair Mechanical Walker Landscape Arnolds Towing PHSI Pure Water</p>
23	What is all software that is in use, such as software currently utilized for Process Control monitoring, if any? Will the software be supplied to the Contractor?	Operator-10 and Maintenance Connection. Yes.
24	Please provide a list of all collection system backups and/or Sanitary Sewer Overflows (SSO's) over the past five (5) years as well as causes for such back-ups and SSO's.	See Attachment 1 and 2.
25	Please provide copies of the current Contractor's Monthly Operations and Maintenance Reports for the past 12 months.	See Attachment 3.
26	Task 2.0 Qualifications and Experience – As a company that performs services similar to those being requested in this RFP at smaller, similar and larger scales around the world, we would like to know if the Florida, and specifically “preference” for South Florida experience, will actually result in a higher score for respondents that have fewer overall facilities, but have more facilities in Florida and South Florida.	In general proximity to Key West is considered preferable due to the potential need of sharing resources during emergencies (i.e. hurricanes). Also, local Florida presence would indicate current knowledge of FDEP regulations and guidelines.
27	Will experience at similar treatment facilities in locations with similar climate conditions as South Florida score as high as facilities in Florida?	No.
28	Task 2.0 Qualifications and Experience – How	See answer 26.

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	will the differences between Florida experience and South Florida experience be reflected in points awarded to the various places in which they are called out?	
29	Exactly how will points be awarded for the scoring category of “Regional Presence in Florida”? There is no description of this scoring category.	Each reviewer can award up to 25 points with preference to a larger local presence in Florida.
30	Draft Agreement Section 5.1 – This indicates “At least Fifty percent (50%) of the Fee shall be fixed and not subject to the adjustment made pursuant to Section 5.3 hereof (the “fixed” portion of the Fee).” Since the “fixed” portion of the Fee is part of the Total Budgeted Direct Cost and the ultimate Total Actual Direct Cost, how does it not inherently become subject to the adjustment of Section 5.3? Does it have something to do with Section 5.3.3, which indicates a 50% share of cost savings when Total Actual Direct Cost is less than Total Budgeted Direct Cost? Please explain as this is very important to understanding the Fee structure.	The fixed portion of the Fee clause is related to City bonding/loan requirements. The fixed portion of the Fee does not affect the conditions of monthly payments to the Contractor. The payments are based on the Total Budgeted Direct Cost plus Management Fee percentage applied to the Total Budgeted Direct Cost divided by 12; to result in 12 equal monthly payments. At the end of the year, the adjustment to the Fee is made per Section 5.3, if applicable. A new Budget is established every year as indicated on Section 5.2.
31	Draft Agreement - Section 5.3 – This indicates that if the Total Actual Direct Cost exceeds the Total Budgeted Direct Cost, there is no adjustment to the Fee, meaning that the Fee is equal to the Total Budgeted Direct Cost plus the Management Fee applied to the Total Budgeted Direct Cost. Is that correct?	Correct.
32	Draft Agreement - Section 5.3 – It does not address who is responsible for the difference between the Total Actual Direct Cost and the Total Budgeted Direct Cost when Total Actual Direct Cost exceeds Total Budgeted Direct Cost. Who is responsible to cover the cost of that difference in the direct costs?	When the Total Actual Direct Cost exceeds Total Budgeted Direct Cost no adjustment is made to the Fee, therefore the Contractor is responsible for the difference in the direct costs.
33	Can normal treatment plant overtime be included in the “fixed” portion of the Fee?	All overtime shall be included as a line item in the Total Budgeted Direct Cost.
34	Can overtime for collection and storm system, hurricane and/or declared state of emergency events be included in the “variable” portion of the Fee?	All overtime shall be included as a line item in the Total Budgeted Direct Cost.
35	Draft Agreement - Sections 5.2 and 5.4.1 seem to clash since 5.2 indicates a negotiation takes place each year to determine the Total Budgeted Direct Cost and the Management Fee cannot remain fixed by virtue of the fact even though it	The Management Fee Percentage will be fixed. The actual monetary value will vary based on the annual adjustment to the Total Budgeted Direct Cost (if there is an adjustment).

