

**Alaska Department of
Environmental Conservation
Division of Environmental Health**

**INFORMAL REQUEST FOR PROPOSAL
IRFP 180000057
Financial Capacity Assessments**

AMENDMENT 1

Date of Issue: November 29, 2017

Amendment 1 to the Financial Capacity Assessments IRFP serves to provide responses to inquiries received from proposers, and amend RFP language. The inquiries and responses begin on page 2 and end on page 5 of this Amendment. The amendment to RFP language begins on page 5 and ends on page 5. This Amendment is hereby made part of the RFP and is a total of 5 pages.

Issued by:

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INQUIRIES AND RESPONSES

Inquiry 1

Projects for potential funding in State Fiscal Year 2018 (SFY18) have been identified through the Intended Use Plan Priority Lists for each fund and are included as Attachment 1 and 2 for State FY2018. How many actual financial capacity assessments (estimated) does DECDW anticipate will need to be performed per fiscal year during the contract period?

Response 1

Because one Financial Capacity Assessment (FCA) can be completed for all projects proposed by a single borrower, the number of actual assessments is far less than the sum of the projects listed in the Intended Use Plan Priority Lists. For SFY18 projects, approximately 15-20 assessments will be required. This is a typical amount for most years.

Inquiry 2

What is the average size and range of water and waste water projects evaluated under financial capacity assessments in terms of project cost and financing provided by the Alaska Clean Water and Drinking Water State Revolving Loan Funds?

Response 2

As illustrated on the Funding Priority Lists provided, projects range in size from \$100,000 to upwards of \$20,000,000 or more. However, most projects fall in the range of \$500,000 to \$2,000,000.

Inquiry 3

For projects under financial capacity assessment, has design and permitting generally been completed or at least at a very mature stage? Is any engineering and cost estimate evaluation component expected from the financial capacity assessment contractor? If not, how will changes in such costs result in a revised financial capacity assessment?

Response 3

Most projects are at least partially through design and construction when the Department requests a Financial Capacity Assessment. However, the assessments are not expected to look at the specifics of a proposed project, rather at the potential borrower's ability to take on the loan and complete the repayments. Project details should have no direct impact on the assessments. Further, should a borrower require additional funds due to unanticipated project expenses, an updated assessment is required.

Inquiry 4

Are any of the loans made under the Alaska Clean Water and Drinking Water State Revolving Loan Funds funded with proceeds of capital markets/municipal bond debt?

Response 4

If the question is “does the state use proceeds from capital markets/municipal bond debt to fund loans”, the answer is no.

If the questions is “do borrowers use capital market/municipal bond debt to make repayments”, the answer is, yes, in some instances.

Inquiry 5

Are the majority of applicants for loans from the Alaska Clean Water and Drinking Water State Revolving Loan Funds regulated by the RCA? Or is the majority exempt from RCA oversight?

Response 5

Yes, borrowers are regulated by the RCA.

Inquiry 6

Are the prospective borrowers from the Alaska Clean Water and Drinking Water State Revolving Loan Funds responsible for providing demographic and rate forecasts to the contractor conducting the financial capacity assessment?

Response 6

Yes, borrowers are responsible for providing information requested by the contractor in order to complete the assessment, to the best of their ability. The Department will provide as much information as possible in advance, but the contract will be required to work directly with borrowers to obtain the information necessary for the assessments.

Inquiry 7

Can DECDW provide an estimate of the likely allocation between debt and grant funding in a typical load request?

Response 7

This information is not available and likely varies greatly between loans.

Inquiry 8

Will the contractor conducting this assignment be required to monitor borrower credit post-closing?

Response 8

No. This IRFP is for completion of the assessments only.

Inquiry 9

Which firm or firms, if any, are currently under contract to provide financial capacity assessments?

Response 9

No firms are currently under contract to provide financial capacity assessments.

Inquiry 10

Can the DEC provide a copy of the Protocol and Methods Report currently in effect?

Response 10

There is no Protocol and Methods Report currently in effect.

Inquiry 11

Can DEC provide a sample copy of a recent final Financial Capacity Assessment Report?

Response 11

DEC is looking for a new best practice for Financial Capacity Assessments. That said, DEC will not provide a sample copy of a recent final Financial Capacity Assessment. DEC would like the Proposer to explain how they would use those characteristics to evaluate the borrower and make recommendations. The EPA publishes Financial Capacity Assessments and Proposers are encouraged to research best practices.

Inquiry 12

Is a Financial Capacity Assessment required for each project, or will projects for one borrower (e.g., AWWU) for both the Clean Water and Drinking Water Funds be bundled into a single Financial Capacity Assessment?

Response 12

As noted above, as allowed by project timing, all potential loans for a single borrower are generally incorporated into one assessment each year.

Inquiry 13

Please clarify the scope that the cost proposal (Section 10) should cover. It is unclear if the cost proposal is per assessment or for all assessments.

Response 13

Appendix C Cost Proposal shall be used to submit a Cost Proposal as described in Section 10.

Amendment 1

IRFP 180000057 - Financial Capacity Assessments

The Labor Cost will be the Proposer's hourly rate. Do not give labor rates for all staff. Proposers should submit one, fully burdened hourly rate.

The Fixed Fee is the cost per assessment completed. The Fixed Fee is not the cost for all assessments. Please reference page 15 in Section 10 Proposal Requirements, Cost Proposals – pertinent section restated below:

"Cost proposals and pricing shall be provided in accordance with a Fully Burdened Hourly Labor Rate and Fixed Fee. Cost proposals shall be divided into the following 2 cost categories and be submitted using Appendix C Cost Proposal:

1. Labor costs – fully burdened hourly labor rate
2. Fixed Fee – per assessment completed"

The Total Evaluated Cost will be Labor Cost (Hourly) + Fixed Fee. The Total Evaluated Cost will be the evaluated total for the Cost Proposal Evaluation Category and Points.

RFP Language Amendment

In IRFP Section 9. IRFP and Project Schedule, the table is hereby amended to read as follows. All other terms and conditions remain the same.

Event	Date Due	Time Due
Inquiries	November 27, 2017	4:00pm AK Time
Response to Inquiries	November 28, 2017	
Proposal Due Date	December 1, 2017	4:00pm AK Time
Proposal Opening Date	December 4, 2017	9:00am AK Time
Proposal Evaluation complete, NOIA issued	December 5, 2017	
Contract award issued	December 15, 2017	