REQUEST FOR QUALIFICATIONS / REQUEST FOR PROPOSALS

FOR

INTERIM EXECUTIVE MANAGEMENT SERVICES

FOR

THE PITTSBURGH WATER AND SEWER AUTHORITY
1.0 INTRODUCTION

The Pittsburgh Water and Sewer Authority (the “Authority” or “PWSA”) was created on February 17, 1984, under the Pennsylvania Municipality Authorities Act of 1945. The Authority’s primary purpose at that time was to oversee a $200 million capital improvement project to the City of Pittsburgh’s water system. Prior to 1984, the City Water and Public Works Departments managed the City’s water and sewer systems. Under a Capital Lease Agreement and Cooperation Agreement effective in 1995, the City water department became a part of the Authority. The Authority became responsible for producing and supplying water and maintaining and operating the City water infrastructure. In 1999, the Authority assumed responsibility for operating and maintaining the entire City sewer system. The Authority is organized into three divisions: (1) administration, which includes the functions of finance, customer service, human resources, information systems, and communications; (2) engineering and construction; and (3) operations, which includes water treatment and distribution and sewage and stormwater conveyance.

The Authority is the largest combined water and sewer authority in the Commonwealth of Pennsylvania. The Authority currently serves 196,000 water and sewer customers in the City of Pittsburgh and Borough of Millvale. The Authority also sells water to Fox Chapel, Reserve Township, Hampton Township, and Aspinwall Borough. It is connected to several other regional water systems.

The facilities of the Authority consist of water treatment and distribution facilities, wastewater collection and transmission facilities, and stormwater collection and transmission facilities (the “Water and Sewer System”). The Water and Sewer System does not include wastewater treatment facilities. Wastewater collected in the Water and Sewer System is transmitted to facilities of the Allegheny County Sanitary Authority for treatment. The sewer system is primarily a combined system, designed to convey both stormwater and sanitary sewage. The Authority obtains source water for the water system from the Allegheny River and delivers an average of 65 million gallons per day to its customers. The water treatment facility is a 117 MOD rapid sand type, placed in service in 1969. The total storage capacity of water reservoirs and tanks throughout the system is approximately 455 million gallons.

The Authority has approximately 260 budgeted employees, who are distributed approximately as follows: (a) 36 in billing and collections, (b) 25 in administration and accounting, (c) 185 in water and sewer operations, and (d) 15 in engineering.

The Authority has recently launched a number of important initiatives, including the replacement of its information system, the comprehensive inspection of water valves and fire hydrants, the installation of a SCADA system, a mobile ops program and an investigation of the state of the Clearwell. Last year the Authority embarked on a very important Stormwater Management Study which will allow the Authority to evaluate its current practices and coordinate with other government agencies future goals related to stormwater management. In the second quarter of 2012 the Authority will finish a two year planning process for its 40-year Capital Plan. Additionally, the Authority is currently drafting its long term control plan in compliance with the 2004 Consent Order and Agreement with the Pennsylvania Department of Environmental Protection to reduce overflows from combined sewers.
2.0 SOLICITATION

Through the competitive process detailed in this Request for Qualifications and Request for Proposals ("RFQ/REP"), the Authority is seeking proposals for the provision of interim executive management services ("Services"). The contract responsibilities shall include various aspects of the management of the Authority's business as outlined below for a period of one (1) year, which may be extended for no more than six (6) months with the written consent of both parties.

Under no circumstances will receipt by the Authority of any submission or proposal bind or obligate the Authority in any manner unless and until an agreement, duly approved by the Authority Board, is executed and delivered by the successful proponent (the "Contractor") and the Authority (the "Management Agreement"). This RFQ/REP outlines the procedure that will be followed for the identification of qualified proponents (all parties who receive this RFQ/REP and participate from time to time hereafter in the procurement process contemplated hereby are herein referred to as "proponents") and the process for the submission of proposals for the selection of the Contractor.

2.1 SERVICES REQUIRED

The Authority intends to retain a firm having a national reputation for skill and experience in the types of services provided by the Authority to serve as an Interim Executive Management Contractor ("Contractor") to the Authority. The Authority seeks an interim management firm to develop and begin the implementation of strategies that will reinvigorate the Authority’s ability to meet the needs of its more than quarter million customers in the City of Pittsburgh and surrounding areas. The Services required will include, but are not limited to, the following.

2.1.1. Develop short- and long-term strategies to preserve and protect Pittsburgh’s source of high quality drinking water, meeting on-going needs and developing challenges for PWSA and other water purveyors in the region. Strategies could include a mix of new technologies and equipment as well as partnerships and community organizing

2.1.2. Develop short- and long-term strategies for financial sustainability by

.1 evaluating the revenue production of PWSA and identify any existing or potential challenges to existing revenue streams. The successful firm will also evaluate the existing rate structure in light of the on-going engineering study regarding the creation of a storm water utility and develop recommendations for the possible alterations of the Authority’s future rate structure

.2 evaluating the expenditure structure of the Authority and identify existing or potential challenges, and/or opportunities for cost containment

.3 evaluating the existing debt structure, and working with PWSA’s financial team, craft recommendations for future capital investment and, where appropriate, the restructuring of debt

2.1.3. Develop short- and long-term strategies

.1 that will assure PWSA’s on-going compliance with its Consent Order and Agreement regarding combined sewer overflows
that will enable PWSA to implement the recommendations as offered by the Stormwater Management Study

2.1.4. Develop short- and long-term strategies to ensure that PWSA provides the highest quality customer service. Customer service quality control should focus not only on the relationship between PWSA and its end users but also those seeking to improve and develop structures in the City of Pittsburgh and surrounding areas.

