



REQUEST FOR PROPOSALS (RFP)

DISTRICT COOLING SYSTEM BUSINESS CASE CONSULTING SERVICES

Solicitation No.: R-19-011-JAM
Addendum 1 | September 4, 2019

To Respondent of Record:

This addendum, applicable to project referenced above, is an amendment to the RFP and as such will be a part of and included in the Contract Documents. Acknowledge receipt of this addendum by entering the Addendum number and issue date on the space provided in submitted copies of the Respondent Questionnaire.

RESPONSES TO QUESTIONS RECEIVED

- QUESTION:** Does SAWS intend to engage a financial institution during the period of this consulting effort such that some of the efforts related to financial analysis would fall to that group and the consultant (from this RFP) would be coordinating and supporting them?

ANSWER: *SAWS does not intend to separately engage a financial institution to do the financial analysis. Rather, SAWS expects that the consultant engaged under this RFP will have the expertise (or have subcontracted to a firm that has the expertise) to provide the financial analysis as part of the consulting agreement's scope of work.*
- QUESTION:** We note that an RFP similar to this one was issued in June, but not awarded. Please can you clarify the decisions behind non-award and the issue of this RFP?

ANSWER: *After the June RFP was issued and responses to it received, SAWS staff realized that the scope of the June RFP did not adequately address the deliverable SAWS expects out of the consulting services it needs. In particular, the June RFP was narrowly scoped to solicit an Owners Representative's services supporting SAWS's divestiture (initial assessment review through successful negotiation of divestiture transaction) of the DCS and did not make clear that part of the assessment review should include financial analysis of the DCS. This RFP refocuses the scope of services to align with what SAWS staff is seeking: primary deliverables of a business case analysis of various transactional scenarios SAWS could undertake, not just divestiture, and a recommendation on the viability of each, and an explicit requirement that the business case analysis include, among other things, financial analysis.*

3. QUESTION: The project objective includes “technically feasible options”, background includes “to ensure DCS is ...expanded and developed to accommodate growth”. Please can you clarify to what extent engineering advice is required to address these matters, or are all cost / engineering estimates included in the SAWS data to be made available to the consultant?

ANSWER: *The current chilled water operations team does not have a marketing department. Given the explosive vertical growth in downtown San Antonio, SAWS wishes to insure that our consultant can help in planning for growth. Some known projects will be made known to the consultant.*

Engineering advice will be necessary because chiller expansion and chilled water main replacement may be necessary to accommodate future vertical construction in the downtown area. The Consultant should understand the infrastructure needs for future growth and the status of the existing infrastructure, which would require engineer involvement.

4. QUESTION: Please can you also clarify to what extent future market demand scenarios exist, or whether these will need to be created by the consultant?

ANSWER: *SAWS staff expects that the Consultant will provide projections on future market demand as part of its market analysis, taking into account its experience evaluating the chilled water market in general but also the potential future growth information the City of San Antonio has provided to SAWS (and which SAWS will provide to the consultant engaged to perform the services).*

5. QUESTION: Please can you clarify the existence / status of operational and financial projections for subject assets and whether consultant is expected to support on building financial forecasts.

ANSWER: *A data room will be made available to the selected Consultant and will have financial information and the master plan providing some growth scenarios. The data room will also provide current revenues and expenses which will allow the Consultant to assess the current status of the chilled water operation. Future asset projections will require financial considerations that the Consultant is expected to understand.*

6. QUESTION: Submitting a response, Part 5, past performance requires demonstration of record of performance, completion schedule and quality of work product. While common in engineering engagements, this is unusual in financial advisory engagements and not usually obtainable. Please consider whether this can be removed / replaced with a few required references that SAWS may contact.

