



Request for Qualifications &  
Proposals (RFQ/RFP)  
for Establishing a  
Community Based Public  
Private Partnership (CBP3)  
for the Stormwater Authority  
of the City of Chester, PA

September 26, 2016

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## **PREAMBLE**

Urban stormwater runoff is a significant and growing problem that impacts numerous communities throughout the U.S., including the City of Chester and regional communities. Currently, urban pollutant runoff has been identified as a leading contributor to the degradation of urban water resources and increased chronic flooding. Considering the close tie of storms and wet weather to climate and resiliency, impacts related to stormwater runoff will become increasingly significant with the effects of a changing climatic regime and meeting the aging water infrastructure needs of our communities. According to the National Centers for Environmental Information (NCEI), the Nation's Scorekeeper for severe weather and climate events, in 2015, there were 10 major weather and climate disaster events in the U. S. with losses collectively exceeding \$ 10 billion. This does not account for the thousands of smaller storm events and affiliated nuisance floods that wreak havoc on local economies, while disrupting quality of life.

Over 100 million acres of developed land exists across the U.S. today. Over one quarter of this developed space has been converted to impervious cover (rooftops, streets, driveways, etc.) generating high amounts of stormwater runoff that can overwhelm drainage and sewer systems, flood downstream properties and infrastructure, erode streams, and discharge a multitude of harmful pollutants, such as heavy metals, pesticides, oil, gasoline, grease, viruses, fecal bacteria, nitrogen, and phosphorus into receiving waters.

Based upon historical census and land cover data, it is estimated that over 75 percent of existing impervious cover was built prior to 1990, which coincides with the promulgation of the first regulations governing stormwater management at the national level. The implication of this fact is that most urban landscapes across the U.S. are dominated by impervious areas that, coupled with increased runoff events, discharge increasingly higher volumes of nonpoint source pollutant runoff with little or no treatment. These areas will continue to generate greater impacts until treatment is provided.

An effective and holistic way to address increased runoff and flooding resulting from existing impervious cover is to “retrofit” these areas by reducing the volume of runoff generated from these areas through the use of “green stormwater infrastructure” (GSI). GSI is a family of practices that rely on natural process to capture and process rainfall with the goal of reducing the generation of runoff at the site level. GSI has many benefits beyond runoff control, including social improvements (increase in entry-level green jobs, enhanced well-being, reduction in crime), public health (reduced asthma rates, reduction in heat-related deaths), energy savings (reduced air conditioning/heating demand), and as an engine for economic growth and revitalization that can be a cornerstone to urban renewal and addressing blight. The ability to provide environmental and social as well as economic benefits describes “Triple Bottom Line” (TBL) investments. Considering the multi-benefit nature of GSI, it is clear that this type of infrastructure investment satisfies the definition of a TBL investment.

While stormwater retrofits using GSI practices are effective in addressing issues related to stormwater runoff, the costs associated with GSI retrofits in using traditional methods of project delivery and funding/financing are excessive. These high costs have dampened the ability for local governments and other regulated entities to address impacts from existing impervious areas. Additionally, the scale of implementation for stormwater retrofits targeting existing impervious areas have been limited and the pace of implementation is relatively slow. A new approach to increase the scale of stormwater retrofits, at an accelerated pace and in a cost-effective manner that enables local economic revitalization and growth has been developed by the U.S. Environmental Protection Agency (USEPA) Region 3 and is referred to as the “Community-Based Public-Private Partnership” (CBP3) framework.

The CBP3 approach meets the objective of implementing reduced-cost, high-quality, large-scale GSI retrofits in a timely fashion by leveraging the strengths of the public and the private sectors in a public-private partnership (P3) context through a Program Partnership vehicle. This Partnership addresses community-wide goals by implementing GSI retrofits to meet regulatory requirements as well as drive benefits for the community in terms of economic development, social and environmental enhancements, and high-efficient use of public dollars. Specifically, the elements that comprise a CBP3 framework include:

#### Enhanced Procurement

*Public procurement processes can be slow and lead to inflated costs for procured services. The CBP3 approach proposed that the private party utilize private procurement processes to enhance competition for subcontractors to increase the pace of implementation and quickly identify high-value subcontractors to provide quality products/services.*

#### Public Control and Target Setting

*The CBP3 puts the municipality or public entity in control by suggesting that the public party define metrics of success regarding community/social benefits used to create targets for the private party to meet in order to receive full payment on services provided and to continue to provide these services throughout the term of the contract. For instance, the public entity may require a certain amount of local jobs to be created or local businesses to be integrated into the program as a performance target. The private entity receives full payment and is also enabled to continue providing future services only if this target is met. This approach incentivizes desired outcomes aligned with improved community social and economic benefits.*

#### Co-Permittee/Co-Operator

*Traditionally, the public sector bears the project and program regulatory responsibilities. The lack of meeting goals and requirements spelled out in a federally mandated permit, such as that of a Clean Water Act (CWA) National Pollution Discharge Elimination System (NPDES) often leads to violations and fines. The fear of such penalties often drive private entities to insulate themselves in public-private partnerships; however, the CBP3 approach seeks to harmonize and align interests with shared risks between the*

*public and the private parties for greater accountability, management, and overall advantage. One such benefit includes a boost in confidence needed when seeking private financing. A partnership that willingly ties the public and the private entities together on the regulatory front by making these parties co-permittees signals that the services delivered by P3 arrangement are necessary and required on behalf of the public good, and that the public party will pay for these critical, on-going services to fulfill statutory requirements. Experience has shown that this type of signaling is a positive critical factor for private investors, which can lead to lower interest rates and therefore, overall less expensive financing.*

