

**Novato Sanitary District
RFP for Contract Operations
Proposal Evaluations**



Evaluation Committee:

Beverly James- Chair
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Proposals Evaluated:

United Water
Veolia Water

7/15/09

Proposal Evaluation Report

Novato Wastewater Treatment Plant

Operation Maintenance and Management Proposals

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EVALUATION SUMMARY and RECOMMENDATION

Overview: Proposals were received on June 26, 2009, in response to the District's RFP for provision of professional services for District WWTP Operations, Maintenance, and Management Services issued May 5, 2009 by the District. Three (3) pre-qualified firms were invited to submit proposals. Proposals were received from two firms:

- United Water (United)
- Veolia West Operating Services (Veolia Water)

In the opinion of the Evaluation Committee, both Proposers are capable of providing the requested work scope and running the treatment plant within the established budgets. However, significant differences exist between the proposals. Key differences include:

- 1) How they would accomplish the activities
- 2) Guarantees provided
- 3) Transition plans and utilization of standardized systems and management packages
- 4) Costs for the provision of the services
- 5) Overall value and assurances received by the District

Evaluation Process and Components: The Evaluation Committee utilized the evaluation components specified in the Request for Proposals (RFP) and summarized below. Written clarifications and responses to written questions were received as part of the proposal reviews and evaluations / evaluation process. Reference checks for key staff and similar projects were completed and incorporated into the evaluation results. Interviews of each proposer team and their program were conducted and these interview assessments were also integrated into the overall evaluation results.

Request for Proposals Specified Evaluation Criteria

I.	Organization Criteria	-----	10%
II.	Proposal Specific Criteria	-----	90%
	a) Technical	-----25% of the 90%	
	b) Environmental	-----15% of the 90%	
	c) Transition Plan	-----15% of the 90%	
	d) Financial	-----25% of the 90%	
	e) Guarantees, liability protections, and risk assumption requested by the District	-----20% of the 90%	

Evaluation Outcome and Recommendation: Based upon the evaluations conducted and the RFP established evaluation process and criteria, it is the unanimous conclusion and recommendation of the Evaluation Committee that Veolia Water be selected to provide the requested Contract Operations, Maintenance, and Management (OM&M) services for the District. Furthermore, it is the unanimous recommendation of the Evaluation Committee that the Veolia Water Contract OM&M services be implemented by the District as the preferred alternative as compared to continuation of OM&M services provided directly by District staff.

The Evaluation Committee understands the importance of this recommendation for the District and the users of the wastewater system. We believe our recommendation provides the District with the best value and highest assurances of success and desired results for the next phases of the District's wastewater program. We also believe our recommendation is consistent with the Board's stated objectives for issuance of the RFP:

- Determine if contract operators will provide the scope of services requested by the RFP;

- Determine if contract operations are cost effective as compared to Assessment Report alternatives for proceeding ahead;
- Determine if contract operations will provide the District with significant performance guarantees and liability protections;
- Determine if the District MOA accepted by the District and District staff for guaranteed employment will be accepted by the contract operators per the MOA requirements.

Evaluation Details: The discussion below outlines in detail the results of each facet of the evaluation.

- 1) **Evaluation Matrix:** Using the Evaluation Matrix established in the RFP, an evaluation of each component on the RFP was conducted using the plus, check, minus evaluation outlined in the RFP. Attachment 1 provides the Evaluation Matrix and displays the evaluation results of the over 140 factors evaluated by the Evaluation Committee. Both firms were evaluated as qualified for the requested services. However, Veolia's evaluation and scores far exceed the United evaluation and scores.
- 2) **Risk / Guarantee Summary:** This Table provides the Evaluation Committee's assessment of the exposure of the District to the financial consequences for the risk and guarantee items listed in the Table. The RFP requested that Proposers assume the risk and provide the District with a financial guarantee for all items on the list. Items indicated in red mean that the District has been left with the ultimate financial risk rather than the Proposer. A summary of District operations using NSD Staff is also provided for comparison. Overall, Veolia provides the best match for risk acceptance and guarantees.
- 3) **5 Year Total Costs and Life Cycle Costs (LCC):** Costs are evaluated using 5 year total costs (operations, District residual costs, and adjustment factor costs) and the net present value of the total costs for the five (5) year term. An annual inflationary adjustment of 3 % (specified as a percentage of the annual change in the CPI) and a time value on money, discount rate of 7 %, are utilized for these evaluations as specified in the RFP.