2.1.5. Develop short- and long-term strategies for establishing an organizational structure that positions PWSA to be the City and the region’s leader in water treatment and distribution as well as waste water conveyance and storm water management.

2.1.6. Evaluate and make recommendations regarding the engineering and construction management functions at PWSA, specifically the accepted best practices with regard to the relationship of the Authority to its consulting engineering firm.

2.1.7. Develop possible scenarios for the full utilization of the capacity of PWSA’s water treatment plant.

The Authority also reserves the right to require Contractor key staff to be located at the Authority offices during the term of the Management Agreement.

2.2 OVERVIEW OF SOLICITATION PROCESS

THE AUTHORITY RESERVED THE RIGHT TO TERMINATE OR MODIFY THE SOLICITATION PROCESS AT ANY TIME, WITH OR WITHOUT NOTICE, INCLUDING ANY DATE OR TIME PERIOD STATED HEREIN.

The Authority wishes to receive Qualification Statements as described in Section 6 of this RFQ/RFP no later than March 23, 2012, by 4:00 P.M. Pittsburgh time. Qualified proponents will be identified on or before April 6, 2012 and will be invited to meet with representatives of the Authority on April 12, 2012 to obtain further clarification as to the goals and objectives of the Authority. Technical Proposals and Cost Proposals (together, the "Proposals") are due on May 4, 2012 by 4:00 P.M. Pittsburgh time. Following the Authority’s preliminary review of Technical Proposals and Cost Proposals, it may invite some proponents to interview at the Authority’s offices at 1200 Penn Avenue, Pittsburgh, Pennsylvania 15222. The successful proponent will be announced on or before May 18, 2012, subject to review and approval of the Proposal of such successful proponent by the Authority Board. If so approved, the proposed Interim Executive Management Agreement will be provided on or before May 21, 2012. Upon completion of negotiations concerning the proposed Interim Executive Management Agreement, the Interim Executive Management Agreement shall be executed and delivered by the Authority to the Contractor in time for the commencement of services on July 1, 2012, or such other date as the Contractor and the Authority shall mutually agree.

Only proponents deemed to be qualified by the Authority, in its sole discretion, after review of the Qualification Statements, will be eligible to continue in the solicitation process and submit Proposals. PROPOSITIONS WHO BEGIN WORK ON PREPARING THEIR PROPOSALS BEFORE THE ANNOUNCEMENT OF THEIR QUALIFICATION, DO SO AT THEIR OWN COST AND AT THE RISK OF NOT BEING QUALIFIED. COSTS FOR DEVELOPING ANY QUALIFICATION STATEMENT OR PROPOSAL WILL BE THE SOLE RESPONSIBILITY OF THE PROPONENT, WHETHER OR NOT ANY AWARD RESULTS FROM THIS
SOLICITATION. THE AUTHORITY WILL NOT BE RESPONSIBLE UNDER ANY CIRCUMSTANCES FOR ANY COSTS OR EXPENSES INCURRED BY PROPONENTS.

3.0 CONTRACTUAL RELATIONSHIP WITH THE AUTHORITY

The proposed form of the Interim Executive Management Agreement is attached hereto as Exhibit A. The term of the Interim Executive Management Agreement will be one (1) year, with the possibility of one extension not to exceed six months. The Authority will require a termination for convenience provision, which it may exercise at any time after September 1, 2012.

The Authority has used tax-exempt debt as financing for improvements to the Water and Sewer System and must maintain its eligibility for future use of tax-exempt financing with respect to the Water and Sewer System and otherwise. Therefore, the Interim Executive Management Agreement must conform in all respects to all laws, rules and regulations applicable to the maintenance of such eligibility, including, without limitation, Internal Revenue Service Revenue Procedure 97-13, and the Contractor shall also be required to comply with all outstanding bond document covenants that are relevant to the Services.

4.0 SCOPE OF SERVICES AND PERFORMANCE STANDARDS

A description of the responsibilities, duties, and obligations of the Contractor that will comprise the Services under the Interim Executive Management Agreement is contained in a Scope of Services attached hereto as Exhibit B and incorporated herein. Exhibit B is not intended to constitute a complete description or statement of all such matters, which will be governed and controlled by the negotiated Management Agreement.

5.0 PROCUREMENT PROCESS

5.1 SCHEDULE

It is anticipated that the solicitation and proposal process shall be conducted in accordance with the following schedule; provided, however, the Authority reserves the right to modify this schedule in its sole discretion:

- Issuance of RFQ/REP ......................... March 1, 2012
- Qualification Statements Due ...................... March 23, 2012
- Qualified Proponents Identified ............... April 6, 2012
- Pre-Proposal Conference ...................... April 12, 2012
- Technical and Cost Proposals Due ........ May 4, 2012
- Top Ranked Proponent Selected ............... May 18, 2012
- Negotiation of Management Agreement .... May 21-June 8, 2012
- Target Commencement Date .................. July 1, 2012
5.1.1 Qualification Statements Due

A fully responsive Qualification Statement must be submitted, by March 23, 2012, at 4:00 P.M., Pittsburgh time, to the Authority’s Procurement Office, 1200 Penn Avenue, Pittsburgh, Pennsylvania 15222, Attention: PWSA Solicitor, in accordance with the terms and requirements of Sections 5 and 6 hereof. Failure to submit such a fully complying and timely qualification statement may render a proponent non-responsive and disqualified from the process. The Authority reserves the right to modify such criteria and to waive minor inconsistencies or omissions.

