

# Request for Proposals for Consulting Engineer

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Vermont  
Bond Bank

*Proposals Due Friday, July 12, 2024*

TABLE OF CONTENTS

INTRODUCTION ..... 3

BORROWER OVERVIEW ..... 3

SCOPE OF SERVICES ..... 4

SUBMISSION QUESTIONS..... 5

EVALUATION OF PROPOSALS..... 6

SUBMISSION DETAILS AND DEADLINE ..... 6

EXHIBIT A – BOND BANK GRANT EXCERPT..... 7

## INTRODUCTION

The Vermont Bond Bank (Bond Bank) is seeking qualified engineers to assist with the review of applications received under the Small System Capacity & Resiliency Program (SCRP). This program was created following the award of a \$6.8 million grant from the State of Vermont via the Department of Environmental Conservation.

Key details of the SCRCP program are as follows:

- The original legislative authorization was to provide grants to small water systems at risk of failure, which was amended following summer 2023 flooding to assist water and wastewater systems.
- The **Tier I** purpose of the grant is to provide water and wastewater systems with partially forgivable loans, at a 0% interest rate, to bridge FEMA reimbursement or otherwise *accelerate rebuilding*.
- The **Tier II** purpose of the grant is to use repayments from loans (from FEMA or state reimbursement) will be used for small systems grants to perform emergency repairs and reduce the risk of system failure.
  - No less than \$500 thousand of the original grant may be used to accelerate Tier II work.
  - Application criteria will be used to identify systems high ranking in the State of Vermont Community Index and low in affordability.
  - The application will prioritize systems with sound financial planning!
- The grant will also be used to engage technical assistance providers to prioritize repairs and ensure long term financial sustainability.

All projects funded or financed by SCRCP must conform with the Department of Environmental Conservation's Drinking Water and Clean Water State Revolving Loan Fund.

The third-party consulting engineer to assist with the technical aspect of the program as detailed in the below scope of services.

## BORROWER OVERVIEW

The Bond Bank was created by the Vermont legislature in 1970 to assist eligible governmental units access public financing markets.

The Bond Bank provides municipal loans for local infrastructure projects through the Pooled Loan Program. Loans are primarily financed through the Bond Bank's issuance of publicly offered tax-exempt bonds. On an on-going basis, the Bond Bank services its loans and provides outreach and planning assistance to potential borrowers.

The Pooled Loan Program is organized under the 1988 General Resolution. Bonds issued under this resolution carry a "AA+" and "Aa2" rating from Standard & Poor's and Moody's, respectively. See more information on this program as well as audited financial statements at: [vtbondbank.org/investors](http://vtbondbank.org/investors).

Borrowers of the Bond Bank are exclusively governmental units of the state including cities, towns, villages, school districts, and other municipal entities throughout the state.

The Bond Bank also co-manages the State's Clean Water and Drinking Water Revolving Funds with the Department of Environmental Conservation. Loans are issued for the planning and construction of municipal drinking water and clean water projects.

More recently, the Bond Bank has identified additional sources of low-cost lending dollars that will be developed into a Green Energy Finance program.

## SCOPE OF SERVICES

Subject to negotiation, the Bond Bank envisions the following scope of services related to SCRP.

- Reviewing projects that are included in applications for conformity with DWSRF and CWSRF handbooks in consultation with DEC. Provide the Bond Bank with an opinion that the project is eligible.
- Evaluate the suitability of Tier II applications for effectiveness related to the overarching system issue. Inform the Bond Bank of conceptual alternatives, if any, and provide illustrative/conceptual costs of alternatives.
- Review and summarize asset management plans (as available) for conformance with proposed projects.
- Review payment requests for conformity with approved projects and make site visits at key intervals to confirm work was completed.
- Provide input to the Bond Bank in the development of applications related to the program.
- Guide the Bond Bank on industry best practices and cost metrics.
- At the Bond Bank's direction only, provide conceptual technical assistance to potential SCRP award recipients.

Please review Exhibit A, the Bond Bank's scope of work as part of the grant agreement in evaluating the above scope of work.

## SUBMISSION QUESTIONS

1. Provide the name, title, address, telephone number, and e-mail address of the person the Bond Bank should contact in connection with your proposal. Identify day-to-day contacts for the relationship and management of the program.
2. Provide background information on the respondent's firm as an appendix or hyperlink. Describe your firm's experience with Vermont water and wastewater infrastructure.
3. Provide pricing for the above scope of services. Please specify:
  - Hourly rate by professional engaged.
  - Potential costs of a retainer structure.
  - Potential cost per review of Tier II project applications with the assumption that project costs will be between \$15 and \$200 thousand.
4. Describe any other terms and conditions of the proposal.
5. Describe any conflicts of interest, if any, and how your firm proposes to address.

