



# REQUEST FOR PROPOSALS TITLE PAGE

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## Hanover County, Virginia Purchasing Department

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Proposal Title: FINANCIAL CONSULTING SERVICES – WATER AND WASTEWATER RATE STUDY

This is Hanover County's Request for Proposals No. 09-011905-2022TL, issued April 16, 2009. Direct requests for information to: Trena A. Low, Purchasing Officer II: PH (804) 365-6283; FX (804) 365-6100; email: [talow@co.hanover.va.us](mailto:talow@co.hanover.va.us). Sealed proposals will be accepted prior to 1:00 PM, May 19, 2009. Proposals received after the stated due date and time shall not be considered.

A Pre-proposal Conference will be held for this procurement on May 5, 2009 @ 10:00 AM, in the Board of Supervisors' auditorium, County Government Building, 7516 County Complex Road, Hanover Virginia to discuss the general scope of services and answer general questions. Attendance is not mandatory, but encouraged. All questions/requests for information not posed at the pre-proposal conference shall be submitted in writing, addressed to: County of Hanover, Purchasing Department, ATTN: RFP No. 09-011905-2022TL, P. O. Box 470, Hanover, VA 23069-0470 and to be assured consideration, must be received prior to 4:30 pm, May 6, 2009, the County's next business day following the pre-proposal conference. Questions may be submitted by fax to 804-365-6100, or email to [talow@co.hanover.va.us](mailto:talow@co.hanover.va.us). After reviewing any questions/requests submitted, the County will issue an addendum to respond to items it deems necessary. Changes to this Request for Proposals will be made only by written addendum issued by the County Purchasing Department.

Submit Proposals: BY MAILTO:

County of Hanover, Purchasing Dept., Room 205, P. O. Box 470, Hanover, VA 23069-0470

BY HAND DELIVERY OR EXPRESS CARRIER TO:

County of Hanover, Purchasing Dept., Room 205, 7497 County Complex Road, Hanover, VA 23069

Offerors shall ascertain prior to submitting a response that all Addenda issued have been received and shall acknowledge receipt and inclusion of all Addenda here:

Addendum No. \_\_\_\_ Date: \_\_\_\_\_ Addendum No. \_\_\_\_ Date: \_\_\_\_\_ Addendum No. \_\_\_\_ Date: \_\_\_\_\_

Information the Offeror deems Proprietary is to be included in the proposal in the separate section of the proposal identified on the line below. See Submission Requirements in this RFP for additional information.

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All proposed exceptions to this Request for Proposals, and any proposed changes to the contract documents or terms and conditions, are to be included in the proposal response in the separate section of the response identified on the line below. See Submission Requirements in this RFP for additional information.

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In compliance with this Request for Proposals and all the conditions imposed therein, the undersigned offers and agrees to furnish the goods/services in accordance with the attached proposal or as mutually agreed upon by subsequent

negotiations. By my signature below, I certify that I am authorized to bind the Offeror in any and all negotiations and/or contractual matters relating to this Request for Proposals. Sign in ink and type or print requested information.

My signature certifies that this firm or individual has no business or personal relationships with any other companies or persons that could be considered as a conflict of interest or potential conflict of interest to the County of Hanover, and that there are no principals, officers, agents, employees, or representatives of this firm that have any business or personal relationships with any other companies or person that could be considered as a conflict of interest or a potential conflict of interest to the County of Hanover, pertaining to any and all work or services to be performed as a result of this request and any resulting contract with the County of Hanover.

INCLUDE PAGES 1 AND 2 OF THIS RFP AS THE FIRST 2 PAGES OF YOUR PROPOSAL RESPONSE

THIS PROPOSAL RESPONSE IS SUBMITTED BY:

Full Legal Name of Offeror:\_\_\_\_\_

Mailing Address:

Remittance Address (If Different):

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Phone: (\_\_\_\_) \_\_\_\_\_

Fax: (\_\_\_\_) \_\_\_\_\_

Email Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Typed/Printed Name: \_\_\_\_\_  
(Person Signing Proposal)

Signature: \_\_\_\_\_  
(Person signing must be authorized to bind  
the Offeror in contractual matters)

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INDICATE THE TYPE OF BUSINESS:

\_\_\_\_\_ Individual Trading in Own Name

\_\_\_\_\_ Partnership

\_\_\_\_\_ Individual Trading Under Trade Name  
(Individual and Trade Name must be listed above  
as "legal name")

\_\_\_\_\_ Corporation

CORPORATE SEAL:

## 1.0 GENERAL INFORMATION

- 1.1 Hanover County, Virginia is soliciting proposals from qualified Offerors to provide cost of service analysis and propose rate and fee schedule design or adjustments to the existing rates and fees as needed for its public water and wastewater utility services. The initial term of this contract shall be for one year, with the option to renew for four additional one-year periods, one at a time, upon mutual consent of the parties to the contract for additional cost of service analysis or related financial services. Related financial services include, but are not limited to, debt feasibility, financial analysis of master plan and capital improvement plan updates and cost allocation analysis of new or existing service types.
- 1.2 The Hanover County Department of Public Utilities (“DPU”) owns, operates, and maintains public water and wastewater systems in the Suburban Service Area, the Hanover Courthouse Area and five rural residential subdivisions (collectively, the “System”). The Suburban Service Area includes Mechanicsville, Ashland, Doswell, the Route 33 area near the Henrico County border, and the Hanover Courthouse area. Outside of the Suburban Service Area are the 5 rural residential subdivision water systems.
- 1.3 DPU operates the System as a self-supporting enterprise fund, whereby the operations and capital expenditures are funded with revenues generated from user fees, one-time fees paid for capacity at the time of connection to the System, and miscellaneous fees. County general fund tax dollars are not used to finance the operating or capital expenses of the System. The DPU enterprise fund also reimburses the County’s general fund for direct services provided to support DPU, as well as a service assessment charge for indirect Public Safety and Fire/EMS services. The Hanover County Board of Supervisors establishes and revises water and wastewater rates and fees and adopts an annual operating budget and capital improvements budget.
- 1.4 DPU develops its Facility Master Plan and long-range capital improvements program in support of the County’s Comprehensive Plan (“Comp Plan”) for growth management. In addition, to the Comp Plan, the utility capital needs are also impacted by contractual commitments (Town of Ashland, City of Richmond, County of Henrico), as well as compliance with significant current and future state and federal regulatory mandates.
- 1.5 DPU operates the System with County personnel and maintains the System with both County and contractor personnel. The department reads meters, prepares bills, maintains customer accounts, assists public and private utility operators within the County that are not part of the System, and actively participates in regional approaches to providing water and wastewater services. Meters are read and bills are produced bi-monthly for all accounts except for five significant industrial users that are read and billed monthly: Bear Island Paper Company, Kings Dominion, Doswell Limited Partnership LLP, Tyson Foods, and Caroline County State Fair Vault.
- 1.6 The County’s water system consists of 11 potable water wells, two surface water treatment plants, eight storage facilities, and seven water-pumping stations. The water transmission and distribution system is comprised of approximately 380 miles of waterline ranging in size from 2 to 30 inches in diameter. The Doswell Water Treatment Plant, rated at 4 million gallons per day (“MGD”), was constructed in 1974 and upgraded and expanded in 1991. The South Anna Water Treatment Plant is rated a 2.0 MGD and was constructed in the early 1960’s. The South Anna plant is currently not in operation and would require substantial rehabilitation and upgrades to return it to service. Additional water supplies are provided by long-term contracts with City of Richmond and Henrico County, which serve the Suburban Service Area and the Route 33 area, respectively. In the Route 33 area, the County provides water service to Tyson Foods and a limited number of residential and commercial customers via a water purchase agreement with Henrico County. The rural systems operated by the County are Georgetown, Dianne Ridge, Oak Hill Estates, Strawhorn, Sinclair Manor, and Hanover Courthouse.
- 1.7 The County’s wastewater system consists of four wastewater treatment plants and 38 wastewater pumping stations. The wastewater collection system is comprised of approximately 356 miles of sewerline. The Doswell Wastewater Treatment Plant is rated at 1.0 MGD and serves the Doswell area. Ashland is served by the 2.0 MGD Ashland Wastewater Treatment Plant. The Hanover Courthouse area is served by the 0.08 MGD Courthouse Wastewater Treatment Plant. The Totopotomoy Wastewater Treatment Plan is rated at 5 MGD, was placed into service in September 2004 and serves a portion of the Suburban Service Area. The majority of wastewater generated in the Suburban Service Area is pumped by the Beaverdam Creek Wastewater Pump Station (5.4 MGD average capacity) to Henrico County’s Strawberry Hill Wastewater Pump Station for conveyance to and treatment by Henrico’s wastewater treatment plant.

