



Municipality of Anchorage

Dave Bronson, Mayor
Purchasing Department

November 10, 2022

REQUEST FOR PROPOSAL

RFP 2022P056

Depreciation Study AWWU

The Municipality of Anchorage is an equal opportunity employer.

Enclosed is pertinent information for use in preparing your proposal.

Pre-Proposal Conference: **N/A**

Site Visit: **N/A**

Questions Due: **12:00 P.M. Local Time, November 21, 2022**

Proposals Due: **5:00 P.M. Local Time, December 6, 2022**

ONE SIGNED ORIGINAL, single sided, unbound, plus five (5) complete copies of your proposal must be submitted. In addition to the copies, a flash-drive containing a PDF copy of the complete proposal, including attachments must also be provided.

If applicable, the call-in phone number for Pre-Bid Conferences is 907-343-6089. Conference lines are opened 5 minutes prior to the Pre-Bid Conference times. To attend meetings in person; you may do so at 632 W. 6th Avenue, Suite 520, Anchorage, AK 99501. FOR AUXILIARY AIDS, SERVICES, OR SPECIAL MODIFICATIONS TO PARTICIPATE PLEASE CONTACT THE PURCHASING DEPARTMENT TO REQUEST REASONABLE ACCOMMODATIONS AT 907-343-4590; OR wwpur@muni.org

For further information contact Purchasing at (907) 343-4590 or email wwpur@muni.org. All correspondence should include the **RFP** number and title.

The Municipality of Anchorage reserves the right to reject any and all proposals and to waive any informalities in procedures.

Sincerely,

A handwritten signature in cursive script that reads "Chris Hunter".

Chris Hunter
Deputy Purchasing Director

AWWU Depreciation Study RFP 2022P056

- Section 1 - General Information
- Section 2 - Rules Governing Competition
- Section 3 - Scope of Work
- Section 4 - Proposal and Submission Requirements
- Section 5 - Evaluation Criteria and Process
- Section 6 - Selection Process
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1.0 GENERAL INFORMATION

1.1 Purpose

The Municipality of Anchorage, dba, Anchorage Water and Wastewater Utility (AWWU) seeks proposals from service providers for depreciation studies of the Anchorage Water Utility (AWU) and Anchorage Sewer Utility (ASU). The studies will encompass data collection for all plant-in-service (PIS) and Contributions In Aid of Construction (CIAC) balances at December 31, 2022, and perform: life analysis and estimations, net salvage analysis, depreciation reserve analysis, and development of accruals. Additionally, an analysis and recommendation on AWWU's current practice (a result of the 2004 depreciation study carried forward by the 2016 study) of applying net salvage factors to CIAC accounts is needed. The study will be published and will include, but not limited to, an executive summary, overview and explanation of procedures used, study results to include survivor curves and tables in a comparative format showing existing and proposed data, depreciation rates, reserve adequacies, calculated remaining life accruals and net salvage estimates. Defense of the study to the Regulatory Commission of Alaska (RCA) is required and, if decided, will include arguing a change in the practice of adjusting CIAC amortization rates for net salvage.

1.2 Background

AWWU is a department of the Municipality of Anchorage (Municipality), therefore, AWU and ASU are major Enterprise Funds of the Municipality and apply all

applicable provisions of the Governmental Accounting Standards Board (GASB) which has authority for setting accounting standards for governmental entities.

AWWU is economically regulated by the Regulatory Commission of Alaska (RCA). AWWU is comprised of two separate RCA regulated utilities; the Anchorage Water Utility (AWU) (CPCN No. 122) and the Anchorage Wastewater Utility (ASU) (CPCN No. 126). AWWU's last two RCA approved depreciation studies were based on 2004 and 2016 test years. Alaska Administrative Code requires AWWU maintain its financial records and accounts in accordance with the Uniform System of Accounts for Class A water and sewer utilities prescribed by the National Association of Regulatory Commissioners (NARUC) in effect on January 1, 1982: Water 1973 and Sewer 1976.

Anchorage Water Utility History

AWU began in 1919 as a general government function in the City of Anchorage's Public Works Department. The City of Anchorage either annexed or purchased many small water systems during the 1950's through the mid 1980's. In the early 1970's the Utility became its own department of the City of Anchorage, which later evolved into the Municipality following unification of the City of Anchorage and the Greater Anchorage Area Borough. In 1990 and 1991, AWU purchased and upgraded water systems that served the developed area of Girdwood. For further or more history see Attachment 2.