#### A Design-Build-Operate-Maintain (DBOM) Project Delivery Framework

*The status quo method of designing, building and maintaining stormwater infrastructure is to isolate services in silos (i.e. “design-bid-build-bid-maintain”). This leads to frictional costs, such as change orders in the field due to designs that are not easily constructed. Additionally, inefficient use of public dollars can occur in this type of approach. For instance, it is not uncommon for designs developed in a design-bid-build frame to never actually be built. The core of these differences is based upon differing motivations associated with each service provided – designers are paid to design, so there is little motivation regarding the constructability of designs. Similarly, those who construct and install stormwater infrastructure are not motivated to limit the costs for designs as presented/bid initially. However, integrating these services will align interests to develop buildable designs that are easily and efficiently constructed to meet costs as projected. Additionally, service integration reduces frictional costs and wasted public dollars spent as well as reduce implementation pace, as the steps to bid through a public procurement process are eliminated.*

#### Fixed-Fee and Performance-Based Contracting

*To build upon the advantages associated with an integrated-services project delivery model, the CBP3 approach utilizes a fixed-fee method for service payment. This approach reduces the risk to the public entity that large-scale investments will lead to inflated overall program costs. Additionally, the private partner will only be paid when the infrastructure has been constructed to a level of quality defined by the public party – in other words, when the infrastructure becomes “available”. This type of “Availability Payment” model ensures that BMP performance is provided as needed to meet the goals of providing water quality treatment and delivering additional co-benefits.*

#### Focus on Operations and Maintenance

*The traditional approach towards stormwater infrastructure investment has been to focus on the design and construction of practices rather than consider the whole life cycle of these investments. The result is that much of the existing stormwater infrastructure is ill-maintained. The CBP3 turns this approach on its head by requiring that GSI perform throughout the life of the infrastructure, not just on Day 1. Providing consistent operations and maintenance (O&M) services ensures the long-term performance of GSI investments and also creates a significant opportunity for entry-level green jobs.*

## Funding/Financing/Guarantees

*Stormwater and wet weather programs are consistently under-funded. Less than one-third of regulated MS4's have a dedicated funding source through a stormwater utility. Even those relatively few dedicated funding programs that do exist generate limited revenue compared to the overall – and growing – needs associated with both the water quantity and quality aspects of stormwater management. Two options available to communities with funding and financing needs related to stormwater infrastructure investments include the innovative use of publicly-available funds, such as that of the Clean Water Act Clean Water State Revolving Fund (CWSRF), either through direct use or guarantees, which have been found as having the ability to leverage dedicated public revenues up to a 1:10+ ratio, and the leveraging of dedicated public funding sources to attract low-interest private capital. Guarantees or insurance can be used where such assistance will not only result in improved credit market access or reduced interest rates, but CWSRF programs may issue debt guaranteed by CWSRF funds to provide assistance to borrowers for eligible projects. This expands the capacity of a program in the near-term. Borrowers may be both public and private, as long as the private entity is working in partnership on behalf of the public entity – as in a CBP3.*

### In Summary...

*The CBP3 framework is based upon the use of innovative and creative financing to meet the unique funding needs and condition of communities for an overall cost of funding that is reasonable and sustainable. The lack of proper stormwater runoff management and treatment impacts public health/safety, economic stability/vitality, and the quality of life for urban dwellers. These impacts are likely to continue – and worsen with climate change – until large-scale investments in stormwater infrastructure are implemented in urban areas. Traditional methods of stormwater management, which focuses on runoff detention rather than the retention through the use of one-dimensional grey infrastructure such as ponds/basins and underground storage facilities, provide limited benefits and are not adaptive to meet the changing climatological regime. The use of GSI can not only help to address the impacts associated with excessive stormwater runoff, but also provide strong overall investment value through the generation of significant benefits for the community – and the CBP3 is a framework that can deliver large-scale, low-cost, and high-quality GSI investments to maximize these benefits.*

## 1.0 INTRODUCTION

### 1.1 Purpose

The Stormwater Authority of the City of Chester (also referred to as “CSWA”) is seeking a statement of qualifications and actionable proposals (RFQ/RFP) from qualified partners under the assumptions below to provide a comprehensive version of, a Design, Build, Finance, Operate, and Maintain (DBFOM) strategy with the private sector to achieve and/or maintain compliance with the Clean Water Act (CWA) National Pollutant Discharge Elimination System (NPDES) as a Municipal Separate Storm Sewer System (MS4) permit holder through the use of integrated green stormwater infrastructure (GSI) best management practices (BMPs). All qualified parties are encouraged to respond. **Joe Oxman** will administer any engagement that results from this solicitation. Any questions regarding this RFQ/RFP or the selection process may only be made in writing to **Joe Oxman, CSWA Solicitor**, at **OxmanJ@ogklawyers.com** by **October 10, 2016** for Questions. No firm submitting a proposal may make any inquiries or have any discussion with respect to this RFQ/RFP or the selection process to any other CSWA employee or representative, Board member, or Financial Advisor, until final selections have been made.

The Program will ideally be a long-term 30-year contract with an established partnership with a private sector partner to better implement, manage and maintain integrated green infrastructure-driven stormwater controls to meet regulatory mandates for improving water quality, in addition to providing multiple community benefits and enhancements, supporting health, safety, education, employment and resiliency.

This procurement of services will be an integral part of the CSWA’s permitted responsibilities and related priorities to solve problems and issues using adaptive, best management approaches, employing innovative designs, technologies, and “best-fit” solutions that are affordable, high-performing and cost-effective for the CSWA and its constituents. It will complement and enhance the jurisdiction’s existing programmatic, procurement delivery capacity, and/or finance for faster, cheaper, greener results. The jurisdiction will look to use a Community-Based DBFOM – also known as a “Community-Based Public-Private Partnership” (CBP3) - to accomplish the goals of this procurement.