- 1.8 In addition to the costs related to Clean Water Act and Safe Drinking Water Act revisions, the water and wastewater systems are also faced with State program costs including, but not limited to, source water protection and nutrient reduction.
- 1.9 Financial and Contractual Details:
- 1.9.1 As of June 30, 2008, the County provides water services to approximately 19,742 customers and wastewater services to approximately 17,931 customers. This includes approximately 1,701 non-residential customers. For fiscal year 2008, the top ten water customers made up 17.9% of total water revenue and the top ten wastewater customers made up 5.9% of total wastewater revenue.
- 1.9.2 The 2009-10 budget for Public Utilities is \$35.5 million, including \$7.5 million in capital improvement funds. The water service rate increase for FY10 is 3%, while sewer service will have no rate increase in FY10. Capacity fee revenue remains designated for the funding of growth-related projects and debt service. A copy of the DPU FY2009-10 Budget can be found on the Hanover County website at <http://www.co.hanover.va.us/finance/adopted-10/budget-toc.htm>.
- 1.9.3 The department's 2009-10 Five Year Capital Improvement Program totals \$82 million. Water improvements total \$52.7 million. The most significant water project is the Hanover-Richmond Waterline for \$31.0 million which includes the final capacity fee payment required by the long-term water purchase agreement with Richmond, and increases Hanover's capacity from 15 MGD to 20 MGD. Wastewater improvements total \$29.3 million. Significant wastewater projects include \$8.1 million for the Upper Chickahominy River Sanitary Sewer Interceptor and \$4.0 million for the Totopotomoy Wastewater Treatment Plant expansion. A copy of the Five-Year Capital Improvement Plan can be found on the Hanover County website at <http://www.co.hanover.va.us/finance/adopted-10/budget-toc.htm>, including detailed descriptions for each project.
- 1.9.4 In 1994, the County entered into a contract with the City of Richmond (the "City") allowing the County to purchase water from the City. The payments for providing water to the County include: joint capital costs (capital costs that allow the County to acquire capacity from the City), direct capital costs (capital costs for facilities or portions thereof constructed or in place that only or predominantly service the County), and operating expenses (all expenditures needed for the operation and maintenance of the water utility that are not capital costs). Payments are in proportion to the County's percentage of capacity. When the County's final capacity payment is made by July 1, 2009, the County will have purchased 20 MGD of water capacity from the City. The County previously purchased 15 MGD of water capacity from the City.
- 1.9.5 In 1995, the County entered into an agreement with the Henrico County to purchase water and wastewater treatment services. In the agreement, Henrico agrees to supply up to .775 MGD of water and will accept up to 5.4 MGD in wastewater. The water and wastewater fees are a two-part rate structure consisting of a capacity charge and commodity charge, which are based upon an annual cost of service study.
- 1.9.6 As of the most recent audited financial statements dated June 30, 2008, the Utilities Fund had \$35.6 million in cash, \$33.7 million in Unrestricted Net Assets and \$37.9 million in outstanding debt. The County's water and sewer revenue bonds debt covenant requires the ratio of utilities net available revenues divided by the sum of 115% of senior debt service and 100% of subordinate debt service to exceed 1.0
- 1.9.7 Coverage ratio data for a ten year period is included in the Statistical Section of the County's June 30, 2008 Comprehensive Financial Report located on the County's website at [http://www.co.hanover.va.us/finance/cafr-07/Statistical/DebtCapInfo/Pledged\\_Revenue\\_Cvrg.pdf](http://www.co.hanover.va.us/finance/cafr-07/Statistical/DebtCapInfo/Pledged_Revenue_Cvrg.pdf).
- 2.0 County Rates, Fees And Charges

- 2.1 The County's water and wastewater user rate structures are adopted by ordinance on a fiscal year basis by the Board of Supervisors. Rates are reviewed in conjunction with the budget process and are adopted before the end of the fiscal year for implementation in the new fiscal year, which begins July 1<sup>st</sup>. The County's principal considerations in adjusting rates and fees are to maintain the system's operations as a self-supporting enterprise, assure adequate customer service levels, prepare for future capital and capacity needs, and provide adequate funding available for potential emergencies.
- 2.2 The principal sources of funds to pay operation and maintenance expenses are user fees for both water and wastewater. The user fee, based upon metered water consumption, consists of a monthly or bi-monthly base charge, plus a commodity or usage charge per one thousand gallons for water and/or wastewater use. A small number of wastewater-only customers are billed a flat rate for wastewater service.

The County charges capacity fees, also known as system development charges, for new connections to the water or sewer systems. Capacity fees are charged based upon the water meter size necessary to serve the customer. In setting its user rate and capacity fee structure, the County's general practice has been to cover projected operating costs with user rates and to cover projected capital improvement costs with capacity fees.

The rate structure also includes an irrigation credit component for residential wastewater charges. Wastewater charges are capped at 125% of one winter billing period usage. The winter billing period includes the December through February usage or the January through March usage, depending on the billing cycle.

2.2.1 The bimonthly user fees for fiscal year 2008-09 are as follows:

| <b>Residential Schedule of Rates</b>             |                                                                                           | <b>Water</b> | <b>Sewer</b> |
|--------------------------------------------------|-------------------------------------------------------------------------------------------|--------------|--------------|
| Base Charges for 5/8" and 3/4" Residential Meter |                                                                                           | \$7.89       | \$18.87      |
| <b>Residential<br/>Usage Rates</b>               | Residential Water: 0-4,000 gallons, per 1,000 gallons                                     | \$1.25       |              |
|                                                  | Residential Water: 4,001-15,000 gallons, per 1,000 gallons                                | \$3.82       |              |
|                                                  | Residential Water: Over 15,000 gallons, per 1,000 gallons                                 | \$4.98       |              |
|                                                  | Residential Wastewater: 0-4,000 gallons, per 1,000 gallons                                |              | \$5.07       |
|                                                  | Residential Wastewater: Over 4,000 gallons, per 1,000 gallons                             |              | \$6.37       |
|                                                  | Residential Wastewater: Un-metered sewer only customers are charged a flat bimonthly rate |              | \$90.80      |

| Miscellaneous Service Charges |                 |                           |  |
|-------------------------------|-----------------|---------------------------|--|
| Late Payment Fee:             | 10% of bill     |                           |  |
| Service Fee:                  | \$25.00 - Water | \$25.00 - Sewer           |  |
| Deposit - when required:      | \$75.00 - Water | \$75.00 - Sewer           |  |
| Reconnect Fee:                | \$40.00         | \$55.00 - after 4:30 p.m. |  |
| Calibration Fee:              | \$25.00         |                           |  |
| Return Check Fee:             | \$35.00         |                           |  |

**Additional deposit** required when service has been terminated two (2) times within a 24-month period. The deposit shall be in the amount equal to the average of the three (3) previous bills.