5.1.2 Qualified Proponents Notified

Proponents found qualified by the Authority in accordance with the criteria, terms, and procedures set forth herein, in its sole discretion, will be so notified in writing by April 6, 2012. Proponents who are not qualified by the Authority will be so informed in writing. Qualified proponents only will be invited to submit Proposals. Included in the written notification to the qualified proponents will be instructions for arranging participation in the mandatory meeting with Authority representatives on April 12, 2012. Only qualified proponents will be eligible to participate in these meetings.

5.1.3 Technical and Cost Proposals Due

Qualified proponents must submit a Technical and Cost Proposal by May 4, 2012, by 4:00 P.M. Pittsburgh time, to the Authority’s Procurement Office, 1200 Penn Avenue, Pittsburgh, Pennsylvania 15222, Attention: PWSA Solicitor, in accordance with the requirements of Sections 7 and 8 hereof. Failure to submit such a fully complying and timely qualification statement may render a proponent non-responsive and disqualified from the process. The Authority reserves the right to waive or modify such criteria.

5.1.4 Possible Proponent Interviews

The Authority may invite two or more of the qualified proponents to its offices at 1200 Penn Avenue, Pittsburgh, Pennsylvania 15222, for individual meetings to discuss their Technical Proposals and Cost Proposals. The Authority has sole discretion whether or not to conduct such interviews with any proponents. The cost and expenses of these interviews will be the sole responsibility of the proponent.

5.1.5 Top Ranked Proponent Selected

On or before May 18, 2012, the Award shall be made to the most responsible and responsive proponent whose proposal is determined to be the most advantageous to the Authority, taking into consideration the evaluation factors set forth in this RFQ/RFP.

5.1.6 Finalization, Execution and Delivery of Management Agreement

On or before June 8, 2012, the Interim Executive Management Agreement will be completed, executed and delivered by the Authority and the top ranked proponent.
5.2 CONTACT PERSON & INQUIRIES

All suggestions and questions regarding the specifications and requirements of this RFQ/REP should be made in writing to the Authority’s Solicitor: Mark F. Nowak, Esq., Thorp Reed & Armstrong, LLP, One Oxford Centre, 301 Grant Street 14th Floor, Pittsburgh, Pennsylvania 15219 or mnowak@thorpreed.com.

5.3 ACCESS TO INFORMATION AND FACILITIES

Information included with this RFQ/RFP is provided solely for the convenience of the proponents, and the Authority bears no responsibility for the completeness or accuracy of any information made available. **NO REPRESENTATION OR WARRANTY OF ANY KIND IS MADE BY THE AUTHORITY AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH HEREIN OR AS PROVIDED DURING THE PROCUREMENT PROCESS SET FORTH HEREIN, EXCEPT AS MAY BE SPECIFIED IN THE MANAGEMENT AGREEMENT.**

5.3.1 Confidentiality Agreements

.1 Those proponents deemed qualified by the Authority will be asked to execute a Confidentiality Agreement in which the proponent agrees not to communicate or divulge or to use for the benefit of the proponent or any other person or entity other than the Authority and to maintain the confidentiality of the Authority’s and its employees’ and agents’ (i) technical information, including inventions, processes, patents and applications for patents, software, and related trade secrets; and (ii) business information, including information in respect to rates and other pricing, margins, and costs. Proponents who do not execute a confidentiality agreement will not be provided with access to Authority information or facilities.

.2 The Authority will not consider Proposals from proponents who have not submitted a fully executed confidentiality agreement. The Authority will not consider Proposals from competitors of the Authority.

5.3.2 Site Inspections—Qualified Proponents

To assist qualified proponents in preparing submittals, the Authority will allow site inspections at the proponent’s option to the extent that mutually convenient dates can be arranged. Qualified proponents may schedule site inspections by contacting the Procurement Department, Leon Godek, during normal business hours at least two (2) business days in advance.

5.3.3 Prohibited Contacts

All proponents, including any persons affiliated with or in any way related to a proponent, are strictly prohibited from contacting Authority employees, Authority consultants, attorneys for the Authority and Authority Board members on any matter having to do in any respect with this RFQ/RFP other than as contemplated herein. Failure by any proponent to adhere to this prohibition may, at the sole discretion of the Authority, result in disqualification and rejection of any proposal.
5.4 GENERAL TERMS AND CONDITIONS

5.4.1 Period of Validity/Binding Offers

All Proposals shall remain valid for a minimum period of sixty (60) days after their submittal due date. No proposal may be modified or withdrawn by any proponent during this period of time without the prior written consent of the Authority.

