



Township of West Milford
Municipal Utilities Authority (MUA)

Passaic County, NJ - *sits in the "Heart of the Highlands"*

WEST MILFORD MUNICIPAL UTILITIES AUTHORITY

REQUEST FOR PROPOSALS

SALE OF WATER AND WASTEWATER SYSTEMS

Issued: June 30, 2016

Proposals Due: August 31, 2016

Optional Pre-Proposal Meeting: July 13, 2016

ISSUED BY:

**West Milford Municipal Utilities Authority
179 Cahill Cross Road, Suite 221
West Milford, NJ 07480**

TABLE OF CONTENTS

	<u>Page</u>
1.0 INTRODUCTION AND DESCRIPTION OF THE PROPOSAL PROCESS	1
1.1 Issuing Entity, Nature and Purpose of Procurement	1
1.2 General Overview	1
1.2.1 Water Utility Assets to be Sold by the Authority	2
1.2.2 Wastewater Utility Assets to be Sold by the Authority	3
1.2.3 Explanation of Real Property Interests to be Conveyed	3
1.3 Authority Objectives	3
1.4 Proposal Submission Date	3
1.5 Project Participants and Advisors	4
1.6 Inquiries and Correspondence	4
1.7 Procurement Process	5
1.7.1 Process	5
1.7.2 Schedule Adherence	5
1.7.3 Pre-Proposal Meeting and Site Visits	6
1.7.4 Written Questions Regarding RFP or Process	6
1.7.5 Addenda or Amendments to the RFP	6
1.7.6 Cost of Proposal Preparation	7
1.7.7 Correction of Errors	7
1.7.8 Modification of Proposals	7
1.7.9 Disclosure of Information in Proposals	7
1.7.10 Withdrawal from Procurement Process	8
1.7.11 Disposal of Proposals	8
1.7.12 Rights of the Authority and Conditions	8
1.8 Pay-to-Play Award	11
1.9 Pending Litigation, Conflicts of Interest	11
1.10 Public Hearing	11
1.11 Independent Due Diligence Required	12
2.0 BACKGROUND INFORMATION	13
2.1 General Authority Profile	13
2.2 Description of Water and Wastewater Systems	13
2.3 NJDEP Administrative Orders and NOV Violation History	13
2.4 Rates	13
2.5 Audit Reports	13
2.6 Existing Authority Agreements	14
2.6.1 Operations Agreement	14
2.6.2 Lease Agreement for Office Space	14
2.7 Authority Employees	15
2.8 Customer Billing Information	15
2.9 Additional Wastewater System	15
3.0 COMPANY RESPONSIBILITIES	16
3.1 General	16

3.2	Operation of Authority Systems	16
3.3	Assumption of Administrative Orders and NOV's	16
3.4	Offer of Employment to Current Authority Employees	16
3.5	Municipal Consent and BPU Approval of Sale	17
4.0	EVALUATION CRITERIA	18
4.1	General	18
4.1.1	Minimum Requirements	18
4.1.2	Financial Factors (70%)	18
4.1.3	Technical Qualifications and Experience (10%)	19
4.1.4	Business Issues (20%)	19
5.0	INSTRUCTIONS FOR PREPARATION AND SUBMISSION OF PROPOSALS	20
5.1	Submission Requirements	20
5.1.1	Proposal Submission; Timing of Submission; Number of Proposals to be Submitted	20
5.1.2	Proposal Forms	20
5.1.3	Completeness	21
5.2	Organization and Form of Proposal	21
5.2.1	Organization of Proposal	21
5.2.2	Form of Proposal	21
5.3	Section I: Executive Summary	22
5.3.1	General Provisions	22
5.3.2	Letter of Qualification, Letter of Intent and Signature Requirements	22
5.3.3	Proposal Bond	22
5.4	Section II: Technical Qualifications and Experience	23
5.4.1	Qualifications and Experience of Proposer	23
5.4.2	Qualifications and Experience of Key Personnel	23
5.4.3	Regulatory Compliance	24
5.5	Section III: Financial Proposal	24
5.6	Section IV: Business Proposal	24
5.6.1	Financial Strength	24
5.6.2	Proposed Capital Investments	25
5.6.3	Customer Service Plan	25
5.6.4	Exceptions to the Agreement of Sale	25