The costs used in the evaluation are the costs as submitted and clarified with each proposer. As United's proposal utilized a cost plus approach for utilities and did not specify usage or \$ amounts, the United total costs were evaluated using the Veolia usage amounts for electric power and natural gas. These as submitted costs have been utilized to calculate the direct financial costs for each proposal as distinct from the value or benefits received by the District. The five (5) year costs for each proposal are provided in Attachment 2. A comparison with NSD Staff Operations is also provided in Attachment 2 ó page 2.

Overall, Veolia's proposal provides a 5 year maximum cost for the District of \$ 15.6 million; United's proposal provides estimated costs of \$ 21.3 million and the NSD staff alternative provides estimated costs of \$ 22.8 million for the 5 year projection using 3% per year inflationary adjustments.

- 4) **Overall Proposal and Value Added Summary:** This table provides a side-by-side comparison of the two proposals assessed against 23 key areas for alignment with RFP requirements and value added. The change in law provision was established so that proposals are priced based upon current laws and regulations. Changes in laws will allow the District and / or the Proposer to recover either documented reduced costs or documented increased costs that result from changes in the law. With this approach, the District receives the best prices for today and at the same time has assurance that the Proposer will comply with all future laws and regulations.

Overall, the Veolia proposal provides the best match against the 23 criteria of the Summary.

Summary results of these evaluations are provided on pages 4 – 7 of this Report.

Evaluation Matrix Results

Checklist - RFP Evaluation Summary			
RFP Evaluation Criteria	(+)/ ✓/(-)	(+)/ ✓/(-)	(+)/ ✓/(-)
TECHNICAL	United		Veolia
I. Implementability/Reliability/Viability	0/8/3		7/4/0
II. Experience	0/5/1		4/2/0
III. Staffing	0/4/1		3/2/0
IV. Guarantees	0/3/0		1/2/0
Technical Subtotals	0/20/5		15/10/0
ENVIRONMENTAL	United		Veolia
I. Regulatory Compliance	1/2/0		2/1/0
II. NSD Requirement Compliance	0/4/0		0/3/1
III. Long Term Environmental Protection	0/3/0		2/1/0
IV. Guarantees	0/3/0		0/3/0
Environmental Subtotals	1/12/0		4/8/1
TRANSITION			
I. Transition Plan	1/11/0		8/4/0
Transition Subtotals:	1/11/0		8/4/0
GUARANTEES, LIABILITY, AND RISK ASSUMPTIONS	United		Veolia
I. Agreement with NSD Requested Provisions	0/4/3		1/6/0
II. Exceptions to NSD Requested	0/4/1		0/5/0
Guarantees, Liability, and Risk Assumption Subtotals:	0/8/4		1/11/0
FINANCIAL, INSURANCE BONDS	United		Veolia
I. Cost Effectiveness	1/6/2		5/4/0
II. Financial Qualifications	3/4/0		0/7/0
III. Legal Standing	0/6/0		0/6/0
Financial, Insurance Bonds Subtotal:	4/16/2		5/17/0
Summarized Evaluation Results:			
RFP Evaluation Subtotals	6/67/11		33/50/1
SOQ Subtotals	14/42/1		28/28/1
Grand Totals	20/109/12		61/78/2

Note: The comprehensive list of evaluation factors and the Evaluation Committee's assessment for each factor for United and Veolia proposals is provided in Attachment I of this report.

Evaluation Matrix (above) expressed as a point score using + = 10 pts. ; ✓ = 5 pts. ; - = - 5 pts.

Point Total	United	Veolia
Grand Total (above)	625 pts	980 pts
RFP Evaluation Subtotal (above)	285 pts	570 pts

Risk / Guarantee Summary

	Veolia	United	NSD Staff
<i>Risk Acceptance</i>			
1) Costs with Usage Caps for Utilities	Yes	No	No
2) Regulatory Compliance Guarantee	Yes	Yes	No
3) Insurance Provisions	Yes	Yes	Yes
4) \$ 30 Million Liability Coverage by Guarantor	Yes	Yes	No
5) Performance Bond	Yes	Yes	No
6) All Maintenance, CMMS, and Warranty Protections	Yes	Yes	No
7) All Maintenance \$'s up to \$ 10,000 per Item	Yes	Yes	No
8) Indemnification	Yes	Yes	No
9) Staffing and Transitions	Yes	Yes	NA
10) Systems Development and "On-Time" Facility Startup	Yes	Yes	Yes, but
<i>Guarantees</i>			
1) Fixed Cost with Escalation	Yes	No	No
2) Regulatory Compliance and Fine Coverage	Yes	Yes	No
3) Usage Caps for Utilities	Yes	No	No
4) Employment of NSD Staff per MOA *	Yes	Yes	Yes
5) Transition Program (14 areas)	Yes	Yes	Best effort
6) Parent Company Guarantor	Yes	Yes	No
<i>Exceptions Summary</i>			
1) 7 NSD Staff @ Contract Start, per RFP **	No	Yes	NA
2) No significant PF – 10 items (ATS provisions)	Yes	No	NA
3) \$ 30 million liability cap @ no additional costs	Yes	No	No
4) Property damage responsibility for negligence	Yes	Partial	No
5) Acceptance of MOA and EPA provisions	Yes	Partial	NA