### 1.2 Background on the Stormwater Authority of the City of Chester

Changes made to the Pennsylvania Municipal Authorities Act in 2013 allows for the formation of stormwater authorities to address stormwater-related issues through planning, management, and implementation of stormwater controls. In response to these change, the Stormwater Authority of the City of Chester (CSWA) was formed in January, 2016 to, “to regulate discharges to

the Municipal Separate Storm Sewer System (MS4) to protect the City of Chester & Delaware County's water bodies and groundwater and to safeguard the public health, safety, welfare and the environment." The CSWA is working with other partners, such as the City of Chester (City) and the Chester Water Authority, as it transitions into a fully-functioning utility. For instance, the Chester Water Authority will provide fee collection while the CSWA develops the internal processes and infrastructure required to provide this service. Additionally, the City is working with CSWA to transition the stormwater program from the City to the CSWA. Annual revenue potential is projected to be over \$ 2 Million per year based upon the residential, commercial and industrial base.

### 1.3 Vision

The vision for this Program Partnership is for the CSWA and private entity to enter into a Program Partnership whereby the private entity will work alongside the CSWA to site, plan, design, construct, manage, operate, maintain and/or finance the retrofitting of impervious surfaces through integrated GSI practices for a 30 year concession period after which the retrofit practices will be turned over to the CSWA for ongoing maintenance.

The CSWA seeks to enter into a Program Partnership that achieves the following:

- A Comprehensive approach for design, finance, construction, management, and operations including ongoing maintenance of retrofit of MS4 systems or integrated green infrastructure.
- Increased Predictability through a long-term Program Partnership that allows the private partner to reduce costs through standardization of design, construction, and maintenance practices; leveraging future work to optimize cost savings in the procurement of products, materials, and services.
- Increased Accountability and Transparency of a private partner whose success is based on fixed performance-based service fees built into the agreement related to the time, cost, and quality and overall effectiveness of services provided.
- Increased Financial Leverage of jurisdictional funds by accessing long-term low-interest private capital up front that is paid off over the life of the Program Partnership.
- Enhanced Program Funding capacity through bundling of public sources, such as Clean Water State Revolving Funds (SRF) and municipal bonds, with low-interest private capital for a sustainable and affordable long-term funding source.
- Increased Operational Efficiency in construction, procurement, maintenance, and ongoing management resulting in overall cost reductions compared to traditional government contracting and procurement.
- Reduced Risk and Responsibility by transferring NPDES requirements via the MS4 permit or LTCP responsibility to an organized Program Partnership to manage and maintain over the life of the project.
- Increased Flexibility of scope of services that comply with the NPDES MS4 permit or LTCP, whereas the Program Partnership through the defined



organization can modify the retrofit program as required to take advantage of cost efficiencies; encourage innovation that reduce the cost of technology, design, construction, and maintenance in order to meet established performance requirements.

#### **1.4 Background**

Increased stormwater runoff due to urban/suburban development has been identified by the US Environmental Protection Agency as the fastest growing source of water quality pollution – nationwide. Its impacts are worsened by the significant increase in localized flooding due to drastic changes in weather patterns across the country. In many cases, it is not only water quality that is diminished, but also water quantity. Clean fresh water is essential to all communities, and indeed, all life.

Consequently, developed areas - counties, cities and towns - nationwide are not only faced with the unprecedented regulatory mandate to improve water quality, due to the adverse impacts of stormwater runoff and in many cases, combined sewer overflows, but also to improve mitigation and controls for flooding and other major impacts to community health and resiliency. This means retrofitting a significant portion of the developed area built prior to current stormwater water quality regulations in a timely manner – in accordance with permit conditions. Many jurisdictions are unable to meet these requirements in a timely and cost effective manner due to a variety of challenges, including limited staffing capacity and burdens of traditional procurement and project-management practices. In general, the typical local government procurement, design and construction methods are not structured to process the magnitude of retrofit projects required in a timely and cost-effective manner. Furthermore, the increased long-term financial burdens of operating and maintaining a new stormwater water quality infrastructure cannot be fully known at this time.

Stormwater management has been a significant challenge for many local jurisdictions. The City of Chester and others in the region have endured a significant amount of urban runoff which is ultimately discharged into local waterways, leaving rivers, streams, and larger waterbodies polluted and not meeting or attaining standards set under the Clean Water Act. Sources of this water pollution include runoff from impervious surfaces, such as roads, parking lots, and buildings (rooftops), in addition to residential lawns, local farms and air deposition. Harmful pollutants include metals, petroleum-based products, fecal bacteria, nutrients, and toxics, such as pesticides. Traditional approaches to treating and managing this stormwater runoff have failed to meet this rising challenge.

Fortunately, communities across the country have proved that there are better, more cost-effective solutions for ensuring clean water. Green stormwater infrastructure (GSI) has emerged as a very reliable and cost-

effective path toward achieving clean water while providing multiple community benefits. However, government procurement and delivery systems are very limited in their ability to quickly implement and manage the large-scale GSI implementation needed to effectively address stormwater requirements for NPDES permits, let alone the affiliated costs to not only implement, but maintain the functionality of these controls to ensure that they are consistently working to meet water quality requirements.

The City of Chester and others in the region, like many other communities, is seeking to implement large-scale GSI to achieve its water quality goals, while enabling for enhanced economic opportunities for its residents and local businesses. Moreover, the CSWA seeks to find better ways through which to leverage public funds for long-term, sustained improvements through the use of a CBP3.