5.4.2 Interpretations and Addenda

NO INTERPRETATION, EXPLANATION, OR CLARIFICATION OF THE RFQ/RFP, INCLUDING, WITHOUT LIMITATION, THE APPENDICES AND EXHIBITS HERETO, OR THE INTERIM EXECUTIVE MANAGEMENT AGREEMENT OR ANY VERSION THEREOF TO BE DELIVERED PURSUANT HERETO, BY ANY OFFICIAL, CONSULTANT, ATTORNEY OR OTHER REPRESENTATIVE OF THE AUTHORITY WILL BE CONSIDERED AUTHORITATIVE OR BINDING ON THE AUTHORITY UNLESS CONTAINED IN A WRITTEN ADDENDUM TO THIS RFQ/RFP.

5.4.3 Information Provided By the Authority

PROPRIETORS ARE SOLELY RESPONSIBLE FOR CONDUCTING THEIR OWN INDEPENDENT RESEARCH, DUE DILIGENCE, INVESTIGATIONS AND OTHER WORK NECESSARY FOR THE PREPARATION OF QUALIFICATION STATEMENTS, PROPOSALS, DISCUSSION AND REVIEW OF AGREEMENTS, AND THE SUBSEQUENT DELIVERY OF SERVICES PURSUANT TO ANY AGREEMENT, EXCEPT AS MAY BE SPECIFIED IN THE MANAGEMENT AGREEMENT. THE AUTHORITY TAKES NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF ANY INFORMATION PRESENTED IN THIS RFQ/RFP OR OTHERWISE DISTRIBUTED OR MADE AVAILABLE, ORALLY OR IN WRITING, DURING THIS PROCUREMENT PROCESS OR DURING THE TERM OF ANY SUBSEQUENT AGREEMENT.

5.4.4 Laws and Regulations

The Authority requires that all responses to this RFQ/RFP, together with all actions and operations thereunder, comply with all applicable Authority, local, state and federal laws, ordinances, and regulations and bond covenants. Notwithstanding any other term or provision of this RFQ/RFP or the Management Agreement, all terms and provisions of this RFQ/REP and the Interim Executive Management Agreement are intended to be and shall be construed and interpreted so as to comply with all applicable Authority, local, state and federal laws, rules, regulations and ordinances and bond covenants. If any provision of this RFQ/RFP shall transcend the limit of validity prescribed by law, then ipso facto, such provision shall be reduced to the limit of such validity, and if any clause or provision of this RFQ/RFP operates or would prospectively operate to invalidate this RFQ/RFP, in whole or in part, then such clause or provision only shall be void, as though not herein contained, and the remainder of this RFQ/RFP shall remain operative and in full force and effect.
5.4.5 Costs and Expenses of Proponents

The Authority accepts no liability under any circumstances for any costs or expenses incurred by proponents in acquiring, clarifying, or responding to any condition, request, or standard contained in this RFQ/RFP, including, without limitation, mandatory meetings, and each proponent hereby waives and shall indemnify and hold harmless the Authority from and against any claims (including any costs and attorney's fees) for such reimbursement, directly or indirectly, made by or on behalf of such proponent.

5.4.6 No Collusion

Each proponent must certify that such proponent has not colluded or engaged in other anti-competitive practices in connection with this procurement.

5.5 RIGHTS OF THE AUTHORITY

5.5.1 Authority's Right To Cancel Solicitation and To Reject Any and All Qualification Statements and Proposals

The Authority reserves the right to cancel this solicitation and to reject, in whole or in part, any and all Qualification Statements or Proposals and is not bound to accept any Qualification Statements or Proposals if any Qualification Statements or Proposals are deemed to be contrary to the best interest of the Authority. The Authority reserves the right to take any action with regard to this RFQ/RFP and the facilities and services, which are the subject of this RFQ/RFP, that it considers to be in its best interests.

5.5.2 Outstanding Claims and Disputes

The Authority reserves the right to reject Qualifications of or Proposals from any proponent if such proponent or any firm comprising such proponent or any of its affiliates, or any of its or their respective officers, parents or subsidiaries, is the subject of, or is or has been in the last two (2) years a party to, any outstanding claim or a financial dispute relating to contract performance with the Authority.

5.5.3 Modifications to RFQ/RFP

The Authority reserves the right, in its sole discretion, and at any time, to supplement or otherwise modify this RFQ/RFP and to issue additional RFQ’s or RFP’s.

5.5.4 Acceptance and Rejection of Proposals

The Authority reserves the right to reject any and all Proposals and portions thereof or to accept any Proposal and waive any technicality or defect therein. The Authority reserves, at its sole discretion, the right to determine which proponents are qualified to submit Proposals. The Authority reserves the right to accept proposals other than the lowest cost proposal.

5.5.5 Conduct Investigations / Request Supplementary Information

The Authority reserves the right to conduct investigations with respect to the qualifications, experience, and representations of the proponents and to require proponents to
supplement, clarify, or provide additional information in order for the Authority to evaluate the Qualification Statements and Proposals submitted, and each proponent through its request for and receipt of this RFQ/RFP consents to such investigations.

5.5.6 Time Extensions

In order to allow for the completion of the Interim Executive Management Agreement, the Authority reserves the right to seek an additional sixty (60) days of Proposal validity, in addition to this initial sixty (60) days of required validity, from any proponent, without cost to the Authority. If the Authority has not made the notification of selection of a proponent or request for time extension within sixty (60) days of the proponents’ submission of technical and cost proposals, proponents may, at their discretion, withdraw their Proposals or provide the Authority with written extensions of time.