* Note 1 – Both firms will offer positions to all nine (9) eligible NSD staff

** Note 2 – Veolia's staffing plan and base budget is for the transition of six (6) NSD staff with specified budget adjustments for 7, 8, or 9 staff transitions; cost comparisons of Veolia and United adjusted to 7 NSD positions as outlined in RFP

Cost Comparisons (\$ millions)

Veolia and United

Cost Basis	United	Veolia	Veolia less by
5 year District Costs	\$ 21.3 million	\$ 15.6 million	\$ 5.7 million
5 year Net Present Value	\$ 16.4 million	\$ 11.8 million	\$ 4.6 million

Veolia and NSD Staff Options

Cost Basis	Veolia	NSD +4 Staff and Transition Consultants
5 year District Costs	\$ 15.6 million	\$ 22.8 million
Veolia less by	-----	\$ 7.2 million

Note: Attachment II provides detailed cost comparisons and calculations

Overall Proposal and Value Added Summary

Contract Operations		
Proposal Evaluation Summary		
7/15/2009		
Item	Veolia	United
1) Insurance provisions	Yes	Yes
2) Liability provisions	Yes	Yes
3) \$ 30 million liability cap	Yes - no add'n cost	Yes - \$ 250k / yr add'n cost
4) Signing of MOA	Yes	Yes
5) NSD staff job offers per MOA	Yes	Yes
6) Guaranteed costs with inflation adj.	Yes	No - cost plus for years 1 & 2
7) CPI for adjustment	Yes - blended index OK	Yes - blended index OK
8) Comprehensive maintenance and CMMS	Yes	Yes
9) Maintenance best practices with financial coverage	Yes	Yes
10) Acceptance of EPA / FBI investigation provision	Yes	Yes with conditions
11) Addendum acknowledgements (1 - 3)	Yes	Yes
12) PF-10 items (modifications to ATS)	Yes - but addressable	Yes with conditions
13) Acceptance of Change in Law Provision	Yes	Yes
14) Cost Formula for Flow & Loadings Adjustments	Yes	No - cost plus basis
15) Qualified Staff	Yes - strong point	Yes
16) NSD Objectives:		
a) Successful S/U prep and transition (14 areas)	Yes - strong point	Yes
b) Transition of NSD staff	Yes - per MOA	Yes - per MOA
c) Cost effectiveness	Yes - strong point	Yes - but with conditions
d) Guarantees		
1) Regulatory compliance	Yes	Yes
2) Costs	Yes	No - cost plus basis
3) Facility maintenance	Yes	Yes
4) Equipment warranty protections	Yes	Yes
5) Qualified / certified staff	Yes	Yes
17) Provision of Requested Systems and Training	Yes	Yes
18) Results of "Plus, Check, Minus" Evaluation	61/78/2 (980 pts)	20/109/12 (625 pts)
19) Client Reference Check Results	Yes - strong point	Yes - acceptable
20) Staffing		
a) On-Site	Nine (9) @ start	Ten (10) @ start
b) Regional Support	Yes - strong point	Yes
	- Full time transition mgr.	- Transition team
	- Add'n' resources	
	- Transition team	
21) Satisfaction of Stated Objectives for RFP	Yes - strong point	Exception is cost plus
22) 3 year renewals at District option	Yes	Yes
23) Five (5) Year Guaranteed Cost Total for District (Max)	Yes	No - Cost Plus
	\$ 15.6 million	\$ 21.3 million est.
		(uses Veolia electric & nat. gas usage quantities)
NSD Budget w/ + 4 Staff & Consultants for Transition == \$ 22.8 million		

Attachments

- 1) Attachment I - Evaluation Matrix and Scores**
- 2) Attachment II - Cost Comparisons**
- 3) Attachment III - Interview Agenda, Questions, and Topics**