Service Area

The AWU service area encompasses 125 square miles and includes 84 percent of the non-military base populations of Anchorage. AWU serves approximately 56,000 customers as of December 31, 2021. The total area served by AWU includes most of the Anchorage Bowl, significant portions of the Chugiak-Eagle River area and the Girdwood area.

The AWU certificated service area is the same as the Municipality of Anchorage boundary from Eklutna to Girdwood, except there are portions carved out for Joint Base Elmendorf-Richardson and other economically regulated water utilities.

Water Source of Supply

Anchorage sources its water primarily from Eklutna Lake and Ship Creek dam, while Girdwood sources its water from local wells. Eklutna Lake is recharged from a large watershed within the Chugach State Park. A well system consisting of large-capacity deep aquifer wells, geographically located throughout the Municipality, is used to supplement system demands and pressures throughout AWU's certificated service area.

Water Treatment

AWU has two water treatment facilities (WTF) processing surface water sources and services the Anchorage Bowl. Eklutna WTF diverts its water from Eklutna Lake and has an average daily production of 20.4 million gallons per day (mgd) and design capacity of 32 mgd. Water from Eklutna WTF is delivered through a buried pipeline to Peters Creek, Chugiak, Eagle River, and Anchorage. The Ship Creek WTF receives water diverted from an impound dam on upper Ship Creek and has an average daily production capacity of 1.3 mgd and design capacity of 17.7 MGD. Water received from wells (Anchorage bowl and Girdwood) is treated on-site.

Water Transmission and Distribution

Surface water from Ship Creek dam and Eklutna Lake is supplied and treated through 851 miles of transmission and distribution mains ranging in size from 4 to 60 inches. Most of AWU's water is gravity fed and regulated by pressure-reducing valves, with a few isolated areas requiring booster pumping facilities to maintain adequate pressure. Equalization of capacity, fire storage and emergency supply are provided by active reservoirs throughout the AWU system. There are 6,104 AWWU owned fire hydrants throughout the system.

Water General Plant

General plant consists of various categories including General Structures, Computer Equipment, Light and Heavy-Duty Vehicles, Power Operated Equipment, and Communications Equipment. General Structures, with a value of \$22 million, consists primarily of the Headquarters building with a few buildings at other locations. Computer Equipment consists of \$3.4 million and includes Maximo, with a purchase value of over \$900,000, with General IT Infrastructure being the second largest subcategory. Light-Duty Vehicles consists of about 100 vehicles with a combined value of \$3 million. There are approximately 38 heavy-duty vehicles with a combined value of \$3.6 million. Power Operated Equipment consists of 19 forklifts, loaders, vector trucks, etc. with a combined value of \$2.3 million. Communications Equipment totals \$5.2 million, and the largest subcategory is Supervisory Control and Data Acquisition System (SCADA) valued at \$3.9 million.

Anchorage Wastewater Utility History

ASU began as a fragmented system owned by the City of Anchorage, military, public, and private interests. In the late 1960's the Greater Anchorage Area Borough unified these systems creating the Utility. By the mid 1980's it evolved into an enterprise fund, and it now exists as a public utility owned by the MOA. For further or more history see Attachment 2.

Service Area

ASU's service area encompasses 1,958 square miles and includes 89 percent of the non-military base population of Anchorage. ASU serves approximately 57,000 customers as of December 2021. The total area served by ASU includes most of the Anchorage Bowl, significant portions of the Chugiak-Eagle River area and the Girdwood area.

Wastewater Collection System

ASU collection system consists of a total of 639 miles of laterals; 81 miles of trunks; 45 miles of interceptors; and 40 wastewater pump stations. The collection system is divided into three geographic service areas with each system terminating flows at a separate wastewater treatment facility (WWTF). Even though there is no physical inter-tie between these systems, they are maintained from a centrally located maintenance facility.

Wastewater Treatment and Disposal

ASU has three wastewater treatment facilities. The John M. Asplund WWTF (Asplund WWTF) at Point Woronzof serves the Anchorage bowl; the Eagle River WWTF serves the northern communities of Chugiak and Eagle River; and the Girdwood WWTF which serves the Girdwood area.