The stormwater management needs and mandates as well as social and community drivers for the City of Chester and others in the region can best be summarized by the following:

- 1.4.1 Municipal Separate Storm Sewer System (MS4) Permit Requirements – The City of Chester and others in the region are impacted by excess stormwater runoff in multiple ways; degraded water quality, flooding, and impacted ecological systems. The municipal separated storm sewer system (MS4) that collects and conveys flows delivers flows directly to downstream receiving waters with no treatment of the quality or quantity of runoff if stormwater infrastructure is not provided prior to the delivery of flows. Additionally, much of the existing stormwater infrastructure that has been previously constructed may not perform adequately to address current and future storm events. The result is impacted headwater streams and degraded downstream waterbodies. Integrating GSI into the existing built environment will reduce flow volumes, help restore the hydrologic integrity within the watershed, and provide enhanced water quality treatment. Where retention is not feasible, water quality treatment by GSI with enhanced detention can help to replicate pre-development flow distribution to the degree possible. In both instances, GSI can work to meet MS4 permit requirements and provide additional environmental and social co-benefits.
- 1.4.2 Flooding and Resilience Planning – The City of Chester and others in the region have recently experienced significant impacts from local, urban flooding events as well as coastal and riverine flooding, as outlined in the documented titled, “The City of Chester Vision 2020 Climate Adaptation Planning Elements”. This document identified specific areas of chronic local flooding that has led to

major property and infrastructure damage, adversely compromised public health and safety, and has impacted economic development and activity in key areas. This document goes on to point out that the impacts associated with flooding are expected to increase in the future due to the shifting climate regime, which is projected to increase the frequency and intensity of flooding events. The use of GSI in this context is a key effort to establish enhanced resilience for the City of Chester and others in the region. By increasing the capacity to capture and retain stormwater flows across the landscape, overall runoff volume will be reduced, which will have direct impacts on high-frequency chronic nuisance localized flooding as well as reducing the stress and burden on drainage infrastructure, and provide flood relief in downstream areas. Proactive efforts to enhance flood resilience has been shown to be cost-effective, and the use of GSI in this manner through a CBP3 program has the potential to amplify the investment value for the City of Chester and others in the region.

- 1.4.3 Economic Development/Reinvigoration – The City of Chester currently has half the population it had five decades ago, which has led to abandoned or vacant properties and a draining of human capital and resources. As of 2010, over 30 percent of the City of Chester residents live below the poverty rate, which is more than twice the average for the rest of the surrounding area (Delaware County). The poverty rate for the most vulnerable areas, such as along the waterfront tracts, are even higher. The need for local jobs and economic revitalization is critical and urgent for the City of Chester.

Clean water, reduced wet weather runoff and local flood protection/resilience are central to robust economic urban development. Business vibrancy and economic activity suffer in the context of polluted urban waters and vulnerability to property and infrastructure damage associated with local, urban flooding. To contrast, integrated GSI is being used by communities to address problems of urban blight by harnessing the ability of GSI to be an economic attractor and engine for greening and improving safety and the attraction of urban areas for residents and businesses. The City of Chester and others in the region can benefit from the strategic and large-scale investment of integrating GSI with the improvement of existing gray infrastructure in areas within the jurisdiction to drive economic activity beyond development. The need for consistent and ongoing maintenance of GSI to ensure for its many added community benefits can be a strong job creation engine for those interested in entry level and higher paying jobs within the community. Additionally, the focus of the CBP3

approach to support local, small, and minority-owned businesses can help create and grow local industries in the environmental and a range of other sectors, including that of housing, transportation, education, recreation, and mixed-use development. Economic interests for the City of Chester and others in the region can be well-served by applying the CBP3 framework to expedite performance goals and community livability.

- 1.4.4 Total Maximum Daily Load (TMDL) Conditions – A total of two waterbodies, within the City of Chester, Chester Creek and Ridley Creek, have been found to not meet water quality standards, and therefore, have been placed on the “303 d” list of deteriorated waterbodies requiring the development and implementation of a TMDL – a numeric allocation that describes limits on discharges of specific pollutants of interest by regulated entities that will allow the impacted waterbody to improve and meet designated water quality standards. The pollutant(s) of interest or source of both of the City of Chester’s impaired waters have been determined to be associated with urban runoff, which requires the City of Chester to take actions to address this pollutant source. The use of GSI to retain and treat urban runoff can help to meet these treatment requirements in a holistic and cost-effective manner.

## **2.0 SCOPE OF SERVICES**

### **2.1 General Design Principles**

The general scope of services centers on the CSWA and a private entity jointly developing and obtaining approval for green infrastructure and low-impact development retrofit Best Management Practices (BMPs) with implementation strategies that allow for easy integration into existing urban roadways and other public and private infrastructure that can be retrofitted to reduce and control stormwater runoff. These basic practices will be designed to meet high standards and performance goals as well as to ensure affordable, long-term maintenance and sustainability for cost effective asset management, local economic security and compliance. Through this CBP3 Program strategy, heretofore referred to as “Program Partnership” strategy, the private entity will be responsible for the following actions – on behalf of an established agreement\* with the CSWA:

- Retrofit an initial three-hundred and fifty (350) impervious acres using GSI
- Implement retrofit practices in designated locations and with an emphasis on transportation corridors, especially those with a known history of chronic flooding
- Confirm and coordinate locations for retrofit practice placement with the jurisdiction

- Provide proper notification to impacted property owners prior to construction
- Construct necessary field adjustment with jurisdiction supervision or inspection
- Fully restore the retrofit area
- Provide final report and GIS-based inventory information to the jurisdiction to meet regulatory restoration requirements

\* Note that per approval of US EPA and the State Department of Environmental Protection, the CSWA may also seek to have the private partner serve as a “Co-Permittee” of the MS4 NPDES permit, addressed through these actions.

## **2.2 Clean Water Act (CWA) NPDES Codes and Design Requirements**

The Program Partnership will work with the CSWA and other local jurisdictions, the Pennsylvania Department of Environmental Protection (DEP), and USEPA to identify or define and develop local code and design requirements supporting compliance with NPDES permit requirements. The Program Partnership may also serve as a co-permittee, assuming responsibility and accountability for MS4 permit requirements to the State and USEPA, ensuring compliance of all retrofit activities.

## **2.3 CWA Total Maximum Daily Load (TMDL) Best Management Practices (BMPs) and Technology Considerations**

The Program Partnership will work with the CSWA and other local partners and jurisdictions and the DEP and USEPA to define acceptable BMPs as well as develop technology considerations for addressing all applicable Total Maximum Daily Loads (TMDLs) or local water quality improvements which also affect improved water quality for the Delaware River.