APPENDICES

- A. Glossary
- B. Draft Agreement of Sale [**NOTE: The draft Agreement of Sale will be issued as an addendum to the RFP.**]
- C. Proposal Forms
- D. Description of Systems (Appendix D is included on attached flash drive)
- E. Registration for Updates
- F. 2014, 2013 and 2012 Audit Reports (Appendix F is included on attached flash drive)
- G. Administrative Orders and NOV's (Appendix G is included on attached flash drive)

- H. Existing Authority Agreements (Appendix H is included on attached flash drive)
- I. [Reserved]
- J. Capital Expense Plan (Appendix J is included on attached flash drive)
- K. Current Rate Structure and History of Rate Increases (Appendix K is included on attached flash drive)
- L. Current Employee Information
- M. Permits (Appendix M is included on attached flash drive)
- N. Asset Registry (Appendix N is included on attached flash drive)

FLASH DRIVE CONTENTS

Appendix D – Description of Systems

- Description of Systems
- Lot and Block Numbers
- Sludge Truck and Van Information

Appendix F – Audit Reports

- 2012 - 2013
- 2013 - 2014
- 2014 - 2015

Appendix G – Administrative Orders and NOVs

- Instructions for Accessing NOVs
- Summary of Administrative Orders
- Wastewater Administrative Orders (6 files)
- Water Administrative Orders (9 files)

Appendix H – Existing Authority Agreements

- Draft Agreement with Developer for Additional Wastewater Connection [**NOTE: The agreement is anticipated to be executed in July 2016**]
- Greenbrook Pool Contract
- NJAL Contract
- Jersey Environmental Solutions Contract
- Northwest Bergen Utilities Authority Contract
- Office Lease
- Interconnection Agreement – Passaic Valley Water Commission
- WRT Uranium Removal Contract

Appendix J – Capital Expense Plan

Appendix K – Rate Structure

Appendix M – Permits

- Wastewater Draft Permits (8 files)
- Wastewater Permits (18 files)
- Water Permits (2 files)

Appendix N – Asset Registry

- Fixed Asset List #1
- Capital Assets Valuation Spreadsheet [**NOTE: This spreadsheet is not all inclusive.**]
- Fixed Asset List #2

1.0 INTRODUCTION AND DESCRIPTION OF THE PROPOSAL PROCESS

1.1 Issuing Entity, Nature and Purpose of Procurement

Through the issuance of this Request for Proposals (“RFP”), the West Milford Municipal Utilities Authority (the “Authority”) is hereby requesting Proposals from parties interested in entering into an agreement to purchase the Authority’s water treatment plants, water distribution systems, and wastewater treatment and collection systems (the “Systems”). The Systems are owned by the Authority and operated and maintained by Jersey Environmental Solutions pursuant to a three and a half year agreement that is terminable by the Authority upon 90 days’ notice. After analyzing the operations and finances of the Authority over recent years, the Authority Board of Commissioners concluded for a variety of reasons (e.g. small customer base and large debt load) that it should issue this RFP to determine if a larger, private sector enterprise would be better suited to handle the long-term needs of the Authority’s customers. The Authority intends to sell the Systems only if the purchase price for such Systems is at least sufficient to defease the Authority’s outstanding debt and to cover retired employee obligations of the Authority as described in Section 1.3. The Authority will only sell the Systems together to a single Purchaser. Authority customers have been made aware of the Authority’s plan to obtain proposals for the sale of the water and wastewater systems through a letter sent by the Authority to all of its customers. In the event that the Authority receives one or more advantageous proposals, the Authority will hold a public hearing prior to execution of an agreement.

1.2 General Overview

The Authority owns and operates public utilities consisting of water treatment plants, water distribution systems, and wastewater treatment plants and collection systems. There are 21 water treatment facilities and 25 wells serving the areas as set forth in Table 1 below. In addition, the Authority owns six wastewater treatment systems as set forth in Table 2 below.