Asplund WWTF was built in 1972 and has been expanded and upgraded. It has an average daily flow of 27.4 million gallons per day (mgd) and design capacity of 58 mgd. Asplund WWTF provides primary treatment.

The Eagle River WWTF was built in 1971 and has been expanded and upgraded. It has an average daily flow of 1.4 mgd and design capacity of 2.5 mgd. The Eagle River WWTF provides conventional activated sludge treatment, followed by tertiary sand filtration.

The Girdwood WWTF was built in 1978 and has been upgraded. It has an average daily flow of 0.5 mgd and design capacity of 0.6 mgd. The Girdwood WWTF provides extended aeration activated sludge treatment followed by tertiary filtration, chlorination, and dechlorination prior to discharge to nearby Glacier Creek.

Wastewater General Plant

General plant consists of various categories including General Structures, Computer Equipment, Light and Heavy-Duty Vehicles, Power Operated Equipment, and Communication Equipment. General Structures, with a value of \$25.8 million, consists primarily of the Operations & Maintenance buildings with a few buildings at other locations. Computer Equipment consists of \$4.3 million and includes Maximo, with a purchase value of over \$900,000, with General IT Infrastructure being the second largest subcategory. Light-Duty Vehicles consists of about 94 vehicles with

a combined value of \$3.6 million. There are approximately 42 heavy-duty vehicles with a combined value of \$5.8 million. Power Operated Equipment consists of 40 forklifts, vactor trucks, etc. with a combined value of \$1.2 million. Communications Equipment totals \$11.8 million, and the largest subcategory is Supervisory Control and Data Acquisition System (SCADA) totaling \$10.9 million.

1.3 Questions

Any questions regarding this Request for Proposal are to be submitted in writing to:

Municipality of Anchorage
Purchasing Department

wwpur@muni.org

For ease of identification please identify the RFP number in the subject line of any correspondence.

Purchasing Office hours of operation are: 8:00 a.m. to 5:00 p.m. local time Monday through Friday, excluding Municipal holidays. All questions must be received prior to the deadline indicated on the RFP cover letter.

1.4 Preparation Costs

The Municipality will not be responsible for proposal preparation costs, nor for costs including attorney fees associated with any (administrative, judicial, or otherwise) challenge to the determination of the highest ranked Proposer and/or award of contract and/or rejection of proposal. By submitting a proposal each Proposer agrees to be bound in this respect and waives all claims to such costs and fees.

2.0 RULES GOVERNING COMPETITION

2.1 Examination of Proposals

Proposers should carefully examine the entire RFP and any addenda thereto, and all related materials and data referenced in the RFP. Proposers should become fully aware of the nature of the work and the conditions likely to be encountered in performing the work.

2.2 Proposal Acceptance Period

Award of this proposal is anticipated to be announced within 90 calendar days, although all offers must be complete and irrevocable for 120 calendar days following the submission date.

2.3 Confidentiality

The content of all proposals will be kept confidential until the selection of the Contractor is publicly announced. At that time the selected proposal is open for review. After the award of the Contract, all proposals will then become public information.

2.4 Proposal Format

Proposals are to be prepared in such a way as to provide a straightforward, concise delineation of the Proposer's capabilities to satisfy the requirements of this RFP. Emphasis should be concentrated on

- 1) conformance to the RFP instructions;
- 2) responsiveness to the RFP requirements;
- 3) completeness and clarity of content.

2.5 Signature Requirements

All proposals must be signed. Proposals must be signed: by an officer or other agent of a corporate vendor, if authorized to sign contracts on its behalf; a member of a partnership; the owner of a privately-owned vendor; or other agent if properly authorized by a power of attorney or equivalent document. Signature on the "Letter of Transmittal" (See Para 4.3.4) will meet this requirement.

Failure to sign the Proposal is grounds for rejection. The name and title of the individual(s) signing the proposal must be clearly shown immediately below the signature.

2.6 Proposal Submission Requirements

2.6.1 **ONE ORIGINAL, single sided unbound, plus five (5) complete copies** of the proposal must be received by the Municipality prior to the date and time specified in the cover letter. Copies may be bound or enclosed in folders/binders.