## **2.4 Flooding Mitigation & Community Resiliency Improvements**

The Program Partnership will go beyond NPDES regulatory requirements and seek opportunities to integrate GSI into the landscape to mitigate the impacts of local, riverine and/or coastal flooding with an overall goal of enhancing the resilience of the City of Chester and others in the region in the face of nuisance and/or catastrophic flood events.

## **2.5 Analysis and/or Development of Stormwater Utility Fee Revenues for Leveraging Long-Term, Dedicated Capital Projects & Program Support**

The Program Partnership will support the CSWA’s best options for developing and leveraging its revenue fee system by working with the CSWA to create the following:

- a) Overview of the capital and O&M stormwater needs, rough analysis of revenue with a utility using average ERU’s (Equivalent Residential Unit)
- b) Exploration of the potential administration options and political obstacles. Enabling legislation and the need for a local ordinance to create the utility is explored at this stage.

- c) Detailed Capital Improvement Plan and O&M plan for the community listing all projects that will be conducted by the utility
- d) Analysis of Utility Fee Program Structure and Alternatives
- e) Determination of Rates
- f) Development of policies on exempt properties (non-profits such as churches), credits and rebates, how to handle non or late payers, other community specific issues.
- g) Development and implementation of local ordinances to enable and support formation of the utility fee system for the Authority
- h) Development of the administrative program for billing and collections which will be accomplished through the Chester Water Authority as a partner of the CSWA.
- i) Preparation of written documentation and presentations for the public.
- j) Public education and stakeholder outreach

## **2.6 Innovative and Reliable Low Cost Financing Plan**

The Program Partnership will seek creative strategies to lower the cost of funding. The CSWA is not commercially rated and would be required to issue non-rated debt. The Private sector partner will be responsible for designing financing strategies to lower the cost of funding while also demonstrating clear surety of execution within budget and on time on behalf of the CSWA GSI plans.

## **2.7 Potential Use of Clean Water Act (CWA) State Revolving Fund (SRF) grants, loans, and/or guarantees for affordable, long-term finance bundling**

The Program Partnership will identify and utilize public and private sources of financing to provide low-interest funding sources. As an example but not limited to, Federally sponsored CWSRFs have been providing financial assistance for clean water projects nationwide since 1990. SRF programs typically offer low interest rate loans and grants. However, some CWSRFs may have the ability to offer credit guarantees at the same “AAA” ratings enjoyed by most CWSRF loan programs for lower rated jurisdictions seeking to issue bonds in the capital markets to fund retrofits. SRF funding programs are readily available for Stormwater retrofits. Eligible Borrowers include Local Governments (a county, municipal corporation, sanitary district, or other State or local public entity or person other than a Local Government). Jurisdictions seeking to finance retrofits should carefully evaluate these and other financing options to create the most affordable capital plan given the specific financial profile and needs.

## **2.8 Support for local jobs creation and small business growth and development**

The Program Partnership will meet all requirements for local small and minority-owned business, as well as targets for healthy development that drive greater jobs creation, with emphasis on a range of employment opportunities that best

benefit the City of Chester and surrounding region. It is expected that the integration of local jobs and business development within the program will drive the creation of businesses and industries with expertise related to sustainable stormwater management, healthy infrastructure development and community resiliency.

### **2.9 Opportunities for integrated infrastructure improvements and leveraged financing**

The Program Partnership will seek opportunities to reduce the costs associated with GSI implementation. One example is to ensure that infrastructure projects in other sectors, such as the transportation sector, consider the integration of GSI into restoration or redevelopment projects. Costs associated with integrating GSI into roadway improvements, for instance, can be significantly reduce the overall costs of the GSI used by taking advantage of the opportunity that infrastructure redevelopment is occurring. Additionally, the ability to leverage low-interest financing sources will be developed and implemented.

## **3 REQUEST FOR QUALIFICATIONS/PROPOSAL REQUIREMENTS**

### **3.1 Instructions for Submission of Qualifications and Proposals**

Proposals must be received via email to [OxmanJ@ogklawyers.com](mailto:OxmanJ@ogklawyers.com) no later than 12:00 pm, Eastern Time, on **October 24, 2016**. Six (6) printed copies of the proposal must be received by no later than 12:00 pm, Eastern Time, on **October 24, 2016** at the address below:

**Stormwater Authority of the City of Chester  
419 Avenue of the States  
Chester, PA 19013**

Proposals received after the deadline will not be considered.

#### **3.1.1 Packaging (sealed envelopes/disk)**

Offeror shall submit their offers and amendments in sealed envelopes or packages addressed to the office as specified in the Solicitation cover letter. Offerors shall also show the time specified for receipt, the Solicitation number, and the Offerors' names and addresses. Electronic, telegraphic, or facsimile transmissions of initial offers will not be considered.

#### **3.1.2 Proposals must be formatted and submitted in the exact form and sequence as follows:**

**3.1.2.1** A brief, no more than 2 pages, Executive Letter should accompany each proposal and does not count toward the 12 page limit.

3.1.2.2 Answers to all questions in sequential order as described in Section II of this RFQ/RFP.

3.1.2.3 Additional supporting information should be included as an Exhibit and does not count toward the 12 page limit.

CSWA is not liable for any costs incurred by respondents, including without limitation, costs related to preparation of proposals or potential oral interviews.

3.1.3 Preparation (formatting requirements, page limits, etc.)

Each volume shall be submitted in bound hard color copies and not exceed 12 pages in length not including Appendices. The page size of the Offeror's proposal shall not exceed 8½" by 11" with a minimum 10-pitch font. A page is defined as the single-spaced, single side of one 8 ½" by 11" sheet of paper or one printed side of a foldout page. Foldout pages shall fold entirely within the volume to 8½" by 11" size. Each printed side of a foldout counts as one page. The original proposal shall be provided on white paper with any changes made during the Solicitation process submitted on different colored paper for each change. Changes shall be submitted on a replacement page basis. Offerors are cautioned to ensure that any changes are reflected in all supporting tables and volumes.