Table 1

The Authority owns and operates water treatment facilities serving the following areas:

<u>Location</u>	<u># Treatment Facilities</u>	<u># of Wells</u>
Birch Hill	2	4

Greenbrook		3	3
Parkway		1	1
Awosting		2	4
Crescent		2	2
Olde Milford		6	6
Highview		2	2
Bald Eagle		2	2
Greenwood Lake	(seasonal)	1	1

Table 2

The Authority owns and operates wastewater treatment facilities and their associated collection systems serving the following areas:

<u>Location</u>	<u>Size of Facility</u>
Bald Eagle Village	0.100 MGD
Olde Milford	0.172 MGD
Awosting	0.065 MGD
Highview Acres	0.200 MGD
Crescent Park	0.064 MGD
Birch Hill	0.020 MGD

1.2.1 Water Utility Assets to be Sold by the Authority

The Authority will sell and Buyer will purchase, for monetary consideration, and subject to the requirements stated hereinafter in this RFP, all rights in real property, and all contract rights, relating to the water supply, treatment and distribution system identified in the Description of Systems in Appendix D to this RFP. The purchase will include all transferable water allocation permits, water supply wells, water treatment facilities, pumping stations, emergency generators, water storage facilities, water distribution and transmission mains, interconnections with Passaic Valley, fire hydrants, water meters, water service connections, valves, fittings and appurtenances, but shall exclude personal property, cash, securities and accounts receivable of the water systems for services rendered up to and including the Closing Date. The New Jersey Department of Environmental Protection (the "NJDEP") will be required to issue or transfer certain permits and licenses currently held by the Authority to the Buyer. The existing Authority permits are attached in Appendix M.

1.2.2 Wastewater Utility Assets to be Sold by the Authority

The Authority will sell and Buyer will purchase, for monetary consideration, and subject to the requirements stated hereinafter in this RFP, all rights in real property and all contract rights, relating to the wastewater collection, pumping and treatment system identified in the Description of the Systems in Appendix D to this RFP. The purchase will include all existing assets and rights thereto, wastewater treatment facilities, pumping stations, emergency generators, sludge truck and utility van, gravity collection mains, force mains, manholes and appurtenances, but shall exclude personal property, cash, securities and accounts receivable of the wastewater system for services rendered up to and including the Closing Date. Further, the NJDEP will be required to issue or transfer certain permits and licenses currently held by the Authority to the Buyer. The existing Authority permits are attached in Appendix M.

1.2.3 Explanation of Real Property Interests to be Conveyed

The Authority will transfer its interest in all of its title, easements or other interests in the real property it is conveying, as described in Appendix D.

1.3 Authority Objectives

The Authority is seeking to sell the Systems to a single qualified and experienced company which company will take over ownership, operations, maintenance and management of the Systems. The Authority does not anticipate selling the Systems unless the purchase price is sufficient to defease outstanding debt and pay employee benefit obligations which together are anticipated to be approximately \$6,863,000. In addition, the Authority desires to have the Buyer assume responsibility for the outstanding regulatory requirements (administrative orders and NOVs) as set forth in more detail in Section 2.0. The Authority also desires that the Buyer offer employment to the Authority's three current employees, or provide an employment termination payment to each employee as described in Section 3.4. Finally, the Authority desires to assure the best potential rate structure for the ratepayers following the sale.

1.4 Proposal Submission Date

Copies of the Proposal responding to this RFP must be submitted no later than 10:00 a.m. (Eastern Time) on Wednesday, August 31, 2016 in accordance with Section 5 of this RFP. Proposals shall be in a sealed package addressed to:

West Milford Municipal Utilities Authority
Attention: Kelly Love, Administrator
179 Cahill Cross Road, Suite 221
West Milford, New Jersey 07480

Instructions on the form and content of the Proposal are given in Section 5 of this RFP.

1.5 Project Participants and Advisors

The Authority Board of Commissioners is responsible for authorizing all activities relating to the Systems. The Board of Commissioners has assembled a group of Authority representatives and consultants to form a project team to assist in this procurement process (Project Team). The Project Team will serve the function of directing and reviewing the detailed activities undertaken with regard to the procurement.