ATTACHMENT 1
Evaluation Matrix and Scores

Evaluation Criteria, Factors and NSD WWTP Contract Ops 7/15/2009			
TECHNICAL - UNITED			
I.	IMPLEMENTABILITY/RELIABILITY/VIABILITY	Summary	
1.1	Ability to efficiently/effectively meet performance requirements and regulatory requirements of the RFP	(-)	
1.2	Acceptance of site condition, responsibility for the facility & cost guarantees	(-)	
1.3	Approach to Facility operations, maintenance and management	✓	
1.4	Completeness of maintenance activities	✓	
1.5	Reasonableness of O&M plan for the Facility	✓	
1.6	Approach to permit compliance	✓	
1.7	Approach to customer service request response	✓	
1.8	Approach to emergency situations	✓	
1.9	Approach to coordination of Facility ops w/other NSD functions and contracted services	✓	
1.10	Flexibility to handle variations in influent characteristics and quantities received	✓	
1.11	Envisioned measures for energy and chemical management	(-)	
II.	EXPERIENCE	Summary	
2.1	Number of similar projects operated, maintained and managed	✓	
2.2	History/current performance status of similar projects	✓	
2.3	Operational involvement with design, construction and operation of the proposed systems	✓	
2.4	Demonstrated experience in successfully transitioning operations	✓	
2.5	Demonstrated experience assigning key personnel	✓	
2.6	Quality of reference checks and site visits	(-)	
III.	STAFFING	Summary	
3.1	Demonstrated approach to personnel management and technical resources	✓	
3.2	Project manager's qualifications and experience with similar water projects	✓	
3.3	Plant mgr's qualifications and operations experience with similar wastewater treatment plants	(-)	
3.4	Union bargaining experiences	✓	
3.5	Certifications, experience, and qualifications of proposed staff	✓	
IV.	GUARANTEES	Summary	
4.1	Guarantee of NSD Staff employment per RFP	✓	
4.2	Signed MOU for transition of staff	✓	
4.3	Training safety, career development programs	✓	
Totals		(+)	(-)
		0	5

+ = Clearly exceeds requirements and/or provides exemplary expertise, experience, or capability

✓ = Satisfactorily meets the criteria, will provide acceptable, but not exceptional demonstrated performance, capability, or experience

- = Does not meet the requirement or performance expectation, limited or deficient experience, performance, or capabilities

Evaluation Criteria, Factors and NSD WWTP Contract Ops 7/15/2009				
TECHNICAL - VEOLIA				
I.	IMPLEMENTABILITY/RELIABILITY/VIABILITY	Summary		
1.1	Ability to efficiently/effectively meet performance requirements and regulatory requirements of the RFP	(+) ✓		
1.2	Acceptance of site condition, responsibility for the facility & cost guarantees	(+) ✓		
1.3	Approach to Facility operations, maintenance and management	(+) ✓		
1.4	Completeness of maintenance activities	(+) ✓		
1.5	Reasonableness of O&M plan for the Facility	✓		
1.6	Approach to permit compliance	(+) ✓		
1.7	Approach to customer service request response	(+) ✓		
1.8	Approach to emergency situations	✓		
1.9	Approach to coordination of Facility ops w/other NSD functions and contracted services	✓		
1.10	Flexibility to handle variations in influent characteristics and quantities received	✓		
1.11	Envisioned measures for energy and chemical management	(+) ✓		
II.	EXPERIENCE	Summary		
2.1	Number of similar projects operated, maintained and managed	(+) ✓		
2.2	History/current performance status of similar projects	(+) ✓		
2.3	Operational involvement with design, construction and operation of the proposed systems	(+) ✓		
2.4	Demonstrated experience in successfully transitioning operations	(+) ✓		
2.5	Demonstrated experience assigning key personnel	✓		
2.6	Quality of reference checks and site visits	✓		
III.	STAFFING	Summary		
3.1	Demonstrated approach to personnel management and technical resources	✓		
3.2	Project manager's qualifications and experience with similar water projects	(+) ✓		
3.3	Plant mgr's qualifications and operations experience with similar wastewater treatment plants	(+) ✓		
3.4	Union bargaining experiences	✓		
3.5	Certifications, experience, and qualifications of proposed staff	(+) ✓		
IV.	GUARANTEES	Summary		
4.1	Guarantee of NSD Staff employment per RFP	✓		
4.2	Signed MOU for transition of staff	✓		
4.3	Training safety, career development programs	(+) ✓		
Totals		(+)	✓	(-)
		15	10	0