# Hanover County Utility Rates Effective July 1, 2008

## Bi-Monthly Rates

|                 |                                                                                               |
|-----------------|-----------------------------------------------------------------------------------------------|
| <b>Schedule</b> | Commercial I Rates - water and wastewater annual average usage less than 5 MG/Month           |
|                 | Commercial II Rates - water annual average usage greater than 5 MG/Month but less 20 MG/Month |
|                 | Commercial II Rates - wastewater annual average usage greater than 5 MG/Month                 |
|                 | Commercial III Rates - water annual average greater than 20 MG/Month                          |

| <b>Commercial Schedule of Rates</b> |                                          | <b>Water</b> | <b>Sewer</b> |
|-------------------------------------|------------------------------------------|--------------|--------------|
| <b>Base Charge by meter size</b>    | Base Charge for 5/8" and 3/4" Meter Size | \$7.89       | \$18.87      |
|                                     | Base Charge for 1" Meter Size            | \$19.78      | \$18.87      |
|                                     | Base Charge for 1 1/2" Meter Size        | \$39.44      | \$18.87      |
|                                     | Base Charge for 2" Meter Size            | \$63.10      | \$94.37      |
|                                     | Base Charge for 3" Meter Size            | \$126.20     | \$94.37      |
|                                     | Base Charge for 4" Meter Size            | \$197.19     | \$94.37      |
|                                     | Base Charge for 6" Meter Size            | \$394.38     | \$94.37      |

|                                 |                                                                                |        |        |
|---------------------------------|--------------------------------------------------------------------------------|--------|--------|
| <b>Commercial I Usage Rates</b> | Base Charge by meter size (table above)                                        |        |        |
|                                 | Commercial Schedule I Rates Water: 0-15,000 gallons, per 1,000 gallons         | \$3.39 |        |
|                                 | Commercial Schedule I Rates Water: 15,001-1,000,000 gallons, per 1,000 gallons | \$3.82 |        |
|                                 | Commercial Schedule I Rates Water: Over 1,000,000 gallons, per 1,000 gallons   | \$2.12 |        |
|                                 | Commercial Schedule I Rates Water: Separate Irrigation Meter, per 1,000        | \$4.70 |        |
|                                 | Commercial Schedule I Rates Wastewater: 0-50,000 gallons, per 1,000 gallons    |        | \$5.90 |
|                                 | Commercial Schedule I Rates Wastewater: Over 50,000 gallons, per 1,000 gallons |        | \$4.72 |

|                                  |                                                                                                                             |          |          |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>Commercial II Usage Rates</b> | Base Charge                                                                                                                 | \$121.35 | 1,179.68 |
|                                  | Commercial Schedule II Rates Water: All usage, per 1,000 gallons                                                            | \$1.98   |          |
|                                  | Commercial Schedule II Rates Water: Peak Use Fee (per 1,000 gallons greater than 150% of previous fiscal year average)      | \$1.21   |          |
|                                  | Commercial Schedule II Rates Wastewater: All usage, per 1,000 gallons                                                       |          | \$3.89   |
|                                  | Commercial Schedule II Rates Wastewater: Peak Use Fee (per 1,000 gallons greater than 150% of previous fiscal year average) |          | \$1.18   |

|                                   |                                                                                                                         |             |  |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------|--|
| <b>Commercial III Usage Rates</b> | Base Charge                                                                                                             | \$12,135.00 |  |
|                                   | Commercial Schedule III Rates Water: All usage, per 1,000 gallons                                                       | \$1.61      |  |
|                                   | Commercial Schedule III Rates Water: Peak Use Fee (per 1,000 gallons greater than 150% of previous fiscal year average) | \$1.21      |  |

### Miscellaneous Service Charges

|                          |                 |                           |  |
|--------------------------|-----------------|---------------------------|--|
| Late Payment Fee:        | 10% of bill     |                           |  |
| Service Fee:             | \$25.00 - Water | \$25.00 - Sewer           |  |
| Deposit - when required: | \$75.00 - Water | \$75.00 - Sewer           |  |
| Reconnect Fee:           | \$40.00         | \$55.00 - after 4:30 p.m. |  |

## Capacity Fees:

Capacity fees are charged for initial connection to the Utilities Water System based on the size of the meter. When upgrading from a smaller to a larger meter, the difference in the two connection fees is charged.

| Capacity Fees |                           | Water         | Sewer         | Total Water & Sewer |
|---------------|---------------------------|---------------|---------------|---------------------|
| Meter Size    | 5/8 inch & 3/4 inch meter | \$ 5,060.00   | \$ 7,684.00   | \$ 12,744.00        |
|               | 1 inch meter              | \$ 12,650.00  | \$ 19,209.00  | \$ 31,859.00        |
|               | 1 1/2 inch meter          | \$ 25,300.00  | \$ 38,419.00  | \$ 63,719.00        |
|               | 2 inch meter              | \$ 40,480.00  | \$ 61,470.00  | \$ 101,950.00       |
|               | 3 inch meter              | \$ 80,960.00  | \$ 122,940.00 | \$ 203,900.00       |
|               | 4 inch meter              | \$ 126,500.00 | \$ 192,093.00 | \$ 318,593.00       |
|               | 6 inch meter              | \$ 253,001.00 | \$ 384,186.00 | \$ 637,187.00       |
|               | 8 inch meter              | \$ 404,801.00 | \$ 614,698.00 | \$ 1,019,499.00     |

## Other Fees:

### Sludge & Septic Tank Waste Service Charge

- (a) Twenty-five dollars (\$25.00) per five hundred (500) gallons, or fraction thereof;
- (b) Fifty dollars (\$50.00) per five hundred (500) gallons, or fraction thereof, for oil and grease laden discharge;
- (c) Two (2) times that of the regular disposal charge for emergency after hours disposal, when such service can be provided by the county.

### Industrial Waste Discharge, Pretreatment Permit

- (a) One (1) year..... \$25.00
- (b) Two (2) years..... \$50.00
- (c) Three (3) years ..... \$75.00

### Grease Interceptor Re-inspection

- (a) Up to Two (2) grease interceptors per site ..... \$85.00
- (b) Additional grease interceptors per site ..... \$42.50

### Strong Waste Surcharge

- (a) Twenty-five dollars and seventy cents (\$25.70) per hundred weight for BOD in excess of 250 milligrams per liter, and
- (b) Sixteen dollars and seventy-five cents (\$16.75) per hundredweight for suspended solids in excess of 250 milligrams per liter.

Inspection Fees - Four percent (4%) of the estimated construction costs as determined by the County.

## Plan Review Fees

Water – Seventy-five dollars (\$75.00) plus five dollars (\$5.00) for each one hundred (100) feet of water main, or fraction thereof, and a charge of three hundred and fifty dollars (\$350.00) for each pump or well house.

Wastewater - Seventy-five dollars (\$75.00) plus five dollars (\$5.00) for each one hundred (100) feet of line or fraction thereof, and a charge of three hundred and fifty dollars (\$350.00) for each pump station.