2.6.2 IN ADDITION to the copies required by paragraph 2.6.1 above, provide a flash drive containing a PDF copy of the complete proposal, including attachments.

2.6.3 All copies of the proposals shall be submitted in a single sealed cover which shall be plainly marked as a Request for Proposal Response with the Number and Title prominently displayed on the outside of the package.

2.6.4 Proposals must be delivered or mailed to:

Physical Address
Municipality of Anchorage
Purchasing Department
632 W. Sixth Avenue, Suite 520
Anchorage, AK 99501

2.7 News Releases

News releases by or on the behalf of any Proposer pertaining to the award resulting from the RFP shall not be made without prior written approval of the Municipal Purchasing Officer.

2.8 Disposition of Proposals

All materials submitted in response to this RFP will become the property of the Municipality of Anchorage. One copy of the submitted material shall be retained for the official files of the Purchasing Department and will become public record after award of the Contract.

2.9 Oral Change/Interpretation

No oral change or interpretation of any provision contained in this RFP is valid whether issued at a pre-proposal conference or otherwise. Written addenda will be issued when changes, clarifications, or amendments to proposal documents are deemed necessary by the Municipality.

2.10 Modification/Withdrawal of Proposals

A Proposer may withdraw a proposal at any time prior to the final submission date by sending written notification of its withdrawal, signed by an agent authorized to represent the agency. The Proposer may thereafter submit a new proposal prior to the final submission date; or submit written modification or addition to a proposal prior to the final submission date. Modifications offered in any other manner, oral or written will not be considered. A final proposal cannot be changed or withdrawn after the submission date, except for modifications requested by the Municipality after the date of receipt and following oral presentations.

2.11 Late Submissions

PROPOSALS NOT RECEIVED BY THE DATE AND TIME AND AT THE LOCATION SPECIFIED IN THE RFP COVER LETTER WILL NOT BE CONSIDERED AND WILL BE RETURNED UNOPENED.

2.12 Rejection of Proposals

The Municipality of Anchorage reserves the right to reject any or all proposals if determined to be in the best interest of the Municipality.

2.13 Equal Employment Opportunity Contract Compliance

2.13.1 Every municipal contract shall include language substantially the same as the following: "The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, marital status, or physical or mental disability. The contractor will comply with all laws concerning the prohibition of discrimination including, but not limited to, Title 5 and Title 7 of the Anchorage Municipal Code."

2.13.2 Every municipal contract shall state, in all solicitations or advertisements for employees to work under the contract, that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, marital status, or physical or mental disability.

2.14 Confidential/Proprietary Information

The content of proposals will be kept confidential until the selection of the Contractor is announced. At that time, the selected proposal is open for review to the competing proposers only (except for information properly identified as being proprietary). After the award of the contract, all submitted proposals shall become public information except for properly identified proprietary information. If a proposer wishes individual pages, which contain actual business proprietary information to be held confidential, each page must be marked and an explanation furnished of its proprietary nature. In addition to marking individual pages, the Proposal's Cover must also be annotated with the words "THIS PROPOSAL CONTAINS PROPRIETARY INFORMATION". "Confidential and Proprietary" information is not meant to include any information which, at the time of disclosure, is generally known by the public and/or competitors. MOA's ability to treat information submitted as confidential is limited by Anchorage Municipal Code. Proposers concerned with the confidentiality of information submitted should familiarize themselves with the following Anchorage Municipal Code provisions:

- AMC 3.90 Access to Public Records
- AMC 3.90.010 Policy
- AMC 3.90.020 Definitions
- AMC 3.90.030 Information Available to the Public
- AMC 3.90.040 Exemptions for Particular Records

3.0 SCOPE OF WORK

3.1 General

Perform and defend a depreciation study for the Water Utility and Wastewater Utility Plant In Service (PIS) and Contribution In Aid of Construction (CIAC) assets. The study will include, but isn't limited to the following:

1. Data collection and extensive analysis. AWWU uses SAP for its continuing

- property records system of record. Additional resources include the ESRI GIS and Maximo systems, and the PIS and CIAC annual roll forward balances presented in AWU and ASU audited financial statements.
2. Life analysis and estimation of the historical data using appropriate methods for estimating mortality characteristics of PIS and CIAC.
 3. Analysis of gross salvage and cost of removal by PIS account and build estimated net salvage rates applicable to future retirements.
 4. Review of the lives used on low value General PIS accounts being amortized to either validate the existing life or recommend a more appropriate life and provide supporting documentation and or arguments for each life.
 5. Development of accrual rates for the cost allocation over the economic life of the PIS and CIAC accounts.
 6. Analysis and recommendation on the practice of including net salvage factors in CIAC amortization rates.
 7. Recommendations for potentially creating new plant accounts (e.g., better representation of homogeneous groups).
 8. Recommendations for improving asset record keeping based on knowledge gained during the study.
 9. Electronic file for each utility in a publishable report format that includes at a minimum:
 - a) Executive summary
 - b) Table of contents
 - c) General purpose of the study
 - d) Study results
 - e) General discussion explaining all aspects of the depreciation study (e.g., basis of depreciation estimates, survivor curves, actuarial procedures, utility expert input, theoretical reserve, average life group, etc.)
 - f) Detailed discussion explaining the planning for the study, depreciation and amortization rate calculation, and remaining life calculation
 - g) Life analysis by PIS and CIAC for each account, description of the account and its balance, structuring of the data for analysis, the statistical methods employed in analyzing the data, arguments supporting the selected curve, and tables showing the actual data plot against the selected Iowa curve
 - h) Summary tables by PIS and CIAC by account showing all relevant information for calculations (e.g., depreciation and amortization rates, comparative tables of existing and proposed rates, net salvage, etc.)
 10. Support of the depreciation analysis and recommendations on an as needed basis to include presenting and defending all findings of the study to the RCA (including written testimony, oral testimony, and preparing responses to discovery requests and other inquiries and potential hearing).

11. Document a methodology for the performance of a cost of removal study consistent with the Utilities depreciation practices.
12. Participation in other matters consistent with area of expertise and practice by mutual consent.

The contractor may also be required to appear before, but not limited to, the AWWU Board, the Anchorage Municipal Administration, and the Anchorage Municipal Assembly. Relevant statutes governing discovery timeline requirements as prescribed by Alaska Administrative Code and Alaska State Statute are in Appendage 1.

AWWU will provide the contractor information as necessary to perform the study to include, but not limited to the study period:

1. PIS balances by NARUC account
2. Accumulated depreciation reserve balances by NARUC account
3. CIAC balances by NARUC account
4. Accumulated amortization balances by NARUC account
5. Net salvage percentages and balances by NARUC account
6. Detailed addition, retirement, transfer, cost of removal and salvage records of plant by NARUC account, vintages, and information from depreciation studies conducted in 1985, 2004, and 2016 for AWU and ASU
7. Access to management, engineers, and operational staff

3.2 Project Timeline Disclosure

Work is to begin upon written notice-to-proceed. AWWU staff will be unavailable for participation in detailed discussion and analysis from January to April. AWWU staff is available during that timeframe to discuss Utility operations in general and provide facility tours.

4.0 PROPOSAL AND SUBMISSION REQUIREMENTS

To achieve a uniform review process and obtain the maximum degree of comparability, it is required that the proposals be organized in the manner specified below. Proposals shall not exceed twenty-five (25) pages in length (excluding letter of transmittal, resumes, title page(s), index/table of contents, required attachments, or dividers). One page shall be interpreted as one side of a single-spaced, letter size sheet (8-1/2" X 11"). Excess pages will be removed prior to evaluation, which could result in incomplete responses and lower scores.

4.1 Title Page

Show the RFP number and subject, the name of your firm, address, telephone number(s), name of contact person, and date.

4.2 Table of Contents

List the proposal's sections with page numbers. Include the RFP Evaluation Criteria.

4.3 Letter of Transmittal (Limited to two (2) pages).

4.3.1 Briefly state your firm's understanding of the services to be performed and make a positive commitment to provide the services as specified.

4.3.2 List your company's contact for this RFP along with their phone number and email address.

4.3.3 Give the name(s) of the person(s) who are authorized to make representations for your firm, their titles, address, and telephone numbers.

4.3.4 The letter of transmittal must be signed by a corporate officer or other individual who has the authority to bind the firm.