All volumes shall be marked with the Solicitation number. Every page in the proposal shall have the Solicitation number, the volume number, and the consecutive page number (using Arabic numerals 1, 2, 3.). All volumes shall include the Offeror's identity and the volume number on the cover page. Each volume shall have a transmittal cover letter of no more than one page. This page will not count against the page limit for the volumes.

During proposal evaluation, each volume will be reviewed separately. Therefore, each volume shall be a stand-alone document requiring no referral to other volumes for full understanding. Referrals to other sections of the same volume shall also be kept to a minimum. Each volume must contain both a detailed table of contents for the volume and an overall table of contents covering all volumes.

Incomplete submittals and/or submittals without mandatory forms may be rejected.

3.1.4 Electronic Copies

Electronic copies shall be submitted on a CD-ROM, CD-R, or DVD-R in a protective sleeve. Each CD ROM and protective sleeve shall be clearly marked with the volume number, title, Solicitation number, and the Offeror's name. All CD-ROMs will be included with the



“original” paper copies of each volume as identified in the Solicitation. The information submitted must be checked and determined to be virus free prior to submission. The electronic submittals shall be compatible with Adobe Acrobat Reader 8.0 (pdf) and Microsoft Excel.

3.1.5 The electronic copy of the proposal shall be an exact duplicate of the original paper proposal. The CD ROMs will be used for proposal evaluation. If there are discrepancies between the electronic proposal and the original paper proposal, however, the paper original shall be deemed to govern.

3.1.6 Response Assumptions

3.1.6.1 Respondents should assume:

- A project scope for a total of 350 acre integrated GSI urban retrofit program within the City of Chester with targeted investment of \$50 million, including a long-term (30-year) operation and maintenance program.
- GSI retrofit implementation should include a focus on green streets projects/opportunities
- Implementation will also focus on an inventory and retrofits for tracking and improving inoperable gray infrastructure. Where possible, the addition of green infrastructure to enhance performance is desired.
- GSI retrofit implementation should include a focus on public schools, religious institutions, and public space/parks
- Program should focus on healthy, sustainable economic development/redevelopment, which includes a minimum of 30% MBE participation including local job growth, and local business engagement/participation.

3.1.7 Anticipated Partner Selection Schedule

RFQ/RFP Issued	09/26/16
Proposal Due Date	10/24/16
Selection of Partner	11/18/16
Plan Development Period and Finalization	11/21/16-01/13/17
Program Initiation Date	01/16/17

**The above schedule is subject to change and any changes will be posted on our website.**

**3.2 RESPONSE QUESTIONS**

**3.2.1 EXECUTIVE SUMMARY/PREFACE**

- Offeror shall provide an introduction of the Program Partnership. Discussion of proposed team members is optional.
- Offeror shall provide a summary of its plan and long-term outlook for this contract/project. This shall include a roadmap of offeror's proposal considering each of the four submission factors. The roadmap shall include an overview of the strategy in Factor 1, 2, 3 and 4 to ensure overall success.
- This section is meant to introduce key points of the plan and establish the framework of the proposal response. The full details will be included at the factor level in response to specific questions.

### **3.2.2 FACTOR 1 – PROGRAM PARTNERSHIP EXPERIENCE**

#### **3.2.2.1 Sub-factor 1 – Program Partnership Experience**

- Offeror shall provide a narrative describing similar experience in community-based Program Partnerships, implementing long-term sustainable plans.
- Provide a detailed list of relevant partnership project experience (up to 15).
  - For all listed examples, provide the following information:
    - Company/Division Name
    - Program/Project Title
    - Contracting Agency/Customer
    - Contract Number
    - Type of Contract/Project
    - Period of Performance
    - Contract Dollar Value at Time of Selection/Closing
    - Original Completion Date
    - Current or Actual Completion Date (also provide percentage of completion if not complete)
    - Specific Role of Offeror
- Provide a maximum of three detailed descriptions of corporate experience that address the three categories of a community-based partnership below:
  - Description of Effort
  - Statement of Relevancy to Proposed Effort
  - Complexity of the Project
  - Significant Achievements/Resolution of Problems (state problem encountered and resolution)
  - Scope of Design and Construction Activity
  - Scope of Long-Term Operations, Maintenance, and Management Activity

- Duration of Long-Term Operations, Maintenance, and Management Activity
- Name, Title, Affiliation, Address, Phone and Fax Numbers, and Email Addresses of Client Points of Contact
- Indication of Request of Past Performance Questionnaire

#### **3.2.2.2 Sub-factor 2 – Program Partnership References**

- For each of the three experience examples, the offeror will have its point of contact submit a completed and signed Past Performance Questionnaire **(Attachment A)**. Questionnaires should not be completed by team members, employees or affiliates. Questionnaires should be received by the government no later than the deadline for submittals.
- Offeror should include additional performance-recognition documentation such as letters of commendation and awards to further demonstrated successful performance.

#### **3.2.2.3 Sub-factor 4 – Capital Markets Experience**

- Offeror shall provide a detailed narrative on Offeror’s capital market experience including but not limited to the capital market financings (bonds) issued by affiliates or related entities of the parent company during the last ten years. Offeror shall also indicate if any such financings of affiliated entities of the Offeror have defaulted. Offer shall also provide an historical list of such financings in an Appendix.

#### **3.2.2.4 Sub-factor 3 – Innovation**

- Offeror shall provide a narrative demonstrating incorporation of innovative approaches, strategies, and solutions on similar efforts. This should also include a description of impact resulting from the innovation as related to cost, schedule, efficiency, quality, etc.