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Evaluation Criteria, Factors and NSD WWTP Contract Ops 7/15/09

Evaluation Criteria

ENVIRONMENTAL - UNITED

I.	REGULATORY COMPLIANCE	Summary
1.1	Methods for assuring full compliance with all Federal and State regulatory and permit requirements	(+)
1.2	Approach for meeting regulatory NPEDS requirements	✓
1.3	Understanding of relevant regulatory agency review and permitting process	✓
II.	NSD REQUIREMENTS COMPLIANCE	Summary
2.1	Approach for effluent wastewater quality	✓
2.2	Approach for noise and other nuisance abatement	✓
2.3	Approach for site housekeeping and condition	✓
2.4	Approach for interaction and integration with requirements/demands of the NSD's WWT collection system, sludge removal, and customers of the WWT system	✓
III.	LONG-TERM ENVIRONMENTAL PROTECTION	Summary
3.1	Features for enhancement of efficiency of long-term resource usage	✓
3.2	Measures for optimal chemical and utility use during wastewater processing/treatment	✓
3.3	Environmental leadership positions, awards, peer reviews, etc.	✓
IV.	GUARANTEES	Summary
4.1	Regulatory compliance	✓
4.2	Staff compliance	✓
4.3	Maintenance of facility	✓
Totals		(+) ✓ (-)
		1 12 0

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Evaluation Criteria, Factors and NSD WWTP Contract Ops 7/15/09

Evaluation Criteria

ENVIRONMENTAL - VEOLIA

I. REGULATORY COMPLIANCE		Summary		
1.1	Methods for assuring full compliance with all Federal and State regulatory and permit requirements	(+)		
1.2	Approach for meeting regulatory NPEDS requirements	✓		
1.3	Understanding of relevant regulatory agency review and permitting process	(+)		
II. NSD REQUIREMENTS COMPLIANCE		Summary		
2.1	Approach for effluent wastewater quality	✓		
2.2	Approach for noise and other nuisance abatement	✓		
2.3	Approach for site housekeeping and condition	✓		
2.4	Approach for interaction and integration with requirements/demands of the NSD's WWT collection system, sludge removal, and customers of the WWT system	(-)		
III. LONG-TERM ENVIRONMENTAL PROTECTION		Summary		
3.1	Features for enhancement of efficiency of long-term resource usage	(+)		
3.2	Measures for optimal chemical and utility use during wastewater processing/treatment	✓		
3.3	Environmental leadership positions, awards, peer reviews, etc.	(+)		
IV. GUARANTEES		Summary		
4.1	Regulatory compliance	✓		
4.2	Staff compliance	✓		
4.3	Maintenance of facility	✓		
Totals		(+)	✓	(-)
		4	8	1

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Evaluation Criteria, Factors and NSD WWTP Contract Ops7/15/09

Evaluation Criteria

TRANSITION PLANS - UNITED

I.	TRANSITION PLAN	Summary
1.1	Comprehensiveness of plan	✓
1.2	Establishment of well planned, reliable and timely set of transitions	(+)
1.3	Minimum disruptions for District	✓
1.4	Regulatory compliance assurances	✓
1.5	Maintenance and systems assurances	✓
1.6	Achievable and desirable timelines	✓
1.7	Plans for system development, implementation to meet 14 areas	✓
1.8	Training of staff	✓
1.9	Usage of Augmentation Resources (staff + systems)	✓
1.10	Comprehensiveness of systems and capabilities	✓
1.11	Equipment warranty protection	✓
1.12	Approach for regulatory compliant operations	✓
Totals		(+) ✓ (-)
		1 11 0

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Evaluation Criteria, Factors and NSD WWTP Contract Ops 7/15/09

Evaluation Criteria				
TRANSITION PLANS - VEOLIA				
I.	TRANSITION PLAN	Summary		
1.1	Comprehensiveness of plan	(+)		
1.2	Establishment of well planned, reliable and timely set of transitions	(+)		
1.3	Minimum disruptions for District	(+)		
1.4	Regulatory compliance assurances	✓		
1.5	Maintenance and systems assurances	(+)		
1.6	Achievable and desirable timelines	✓		
1.7	Plans for system development, implementation to meet 14 areas	✓		
1.8	Training of staff	(+)		
1.9	Usage of Augmentation Resources (staff + systems)	(+)		
1.10	Comprehensiveness of systems and capabilities	(+)		
1.11	Equipment warranty protection	✓		
1.12	Approach for regulatory compliant operations	(+)		
Totals		(+)	✓	(-)
		8	4	0