4.4 Firm Qualifications and Experience

4.4.1 Contractor's Overall Experience in Utility Regulation and Operations

4.4.1.1 Detail the firm's experience in the same or similar areas of expertise, stability, and its adaptability to providing the required services.

4.4.1.2 Provide at least three (3) references for which your firm has provided the same or similar services. Include a point of contact, telephone number, and a brief description of the services provided.

4.4.1.3 Number of depreciation studies currently in process

4.4.1.4 Number of depreciation studies defended in front of state regulatory commissions

4.4.1.5 Number of depreciation studies defended in front of the Regulatory Commission of Alaska

4.4.1.6 The Vendor should demonstrate a proven track record by providing examples of three (3) most recent depreciation studies performed by their firm during the last five years, including the percent of requested change in depreciation rate approved by the regulator (preference is to Alaska Regulated Utilities).

4.4.2 Project Manager

4.4.2.1 Provide detailed information on the qualifications and experience of the Project Manager as it relates to the required services. Include project reference contact name(s) and telephone number(s).

4.4.2.2 Provide at least three (3) references for which your project manager has provided the same or similar services. Include a point of contact, telephone number, and a brief description of the services provided.

4.4.2.3 Number of depreciation studies Project Manager currently has in process

4.4.2.4 Number of depreciation studies Project Manager has defended in front of state regulatory commissions

4.4.2.5 Number of depreciation studies Project Manager has defended in front of the Regulatory Commission of Alaska

4.5 Key Project Staff and Resources

4.5.1 Identify key project staff and subconsultants expected to provide services on behalf of the firm. Resumes should be included for each of the individuals and subconsultants referenced and limited to two (2) pages.

4.5.1.1 Provide at least three (3) references for which your firm has provided the same or similar services. Include a point of contact, telephone number, and a brief description of the services provided.

4.5.1.2 Number of depreciation studies Key Project Staff currently have in process

4.5.1.3 Number of depreciation studies Key Project Staff have defended or provided support in front of state regulatory commissions

4.5.1.4. Number of depreciation studies Key Project Staff have defended or provided support in front of the Regulatory Commission of Alaska

4.5.2 Provide information on resources available to your firm, which indicates that you have access to the services necessary to perform the work.

4.6 Contractor Availability

Describe the firm's location where the primary services are to be provided and the ability to respond to and meet in person, telephonically, and virtually with AWWU personnel when required during the performance of the contract.

4.7 Project Methodology and Approach

Provide detailed information on the firm's methodology in meeting the scope of work requirements identified in Section 3. Describe overall approach to include any special considerations that may be envisioned, and a description of software intended for use in the study.

4.8 Cost

Please fill out the cost worksheet (Attachment 3)

5.0 EVALUATION CRITERIA AND PROCESS

5.1 Evaluation Criteria Weighting

The criteria to consider during evaluations, and the associated point values, are as follows:

1. Firm Qualifications and Experience	10 points
2. Project Manager	30 points
3. Key project staff and resources	20 points
4. Contractor Availability	5 points
5. Project Methodology and Approach	25 points
6. Cost	10 points
<hr/>	
Total Points Available	100 points

5.2 Qualitative Evaluation Criterion

Firms will be ranked using the following qualitative rating factors for each RFP criterion:

- 1.0 Outstanding
- .8 Excellent
- .6 Good
- .4 Fair
- .2 Poor
- 0- Unsatisfactory

The rating factor for each criteria category will be multiplied against the points available to determine the total points for that category.

EXAMPLE: If an evaluator decides that the response provided for a criterion that has a maximum of 30 points was “Good,” they will assign a “qualitative rating factor” of 0.6 to that criterion. The qualitative rating factor is then multiplied by the maximum points available (30) for a resultant 18 points.

5.3 Quantitative Evaluation Criterion

The award of the “cost” points will be determined by the calculation shown below. The lowest cost proposal will receive the maximum number of points awarded for the “cost” criteria:

$$\frac{\text{Lowest cost proposal} \times \text{Maximum \# points for category}}{\text{Cost of proposal being scored}}$$

EXAMPLE

Method used to convert Total Cost to Points (30 Points Maximum)

[STEP 1]

List all proposal costs.

Proposer #1	-	\$40,000
Proposer #2	-	\$45,000
Proposer #3	-	\$48,000

[STEP 2]

The RFP awards a maximum of 30% (30 points) of the total of 100 points for fee schedule.