ANSWER: *SAWS desires firms that have experience in the arena. It is hoped that these firms can disclose successes from their own archives.*

7. QUESTION: SMWVBs – please can you clarify whether the inclusion of SMVBs is a mandatory requirement / compliance issue, or whether it is a matter of scoring under the evaluation criteria? The bid timescales are quite restrictive and there are hundreds of listed contractors that could be relevant – are you able to provide details of relevant contractors SAWS has successfully used in the past?

ANSWER: *The 40% SMWVB goal for San Antonio Water System’s (SAWS’) Professional Services solicitations is aspirational, or, non-mandatory. Every respondent has the opportunity to earn up to 15 SMWB points through self-performance on the contract (for Respondents that are SMWB-certified), or through sub-consulting (for Respondents that are non-SMWB). By September 13, 2019, (the solicitation due date), the RFP will have been advertised for four weeks. Most SAWS solicitations are advertised for two weeks, as per state statute. Therefore, the length of time that the solicitation has been advertised for is not and will not be considered an obstacle or barrier for conducting Good Faith Outreach Efforts. As per the Good Faith Effort Plan, Section C. 1., “Notices to firms contacted by the proposer for specific scopes of work identified for sub-consulting/supply opportunities must be provided to sub-consultant/supplier not less than five (5) business days prior to proposal due date.” (Page 25 of 53.)*

SAWS does not pre-qualify or endorse subcontractors. However, you may contact the SMWVB Program Manager, Marisol V. Robles, at Marisol.Robles@saws.org with the specific scopes of work that your firm intends to sub-consult/subcontract. The SMWVB Program Manager will respond with lists of firms from the South Central Texas Regional Certification Agency’s database that you may include in your outreach efforts. Eligible SMWB firms must have a local presence in the San Antonio Metropolitan Statistical Area, they must be certified by the South Central Texas Regional Certification Agency or the Texas Historically Underutilized Business (HUB) Program, and they must have Small Business Enterprise (SBE) certification (at minimum). Please see the Good Faith Effort Plan for the definition of “local”.

8. QUESTION: Compensation proposal – please clarify to what extent there is a budget expectation for this scope of work.

ANSWER: *SAWS is allowing the Consultant to be creative with their financial offering.*

9. QUESTION: Compensation proposal – please clarify anticipated duration of the assignment.

ANSWER: *It is anticipated that firms with experience in this arena will be able to tell SAWS how long such a process will take.*

10. QUESTION: Please consider whether the deadline for submission responses may be extended by 2 weeks.

ANSWER: *The deadline is firm.*

11. QUESTION: The RFP scope states that the Consultant needs to “understand the needs and requirements of City San Antonio and the Port SA in connection with the DCS, including but not limited to, the potential need for growth of the DCS to accommodate the development that COSA anticipates for downtown San Antonio.”

To confirm, is the team using the development growth forecast and market studies provided by Centro San Antonio on their website to project demand load assumptions, or are we to develop the growth forecast independently?

ANSWER: *SAWS anticipates that the Consultant will use projected demand loads to forecast growth and potential revenues and expenses. It is also anticipated that the Consultant will forecast capital infrastructure demands to support this growth.*

The market analysis will allow the Consultant to project future infrastructure requirements that will have financial impacts to the operation. A chilled water main extension or increased chiller capacity may be needed to support growth. New chilled water plants may need to be constructed to support growth.

12. **QUESTION:** With respect to the SMWVBE requirements, the RFP states on page 8 that “prior sub-consultant utilization compliance averages for the past 2 years may be considered when totaling the SMWB score, based upon data from the Subcontractor Payment & Utilization Reporting (SPUR) System.” Would the Consultant’s history of Sub-consulting SWMVBE certified firms be only that which is applicable to the south central Texas region or for the wider Texas state?

ANSWER: *This section only applies to firms who have been awarded prior contracts with San Antonio Water System with sub-consultant/subcontractor participation.*

CLARIFICATIONS AND MODIFICATIONS

No clarifications or modifications to the solicitation are required for this project.

END OF ADDENDUM

This Addendum, is four (4) pages in its entirety. There are no attachments.