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	is a fixed percentage, it is applied to a changing base value. Please clarify.	
36	Draft Agreement - Section 5.4.1 – Is the Fixed Fee the same thing as the Total Budgeted Direct Cost?	No. See answer to question No. 30.
37	Draft Agreement - Section 5.4.1 – is the Fixed Fee the same thing as the Total Budgeted Direct Cost plus the Management Fee applied to the Total Budgeted Direct Cost?	No. See answer to question No. 30.
38	Section 5.4.1 – Is the Fixed Fee the Management Fee applied to the Total Budgeted Direct Cost?	No. See answer to question No. 30.
39	Section 5.4.1 – Can the Fixed Fee be equated to any other defined item or combination of defined items?	No. See answer to question No. 30.
40	Section 5.4.1 – is the Variable Fee equal to the sum of the Management Fee and the incentives earned when Total Actual Direct Cost is less than Total Budgeted Direct Cost?	When the Total Actual Direct Cost is less than the Total Budgeted Direct Cost, the Fee is adjusted per Section 5.3.
41	Section 5.4.1 – Please explain how the Fixed Fee relates to the Fee on an annual basis.	See answer No. 30.
42	Section 3.2.3 – Please provide a copy of the latest inventory listing of tools and equipment.	See Attachment 3.
43	Please provide a list of the current staff positions provided by OMI that are included in the Total Budgeted Direct Cost, organized by wastewater treatment plant, wastewater collection system and stormwater system.	See Attachment 3.
44	Please provide design criteria data for the plant by unit process.	See Attachment 3.
45	Please provide design criteria data for the new aeration system (including blower horsepower and capacity).	Blowers are 5,000 SCFM, 300 HP each. See Attachment 3 for other design criteria.
46	Does the wastewater treatment plant receive septage?	Yes.
47	Please provide copies of the most recent 12 completed Discharge Monitoring Reports.	See Attachment 3.
48	Is there a GIS for the wastewater collection system?	No.
49	Is there a GIS for the wastewater collection system?	No.
50	Which CMMS product is being used at the wastewater treatment plant?	See answer 20.
51	Which CMMS product is being used for underground assets?	See answer 20.
52	Who is responsible for paying the licensing fees	Contractor.

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	for the CMMS products?	
53	Is it possible to receive a copy of the current O&M contract and budget?	Budget provided under Exhibit F of the RFP package has been approved by the City Commission and it is the adopted Budget. Copy of current contract is included as Attachment 3.
54	Does the 75 page limit include the attachments & addenda?	The 75 page limit includes items to be submitted as a response to Tasks 1.0 thru Task 6.0. Attachments (required forms) and Addenda are not part of the 75 page limit.
55	On item 14(a) of Addendum 1 the response is to "Submit with RFP". Could you please clarify? Does the City mean to submit the new suggested language in the draft agreement, addenda, or separate page within body of proposal?	Per Sub-Task 6.4, item 6.4.8 proposer shall: Provide an Affirmative Statement that your firm is willing to execute the attached contract as written, pending negotiation of Direct and Indirect Costs, and Profit Margin. -OR- Provide a detailed list of sections which your firm would like change and propose specific language you are requesting. Proposed changes to draft agreement must be submitted within the body of the proposal under the responses to Task 6.0.

FORMS:

Updated "ADDENDUM ACKNOWLEDGMENT FORM" included.

ATTACHMENTS:

Attachment 1: Monthly Operating Reports - From 2008 to 2010

Attachment 2: Monthly Operating Reports - From 2011 to 2013

Attachment 3: Additional Data Requested

1. Capital Improvements Plans – Wastewater & Stormwater
2. Discharge Monitoring Reports
3. Expanded Effluent Testing Data
4. Inventories
5. Current Organizational Chart
6. Current Contract
7. Wastewater Treatment Plant Design Criteria
8. FDEP Correspondence