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Evaluation Criteria, Factors and NSD WWTP Contract Ops 7/15/09

Evaluation Criteria				
FINANCIAL , INSURANCE, BONDS - UNITED				
I.	COST EFFECTIVENESS	Summary		
1.1	Net present value (NPV) of operations, management & maintenance costs over 5 yr. contract	✓		
1.2	NPV for O, M & M over 11 yr contract term	✓		
1.3	Annual costs (service fee & pass thru costs) over 5 yr contract	(-)		
1.4	R&R coverage limits and usage	✓		
1.5	Existing Facility O+M Costs (1st year forms 3A + 4A)	✓		
1.6	Completed facility O+M costs (1st year - Forms 3B + 4B)	✓		
1.7	Transition costs (Form 3C)	✓		
1.8	Formulas and costs for change in flow or loadings	(-)		
1.9	Termination payments	(+)		
II.	FINANCIAL QUALIFICATIONS - INSURANCE & BONDS	Summary		
2.1	Provision of acceptable performance and payment bonds or LOC's	✓		
2.2	Demonstrated ability to furnish liability and property damage insurance	✓		
2.3	Ability to provide other guarantees in accordance with RFP and ATS	✓		
2.4	Net worth	(+)		
2.5	Levels of capitalization	(+)		
2.6	Historic profitability	✓		
2.7	Financial strength of project Guarantor	(+)		
III.	LEGAL STANDING	Summary		
3.1	Material lawsuits or litigation on other projects	✓		
3.2	Significant permit violations/exceedances in other projects	✓		
3.3	Material contract disputes and/or terminations/cancellations	✓		
3.4	Convictions for fraud or other illegal activities	✓		
3.5	Legal qualifications to do business/good legal standing in California	✓		
3.6	Bankruptcy judgment within last 10 years	✓		
Totals		(+) 4	✓ 16	(-) 2

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✓= Satisfactorily meets the criteria, will provide acceptable, but not exceptional demonstrated performance, capability, or experience

- = Does not meet the requirement or performance expectation, limited or deficient experience, performance, or capabilities

Evaluation Criteria, Factors and NSD WWTP Contract Ops 7/15/09

Evaluation Criteria				
FINANCIAL , INSURANCE, BONDS - VEOLIA				
I.	COST EFFECTIVENESS	Summary		
1.1	Net present value (NPV) of operations, management & maintenance costs over 5 yr. contract	(+)		
1.2	NPV for O, M & M over 11 yr contract term	(+)		
1.3	Annual costs (service fee & pass thru costs) over 5 yr contract	(+)		
1.4	R&R coverage limits and usage	✓		
1.5	Existing Facility O+M Costs (1st year forms 3A + 4A)	(+)		
1.6	Completed facility O+M costs (1st year - Forms 3B + 4B)	✓		
1.7	Transition costs (Form 3C)	(+)		
1.8	Formulas and costs for change in flow or loadings	✓		
1.9	Termination payments	✓		
II.	FINANCIAL QUALIFICATIONS - INSURANCE & BONDS	Summary		
2.1	Provision of acceptable performance and payment bonds or LOC's	✓		
2.2	Demonstrated ability to furnish liability and property damage insurance	✓		
2.3	Ability to provide other guarantees in accordance with RFP and ATS	✓		
2.4	Net worth	✓		
2.5	Levels of capitalization	✓		
2.6	Historic profitability	✓		
2.7	Financial strength of project Guarantor	✓		
III.	LEGAL STANDING	Summary		
3.1	Material lawsuits or litigation on other projects	✓		
3.2	Significant permit violations/exceedances in other projects	✓		
3.3	Material contract disputes and/or terminations/cancellations	✓		
3.4	Convictions for fraud or other illegal activities	✓		
3.5	Legal qualifications to do business/good legal standing in California	✓		
3.6	Bankruptcy judgment within last 10 years	✓		
Totals		(+)	✓	(-)
		5	17	0

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✓= Satisfactorily meets the criteria, will provide acceptable, but not exceptional demonstrated performance, capability, or experience

- = Does not meet the requirement or performance expectation, limited or deficient experience, performance, or capabilities