- 2.2.2 In addition to user and capacity fees, the Study will include review and consideration of other rates and fees including but not limited to:

- 2.2.2.1 Sludge and septic tank waste service charges;
- 2.2.2.2 Private central fire system capacity fees;
- 2.2.2.3 Residential and non-residential fire connection capacity and user fees;
- 2.2.2.4 Public fire protection;
- 2.2.2.5 Strong waste fees;
- 2.2.2.6 Plan review and construction inspection fees;
- 2.2.2.7 Wholesale water rates;
- 2.2.2.8 Pretreatment permit fees;
- 2.2.2.9 Grease interceptor inspection and re-inspection fees;
- 2.2.2.10 Fees for services provided to the County's general government;
- 2.2.2.11 Pressure test fees;
- 2.2.2.12 Backflow prevention and cross connection control fees;
- 2.2.2.13 Others, which may be identified upon discussions with Consultant.

## 2.3 SCOPE OF SERVICES

The Contractor will complete a comprehensive analysis of the water and wastewater revenue requirement and cost of service model incorporating the effect of the Facility Master Plan, Capital Improvement Plan and County financing policy. The contractor will propose enhancements, as well as rate and fee schedule adjustments. Based upon a representative test year or years within the study period, the analysis shall include the allocation of revenue requirements and total costs of service to be met from water and wastewater rates and fees, among customer classes in accordance with generally accepted and legally defensible methodology. The Contractor will propose rate designs or identify required adjustments to the existing water and wastewater rate and fee schedules to equitably recover costs, while considering equity among users. The study will review and evaluate basic policies related to repair and maintenance reserve levels and capital funding levels. In addition, the contractor will provide technical assistance to Hanover County for financial and rate related issues as needed.

### 2.3.1 The study should demonstrate and/or produce:

- 2.3.1.1 Compliance with revenue bond covenants;
- 2.3.1.2 Equity among system users;
- 2.3.1.3 Proposed rates for 5 years;
- 2.3.1.4 Rate adequacy to support a self-sufficient fund, including debt service;
- 2.3.1.5 Adequate and best approaches for financing capital improvements;
- 2.3.1.6 Review of basis of capacity fee amount and forecasting technique;
- 2.3.1.7 Impact of rate adjustments to customers;
- 2.3.1.8 Recommendations or alternatives regarding other rates and fees identified;
- 2.3.1.9 Projected future water and wastewater system demands;
- 2.3.1.10 Sensitivity analysis to illustrate impacts based upon adverse assumption changes;
- 2.3.1.11 Enhanced modeling technique for renewal and replacement CIP and Economic Development Initiatives;
- 2.3.1.12 Recognition of donated assets in cost of service;
- 2.3.1.13 Updated rate model for future analysis.

### 2.3.2 The County will provide data and/or access to:

- 2.3.2.1 Historical customer billing records, including consumption data;
- 2.3.2.2 Historical financial data, budgets and capital improvement programs;
- 2.3.2.3 Projected financial data, budgets and capital improvement programs for a five year period;
- 2.3.2.4 Historical water system production amounts;
- 2.3.2.5 Historical wastewater flow amounts;
- 2.3.2.6 Copies of pertinent water and wastewater contracts;
- 2.3.2.7 Detailed fixed asset records;

- 2.3.2.8 Current water and wastewater ordinances;
- 2.3.2.9 Previous Cost of Service and Rate Study;
- 2.3.2.10 Hanover County's Comprehensive Plan;
- 2.3.2.11 DPU Master Plan.

2.3.3 Completion of the scope of services will include meetings with County staff, and may include Hanover County Board of Supervisors, business community and general public.

2.4 Offerors shall include in the Proposal a description of any significant task not listed in the Scope of Services which they know to be necessary either as reimbursable expenses under the Contract or as a service to be contracted for separately by the County.

2.5 The County may add to the Scope of Services or make changes in the Scope of Services for services of a similar nature to those specified in the Scope of Services of this Request for Proposals as mutually agreed to at a price mutually agreed upon. The change must be approved by the Purchasing Director and a Contract Addendum and/or Purchase Change Order issued by the Purchasing Department to change the contract.

### 3.0 PROPOSED SCHEDULE OF IMPLEMENTATION

| <u>Schedule of Items</u>                  | <u>Date</u>                                                   |
|-------------------------------------------|---------------------------------------------------------------|
| Issue Request for Proposal                | April 16, 2009                                                |
| Pre-Proposal Conference                   | May 5, 2009 @ 10 a.m. in the Board of Supervisor's Auditorium |
| Proposals Due Prior to 1:00 p.m.          | May 19, 2009 @ Hanover County Purchasing Department           |
| Memorial Day holiday                      | May 25, 2009                                                  |
| Interview Notice to Short-listees         | May 29, 2009                                                  |
| Discussions with Selected Offerors        | June 9, 2009 – June 12, 2009                                  |
| Contract Negotiations                     | June 19, 2009 – July 9, 2009                                  |
| Award of Contract by Board of Supervisors | July 23, 2009 – July 28, 2009 (tentatively)                   |

### 4.0 PROPOSALS

#### 4.1. Submission Requirements

4.1.1 An original, so marked, and 2 copies, so marked, for a total of 3 copies of your proposal document are required. Submit proposals in a sealed, opaque envelope, and put the RFP number, title, due date and time on the outside of the envelope. Offerors are responsible for having their proposal stamped by Purchasing Department staff before the deadline for receipt of proposals. The County will not assume responsibility for reproduction where an insufficient number of copies have been supplied. In any such case, the County will notify the Offeror of the deficiency and request that the appropriate number of copies be delivered within 24 hours. Failure to comply with this or other requirements of this Request for Proposal shall be grounds for the County to reject such proposals. Telegraphic or facsimile submission of proposals is not acceptable and any such proposals will not be considered. Nothing herein is intended to exclude any responsible Offeror or in any way restrain or restrict competition. All responsible Offerors are encouraged to submit proposals.

#### 4.1.2 Use of Information and Documents

The County and its officials, employees and agents will copy and use the response of the Offeror and documents included with the response, for various purposes related to analysis, evaluation, and decision to award a contract. Proposals shall be the property of the County. Following award the County may be required to allow inspection and copying of documents, and may also use the Offeror's documents in connection with any resulting contracts with that Offeror.

The Offeror is responsible for obtaining any necessary authorizations for all such use of the documents and information, and for assuring that such copying and use is in conformance with laws related to trademarks and copyrights. Any documents or information for which the Offeror has not obtained such authorization, or for which such copying and use is not authorized, shall not be submitted. The

undersigned Offeror agrees to indemnify, defend and hold the County, its officials, employees and agents harmless from any claims of any nature, including claims arising from trademark or copyright laws, related to use of information and documents submitted with the Offeror's response.

#### 4.1.3 Submission of Proprietary Information

Trade secrets or proprietary information submitted by an Offeror in connection with this procurement transaction shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke these protections prior to or upon submission of the data or the materials, and must identify the data or other materials to be protected and state the reason why protection is necessary. [Virginia Code Section 2.2-4342(F)]. Offerors shall submit, in a separate section of the proposal, any information considered by the Offeror to be trade secrets or proprietary information, shall clearly identify the information as trade secrets or proprietary information and shall state the reason why protection is necessary. Offerors may not declare the entire proposal proprietary nor may they declare proposed pricing to be proprietary. References may be made within the body of the proposal to proprietary information; however all information contained within the body of the proposal not in the separate section labeled proprietary shall be public information.

4.1.4 Mandatory provisions of this Request for Proposals are indicated by the inclusion of the words "shall" or "must" to identify the Contractor's obligations.

4.1.5 The County's proposed contract documents and this Request for Proposals contain terms and conditions the County of Hanover favors and intends to use for the resultant contract. If the Offeror wishes the County to consider any changes to these documents, such changes must be submitted as part of the Offeror's proposal. Any Contractor receiving a contract award shall be required to execute a contract in substantial compliance with the County's standard contract and will be required to furnish all other required contract documents including tax identification or social security number within fifteen days after receipt of notification that the contract is ready for signature; otherwise, the County may award the contract to another Offeror.