Proposer #1 receives 30 points.

Proposer #1 receives 30 points (the max) because they submitted the lowest cost proposal.

Proposer #2 receives 26.7 points.

$$\frac{\$40,000 \times 30}{\$45,000}$$

Proposer #3 receives 25.0 points.

$$\frac{\$40,000 \times 30}{\$48,000}$$

NOTE IF YOU ELECT TO USE SECTION 5.3 MAKE SURE THAT THE RESULTING SCORES ON EVALUATIONS ARE MATHEMATICALLY POSSIBLE.

5.4 Evaluation Process

A committee of individuals representing the Municipality of Anchorage will perform an evaluation of the proposal(s). The committee will rank the proposal(s) as submitted. The Municipality of Anchorage reserves the right to award a contract solely on the written proposal.

The Municipality also reserves the right to request oral interviews with the highest ranked firms (short list). The purpose of the interviews with the highest ranked firms is to allow expansion upon the written responses. If interviews are conducted, a maximum of three (3) firms will be short-listed. A second score sheet will be used to score those firms interviewed. The final selection will be based on the total of all evaluators' scores achieved on the second rating. The same categories and point ranges will be used during the second evaluation as for the first. The highest ranked Proposer after the second scoring, if performed, may be invited to enter into final negotiations with the Municipality for the purposes of contract award.

6.0 SELECTION PROCESS

The Proposer with the highest total evaluation points may be invited to enter into contract negotiations with the Municipality of Anchorage. If an agreement cannot be reached, the second highest Proposer may be contacted for negotiations. This process may continue until successful negotiations are achieved. However, the Municipality reserves the right to terminate negotiations with any Proposer should it be in the Municipality's best interest. The Municipality of Anchorage reserves the right to reject any and all proposals submitted.

7.0 SAMPLE CONTRACT

All Proposers must carefully read and review the attached Sample Contract (ATTACHMENT 1). The final Contract with the Municipality of Anchorage will be substantially similar to it.

If a Proposer wishes to make changes to the Sample Contract, the proposed changes must be submitted with the proposal. All desired changes must be submitted in a separate document, and must be clear, legible, and conspicuous. The Proposer must also provide the rationale for all proposed changes. No changes will be considered until after the highest scored proposal(s) has been determined.

IF NO CHANGES ARE SUBMITTED WITH THE PROPOSAL, IT IS UNDERSTOOD THAT THE TERMS AND CONDITIONS OF THE SAMPLE CONTRACT HAS BEEN ACCEPTED.

8.0 ATTACHMENTS

Attachment 1: Sample Professional Service Contract

Attachment 2 - Utility Brief History

Attachment 3 – Cost Worksheet

APPENDAGE 1

Alaska Administrative Code

3 AAC 48.144(a) and (b). Discovery Procedure

(a) A party may obtain discovery from another party before a procedural schedule is established. After the presiding officer establishes a procedural schedule specifying discovery times, a party may request discovery only when permitted by the procedural schedule unless, upon motion and a showing of good cause, the presiding officer permits discovery outside the times established in the procedural schedule.

(b) In proceedings under AS 42.05 a party shall serve its response to a discovery request on all other parties not later than 10 days after service of the discovery requests except that, if a discovery request concerns reply testimony, a party shall serve its response not later than seven days. The parties may agree to or the presiding officer may direct a shorter or longer time for response.

3 AAC 48.425(e)(2). Depreciation practices for local exchange carriers

(e) Regardless of whether the depreciation ranges are used, the rates proposed in a depreciation study filed under this section become effective if:

(2) the commission does not take action within six months after the filing date of a complete depreciation study.

Alaska State Statute

AS 42.05.471(a). Depreciation rates and accounts

(a) To provide for the loss in service value of its property, not restored by current maintenance, a utility shall charge adequate, but not excessive, depreciation expense for each major class of utility property used and useful in serving the public. From time to time the commission shall determine the proper and adequate rates of depreciation for each major class of property of a public utility. The commission shall accept rates of depreciation and depreciation accounts prescribed and maintained under regulations of a federal agency or the terms of a bond ordinance. The commission shall determine and allow depreciation expense in fixing the rates, tolls, and charges to be paid for the services of a public utility.