1.6 Inquiries and Correspondence

All inquiries and correspondence relating to this RFP should be directed to:

Kelly Love, Administrator
West Milford Municipal Utilities Authority
179 Cahill Cross Road, Suite 221
West Milford, New Jersey 07480
Phone: (973) 506-7330
Email: klove@the Authority.org

with a copy of all written (including electronic) correspondence to:

Rick Sapir, Esq.
Hawkins Delafield & Wood LLP
One Gateway Center, 24th Floor
Newark, NJ 07102
Phone: (973) 642-1188
Email: esapir@hawkins.com

Proposers shall not contact any Authority employees or Commissioners in connection with this RFP at any time during the procurement process except for Kelly Love. All questions shall be sent in writing and delivered to the above addresses or sent by email to Kelly Love and Rick Sapir by 5:00 p.m. (Eastern Time) by the applicable date as described in subsection 1.7.2 of this RFP. The Authority will respond to those written questions

which it deems appropriate. Responses will be distributed to all Proposers that have registered with the Authority.

1.7 Procurement Process

1.7.1 Process

The Authority will utilize a Request for Proposals process that will include the issuance of an RFP followed by the review, clarification and evaluation of Proposals received. The Authority will consider the factors listed in Section 4.0 of this RFP in its evaluation of Proposals. The Draft Agreement of Sale reflects the terms of the sale desired by the Authority. **[NOTE: The Draft Agreement of Sale will be issued as an Addendum to RFP.]** While Proposers are permitted to propose changes to the Draft Agreement of Sale, such changes shall be considered in the evaluation scoring and Proposers proposing significant changes run the risk of being deemed non-responsive. Following selection of the most advantageous Proposer, the Authority will negotiate the final terms of the Agreement of Sale. If final resolution is not achieved, the Authority reserves the right to negotiate with the second most advantageous Proposer. Notwithstanding the above, the Authority reserves the right to enter into simultaneous negotiations with multiple Proposers. After a final Agreement of Sale is negotiated, the Authority intends to hold one public hearing on the terms of the Agreement. Proposers are advised that the Agreement of Sale is subject to approval by the New Jersey State Board of Public Utilities (the "BPU") pursuant to N.J.S.A. 48:2-51.1. The provisions of N.J.S.A. 40:62-4 and 40:62-5 are not applicable to the Authority, and, therefore, no referendum or State agency approval (other than by the BPU pursuant to N.J.S.A. 48:2-51.1) is necessary to complete the sale.

1.7.2 Schedule Adherence

The Authority wishes to review and evaluate Proposals, determine the Selected Proposer, negotiate the Agreement of Sale with the Selected Proposer, hold a public hearing on the proposed Agreement and execute the Agreement of Sale as expeditiously as possible. The following schedule identifies major activities and dates in the procurement process:

Optional Pre-Proposal Meeting July 13, 2016 at 10:00 a.m.

Site Visits	July 14-20, 2016 (excluding weekends)
Proposer Questions Due	August 5, 2016
RFP Responses Due	August 31, 2016

To efficiently review and evaluate the Proposals received (and to avoid the need for a costly and lengthy clarification process), the Proposer should conform to the submission and format requirements set forth in Section 5 of this RFP.

1.7.3 Pre-Proposal Meeting and Site Visits

An optional pre-proposal meeting will be held at 10:00 a.m. on Wednesday, July 13, 2016 at the Authority's administrative office located at 179 Cahill Cross Road, Suite 221, West Milford, New Jersey 07480. Attendance at the pre-proposal meeting is not mandatory but it is highly encouraged. Individual Proposer site visits will be conducted during July 14-20, 2016 (excluding weekends) on a first come first serve basis. Proposers that desire to schedule a site tour of the Systems during this timeframe should contact Kelly Love, Administrator at (973) 506-7330 to arrange for such tours. Proposers shall agree to indemnify and hold the Authority harmless from any and all claims arising from Proposer's obtaining access and/or having access to the Systems.