5.5.7 Ownership and Disclosure

All submittals in response to this RFQ/RFP will become the property of the Authority. The Authority intends to maintain confidentiality of all submissions except to the extent that disclosure is required in accordance with applicable law. Regardless of the outcome of this procurement process, the Authority reserves, in accordance with all applicable laws and regulations, the right to use the responses to this RFQ/RFP and related documents and processes for its own purposes, including all data, information, and concepts contained therein, in any manner it elects to do so.

6.0 STATEMENT OF QUALIFICATIONS

The first submittal of each proponent is a Qualification Statement, describing the overall team capabilities to provide the Services. The purpose of this submittal is to allow the Authority to select a pool of proponents that it believes, in its sole discretion, to be capable of adequately and dependably performing the Services contemplated by this RFQ/RFP and thereby serving the customers of the System over the long term.

6.1 SUBMISSION OF QUALIFICATIONS

Responses to this Request for Qualifications should be received by March 23, 2012 at 4:00 P.M. Pittsburgh time at the Authority’s Procurement Office, addressed to the attention of the Authority’s Solicitor, 1200 Penn Avenue, Pittsburgh, PA 15222, by certified mail, courier or hand delivery. Any Qualification Statement received after the time will not be considered. Qualification Statements should be responsive to all aspects of this Request for Qualifications and should adhere to the format and contents specified in this Section 6, including all forms and documents requested. Failure to include each and every required submittal may render a Qualification Statement non-responsive and result in rejection of the Qualification Statement.

Each Qualification Statement must be submitted in one original and ten copies. The one original version of the Qualification Statement should be clearly marked as such.
6.2 GENERAL FORMAT FOR QUALIFICATION STATEMENT

Submittals should be concise, clear, readable and complete. All Qualification Statements should be bound in a single volume using 3-ring, wire, or comb binding or any other method that lies flat when opened. Each of the required sections should be clearly and easily separated and marked in the volume.

6.3 ORGANIZATION OF QUALIFICATION STATEMENT

The Authority requests that each Qualification Statement submitted conform to the format outlined below, including the page limitations listed for each section. One printed side of one piece of paper is considered as one page. All full-page illustrations, figures and tables are to be included in the page count (even if they are not paginated). Each section should be separately paginated and no unused pages in one section can be used in another.

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* “As needed” does not mean unlimited.

6.4 CONTENTS OF QUALIFICATION STATEMENT

Unless otherwise noted, the Qualification Statement should include the required information for the proponent organization and each of the key employees.

6.4.1 Cover Letter

The cover letter should be prepared on the letterhead of the proponent organization and signed by a representative who is empowered to enter into contracts with the Authority on the proponent's behalf. The cover letter is intended to introduce the proponent. It should contain at least the following information:

1. Designation and legal name of the business/venture that will contract with the Authority
2. Identification of the key employees who comprise the proponent's team, and a discussion of the proposed role of each employee
3. An unqualified statement confirming that the proponent meets the financial criteria described in Section 5.4.8
6.4.2 Title Page

The title page should contain the name of this RFQ/RFP and of the Qualification Statement, which is "Interim Executive Management Services for The Pittsburgh Water and Sewer Authority" and identify the proponent organization by company name, contact name, address, phone number, and facsimile number. This contact shall be considered by the Authority as the proponent's main contact point for all communication regarding this procurement.

6.4.3 Table of Contents

Qualification Statements should contain a detailed table of contents listing major sections and subsections that correspond to the requirements of the Qualification Statement. The table of contents should also list all tables, appendices, figures, etc. contained in the Qualification Statement.

6.4.4 Executive Summary

The purpose of the Executive Summary is to provide an overview of the proponent's qualifications to contract and fulfill the Authority's objectives and the provision of the Services. At a minimum, the Executive Summary should contain the following information:

.1 Name and headquarters location of the proponent organization and, if applicable, the guarantor

.2 Description of the proponent organization and, if applicable, the guarantor and its/their legal structures (corporation, joint venture, etc.).

.3 Examples of major current and past water and wastewater system facilities under proponent firm's management.

.4 The general and specific capabilities and experience of the proponent firm that the proponent believes will benefit the Authority.

6.4.5 Qualification Statement Contact Directory

The purpose of the Qualification Statement Contact Directory is to provide the Authority with a centralized easily identified source of important contacts and other information regarding the proponent. The directory should include the names, positions/titles, firms, mailing addresses, phone and fax numbers, and (when possible) e-mail addresses for each of the following as it pertains to the proponent's team:

.1 At least two individuals, one primary and the others secondary, authorized to represent the firm for purposes of this RFQ/REP.

.2 At least one reference from an individual project manager or individual of higher status on each of the completed or ongoing engagements performed by the firm and listed below in section 6.4.7, "Proponent Team Relevant Experience."

.3 At least two references of bank or institutional lenders each of which currently or within the past two years has extended credit to the proponent.
.4 At least two references of major, independent suppliers of the firm.

.5 Each director and officer of the firm and each individual indicated on the ownership chart.

6.4.6 **Proponent Team Information/Legal Structure**

This section should include the following information:

.1 A short business history of the proponent and, if applicable, the guarantor, and, for each firm, the location of the office from which the work related to this RFQ/ RFP would be supported.

.2 Detailed information on the organizational structure of the proponent, including parent companies or guarantor, affiliates, and subsidiaries, which proponent anticipates that could be called upon to supply services, financial guarantees, or other resources in connection with this RFQ/RFP.