#### **3.2.2.5 Sub-factor 4 – Corporate Resume**

- Offeror shall submit a corporate resume to provide information and substantiate to the CSWA the ability to perform in the areas proposed.
- Identify the team of professionals which are responsible for the successful implementation of the proposed plans.
- Corporate resumes should address each of the areas outlined below, at a minimum:
  - Firm name, office address, and telephone number and specific roles for each individual that will be performing work under the prospective contract.

- Type of business organization; date organized; date and state of incorporation, if applicable.
- Number of permanent personnel on the present payroll.
- Total value of work in past six years exclusive of Joint Venture; Average annual gross income for the past six years.
- Largest public/private Partnership in past six years (contract amount, period of performance, description, owner).
- Largest public-private partnership in progress/completed (contract amount, date completed, description, owner).
- Type of work in which firm specializes.
- Relevant specialized experience.

### **3.2.3 FACTOR 2 – STRATEGY/APPROACH**

#### **3.2.3.1 Sub-factor 1 – Community-Based Program Partnership Approach**

- Offeror shall describe its vision for creating a Program Partnership with government entities in the performance of this effort.
- Offeror shall provide a description of its approach to align public and private goals.
- Offeror shall describe how it will address the obligations of the MS4 or NPDES permit. Indicate if offeror will take over the obligation or coordinate permit obligations with the Jurisdiction.
- Offeror shall provide a description and narrative of its proposed organization including levels of management interaction, extent of proposed team having worked together in the past and corporate support to ensure overall success. In addition, provide an organizational chart showing key positions of the Program Partnership to include lines of communication and authority.
- Provide a concise summary of Program Partnership roles and responsibilities (e.g. public relations, safety, quality, small-business contracting) to ensure success. Include a description of responsibilities within the proposed team to demonstrate a comprehensive understanding of the long-term effort.
- Offeror shall describe its approach for communicating/interfaces with multiple stakeholders. Specifically, address how stakeholders are engaged throughout the process. Offeror shall provide a narrative addressing how the Program Partnership will approach minor

and major program decisions related to scope changes, unforeseen conditions, force majeure, etc. Include a definition of what constitutes a minor decision and major decision.

- Offeror shall describe how it will ensure transparency in the Program Partnership.

### **3.2.4 Sub-factor 2 – Performance Strategy (Vision to the Plan)**

- Offeror shall describe its proposed service offering to include design, construction, maintenance, and management activities necessary to achieve overall program success.
- Offeror shall demonstrate in their plan an understanding of effectively managing the full services offering simultaneously.
- Offeror shall provide a summary of their QA/QC program.
- Offeror shall provide a narrative detailing how it will ensure affordability and what measures will be implemented to ensure cost effectiveness.
- Offeror shall explain its ability to provide program administration from award through the duration of the long-term plan.
- Offeror should identify service standards in the form of metrics and describe how metrics will be developed to align with best practices and regulatory requirements. Specifically address operational efficiency in construction, maintenance, and management. Also address compliance with performance standards to include federal, state and local laws and regulations, and current version of specific systems requirements for NPDES MS4 permit.

### **3.2.5 Sub-factor 3 – Approach to Plan Development Period after Selection of Partner**

- The offeror shall provide a narrative describing its proposed approach for the plan development period and finalization after selection of a partner.
- At a minimum, offerors should address:
  - 1) Ability to work with government partners and stakeholders;
  - 2) Roles and responsibilities of selected partner and government partners;
  - 3) Approach/oversight of stormwater management operations.

#### **3.2.5.1 Sub-factor 4 – Approach to Manage Risk**

- Offeror shall provide a narrative describing its approach for identification of potential risks and mitigation techniques; identifying potential risks associated with the proposed effort and provide solutions to mitigate these risks.

### **3.2.6 FACTOR 3 – FINANCIAL CAPABILITY**

#### **3.2.6.1 Sub-factor 1 – Finance Strategy and Approach**

- Offeror shall demonstrate an organization structure depicting a relationship of parties that are financially accountable for contract/project performance.
- Offeror shall describe its strategy and approach for financing the project/contract on a long-term basis including a discussion of its financial structure with long-term government Program Partnership, risks and benefits of the structure, and why this strategy is the most advantageous to the government and end users. Offer shall also include a surety of execution discussion identifying the risks and benefits of the financing plan.
- Offeror shall discuss its term proposal and structure for cost accountability standards including recording and budget requirements.
- Offeror shall provide a summary of the relationship between the Offeror's expected financial return and its approach to ensuring that the assets are preserved and high service levels are maintained over the course of this contract/project.
- Offeror shall highlight the transparency of its financial fee model.

#### **3.2.6.2 Sub-factor 2 – Financial Pro Forma Model**

- Offeror shall submit a comprehensive 30-year pro forma model (using Microsoft Excel software with fully functional cell formulae and any internal reference linkages in place) depicting a development budget and operating cash flow that accurately reflects the proposed project concept and financing from the initial commencement of development including ongoing maintenance feasibility throughout the term of the contract. The financial pro forma shall use an annual inflation rate of two percent (2%) for all revenue and expense projections.
- In addition, Offerors shall provide a cash waterfall diagram depicting their proposed priority of payments and a description of key assumptions with footnotes.
- The project is subject to a variety of additional requirements and conditions as described throughout this Solicitation. Offeror's pro formas shall comply with all project requirements and conditions. Offerors shall submit the sources and uses of funds for the project on a separate worksheet within the pro forma.

### **3.2.6.3 Sub-factor 3 – Financial Strength and Sustainability**

- Offeror shall submit a statement of its long-term financial sustainability strategy that includes addressing reserve accounts, development sources and uses of funds that describes proposed capital and operation funding accounts.
- Offeror to explain why this financial structure and its components are competitive and reasonable for a long-term Program Partnership.
- Surety of Execution : Offeror to explain why this financial structure and its components are reliable in their ability to timely fund development needs of the project and any backup plans required to assure project funding on time, within budget and under the terms and conditions represented under the proposal.
- Offeror shall address its approach to forecasting, managing, and overcoming unforeseen conditions ad challenges.