1.7.4 Written Questions Regarding RFP or Process

Prospective Proposers may submit written (or electronic) questions regarding this RFP. All such questions should be submitted by close of business on August 5, 2016. The Authority may, but shall not be obligated to, respond to such questions. Any responses to questions will be circulated to all prospective Proposers.

1.7.5 Addenda or Amendments to the RFP

During the period provided for the preparation of Proposals, the Authority may issue addenda or amendments to this RFP. The Authority shall issue notice that addenda or amendments have been made available, and will send such addenda or amendments to the prospective Proposers that registered in accordance with Appendix E. These addenda will be

issued by, or on behalf of, the Authority, and will constitute a part of the RFP. Each Proposer is required to acknowledge receipt of all addenda at the time of submission of the Proposals by submitting an executed acknowledgment form included as Proposal Form 6 contained in Appendix C. All responses to this RFP shall be prepared with full consideration of the addenda issued prior to the Proposal submittal date. In order for a Proposer to ensure that it receives all updates/addenda to this RFP, it must provide a completed registration form, which can be found in Appendix E, to the Authority Administrator with a copy to Rick Sapir, whose contact information is provided in Section 1.6 above.

1.7.6 Cost of Proposal Preparation

Each Proposal and preparation of all information required pursuant to this RFP shall be prepared at the sole cost and expense (including legal costs) of the Proposer. There shall be no claims whatsoever against the Authority, its staff, or its consultants for reimbursement for the costs or expenses (including legal costs) incurred during the preparation of the Proposal or other information required by this RFP or procurement process.

1.7.7 Correction of Errors

Prior to the submission of Proposals, erasures or other corrections in the Proposal must be initialed by a designated signatory of the Proposer. The Proposer further agrees that in the event any errors are noticed by the Authority after the Proposal is opened, the Authority reserves the right, but does not have the obligation, to waive such errors.

1.7.8 Modification of Proposals

Prior to the Proposal submission date, a Proposer may modify its previously submitted Proposal if a modified Proposal is either hand delivered to Kelly Love by or on behalf of an authorized representative of the Proposer, or delivered to Kelly Love by certified mail.

1.7.9 Disclosure of Information in Proposals

The Authority will consider requests to protect proprietary information submitted with Proposals. The Proposer should clearly and specifically label all such material and cite the appropriate law which protects such proprietary information. General requests to protect the

entire Proposal are not acceptable. The Authority shall notify a Proposer of any Open Public Records Act request for information that has been designated as proprietary information by the Proposer. It is the intention of the Authority that Proposals will not be made available to the public until after an Agreement of Sale has been executed.

1.7.10 Withdrawal from Procurement Process

Proposals received by the Authority Administrator and/or her designated representative before the time of opening of Proposals may be withdrawn upon written application of the Proposer who shall be required to produce evidence showing that they are or they represent the principal or principals involved in the Proposal. Proposals may not be withdrawn within twenty-four (24) hours of the stipulated time for receipt of Proposals. Once Proposals have been opened, they must remain firm for a period of 180 days following submission.

1.7.11 Disposal of Proposals

All Proposals are the property of the Authority and will not be returned (except with respect to proposal bonds, which will be returned in accordance with this RFP). At the conclusion of the procurement process, the Authority may dispose of any and all copies of Proposals received in whatever manner it deems appropriate. In no event will the Authority assume liability for any loss, damage or injury which may result from any disclosure or use of marked data which occurs prior to the disposal of Proposals.

1.7.12 Rights of the Authority and Conditions

The Authority reserves, holds and may exercise, at its sole discretion, the following rights and conditions with regard to this RFP. By responding to this RFP, Proposers acknowledge and consent to the following conditions relative to the procurement process and the determination of a Selected Proposer:

- All inquiries will be addressed as set forth in Section 1.6 of this RFP.
- This RFP does not obligate the Authority to contract for any sale of the Systems.