.3 An ownership chart for the proponent and, if applicable, the guarantor, showing the names of the individuals or entities with direct and indirect ownership interests in the firm or, in the case of a public company, those individuals or entities who beneficially own or control, directly or indirectly, at least five (5) percent of the shares of voting stock.

.4 Detailed information on the participation of minorities, women, and veterans in the ownership, management, or leadership of the proponent.

Contracts and other technical or legal documents pertaining to this section of the Qualification Statement may be included.

6.4.7 **Proponent Team Relevant Experience**

This section should address the previous and ongoing experiences of the proponent with contracts similar to that being sought by the Authority. In responding to this section of the RFP, proponents should be clear in distinguishing between proponent and any affiliates that may actually have been responsible for the work.

Where it is the experience of an affiliate that is listed as a relevant qualification for the proponent, this fact should be explicitly noted and the relationship linking the proponent and the experience should be described. For the experience to be relevant for this assignment, the proponent must state exactly how it will incorporate the benefits and resources of that other experience into this procurement.

Proponents should provide a description of their relevant capabilities as they relate to the Services. This may include broad capabilities, experience, and statistical overviews as well as more detailed descriptions of specific methodologies, innovative practices, cost-savings measures and the like.
6.4.8 Financial Capability

The Authority must be able to evaluate, verify and understand the proponent's or guarantor's financial capability and expertise to undertake and perform the Services. Based upon audited financial statements of a proponent team member for the last three (3) years, the Authority will evaluate the financial capability of the proponent and determine, in the Authority's own judgment and discretion, whether such financial capability is sufficient to assume the obligations and requirements of the final Agreement.

6.4.9 Discrimination.

Proponents must certify that their employees and applicants for employment are not discriminated against because of their race, color, religion, sex, sexual orientation or national origin.

6.4.11 Standard Form (SF) 330.

Proponents must submit Standard Form (SF) 330 Architect-Engineer and Related Services Questionnaire in its entirety, not more than one year old as of the date submitted.

6.5 EVALUATION OF QUALIFICATION STATEMENT

The Qualification Statement will be evaluated on a "pass/fail" basis. Proponents who are deemed qualified by the Authority to operate the Water and Sewer System and undertake the Services, and those proponents only, will be invited to submit Proposals without distinction among them. However, investigation of proponent references and other content of the Qualification Statement may continue after proponent has been invited to submit a Proposal, and findings that are inconsistent with or absent from the representations made in the Qualification Statement may be grounds for disqualification from this process, at the sole discretion of the Authority. Similarly, adverse material changes in proponent's financial or other status from those at the time of Qualification Statement submission may be grounds for disqualification, at the sole discretion of the Authority.

After the Qualification Statements have been opened, the Authority will evaluate the proponents' responses, including proponents' references, financial statements, experience and other data relating to proponents' qualifications. Proponents may be required to submit additional or supplemental information to the Authority, if requested by the Authority, to determine whether the proponent meets all of the pre-qualification standards outlined.

The Authority will determine which proponents are responsive to the material terms and conditions of this Request for Qualifications. The Authority will then determine who is technically, financially, and otherwise capable to perform the Services satisfactorily, and who has the capacity to meet all other requirements of the proposed undertaking. Any response may be rejected if it is determined by the Authority to be non-responsive; provided, however, that the Authority reserves the right to waive any irregularities or technicalities which it determines, in its sole discretion, to be minor in nature and when waiver is in the best interest of the Authority, in its sole discretion. Furthermore, any response may be rejected if it is determined by the Authority, in its sole discretion, that the proponent is not capable of performing the proposed Services satisfactorily or due to the failure of the proponent to provide information requested relating to such determination.
The following factors will be considered by the Authority in evaluating proponent qualifications:

- National and/or international reputation of proponent for expertise in providing services to government owned and operated water and sewer authorities.

- Specialized experience and technical competence of the proponent in all disciplines of engineering associated with design, construction, and maintenance of water utility infrastructure and components, as well as experience and ability of the firm in providing the services mentioned above.

- Demonstrated past experience in the areas contemplated by this RFQ/RFP.

- The specific experience of individuals who represent the proponent—particularly the primary person(s) who will be responsible for managing the relationship with the Authority and other key personnel assigned to the Project.

- The proponent’s commitment to diversity.

The Authority reserves the right to reject any proponent whom the Authority deems in its sole discretion to not satisfy the needs of the Authority.

7.0 TECHNICAL PROPOSAL

The second submittal of each qualified proponent is a Technical Proposal (the "Technical Proposal") describing in detail the overall plan of the proponent for providing the Services. Only Technical Proposals from proponents that have submitted Qualification Statements and that have been approved as qualified will be considered. Proponents commence work on their Technical Proposals before approval of their Qualification Statement at their own risk. The Authority will not be responsible for any costs incurred in the preparation of Technical Proposals under any circumstances.

7.1 SUBMISSION OF TECHNICAL PROPOSAL

Responses to the Technical Proposal component of this Request for Proposal must be received by the Authority no later than 4:00 P.M., Pittsburgh time, on May 4, 2012. Any Technical Proposal received after the time stipulated will not be considered. Technical Proposals should be responsive to all aspects of this Request for Proposal and should adhere strictly to the format and contents specified in this Section 7, including all forms and documents requested. Failure to include each and every submittal may result in rejection of a proponent’s Technical Proposal.