### **3.2.6.4 Sub-factor 4 – Demonstrated Financial Experience**

- Offeror shall demonstrate overall Program Partnership financial experience relevant to this contract. The Offeror shall provide relevant examples of overcoming market and partner challenges that demonstrate its ability to remain flexible to government and Program Partnership changes. In addition demonstrate previous financial experience with forecasting, managing and overcoming unforeseen conditions, and challenges.

### **3.2.6.5 Sub-factor 5 – Financial Statements**

- Offeror to provide Financial Statements (as an attachment), as defined below, and other documentation as required in order to demonstrate the Offeror’s financial strength and capabilities. Note: “Financial Statements” are defined as the financial statements accompanied by an auditor’s assertion of accuracy for the most recent two years and year-to-date statements through the end of the calendar quarter that precedes the date of this solicitation. The auditor must be from a Certified Public Accounting firm and the assertion of accuracy must state that the financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP).
- Any Offeror that is either not a public company subject to the reporting to the Securities Exchange Commission (SEC) or a newly formed public company subject to the reporting to the SEC that does not have two Forms 10-K available shall submit

any Forms 10-K and Forms 8-K submitted to the SEC within the last two years along with its Financial Statements.

- If Statements are not available, an Offeror may submit either a) Audited Financial Statements by a Certified Public Accountant (CPA) and an assertion of accuracy from the entity's Chief Financial Officer or equivalent; or b) individual's Internal Revenue Service (IRS) tax filings that have been executed and submitted to the IRS by the individual or a certified preparer.
- If any Financial Statements and information submitted note any litigation, disputes, claims, UCC filings or similar items, provide the current status of each matter in full detail.
- Offeror shall provide a letter from its surety company demonstrating ability to obtain payment and performance bonds or subcontractor default insurance.
- Offeror shall demonstrate they have a source of sufficient equity to meet the equity requirement of this contract.

### **3.2.7 FACTOR 4 – SOCIO-ECONOMIC PLAN**

- Offeror to describe its social benefits including company principles and efforts towards community development.
- Offeror shall describe its success in providing opportunities to local minority, women-owned and other disadvantaged businesses as well as local small businesses in the past. Provide specific examples where you utilized these concerns.
- Offeror, regardless of business size, shall submit a Socio-economic Plan that demonstrates a commitment to providing subcontracting opportunities to local minority, women-owned and other disadvantaged businesses as well as local small businesses. As part of this description, the Offeror shall include:
  1. A description of the efforts the Offeror will make to assure that local minority, women-owned and other disadvantaged businesses as well as local small businesses will have equal opportunity to provide supplies, services, or support under any resulting contract, as well as the percentage of work that will be performed by local minority, women-owned and other disadvantaged businesses as well as local small businesses.
  2. A description of any future plans the Offeror has for developing additional subcontracting opportunities for local minority, women-owned and other disadvantaged businesses as well as local small businesses to participate in contract performance during the contract period. As well



as the percentage of work that will be performed by local minority, women-owned and other disadvantaged businesses as well as local small businesses.

3. The type of performance data the Offeror would accumulate and provide to the Jurisdiction regarding its support of local minority, women-owned and other disadvantaged businesses as well as local small businesses during the period of contract performance.
4. The name and title of the individual principally responsible for ensuring company support to such firms.
5. A description of an education-focused program that will support the goals and outcomes associated with the program.

### 3.3 Basis of Evaluation

3.3.1 Source Selection Committee – Selection will be made by Board Members of the CSWA. The EPA, State DEP and other jurisdictional permitting agencies will be consulted during the selection/review process.

3.3.2 Strategy - The government will determine the most advantageous Proposal and thereby identify the Offeror using an integrated assessment of the Factors and Sub-factors described and defined below. Proposals will be ranked in order of preference based on the results of such evaluations; however, any Offeror receiving an unqualified rating will not be considered in the determination. The government will then enter into exclusive negotiation with the successful Offeror. Exclusive negotiations may result in terms and conditions that differ from those specified in the RFQ/RFP, the appendices to the RFQ/RFP and the selected proposal.

3.3.3 Evaluation Factors Order of Importance -The government will select the most advantageous proposal based upon an integrated assessment of the evaluation Factors and Sub-factors described below. Four (4) Factors will be used to evaluate Proposals: Factor 1 (Program Partnership Experience), Factor 2 (Strategy/Approach), Factor 3 (Financial Capability), Factor 4 (Socio-economic Plan/MDE/SBE Contracting). The evaluation Factors and Sub-factors are shown in the following table.

Factors/Sub-factors	Order of Importance
Factor 1 – Program Partnership Experience	Factors 1, 2, 3 and 4 are of equal importance
Sub-factor 1 – Program Partnership Experience	
Sub-factor 2 – Program Partnership References	
Sub-factor 3 – Problems Encountered and Solutions Proposed	
Sub-factor 4 – Innovation	
Sub-factor 5 – Corporate Resume	Sub-factors within Factors are of equal importance.

Factor 2 – Strategy/Approach Sub-factor 1 – Program Partnership Approach Sub-factor 2 – Performance Strategy (Vision to the Plan) Sub-factor 3 – Approach to Plan Development Period after Selection of Partner Sub-factor 4 – Approach to Manage Risk	
Factor 3 – Financial Capability Sub-factor 1 – Finance Strategy and Approach Sub-factor 2 – Financial Pro Forma Model Sub-factor 3 – Financial Sustainability Sub-factor 4 – Demonstrated Financial Experience Sub-factor 5 – Financial Statements	
Factor 4 - Socio-economic Plan	

3.3.4 Plan Acceptance

The CSWA reserves the right to accept or reject any and all proposals, in whole or in part, received as a result of this solicitation and to waive minor irregularities. Further, the CSWA reserves the right to make a whole aware, partial award, or no award at all.