- The Authority reserves the right to change or alter the schedule for any events associated with this procurement.
- All costs incurred in connection with responding to this RFP will be borne by the Proposer and the Authority will in no event (including upon a successful procurement challenge) be responsible for any Proposer's cost or be liable to a Proposer.
- The Authority reserves the right to reject, for any valid reason, any and all Proposals and components thereof and to eliminate, for any valid reason, any and all Proposers responding to this RFP from further consideration for this procurement in accordance with applicable law.
- The Authority reserves the right to eliminate any Proposer who submits incomplete, inadequate responses or is not responsive to the requirements of this RFP.
- The Authority reserves the right to reject all Proposals and to cancel the procurement.
- The Authority reserves the right to designate a representative to act in its place or on its behalf during this procurement process.
- The Authority reserves the right, without prior notice, to supplement, amend, or otherwise modify this RFP, or otherwise request additional information, prior to or following Proposal submissions.
- All Proposals become the property of the Authority and will not be returned.
- All activities related to the Sale shall be subject to all applicable federal, State and local laws, regulations, rules and/or requirements.

- The Authority (including its staff and advisors) reserves the right to visit any of the facilities referenced in each Proposal to observe the operations of such facilities. Such site visits will be made at a mutually agreeable time.
- The Authority reserves the right to conduct investigations of any or all of the Proposers, as the Authority deems necessary or convenient, to verify the information provided as part of a response and to request additional information to support the information included in any Proposal.
- The Authority reserves the right to seek clarification of any aspect of a Proposal and to seek best and final Proposals.
- The Authority reserves the right to reject any alternative Proposal which it deems to be non-responsive to its objectives or not in the best interest of the Authority in accordance with applicable law.
- The Authority reserves the right to determine that any proposal received complies or fails to comply with the terms of this RFP.
- The Authority reserves the right to waive any technical non-conformance with the terms of this RFP.
- All responses may be made available to the public at the appropriate time, as determined by the Authority (in the exercise of its sole discretion) in accordance with law.
- The Authority may request Proposers to send representatives to the Authority for interviews and/or presentations.
- Neither the Authority, nor its staff, and/or advisors shall be liable for any claims or damages resulting from the solicitation or preparation of this RFP, nor will there be any reimbursement to Proposers for the cost of preparing and submitting a response or for participating in this procurement process.

- The Authority reserves the right to suspend or terminate the procurement process described in this RFP (or implied) at any time (at its sole discretion.) If terminated, the Authority may determine to commence a new procurement process or exercise any other rights provided under applicable law without any obligation to the Proposers.
- The Authority reserves the right to select a Proposer that offers a Purchase Price below the amount set forth in Section 1.3 if such Proposal is most advantageous to the Authority based upon the evaluation factors set forth in Section 4.0.

1.8 Pay-to-Play Award

The successful Proposer must comply with the State's Pay-to-Play law (N.J.S.A. 19:44A et seq.). and sign all associated documents (Business Entity Disclosure Certification, C.271 Political Contribution Disclosure Form and Stockholder Disclosure Certification). It is highly recommended that Proposers become familiar with this law prior to submitting a proposal.

1.9 Pending Litigation, Conflicts of Interest

The Authority requires that the Selected Proposer must (a) Not be a party to, or otherwise involved in, any pending litigation, investigation, financial foreclosure or other action, or any other procedure that would in any way impair its ability to perform its responsibilities under the anticipated contract; (2) Not be affiliated with, owned by, or otherwise engaged with any other firms that could pose a real or potential conflict of interest with West Milford Municipal Utilities Authority; (3) Not be in arrears to West Milford Municipal Utilities Authority for any taxes, fees, or other obligations; and (4) Not be found guilty of, either as an organization and/or on the part of its owned, principals, or executives, any illegal activities that preclude it from establishing contracts with government entities.

1.10 Public Hearing

Once an Agreement of Sale has been fully negotiated with the Selected Proposer, the Authority intends to make such agreement available to the public and to hold a public hearing on the agreement. Following the public hearing, the Authority intends to keep the record open for

seven (7) days to allow for any members of the public to submit comments. Once the open public record period closes, it is anticipated that the Authority Board of Commissioners will determine whether to pass a resolution authorizing the execution of the Agreement of Sale.