Evaluation Criteria, Factors and NSD WWTP Contract Ops 6/26/09

Evaluation Criteria				
GUARANTEES, LIABILITY PROTECTIONS AND RISK ASSUMPTIONS - UNITED				
I.	AGREEMENT WITH NSD REQUESTED PROVISIONS	Summary		
1.1	Guaranteed costs	(-)		
1.2	Regulating compliance guarantee	✓		
1.3	Maintenance management	✓		
1.4	Certified staffing	✓		
1.5	Cost adjustment methodologies for annual service fee adjustment	✓		
1.6	Cost adjustment methodologies for flow and/or loadings changes (12 mos. avg.)	(-)		
1.7	Incentive and sharing of savings	(-)		
II.	EXCEPTIONS TO NSD REQUESTED:	Summary		
2.1	Provisions	✓		
2.2	Guarantees	✓		
2.3	Liability protection	✓		
2.4	Risk assumption by Proposer	(-)		
2.5	Other (Additional)	✓		
Totals		(+)	✓	(-)
		0	8	4

+ = Clearly exceeds requirements and/or provides exemplary expertise, experience, or capability

✓= Satisfactorily meets the criteria, will provide acceptable, but not exceptional demonstrated performance, capability, or experience

- = Does not meet the requirement or performance expectation, limited or deficient experience, performance, or capabilities

Evaluation Criteria, Factors and NSD WWTP Contract Ops 6/26/09

Evaluation Criteria				
GUARANTEES, LIABILITY PROTECTIONS AND RISK ASSUMPTIONS - VEOLIA				
I.	AGREEMENT WITH NSD REQUESTED PROVISIONS	Summary		
1.1	Guaranteed costs	✓		
1.2	Regulating compliance guarantee	✓		
1.3	Maintenance management	✓		
1.4	Certified staffing	(+)		
1.5	Cost adjustment methodologies for annual service fee adjustment	✓		
1.6	Cost adjustment methodologies for flow and/or loadings changes (12 mos. avg.)	✓		
1.7	Incentive and sharing of savings	✓		
II.	EXCEPTIONS TO NSD REQUESTED:	Summary		
2.1	Provisions	✓		
2.2	Guarantees	✓		
2.3	Liability protection	✓		
2.4	Risk assumption by Proposer	✓		
2.5	Other (Additional)	✓		
Totals		(+)	✓	(-)
		1	11	0

+ = Clearly exceeds requirements and/or provides exemplary expertise, experience, or capability

✓= Satisfactorily meets the criteria, will provide acceptable, but not exceptional demonstrated performance, capability, or experience

- = Does not meet the requirement or performance expectation, limited or deficient experience, performance, or capabilities

ATTACHMENT 2

Cost Comparison

Comparison of Veolia, United, and NSD Operating Program Costs for 5 Years

(\$'000)

	Veolia Water						United Water						
	1	2*	3	4	5	Total	1	2	3	4	5	Total	
Projected Annual NSD WWTP Costs with Contractor Operations													
Contractor Operator Service Fee													
Routine Maintenance	289	389	401	413	425	1,917	180	490	505	520	535	2,230	
Chemical Usage	164	31	32	33	34	294	103	52	54	55	57	321	
Utilities Costs	20	14	15	15	15	79	29	29	30	31	32	151	
On-Site Staffing	1,259	1,187	1,223	1,199	1,234	6,102	1,340	1,343	1,383	1,425	1,467	6,958	
Other (Admin, Off-Site Support, Etc)	328	225	232	239	246	1,269	692	708	729	751	773	3,653	
Transition Costs (14 areas)	Incl	Incl	Incl			0	261	261	261	0	0	783	
Annual Service Fee	2,060	1,846	1,902	1,898	1,955	9,661	2,604	2,883	2,961	2,781	2,865	14,095	
Pass Through Costs (Using Veolia's Electric & Natural Gas Cost for United's Cost Plus)													
Performance Bond	25	24	24	25	26	123	15	13	13	14	14	69	
Insurance	28	24	25	25	26	128	32	32	33	34	35	167	
Fee for \$30M Liability Cap	0	0	0	0	0	0	250	250	250	250	250	1,250	
Electrical Costs	544	413	425	438	451	2,272	544	413	425	438	451	2,272	
Natural Gas Costs	54	19	19	20	20	132	54	19	19	20	20	132	
Vehicle Fuel Costs	18	14	14	14	14	74	18	14	14	14	14	74	
Pass Through Costs	668	493	508	522	538	2,729	912	741	755	770	785	3,963	
Total Annual Contract Operator Costs	2,728	2,339	2,410	2,421	2,492	12,390	3,516	3,624	3,717	3,551	3,650	18,058	
R&R	150	50	52	53	55	359	150	50	52	53	55	359	
Contract Management	100	103	106	109	113	531	100	103	106	109	113	531	
Other On-Going NSD WWTP Operating Cost Components**	206	213	219	226	232	1,096	206	213	219	226	232	1,096	
Total Annual NSD WWTP Ops. Expenditures	3,185	2,705	2,786	2,808	2,892	14,376	3,973	3,989	4,093	3,939	4,050	20,044	
NPV of Annual Contract Operator Costs						7%	10,184						14,797
NPV of NSD Annual WWTP Ops. Expenditures							11,818						16,431

