

Request for Qualifications

For

Professional Certified Public Accounting Services Related to the Potential Sale of

City of Derby Water Pollution Control Authority's Wastewater Assets

Purpose of the Request for Qualifications (RFQ)

The City of Derby Water Pollution Control Authority (WPCA) has previously issued a Request for Qualifications to explore the sale of its wastewater assets to a private regulated utility and to generate a list of the most qualified utility companies (the "Sale RFQ"). The Sale RFQ was not intended to commit WPCA to a wastewater asset sale. The Sale RFQ was to solicit firms interested in a full ownership model, including but not limited to operations of the wastewater treatment plant and wastewater systems. In response to the Sale RFQ, the WPCA did receive solicitations from private regulated utilities interest in purchasing the WPCA's wastewater assets. To help evaluate these responses and to assist in the potential sale of the WPCA's wastewater assets, the WPCA now issues this Request for Qualification ("RFQ") to solicit proposals from CPA firms that have experience in one or more of the following: the sale of wastewater treatment facilities or government budgeting and/or auditing. If procured, responder(s) to this RFQ would be expected to work collaboratively with the City of Derby and its other retained professionals. It is requested, but not required, that the responders to this RFQ provide their standard hourly rates for CPA services, if any.

Instructions for Submission

Electronic submission through <https://www.derbyct.gov/bids>

4 weeks following publication

Intent to Propose and Access to Data Room

The WPCA previously prepared documents with information regarding the City's wastewater assets to allow firms to prepare a response to the Sale RFQ. Firms interested in responding to this RFQ should contact Walt Mayhew via email at wmayhew@derbyct.gov to receive access to these documents no later than 2 weeks following publication.

Minimum criteria for interested CPA firms:

- Experience with the budgeting and auditing of governmental entities

All questions shall be submitted in writing by emailing Walt Mayhew at wmayhew@derbyct.gov.

Answers to questions will be published in an Addendum which shall be published on the portion of the City of Derby's website concerning bids. The deadline for questions is: 3 weeks following publication.

Possible Benefits to the WPCA, City of Derby, and its Citizens

The WPCA's wastewater system requires investment to comply with existing administrative orders from the State of Connecticut and United States Environmental Protection Agency. While the WPCA has made significant progress in upgrading its facilities since 2014, there is still much work to be completed including the procurement of professionals such as sought under this RFQ to analyze all facets of the potential sale, including but not limited to asset valuation, future sewer use rates and the financial effect of the sale

upon the City of Derby. When reviewing the responses to the Sale RFQ, the WPCA has and shall continue to review the possible benefits to the WPCA, City of Derby, and its Citizens which may include:

- **Rate stabilization:** The increase in regulation and technical support needed to operate a wastewater treatment system leaves the ratepayers of the system at risk of rate fluctuations. Ownership of the system by a firm with more technical and financial resources could result in long term rate stabilization for WPCA users.
- **Reduced risk:** Operating a wastewater system has become increasingly technical and regulated. Many systems in the state have already outsourced their sewer operations. Ownership of the system by a firm with more technical and financial resources than the WPCA will minimize the risk to the City and potentially assist in its financial status and bonding capabilities. and could result in rate stability over the long term, and reduced risk for the City.
- **Reduce Debt and Eliminate Future Municipal Borrowing:** While the WPCA owns the wastewater assets and is responsible for the operation of the system, the debt incurred for upgrading the system is backed by the City of Derby. A sale would eliminate the need for future borrowing by the City for wastewater and sale proceeds could retire existing debt which allows the City to reduce spending and/or invest in further economic development.
- **Fund Other Projects:** Sale proceeds could also be used to fund other City capital projects without additional borrowing.

Respondents to this RFQ must be prepared to assist and aid the WPCA in the above reference review.

Provisions for the Contractual Relationship with the Selected Firm

1. After review of the responses to this RFQ and recommendation by the City of Derby WPCA Privatization Committee (Hereinafter 'Committee'), the WPCA and Board of Alderman/Alderswoman (Hereinafter "Board") may enter into an exclusivity agreement with the most qualified firm to provide professional CPA services in connection with the sale of the WPCA's wastewater assets. The WPCA and Board reserve the right to qualify one company, multiple companies or to qualify no company at all.
2. The most qualified firm will have a 90-day period of exclusivity to negotiate a professional service agreement with the WPCA and the Board. This Agreement shall be negotiated to the satisfaction of the Committee, WPCA, Board and Corporation Counsel. This period may be extended by mutual agreement of both the WPCA and Board and the most qualified firm.
3. If at the end of the period of exclusivity, the Committee, WPCA and/or City of Derby is unable to reach an agreement with the most qualified company, the Committee, WPCA and/or City of Derby may at their discretion, decide to enter into an exclusivity agreement with next most qualified company or the Committee, WPCA or City of Derby may abandon the solicitation for CPA professional services in connection with the sale of the wastewater asset sale process entirely. This process may continue until the list of qualified companies is exhausted or upon the

Committee's, WPCA's and/or Board's determination to abandon the wastewater asset sale process entirely.

Statement of Qualifications

1. Cover Letter -- Key contact(s) for your response to the RFP; contact information shall include email address and telephone contact numbers; and pronouncement of the contact(s) that are authorized to commit your organization to contractual obligations.
2. Executive Summary – 1 page summary of the firms overall response.
3. Experience
 - a. *Company History and Existing Operations:* Provide a summary of your firm's history and summarize existing and past experience with valuation and sale of wastewater treatment facilities and systems.
 - b. *CT PURA Regulatory Experience:* Any wastewater asset sale will ultimately need to be approved by the CT Public Utilities Regulatory Authority (PURA). Provide a summary of the company's history with the Connecticut Public Utilities Regulatory Authority.
 - c. *Professional capabilities:* Provide a summary of the firms' professional personnel who are anticipated to provide work to the WPCA in its sale of its wastewater assets. Please include current curriculum vitae.