## EVALUATION OF PROPOSALS

The RFP will be awarded based on the lowest cost inclusive of all potential costs. The Bond Bank reserves the right to award based on other criteria or withhold award.

If applicable, the Executive Director or their designee will conduct negotiations with firms whose proposal, when considered with all other proposals submitted in response to this solicitation, best meets the needs of the Bond Bank at its sole discretion.

## SUBMISSION DETAILS AND DEADLINE

Responses to this RFP are due via email to the contact below any time prior to **Friday, July 12, 2024**.

Please contact Michael Gaughan with questions prior to Wednesday, July 10, 2024.

<b>Submission Contact</b>	
Michael Gaughan Vermont Bond Bank P: 802-861-0073 michael@vtbondagency.org	
<b>Submission Distribution</b>	
Elizabeth King Vermont Bond Bank elizabeth@vtbondagency.org	Michael Gaughan Vermont Bond Bank michael@vtbondagency.org

EXHIBIT A – BOND BANK GRANT EXCERPT

## Attachment A Scope of Work to be Performed

### Part or All of the Scope May be Subgranted

- I. Project Overview:** The goal of this project is to help address flooding impacts, to assist the support of small primarily residential water and sewer systems, and to assist ities with small and primarily residential customer bases to repair, upgrade or replace existing systems that are at risk of failure or have failed.

The program shall be known as the Small System Capacity and Resiliency Program (Program, SCRП). The purpose of this agreement is to support two “Tiers” of funding to support Vermont’s smaller, primarily residential communities, where infrastructure is at risk of failure or has failed either due to the storm, or due to age-related deficiencies.

**Table 1: SFR Program Information**

SFR Program	Infrastructure
SFR Expenditure Category	EC 6.1 Provision of Government Services
SFR Project Name	Small System Capacity and Resiliency Program-Act185-G.700(a)(2)(C)
SFR Project ID No.	ANR-6140892306-004
Primary Place of Performance	Statewide
National Pollutant Discharge Elimination System (NPDES) Permit # (if applicable)	N/A
Public Water System ID # (if applicable)	TBD
Median Household Income for Service Area	\$67674.00
Lowest Quintile Income for Service Area	\$16523.00

- II. Statement of Need:** As Vermont’s water and waste system infrastructure continues to age and degrade, the shortfall between the money available and the money needed to properly operate, maintain, repair, and replace this infrastructure grows. To help address this shortfall, through funds provided through American Rescue Plan Act (ARPA), the State of Vermont is providing this award to the Grantee to support cities with small and primarily residential customer bases to upgrade or replace existing water and wastewater systems that are at risk of failure.
- III. Population Served:** This agreement will serve numerous communities in Vermont, including rural flood-impacted cities around Vermont that have suffered catastrophic infrastructure failure, and small rural drinking water systems statewide.
- IV. Scope of Work:** The Grantee will oversee project solicitation and prioritization, as well as manage and administer dollars to support as many water (and wastewater) systems as available funding allows. The Grantee will implement awards in two tiers. To inform the final contours of the Program, the Grantee will host a design charette with relevant stakeholders.



**A. Design Charette (Meeting of Stakeholders)**

Prior to launching the Small System Capacity and Resiliency Program (SCR), the Grantee shall:

1. Convene a charette with the relevant participants to help guide program implementation within the general guidelines of the following:
  - a. Charette stakeholders shall include the Grantee and State, representatives of United States Department of Agriculture (USDA)-Rural Development, representatives of the Vermont League of Cities and Towns (VLCT) , and representatives of the Vermont Association of Planning and Development Agencies (VAPDA).
  - b. The Grantee may elect to include other relevant stakeholders as they deem will support the goals of the Program.
  - c. This design charette will finalize the timing of availability of Tier One and Tier Two offerings.
  - d. Meeting notes including attendees, summary of decisions reached.

**B. Tier One**

Tier One is the highest priority for these funds, and the Grantee shall:

1. Ensure the use of these funds to provide temporarily liquidity to or privately-owned drinking water and wastewater treatment facilities to address high-priority projects that will support restoration of drinking water or wastewater service to flood-impacted communities that result from Severe Storm 2023 and related subsequent flooding events.
2. Provide these funds in the form of partially-forgivable loans. In the case of private-owned drinking water systems and facilities, loans may be provided indirectly through an entity such as Vermont Economic Development Authority or a sponsoring ity. These loans will support projects that are in-part eligible for Federal Emergency Management Agency (FEMA) reimbursement to ities, the State will consider the portion of the loans that compensate for non-Federal cost share needed to secure FEMA funds as categorically eligible for loan forgiveness. Forgiveness will only occur to the extent the recipient does not receive reimbursement for the non-Federal cost share.
3. Ensure the advance of loan funds beyond total expected non-Federal cost share should the loan applicant so-request, with the expectation that the loan recipient shall then reimburse the Grantee the total FEMA award associated with the project being funded. All repayment funds from FEMA to the Grantee are considered program income that the Grantee will subsequently make available for Tier Two funding as described below.
4. Ensure that loans are issued with zero-percent interest.
5. Announce and Conduct solicitation for Tier One Flood Recovery Loans.
  - a. Submit a copy of Press release announcing availability of Program.
  - b. Submit confirmation of Application availability on Grantee website.
6. Eligible Tier One activities for funding subawards:
  - a. Preliminary engineering review,
  - b. Engineering design and bid specification,
  - c. Construction for flood-impacted water systems that have experienced failure, serving largely residential users.
  - d. In all cases, funds awarded to recipients shall be for activities that comport with the State Revolving Loan Fund's eligible project types as outlined in the Drinking Water State Revolving Fund "DWSRF Handbook\*" or Clean Water State Revolving Fund "CWSRF Handbook\*\*." Additional information on the relationship between ARPA-funded water

and sewer infrastructure projects and SRF eligibilities may be found in the US Treasury’s ARPA Final Rule and related Question and Answer document.\*\*\* State staff will be available to consult with the Awardee on eligibility questions that may arise from time to time.

\*[https://www.epa.gov/sites/default/files/2017-06/documents/dwsrf\\_eligibility\\_handbook\\_june\\_13\\_2017\\_updated\\_508\\_version.pdf](https://www.epa.gov/sites/default/files/2017-06/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_version.pdf)

\*\* [https://www.epa.gov/sites/default/files/2016-07/documents/overview\\_of\\_cwsrf\\_eligibilities\\_may\\_2016.pdf](https://www.epa.gov/sites/default/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf)

\*\*\* <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

7. When conducting solicitations for Tier One loans, incorporate ranking criteria that consider the vulnerability of the applicant ity using the State of Vermont Community Index (VCI) (<https://finance.vermont.gov/content/-technical-assistance>). Additional criteria may be used, including:
  - a. An analysis of the impact of the disaster of the applicant expressed as flood-related uninsured capital and revenue losses, relative to operating expenses.
  - b. Project timeliness.

### C. Loan Terms

The following Loan Terms are considered the baseline for Tier One loans, and the Grantee is authorized to modify these terms as a result of the stakeholder charrette, or other circumstances that may arise, upon written approval from the state.

**Table 2: Preliminary SCR-P Terms**

Preliminary SCR-P Terms	
<b>Amount</b>	Up to 100% of FEMA Public Assistance grant requests; all loans subject to availability and credit review
<b>Eligible Uses via Reimbursement</b>	Costs eligible for FEMA Public Assistance Grant Funding; planning and initial rebuilding of flood impacted infrastructure
<b>Term</b>	7 years
<b>Amortization</b>	6 years
<b>Interest Rate</b>	0.00%
<b>Closing Costs</b>	None
<b>Forgiveness</b>	Local match net of state contributions up to 10% of loan amount
<b>Security</b>	General obligation or revenue pledge
<b>Approval / Review</b>	Bond Bank credit review and approval; consulting engineer sign off on conformity with DWSRF and CWSRF Handbooks
<b>Legal</b>	Local bond counsel opinion
<b>Covenants</b>	Quarterly reporting on FEMA reimbursement timeline; annual financial audit or third party compiled statement during term of loan; FEMA reimbursement must be used to pay off loan (or pro rata portion thereof as applicable)

### D. Tier Two

In Tier Two, the Grantee shall:

1. Provide grants in the form of grants and/or forgivable loans to small ities to small ities and fire districts for the replacement of drinking water infrastructures at risk of failure. The Grantee is encouraged to provide procured third-party technical assistance to Tier Two recipients, to include funding partner coordination to assist the recipients in securing additional funding.

2. Announce and Conduct solicitation for Tier Two program.
  - a. Submit a copy of Press release announcing availability of Program.
  - b. Submit confirmation of Application availability on Grantee website.
  