4.1.6 Proposals having any erasures or corrections must be initialed by the Offeror in ink.

4.1.7 The County will not be responsible for any expense incurred by any Offeror in preparing and submitting a proposal.

#### 4.2. Format and Content

4.2.1 The proposal should address the items included in the Scope of Services and in the Criteria for Proposal Evaluation. Proposals should provide straightforward and concise responses to requests for information and descriptions of qualifications and capabilities. Each copy of the proposal should be bound with all documentation in a single volume if practical. Failure to do so will result in a lowered evaluation. Incomplete proposals may be determined non-responsive.

4.2.2 Offerors should organize their proposals using the following format:

**Each Offeror is limited to a submission of a total 20 pages. Pages with print on the front and back will be counted as two pages. Note: the first two pages of the RFP required by the County will not be counted as part of the page number requirements.**

##### 4.2.2.1 *Title Sheet*

Furnish the information requested on the **REQUEST FOR PROPOSALS TITLE PAGES (Pages 1. and 2.)** of this solicitation and include it as the first two pages of your proposal. The name stated on the Title Sheet, page 2. must be the full legal names of the Offeror and the address must be that of the office which

will have the responsibility for the services provided. **Offerors shall specify in the introductory cover sheet the section(s) containing trade secrets or proprietary information.**

#### 4.2.2.2 *Project Methodology*

Provide a description of services proposed as to satisfy the requirements described in this solicitation. This section should include:

- 4.2.2.2.1 Statement of Goals of Project;
- 4.2.2.2.2 Description of technical approach to the Project;
- 4.2.2.2.3 Description of methodology or alternatives proposed to evaluate the strength, support for environmental policies through the rate, and equity to the users;
- 4.2.2.2.4 Description of methodology or alternatives proposed for evaluating alternative rate structures, user charges, and capital improvement fees;
- 4.2.2.2.5 Consultants understanding of Virginia legal constraints and requirements as it relates to water and wastewater utilities;
- 4.2.2.2.6 Consultants understanding of current and pending Federal and State regulations as they relate to water and wastewater utilities;

#### 4.2.2.3 *Project Schedule*

Provide a time line and schedule for completion of this project, highlighting critical points in the process. If an adjustment to the schedule would result in cost savings, then propose a more cost effective alternative schedule. Information to include:

- 4.2.2.3.1 give description of services to be provided in addition to those required on the Scope of Services.
- 4.2.2.3.2 Offeror understanding of the project and how the Offeror proposes to complete the design.
- 4.2.2.3.3 a time schedule from notice to proceed to completed design.
- 4.2.2.3.4 special qualifications particular to each project.
- 4.2.2.3.5 services other than those stated in the Scope of Services that the Offeror thinks are necessary to successfully complete the project.
- 4.2.2.3.6 Statement of Goals of Project;
- 4.2.2.3.7 Description of technical approach to the Project;
- 4.2.2.3.8 Description of methodology or alternatives proposed to evaluate the strength, support for environmental policies through the rate, and equity to the users;
- 4.2.2.3.9 Description of methodology or alternatives proposed for evaluating alternative rate structures, user charges, and capital improvement fees;
- 4.2.2.3.10 Consultants understanding of Virginia legal constraints and requirements as it relates to water and wastewater utilities;
- 4.2.2.3.11 Consultants understanding of current and pending Federal and State regulations as they relate to water and wastewater utilities;

#### 4.2.2.4 *Experience of the Offeror and the Project Team*

Include a brief statement of the Offeror's experience in providing the services stated in the Scope of Services. This statement should include specifics as to experience with utilities financial services and rate studies. If sub-consultants and special consultants will be used, they should be identified and their qualifications included in the proposal. Include experience of key individuals assigned to this project, emphasizing their experience in working with similar projects and local governments. List key professional staff to be assigned work under the contract and describe their experience as project team members. Show only experience directly related to their assigned duties under the proposed project. List team members' names and titles in the listed project, project title, brief project description, year completed and name, address, and phone number of the client. Include resumes of key personnel and sub-consultants.

- 4.2.2.4.1 Include a list of projects that contained work similar or related to that called for in this solicitation. Include the following information:
- 4.2.2.4.2 project name, brief project description and location of the office responsible for the project.

- 4.2.2.4.3 name of team members who worked on this project with their job title and brief description of their responsibilities in the listed project.
- 4.2.2.4.4 budgeted cost.
- 4.2.2.4.5 completed cost.
- 4.2.2.4.6 scheduled completion date.
- 4.2.2.4.7 actual completion date.

#### 4.2.2.5 *References*

Provide a list of clients for whom similar services have been provided and dates when the service was provided. Include client name, address, telephone number, description of type of services performed, and person the County may contact.

#### 4.2.2.6 *Fees for Services*

- 4.2.2.6.1 Fees for services are to be included in with your proposal response. Fees will be considered in the rankings of Offerors for short listing firms for interviews/discussions and the final rankings of Offerors for award of the contract. Provide a list of hourly rates for all personnel proposed to be assigned work including proposed fees of subcontractors (and a listing of subcontractor hourly rates and other charges) and list other anticipated costs and/or fees.
- 4.2.2.6.2 When identifying contract fees and hourly rates, the County expects the following to be included in its contracts:
  - a. The County does not allow mark-ups on reimbursable expenses, including fees charge by sub-consultant(s).
  - b. Job classifications and fixed hourly rates are to be those of based on the contract fees and hourly rates. Listing of fees for extra services desired but “ranges” will not be accepted.
  - c. Known sub-consultant’s fees and hourly rates are to be included.
- 4.2.2.6.3 When stating a project or task schedule, the schedule(s) should be given the number if day, week, etc...after the date of the Notice to Proceed.

#### 4.2.2.7 *Insurance*

- 4.2.2.7.1 The proposal should address the insurance coverage of the Offeror. A sample insurance certificate submitted as part of the proposal is the preferred method of indicating coverage. (Original certificates of insurance signed and provided by authorized representatives of the insurers or, at the County's request, certified copies of insurance policies evidencing that the required insurance is in effect, shall be provided to the County Purchasing Department prior to award of the contract, and within seven days of any written request a certificate, and for each year for five years after Final Payment for the Work with respect to products and completed operations liability.)
- 4.2.2.7.2 The Contractor shall be required to maintain in force such insurance, in amounts and types acceptable to the County, as will protect itself and the County from claims which may arise out of or result from the execution of the work, whether such execution be by itself, its employees, agents, subcontractors or by anyone for whose acts any of them may be liable. This coverage should include, at a minimum, Worker's Compensation & Employers' Liability

(if required by statute), Commercial General Liability (including premises/operations, independent contractors, products and completed operations, contractual liability and personal injury liability), Automobile Liability, and if applicable for the work to be performed, Professional Liability Insurance. All insurance shall be provided by companies authorized to conduct business in the Commonwealth. Insurers should have a rating of “A-”, Class VII, or better, in the latest evaluation of A. M. Best Company, or as otherwise approved by the County. Applicable insurance policies should be endorsed to provide that the policy is not subject to cancellation, non-renewal or material reduction in coverage until 30 days prior written notice has been given to the County Purchasing Department. Hanover County, Virginia and its elected and appointed officials, officers, consultants, agents and employees should be named as additional insureds on the Contractor’s Commercial General Liability insurance.

#### 4.2.2.8 *Other Information*

- 4.2.2.8.1 Include other relevant information the Offeror deems necessary to describe its qualifications to provide the services needed to successfully complete work described in the Scope of Services or which the Offeror deems are relevant to its selection.
- 4.2.2.8.2 Based on the information provided in this Request for Proposals, the Offeror should identify all materials and services expected from the County in addition to general assistance.