Each Technical Proposal must be submitted in one original and ten copies. The one original version of the Technical Proposal should be clearly marked as such. Submit all responses to the Authority’s Procurement Department, to the attention of the Authority Solicitor, either by mail or courier at the Authority’s Procurement Office, addressed to the attention of the Authority’s Solicitor, 1200 Penn Avenue, Pittsburgh, PA 15222.

7.2 GENERAL FORMAT FOR TECHNICAL PROPOSAL

Submittals must be concise, clear, readable and complete. All Technical Proposals must be bound in a single volume using 3-ring, wire or comb binding, or any other method that lies flat when opened. Each of the required sections (see Section 7.3 below) must be clearly and easily separated and marked in the volume.
7.3 ORGANIZATION OF TECHNICAL PROPOSAL

The Authority requires that each Technical Proposal submitted conform to the format outlined below, including the page limitations listed for each section. One printed side of one piece of paper is considered as one page. All full-page illustrations, figures and tables are to be included in the page count (even if they are not paginated). Each section should be separately paginated and no unused pages in one section can be used in another. The Authority, in its sole discretion, may reject any Technical Proposal that does not conform to the outline or page limits listed herein.

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“As needed” does not mean unlimited; pages should be included only as they directly support other text.

7.4 CONTENTS OF TECHNICAL PROPOSAL

7.4.1 Cover Letter

The cover letter should be prepared on the letterhead of the proponent and signed by a representative who is empowered to enter into contracts with the Authority on the proponent's behalf. The cover letter is intended to introduce the proponent. It should contain, at a minimum, the following information:

.1 Designation and full legal name of the proponent and, if applicable, the guarantor that will contract with the Authority.

.2 Identification of the key employees who comprise the proponent’s team and a discussion of the proposed role of each employee.

.3 A clear statement indicating that the attached proposal constitutes a binding offer by the proponent to the Authority for a minimum period of sixty (60) days from the submittal of the Technical Proposal to provide the Services.

7.4.2 Title Page

The title page should contain the name of this RFP, which is "Interim Executive Management Services for the Pittsburgh Water and Sewer Authority," state that it is a Technical Proposal, and identify the proponent by company name, principal contact name, address, and phone number. This contact shall be considered by the Authority as the proponent's main contact point for all communication regarding this procurement.
7.4.3 Table of Contents

Technical Proposals should contain a detailed table of contents listing major sections and subsections that correspond to the requirements listed in the RFP. The table of contents should also list all tables, appendices, figures, etc. contained in the Technical Proposal.

7.4.4 Executive Summary

The purpose of the Executive Summary is to provide a brief review of the proponent's qualifications and a non-technical overview of the proponent's plans to fulfill the requirements of the Management Agreement. At a minimum, the Executive Summary should contain the following information:

1. Name and headquarters location of the lead proponent team member.

2. Brief description of the proponent team and legal structure as detailed in the Qualification Statement.

3. Brief review of proponent and key employee qualifications as detailed in the Qualification Statement.

4. The capabilities and experience of proponent firm and the key employees that distinguish the Technical Proposal and would provide unique benefits to the Authority.

7.4.5 Interim Executive Management and Consulting Services Technical Approach

This section of the Technical Proposal should describe in detail the specific measures to be taken by the proponent to ensure that the Authority's objectives will be successfully achieved and the Services will be successfully undertaken. The Technical Approach section of the proposal should, at a minimum, include the following elements as detailed below.

1. Operations and Management Plan. The proponent should describe how it intends to provide the Services. The purpose of this section is to describe the proponent's approach to achieving the Authority's objectives, how successful experiences at other locations could be applied to this project, etc. The intent is for the Authority to gain additional understanding of the proponent's business considerations, philosophy, overall strategy, and experience as it relates to this project, and the proponent's compatibility with Authority goals in delivery of the Services.

2. Staffing Plan. Each proponent shall identify its proposed staffing for the anticipated scope of services. At a minimum, the proposal must:

   - Provide a preliminary staffing chart illustrating proposed staffing using job classifications and numbers of positions on a short-term and a long-term basis.

   - List job descriptions for key positions, including minimum qualifications, skills, required and other relevant job-related information.
Interaction with the Authority. The proponent should describe how it intends to maintain appropriate reporting relationships, an ongoing dialogue with the Authority. The proposal should include, at a minimum, appropriate plans for: (1) periodic communications and meetings with the Authority; and (2) monthly progress reporting to the Authority's Representative(s).

8.0 COST PROPOSAL

The final submittal of each proponent is a Cost Proposal. The Cost Proposal is due simultaneously with, but separate from, the Technical Proposal, and is subject to the same requirements for submission and general format as those laid out in Sections 7.1 and 7.2 of this RFQ/RFP. However, the reference line in the address on the submitted document (see Section 8.1.) should read "Re: Interim Executive Management Services for The Pittsburgh Water and Sewer Authority— Request for Cost Proposal" so that it is easily distinguished from the Technical Proposal.

8.1 ORGANIZATION OF COST PROPOSAL

The Authority requires that each Cost Proposal submitted conform to the format outlined below.

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<th>Content</th>
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<td>Form—Proponent’s Affidavit of Non-Collusion / No Conflict of Interest</td>
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* "As needed" does not mean unlimited; pages should be included only as they directly support other text.