3. Eligible Tier Two activities for funding subawards:
  - a. Preliminary engineering review,
  - b. Engineering design and bid specification,
  - c. Construction for small drinking water systems at risk of failure, serving largely residential users.
  - d. In all cases, funds awarded to Tier Two recipients shall be for activities that comport with the Drinking Water State Revolving Loan Fund's eligible project types as outlined in the "DWSRF Handbook."\* Additional information on the relationship between ARPA-funded water and sewer infrastructure projects and DWSRF eligibilities may be found in the US Treasury's ARPA Final Rule and related Question and Answer document. \*\*

\*[https://www.epa.gov/sites/default/files/2017-](https://www.epa.gov/sites/default/files/2017-06/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_version.pdf)

06/documents/dwsrf\_eligibility\_handbook\_june\_13\_2017\_updated\_508\_version.pdf

\*\* <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

4. When conducting solicitations for Tier Two loans, incorporate selection criteria that consider the vulnerability of the applicant ity using the State of Vermont Community Index (VCI). (<https://finance.vermont.gov/sites/finance/files/documents/VCI%20Technical%20Documentat ion%20-%20MTAP.pdf>) Additional criteria may be used, including:
  - a. Combined household cost of total utility rate burden;
  - b. Commitment to sound financial and managerial planning;
  - c. System size, with smaller systems receiving greater consideration.
  - d. Terms for Tier Two grants or forgivable loans shall be mutually agreed between the Grantee and the State prior to solicitation. In conferring agreement, the State will defer to the Grantee on the most appropriate form of award, whether grant or loan, based on the Grantee's adherence to its authorizing statutory basis in Vermont law. Tier Two offerings shall be made available from Tier One loan repayments as soon as \$500,000 in Tier One loan repayments have been received by the Grantee. As noted in the Design Charrette Section, by mutual agreement between the State and Grantee, the Tier Two program may be capitalized by a small proportion of the total award to initiate the program sooner.

## **E. General Provisions**

1. The Grantee shall maintain an accounting of all loan funds issued, total forgiveness allocated, and resulting repayments.
2. The Grantee shall also work with the State to supplement the Grantee's existing Loan Policies and Procedures to incorporate the programmatic demands of funding to provide clear direction for borrowers on the requirements of the ARPA as well as the DWSRF and CWSRF handbooks. The Grantee is encouraged to consult with the State on handbook eligibility questions that may arise from time to time.
3. The Grantee is authorized to procure engineering consultant services and technical assistance providers for implementation of the Tier One and Tier Two programs. In procuring these services, the Grantee is encouraged to consider partnership with Vermont-based entities that play a core support role for the Tier One and Tier Two borrowers.

4. The Grantee is authorized to use a proportion of the award, not to exceed \$450,000, for direct services administered by Grantee staff and resources including the stakeholder charette, loan program design, loan solicitation and administration, fund tracking, procurement of technical and engineering assistance support services, legal services necessary to the implementation of this Program, and engagement with the State on recipient and project eligibility.
5. Ownership and Disposition Assets: The Grantee shall include the following in the Grantee's subawards.  
 "Ownership and Disposition of Assets: At the end of the [grant/loan] term, [grantee/ loan recipient] will retain any pipes, valves, pumps, tanks, or other equipment installed under the agreement and described in the scope of work for the same use and intended purpose as outlined in this agreement."
6. As required by Section 71a of Act 83, 2022, any contract awarded for a maintenance, construction, or improvement project that receives \$200,000.00 or more in American Rescue Plan Act (ARPA) funds shall provide that all construction employees working on the project shall be paid not less than the mean prevailing wage published periodically by the Vermont Department of Labor in its occupational employment and wage survey plus an additional fringe benefit of 42 and one-half percent of wage, as calculated by the current Vermont prevailing wage survey. This provision shall not apply to contracts awarded for projects that are required by law to comply with the requirements of the federal Davis-Bacon Act.
7. Grantee through loan agreements or grant agreements will require subaward recipients will own and operate and maintain (in good condition) the related projects for its useful life (or cause it to be so operated and maintained).

## V. Results –

- A. This project will result in tangible investments in wastewater and drinking water treatment systems. For wastewater systems, these investments will restore or improve the quality of wastewater effluent and restore or improve the operational efficiency, while accelerating investments needed within recipient communities. For drinking water, these investments will improve drinking water quality for community residents, while assisting system ratepayers and supporting, in partnership with the State improvements in the technical, financial and managerial capacity of systems.
- B. Annual Performance Measures reported on Attachment E with March 31 Quarterly reporting.
  1. Tier One:
    - a. If wastewater:
      - (1) Performance Measure 1: # Facilities under Refurbishment
      - (2) Performance Measure 2: % of treatments systems/practices completed in communities serving members of marginalized populations/groups
      - (3) Performance Measure 3: # Collection Systems under Refurbishment
    - b. If drinking water:
      - (1) Performance Measure 1: # Number of drinking water systems supported
      - (2) Performance Measure 2: % drinking water systems supported in communities primarily serving members of marginalized populations/groups
      - (3) Performance Measure 3: Percent change in estimated number of residents currently affected by drinking water deficiencies
  2. Tier Two:
    - a. Drinking water:
      - (1) Performance Measure 1: # Number of drinking water systems supported