### 5.1 Offeror

- 5.1.1 Overall qualifications and experience of the firm, project team and any subcontractors, including previous experience in providing these services focusing primarily on previous experience in developing cost of service based rates for publicly owned utility providers.
- 5.1.2 Information supplied by references.
- 5.1.3 Contract language and agreements required, including exceptions to the County's standard contract form and Additional Terms, Conditions and Instructions to Offerors.
- 5.1.4 Quality and specificity of proposal response.

### 5.2 Methodology and Process

- 5.2.1 Proposed methodology for completion of the project.
- 5.2.2 Availability of support services (e.g., phone support, meetings) when needed.
- 5.2.3 Proposed schedule.

### 5.3. Price

Proposed cost of services.

## 6.0 **METHOD OF AWARD**

- 6.1 The County reserves the right to make multiple awards pursuant to this solicitation should the County decide this to be in its best interest. The County shall engage in individual discussions with two or more Offerors it deems to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the Request for Proposals, including

price if so stated in the Request for Proposals. Negotiations shall then be conducted with each of the Offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the County shall select the Offeror which, in its opinion, has made the best proposal, and shall award the contract to that Offeror or to multiple Offerors should the County decide this to be in its best interest. Should the County determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror.

## **7.0 GENERAL OPERATION OF “AS NEEDED” TERM CONTRACT**

7.1 When work is needed pursuant to any contract awarded as an “as needed” basis, the County will, at its discretion, contact one or more of the Consultants awarded such contracts and provide the Consultant(s) information about the proposed “Task”. The same information shall be provided to each Consultant contacted. The County shall, in a “Task Description”, describe the proposed scope of work, time allowed the Consultant to respond, date the work should be completed, required deliverables, information and/or resources to be provided by the County, the County contact person and any other information the County deems pertinent to the task.

7.1.1 Once the Consultant receives the Task Description, each Consultant interested in receiving the Task assignment shall submit a response to the designated contact person within the time allotted. The Consultant’s response shall include all information requested by the County, including, but not limited to, the Consultant’s statement of the scope of work, proposed fee to complete the work, date work will be completed and list of deliverables.

7.1.2 After the deadline for responses, the County may negotiate the scope of work, fee, schedule and deliverables with each Consultant who submitted a timely response and assign the task to that Consultant who, in the opinion of the Deputy Director of Public Utilities, submitted the best and most responsive proposal for the task to be assigned.

7.2 The contract term will be limited to one year or when the cumulative total project fees reach the maximum amounts described herein. The contract may be renewable for four additional one-year terms upon mutual consent of both parties. The total amount for all projects performed by each ENGINEER under each contract shall not exceed five million dollars (\$5,000,000) for each contract term. The project fee shall not exceed one million dollars (\$1,000,000) for any single project.

7.3 For future contract periods, price increases shall be limited to the percentage increase in the Consumer Price Index, Urban Wage Earners and Clerical Workers (CPI-W), U. S. City Average, All Items, Unadjusted, for the most recently published twelve months as published by the U. S. Department of Labor, Bureau of Labor Statistics. The base price to which any adjustments will be made shall be the prices in effect during the contract term prior to the proposed term.

7.4 The Consultant shall give the County Purchasing Department written notice of its intention to terminate the contract, **or not to renew the contract**, at least 60 days prior to the proposed termination or renewal date of the Contract. See Paragraph 9.6 of the General Terms and Conditions, for the County’s termination provisions.

## **8.0 SPECIAL TERMS AND CONDITIONS**

8.1 In the event there is a conflict between the Special Terms and Conditions in this section and the Additional Terms, Conditions and Instructions to Offerors contained elsewhere in this solicitation, these Special Terms and Conditions shall apply.

8.1.1 This solicitation is a cooperative procurement issued on behalf of Hanover County, Virginia, the Hanover County Community Services Board, Hanover County Department of Social Services, Hanover County Economic Development Authority, Hanover County School Board, Hanover County Constitutional Officers, Pamunkey Regional Jail, and Pamunkey Regional Library.

## **9.0 GENERAL TERMS AND CONDITIONS**

(References to “Contractor” in this section are to the successful Offeror who enters into a contract with the County.)

### **9.1 Certifications**

9.1.1 By submitting its proposal, the Offeror certifies that it has not combined, conspired or agreed to intentionally rig, alter or otherwise manipulate, or cause to be rigged, altered or otherwise manipulated its

proposal for the purpose of allocating purchases or sales to or among persons, raising or otherwise fixing the prices of the goods or services, or excluding other persons from dealing with the County.

- 9.1.2 By submitting its proposal, the Offeror certifies that its proposal is made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with its proposal; and that it has not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised.

## 9.2 Independent Contractor

The Contractor is an independent contractor and nothing contained in the CONTRACT shall constitute or designate the Contractor or any of its agents or employees as employees of the County.

## 9.3 Rejection And Award of Proposals

The County reserves the right to accept or reject any or all proposals, to waive informalities, and to reissue any request for proposals and to award contracts to multiple Offerors if so stated. A Notice of Contract Award for this solicitation shall be posted on a bulletin board outside the Purchasing Department for a period of at least 10 calendar days. Any contract resulting from this Request for Proposal shall not be exclusive to the successful Contractor unless so stated in the Request for Proposals. The County reserves the right to contract with firms not party to the resultant contract for similar work if it determines this to be in its best interest. If this is a cooperative procurement, each entity referenced will award a contract in accordance with its respective independent procurement policies and procedures and as it deems will best serve its interests.

## 9.4 Withdrawal of Proposals

- 9.4.1 An Offeror may withdraw its proposal prior to the deadline for submission upon written request and presentation of proper identification.
- 9.4.2 By submitting a proposal, the Offeror agrees that the proposal will not be withdrawn for a period of 90 days following the due date for proposals.

## 9.5 Contractor Registration/County Licensure

- 9.5.1 If required in order to perform any of the work in this Request, the Offeror certifies that the Offeror has the appropriate License or Certificate and classification(s) required to perform the work included in the scope of the proposal documents, prior to submitting the proposal, in accordance with Title 54.1, Chapter 11 of the Code of Virginia and in accordance with the laws, rules and regulations of the Commonwealth of Virginia, Department for Professional and Occupational Regulation, Virginia Board for Contractors in granting the License or Certificate and classifications. If required for the work called for in the Request, the Contractor shall also obtain a License from the Hanover County Commissioner of Revenue.
- 9.5.2 Foreign corporations transacting business in Virginia are required to have a certificate of authority from the State Corporation Commission prior to signing any contract with the County.

## 9.6 Contract Termination

- 9.6.1 Unless specified otherwise, any resultant contract may be terminated by the County, in whole or in part, whenever the County determines that such a termination is in its best interests. Any such termination shall become effective on the date stated in a written notice of termination mailed to the Contractor as

provided in the Notification paragraph below. The notice of termination shall state the extent to which performance shall be terminated. The Contractor shall be paid for all goods delivered or services successfully completed prior to the termination date.

- 9.6.2 If funds are not appropriated for this contract for any County fiscal year, the contract shall terminate automatically, without prior notice, after the last day for which funds were appropriated. Contract termination pursuant to this section shall not be considered a contract default, and the County shall not be liable for future payments or for cancellation or termination charges.