8.2 CONTENTS OF COST PROPOSAL

8.2.1 Cover Letter

The cover letter shall legally bind, and must state that it is intended to legally bind, the proponent to a firm price offer to the Authority that should contain the following information:

.1 A clear statement that the Cost Proposal constitutes a binding offer by the proponent to the Authority, for a minimum period of sixty (60) days from the submittal of the Proposal.

.2 A clear statement that the Cost Proposal references the Technical Proposal submitted with it concurrently and accounts for all offers of services contained in that Technical Proposal.

8.2.2 Title Page

The title page should contain the name of this RFP, which is "Interim Executive Management Services for the Pittsburgh Water and Sewer Authority," and state that it is a Cost Proposal.
8.2.3 Cost Proposal

The cost proposal should build up to a total monthly service fee by providing cost estimates for the provision of the Services, plus an allowance for overhead and profit. This monthly service fee will be a binding offer for all services provided from the time of the commencement of the Interim Executive Management Agreement through its expiration or other termination.

.1 Personnel—Includes, but is not limited to, salaries, wages, overtime, pay differential, holiday/vacation pay, education assistance, hospital, medical and dental plans, life insurance, retirement contributions, sick leave, travel, training and other costs directly attributable to employees that the proponent would have to perform the services described in this RFP

.2 Other—Includes all expenses not identified in any other category, with the exception of proponent's overhead and profit. Provide details of each such cost item.

.3 Overhead and Profit—Includes the proponent's overhead, plus an allowance for profit on services provided

The Authority may request additional pricing data if necessary to better compare proposals.

8.2.4 Discussion of Cost Proposal

In this section, proponents may offer any information deemed pertinent to evaluation of the service fee cost proposals described in section 8.2.3. Such information may include assumptions, sources and methodologies, as well as the rationale for the proponent's choices. In addition, in this section proponents may offer one or more alternative pricing structures and formulas. This opportunity shall not be construed as a means to avoid making a proposal in accordance with the methodology described above in Section 8.2.3, but as an opportunity to make additional proposals that the proponent believes the Authority may find desirable. While creativity in meeting the objectives of the Authority will be considered, alternatives should be clearly and thoroughly explained, and total annual costs should be readily comparable with the total annual costs produced by the mandatory methodology described in section 8.2.3. The Authority reserves the right to accept, in its sole discretion, an alternative Cost Proposal and to reject, in its sole discretion, all alternatives. All alternatives put forward in the Cost Proposal shall constitute binding offers to the Authority by the proponent for a period of sixty (60) days from the submittal of the Cost Proposal.

8.2.5 Affidavit of Qualification and Non-Collusion/No Conflict of Interest

Affidavit forms, certifying that such team member is qualified to enter into the Interim Executive Management Agreement and has no conflict of interest nor have they colluded with other potential proponents with respect to the Cost Proposal submitted or to the Technical Proposal to which the Cost Proposal refers, must be filled out, sworn to by a Notary Public and returned with the Technical Proposal. Failure to submit such Affidavit may render a proponent non-responsive and disqualified from the process. The Authority reserves the right to waive or modify such criteria.
9.0 REVIEW AND EVALUATION OF PROPOSALS

After the Authority has evaluated Qualification Statements and selected the qualified proponents, those proponents will be permitted to submit their Technical and Cost Proposals. After the submittal of the Technical and Cost Proposals, it is anticipated that the Authority will select the one that presents it with the most advantageous offer in the sole discretion of the Authority. The Authority will not be constrained to select the lowest priced proposal or any proposal.

9.1 EVALUATION CRITERIA AND WEIGHTING

The proposals shall be evaluated based upon the following factors and weights:

9.1.1 Understanding of the Authority’s objectives and soundness of the approach to those objectives.

9.1.2 Specialized experience of the proponent, particularly its demonstrated experience to with projects of similar scale and complexity. Experience of consultants with similar projects.

9.1.3 Specialized experience and qualifications of local project team members. Experience of local project manager or other staff.

9.1.4 Creativity and problem-solving skills demonstrated by proposal or experience.

9.1.5 Total project cost, rate schedule cost allocation.

10.0 POSSIBLE PROPONENT INTERVIEWS

The Authority may, in its sole discretion, invite two or more qualified proponents to its offices at 1200 Penn Avenue, Pittsburgh, Pennsylvania 15222, for individual meetings to discuss their Technical Proposals and Cost Proposals. If such meetings occur, they will take place between May 9 and May 16, 2012. The costs and expenses of participating in the interviews are the proponent’s sole responsibility. A proponent who declines to be interviewed in Pittsburgh will not be disqualified.

11.0 EXECUTION AND DELIVERY OF INTERIM EXECUTIVE MANAGEMENT AGREEMENT

11.1 MANAGEMENT AGREEMENT

The selected proponent is expected to enter into the Interim Executive Management Agreement in good faith and in a timely and efficient manner and to fulfill all of its conditions precedent to the execution of the Management Agreement. In the event that the selected proponent fails to act in good faith by refusing or failing to negotiate, or to so execute the Management Agreement, the selected proponent will be considered to have abandoned all rights and interest in the contract award. The award may then be made to another proponent, or the solicitation may be canceled and all proposals may be rejected at the sole discretion of the Authority.