* For Purposes of this initial pricing comparison, Year 2 costs are shown as requested in the RFP (\$ 2009) and not inflated for both Veolia and United

** Ongoing NSD WWTP Costs are Janitorial Services, Grounds Maint, Water, Telephone, Other (Garbage Coll.), Permits & Fees, Vehicle Repl., & Capital Outlay budgeted at \$ 206,000 for '09='10

NSD Staff: Option 2 with Consultants

	1	2	3	4	5	Total
Projected Annual NSD WWTP Costs Without Contractor Operations						
Routine Maintenance Components:						
- Software Maint	8	8	8	8	9	41
- Repairs & Maint	258	265	273	281	290	1,367
- Unusual Equip Maint	72	74	76	79	81	383
- Small Tools	4	4	4	4	4	19
Subtotal Routine Maintenance	341	351	362	373	384	1,810
Operating Supplies	52	53	55	56	58	273
Electrical, Natural Gas & Chemical Usage	1,060	1,092	1,124	1,158	1,193	5,627
On-Site Staffing	2,007	2,067	2,129	2,193	2,258	10,653
Vehicle Fuel Costs	44	45	46	48	49	232
Other Operating Cost Components:						
- Janitoria Services	21	21	22	23	23	109
- Grounds Maint	5	5	5	6	6	27
- Water	4	4	4	5	5	22
- Telephone	9	10	10	10	10	49
- Other (Garbage Coll)	38	40	41	42	43	204
- Permits & Fees	70	72	74	77	79	372
- Vehicle Repl.	22	22	23	24	25	116
- Capital Outlay	37	38	39	41	42	197
Subtotal Other On-Going NSD WWTP Operating Cost Components	206	213	219	226	232	1,096
Performance Bond						0
Insurance						0
Transition Costs	900	900	900			2,699
Total Annual Operating Costs Before R&R	4,609	4,720	4,835	4,053	4,175	22,391
R&R	150	50	52	53	55	359
Total Annual NSD WWTP Expenditures	4,759	4,770	4,886	4,106	4,229	22,750
NPV	7%					18,750
Inflation		3%	3%	3%	3%	

Comparison of Veolia Program Costs and Program Costs for NSD Staff Operations for 5 Year Totals

\$ (000)

Veolia Program Costs for NSD

NSD Staff Operations: NSD Staff Option 2 with Consultants

Total Projected NSD Expenditures with Veolia **14,376**

Projected NSD Costs: Option 2 with Consultants **22,750**

Potential Adjustments Increasing Veolia Program Costs

+ NSD Positions 8-9 @ \$120,000 Total Burdend Cost Each	742
+ Increase Electrical Costs from \$0.10/KwH to \$0.109/Kwh	204
+ Adjust yr 2 costs to '10 \$'s vs '09 dollars and extend for yrs 3-5	290

Potential Cost Increases to Veolia Program	1,236

Highest Potential Veolia Cost (5 year total) 15,612

NSD Staff Option 2 with Consultants (5 year total) 22,750

Veolia less by \$ 7.148 million

Attachment III
Interview Agenda, Questions, and Topics

Novato (NSD) WWTP Contract O&M Proposal Interview Interview Agenda – 7/9/09

Suggested Time Allocation (minutes)	Topic
5	Introductions
30	Presentation of Your Proposal (assume everyone has read your proposal) <ul style="list-style-type: none">- Overview Approach- Satisfaction of RFP Workslope, Requirements, and Guarantees- Financial Assurances- Key Personnel- Maintenance System and Program- Costs for Your Proposal- Summary of Risk Assignments by Your Proposal- Key Points & Benefits for the District and Rate Payers- Additional Points You Wish to Make
20	General Questions and Issues Regarding Your Proposal (list provided)
15	Proposal Specific Questions (list provided)
10	Additional Questions and Topics
10	Wrap Up

Note: The Interview Committee requests that to the extent practical the On-Site Manager and Project Manager / Area Manager for the firm lead the Interview session and Q&A sessions