## 9.7 Ownership of Documents

- 9.7.1 All finished or unfinished information or materials, documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by or for the Contractor under any resultant contract shall, at the option of the County, become County property and shall be delivered to and remain the property of the County upon completion of the work or termination of the Contract. The County shall have the right to use and reproduce the data and reports submitted hereunder, without additional compensation to the Contractor.
- 9.7.2 Any documents or other materials provided to the Contractor by the County shall be returned to the County upon delivery of the final products and/or services. Any art work, negatives, proofs, or other materials produced by the Contractor in order to supply the products or services contracted for shall become the property of the County and shall be sent to the County upon delivery of the final products and/or services unless otherwise requested by the County. Failure to deliver the art work, negatives, proofs, or materials shall be cause for withholding any payments due.

## 9.8 Licenses And Permits

The Contractor shall secure and pay for all permits, governmental fees and licenses necessary for the proper execution and completion of the Contractor's work which are legally required prior to and during the work, including software licenses or other intellectual property permissions, unless otherwise specified by the County.

## 9.9 Royalty And License Fees And Copyright, Trademark And Patent Protection

- 9.9.1 In submitting its proposal, the Offeror certifies that there has been no violation of copyrights or patent rights in manufacturing, producing, or selling the commodities or services to be ordered as a result of this Request.
- 9.9.2 Unless specified otherwise in the CONTRACT, the Offeror shall pay all royalty and license fees relating to the items covered by the contract.
- 9.9.3 In the event any third party shall claim that the manufacture, use and sales of these goods offered hereby constitutes an infringement of any copyright, trademark, or patent, the Offeror shall indemnify and hold harmless the County from any cost, expense, damage or loss incurred in any manner by the County on account of such alleged infringement.

#### 9.10 Taxes

The County is exempt from Federal Excise and State Sales and Use Tax on all tangible personal property purchased or leased by it for its use or consumption. The Contractor shall pay all County, City, State and Federal taxes required by law enacted at the time proposals are received and resulting from the work or traceable thereto, under whatever name levied. Said taxes shall not be added to the contract price between the County and the Contractor, as the taxes shall be an obligation of the Contractor and not of the County, and the County shall be held harmless for same by the Contractor. Exemption certification will be supplied upon request.

#### 9.11 Acceptance of Goods/Services

Goods/services delivered shall remain the property of the Contractor until a physical inspection or actual usage of the goods/services is made and thereafter accepted to the satisfaction of the County. The goods/services must comply with the specifications and terms and conditions of the Request and be of the highest quality. In the event the goods/services supplied to the County are found to be defective or not to conform to specifications, the County reserves the right to cancel the CONTRACT upon written notice to the Contractor and return products to Contractor at the Contractor's expense.

#### 9.12 Contract Changes

Any changes to the CONTRACT must be approved through issuance of a written contract addendum or change order. The County will not assume responsibility for the cost of any changes made without issuance of a written contract addendum or change order.

#### 9.13 Payment For Services

Payments to the Contractor shall be made within 30 days after receipt of an approved invoice, with invoices submitted no more often than monthly, unless other payment and/or billing terms are specified in the CONTRACT. Backup documentation for each invoice shall be provided in detail satisfactory to the County. The Contractor's records and documentation supporting such invoices shall be made available to the County upon reasonable request. The Contractor agrees to retain all records, documents and support materials relevant to the CONTRACT for a period of five years following final payment.

#### 9.14 Damage to Property

The Contractor shall be responsible for damages to property caused directly or indirectly by its actions or omissions in performing its work under the CONTRACT. The Contractor shall repair to proper working order or replace, to the County's satisfaction, any property damaged directly or indirectly by its actions or omissions.

#### 9.15 Compliance With All Requirements

The Contractor shall comply with and provide all deliverables in compliance with all applicable federal, State and local laws and regulations.

#### 9.16 Legal Proceedings

Any legal proceedings arising out of or related to this agreement shall be filed by the parties in the Hanover County General District Court or the Hanover County Circuit Court and any resulting contract shall be governed by the laws of the Commonwealth of Virginia.

#### 9.17 Subcontracting And Assignment Of Work

- 9.17.1 The Contractor shall not subcontract or assign the CONTRACT, in whole or in part, other than that specifically stated in the CONTRACT, without the express written consent of the County. A description of any work the Contractor proposes to subcontract shall be submitted to the County for review and approval along with the name and address of the individual, firm, or corporation that is the proposed subcontractor. This submittal shall also include a list of the key personnel that the subcontractor will assign to the project. All work performed by any subcontractor shall be coordinated by the Contractor and the Contractor will be responsible to the County for all work performed by any subcontractor or special consultant.
- 9.17.2 The County will, during the term of this Agreement, have the right of reasonable rejection of staff or subcontractors assigned to the project by the Contractor. If the County reasonably rejects staff or subcontractors, the Contractor must provide replacement staff or subcontractors satisfactory to the County in a timely manner and at no additional cost to the County. The day-to-day supervision and control of the Contractor's employees shall be solely the responsibility of the Contractor.

9.18 Notification

Any notice required by the Contract shall be effective if given by registered mail, return receipt requested, to the Contractor in the name and at the address given in its proposal submission; provided that change of address shall be effective if given in accordance with this paragraph. Unless otherwise specified, any notice to the County shall be given to the County of Hanover, Deputy County Administrator, P. O. Box 470, Hanover, VA 23069-0470. The Contractor agrees to notify the County immediately of any change of legal status or of address. Any notice provided in accordance with this paragraph shall be deemed to have been completed five calendar days after the date of mailing.

9.19 Severability

Each paragraph and provision of the resultant contract will be severable from the entire agreement and if any provision is declared invalid, the remaining provisions shall remain in effect.

9.20 Contractual Provisions Included Pursuant to Statutes

9.20.1 Nondiscrimination and Drug-Free Workplace

If the resultant CONTRACT exceeds \$10,000, during the performance of the CONTRACT, the Contractor agrees as follows:

- 9.20.1.1 The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
- 9.20.1.2 The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
- 9.20.1.3 Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- 9.20.1.4 The Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale,

distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a Contractor in accordance with this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana during the performance of the contract.

- 9.20.1.5 The Contractor will include the provisions of the foregoing paragraphs in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

## 9.20.2 Payments To Subcontractors

Pursuant to Virginia Code Section 2.2-4354, the Contractor agrees that:

- 9.20.2.1 Should any subcontractor be employed by the Contractor for the provision of any goods or services under this Contract, the Contractor agrees to the following:
  - 9.20.2.1.1 The Contractor shall, within seven days after receipt of any payments from the County pursuant to this Contract, either:
    - 9.20.2.1.1.1 Pay the subcontractor for the proportionate share of the total payment received from the County attributable to the goods or services provided by the subcontractor; or
    - 9.20.2.1.1.2 Notify the County, as applicable, and the subcontractor, in writing, of the intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment. Written notice to the County shall be given to: Hanover County Administrator, P.O. Box 470, Hanover, VA 23069-0470.
- 9.20.2.2 The Contractor shall pay interest to the subcontractor, at the rate of one percent per month on all amounts owed to the subcontractor that remain unpaid after seven days following receipt of payment from the County for goods or services provided under this Contract, except for amounts withheld under subparagraph immediately above.
- 9.20.2.3 The Contractor shall include in each of its subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.
- 9.20.2.4 The Contractor's obligation to pay an interest charge to a subcontractor shall not be an obligation of the County.
- 9.20.2.5 No contract modification shall be allowed for the purpose of providing reimbursement for these interest charges. No cost reimbursement claim shall include any amount for reimbursement of these interest charges.

## 9.20.3 Contractual Claims

Contractual claims, whether for money or other relief, shall be submitted in writing no later than 60 days after final payment; however, written notice of the Contractor's intention to file such claim shall have

been given at the time of the occurrence or beginning of the work upon which the claim is based. Any notice or claim shall be delivered to the County Administrator, Hanover County Government Building, 7516 County Complex Road, Hanover, Virginia 23069 and shall include a description of the factual basis for the claim and a statement of the amounts claimed or other relief requested. The County Administrator shall render a decision on the claim and shall notify the Contractor within 30 days of receipt of the claim. The Contractor may appeal the decision of the County Administrator to the Board of Supervisors by providing written notice to the County Administrator, within 15 days of the date of the decision. The Board of Supervisors shall render a decision on the claim within 60 days of the date of receipt of the appeal notice and such decision shall be final unless the Contractor appeals the decision in accordance with the Virginia Public Procurement Act. Invoices for all services or goods provided by the Contractor shall be delivered to the County no later than 30 days following the conclusion of the work or delivery of the goods.

#### 9.20.4 Ethics in Public Contracting

9.20.4.1 The provisions contained in Virginia Code Sections 2.2-4367 through 2.2-4370, the Virginia Public Procurement Act, shall be applicable to all contracts solicited or entered into by this County. A copy of these provisions may be obtained from the Purchasing Director upon request.

9.20.4.2 The provisions of this section supplement, but do not supersede, other provisions of law including, but not limited to, the State and Local Government Conflict of Interests Act (Title 2.2, Chapter 31 of the Virginia Code), the Virginia Governmental Frauds Act (Title 18.2, Chapter 12, Article 1.1 of the Virginia Code) and prohibitions against bribery and related offenses (Title 18.2, Chapter 10, Articles 2 and 3 of the Virginia Code). The provisions apply notwithstanding the fact that the conduct described may not constitute a violation of the Virginia Conflict of Interests Act.

#### 9.20.5 Employment of Unauthorized Alien

The Contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

#### 9.21 Precedence Of Documents

The precedence of documents shall be as follows: the CONTRACT, the Request for Proposals and the Offeror's response to the Request for Proposals.

#### 9.22 Indemnification

To the full extent permitted by law, the Contractor shall indemnify and hold harmless the County and its officials, agents and employees from and against all claims, damages, losses and expenses, direct, indirect or consequential (including but not limited to fees and charges of engineers, architects, attorneys and other professionals and court costs) arising out of or resulting from this CONTRACT, provided that any such claim, damage, loss or expense is caused in whole or in part by any negligent acts, errors or omissions, recklessness or intentionally wrongful conduct of the Contractor, any Subcontractor, any persons or organization directly or indirectly employed by any of them to perform or furnish any of the work, or anyone for whose acts any of them may be liable.

#### 9.23 Audit

9.23.1 The Contractor shall maintain books, records and documents of all costs and data in support of the services provided under the resultant contract for a period of not less than five years after the effective date of final payment or contract termination. During this five year term, the County, or

its authorized representative, shall have unlimited access to, and the right to audit, the books, records and documents of the Contractor during the Contractor's normal working hours.

9.23.2 There shall be no fees or costs charged to the County by the Contractor for any such audit activities.

9.23.3 The Contractor shall include the audit provisions of this section in all subcontracts and contracts of any entity providing goods or services pursuant to this Contract so as to guarantee the County's rights to audit any person or entity performing work pursuant to the Contract, all at no additional cost to the County. Should the Contractor fail to ensure the County's rights under this section, the Contractor shall be liable to the County for all reasonable costs and expenses the County may incur to obtain an audit or inspection of the records which would have otherwise been available under the provisions of this section.

9.24 Extension of Contract Term

The County Purchasing Department, at its discretion, may extend the final contract term or final contract renewal term of the resultant Contract for a period of not more than six months, unless specifically stated otherwise in the solicitation.

9.25 Faith-based Organizations

In compliance with VA Code Section 2.2-4343.1, Hanover County does not discriminate against faith-based organizations.

ISSUED BY: Trena A. Low, CPPB  
Purchasing Officer II  
Hanover County Purchasing Department  
P. O. Box 470, Room 205  
Hanover County, Virginia 23069-0470  
Phone: (804) 365-6283  
Facsimile: (804) 365-6100  
Email: [talow@co.hanover.va.us](mailto:talow@co.hanover.va.us)  
Website: [www.co.hanover.va.us](http://www.co.hanover.va.us)

APPENDIX A  
SAMPLE FORM CONTRACT

REQUEST FOR PROPOSALS NO. 09-011905-2022TL  
FINANCIAL CONSULTING SERVICES – WATER AND WASTEWATER RATE STUDY  
HANOVER COUNTY, VIRGINIA

CONTRACT

THIS CONTRACT is entered into \_\_\_\_\_, 2009, by HANOVER COUNTY, VIRGINIA ("the County"), and \_\_\_\_\_, ("the Contractor"), located at \_\_\_\_\_, PH: \_\_\_\_\_.

The parties agree that in consideration of the attached fee schedule, the Contractor will perform all services and deliver all goods in accordance with the requirements described in Request for Proposals No. 09-011905-2022TL, dated April 16, 2009.

Contract documents, in addition to this CONTRACT and the above referenced Request for Proposals No. 09-011905-2022TL, are the Certificate of Insurance and the proposal documents of the Contractor, dated \_\_\_\_\_.

The Contractor shall maintain the types and amounts of insurance stated in ATTACHMENT A to this CONTRACT.

Goods, services, labor and materials shall be provided in accordance with the contract documents. This CONTRACT is the complete agreement between the parties and may not be altered except by written memorandum signed by the parties.

The County agrees to make payment to the Contractor for goods and services provided, as follows: Payments to the Contractor shall be made within 30 days after receipt of an approved invoice for services provided in the previous month.

The signatures and seals of the parties are set out below in acknowledgment of this agreement.

HANOVER COUNTY, VIRGINIA

\_\_\_\_\_  
Date By: \_\_\_\_\_(SEAL)  
Jim Totty, Deputy Purchasing Director

NAME OF FIRM

\_\_\_\_\_  
Date By: \_\_\_\_\_(SEAL)  
Signature

COMMONWEALTH/STATE OF \_\_\_\_\_,  
CITY/COUNTY OF \_\_\_\_\_, to-wit:

\_\_\_\_\_  
Typed or Printed Name

\_\_\_\_\_  
Title

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by \_\_\_\_\_ on behalf of \_\_\_\_\_.

My commission expires: \_\_\_\_\_  
Date

\_\_\_\_\_  
Notary Public

Notary Commission Number: \_\_\_\_\_

SAMPLE CONTRACT ATTACHMENT – A

INSURANCE

The Contractor shall have in force at least the following insurance coverage during the performance of service under this Contract as listed on your current insurance certificate:

A. Workers' Compensation covering Contractor's employees as required by Virginia law and Employers' Liability with limits as follows:

|                              |                |
|------------------------------|----------------|
| (1) Each Accident:           | \$X,000,000.00 |
| (2) Disease - Policy:        | \$X,000,000.00 |
| (3) Disease - Each Employee: | \$X,000,000.00 |

B. Commercial General Liability with limits as follows:

|                                    |                |
|------------------------------------|----------------|
| (1) General Aggregate:             | \$X,000,000.00 |
| (2) Products - Comp/Op Aggregate:  | \$X,000,000.00 |
| (3) Personal & Advertising Injury: | \$X,000,000.00 |
| (4) Each Occurrence:               | \$X,000,000.00 |
| (5) Medical Expense:               | \$ X,000.00    |

C. Comprehensive Automobile Liability with limits as follows:

|                            |                |
|----------------------------|----------------|
| (1) Combined Single Limit: | \$X,000,000.00 |
|----------------------------|----------------|

E. Excess Liability, Umbrella Form: \$X,000,000.00 each occurrence and aggregate

F. Other: \$X,000,000.00