1.11 Independent Due Diligence Required

While the Authority believes that the information supplied as part of this RFP is an accurate reflection of its understanding related to the Systems being sold, it is provided only to assist Proposers in evaluating the Systems. Neither the Authority nor its employees, officials, consultants or advisors make any warranty as to the accuracy or completeness of such information. Proposers are required to make their own evaluations before submitting a Proposal and should not rely on the documents listed above or contained herein as the basis for their Proposal.

2.0 BACKGROUND INFORMATION

2.1 General Authority Profile

The Authority provides water service to approximately 1,750 homes and businesses and sewer service to approximately 950 homes and businesses in West Milford Township, New Jersey. Water service is provided to Awosting, Bald Eagle Village, Birch Hill, Crescent Park, Greenbrook Estates, Highview, Olde Milford Estates, Parkway and Greenwood Lake Beach (seasonal only). Sewer service is provided to Awosting, Bald Eagle Village, Birch Hill, Crescent Park, Highview and Olde Milford Estates.

2.2 Description of Water and Wastewater Systems

Please refer to Appendix D for a comprehensive description of the Systems. Appendix J contains a recommended capital expense plan which was prepared for the Authority in 2014. Capital expense items that have been completed by the Authority are identified in Appendix J.

2.3 NJDEP Administrative Orders and NOV Violation History

The New Jersey Department of Environmental Protection (NJDEP) has issued several notices of violation (NOVs) and administrative orders (AOs) in connection with the Systems. The Administrative Orders include certain purported material violations that have not been addressed and have been assigned to an administrative law judge. The Authority will require that the Buyer assume responsibility for all of the pending AOs and NOVs. A brief description and copy of each AO is included in Appendix G to this RFP. Appendix G also contains instructions for accessing NOV information online.

2.4 Rates

Current rate information and the Authority's history of rate increases is included in Appendix K to this RFP. Rates were last increased in 2012.

2.5 Audit Reports

Appendix F contains copies of the Authority's 2014, 2013 and 2012 audit reports. The 2015 audit report is anticipated to be available by the end of July 2016. Proposers must email

Megan Feliciano at mfeliciano@hawkins.com to request an electronic copy of the 2015 audit report.

2.6 Existing Authority Agreements

The Authority has several agreements in place that the Buyer will be required to assume upon Closing including: (i) Interconnection Agreement with Passaic Valley Water Commission; (ii) Easement Granted to the Township by the Greenbrook Property Owners Association (pursuant to which Authority is responsible for supplying the Association with water sufficient to maintain its swimming pool pursuant to proper health standards); (iii) Septage, Sludge and Greywater Disposal Agreement between the Authority and Northwest Bergen County Utilities Authority; (iv) WRT Uranium Removal System Agreement between the Authority, WRT Environmental, LLC and R.M.D. Operations, LLC; and (v) Laboratory Services Agreement between the Authority and New Jersey Analytical Laboratories. Copies of the existing Authority agreements that the Buyer will be required to assume are included in Appendix H. Appendix H also includes certain agreements that the Buyer may, but does not have to assume. A brief description of each existing agreement is included in Exhibit E to the Draft Agreement of Sale.

2.6.1 Operations Agreement

In August 2015, the Authority entered into a three and a half year operations contract with Jersey Environmental Solutions for operations, maintenance, monitoring, repair and reporting services for the Systems. The operations agreement expiration date is January 31, 2019 and may be terminated without cause by the Authority upon 90 days' notice to the operator.

2.6.2 Lease Agreement for Office Space

The Authority is currently in a 10-year lease ending on March 31, 2020 for its administrative offices located at 179 Cahill Cross Road, Suite 221, which lease will be assigned to the Buyer. A copy of the lease agreement is included in Appendix H (Existing Authority Agreements). In the event that the Buyer elects not to assume the lease for the office space, the applicable monthly lease payment (\$1,050/mo. through 8/31/18 and \$1,150/mo. from 9/1/18 through 3/31/20) for each month between the Closing and the Lease expiration date shall be added to the Transaction Reimbursement Costs amount set forth in Section 4.1.2 and Proposal

Form 3 to pay out the remaining lease payments through the end of the term of the lease agreement.

2.7 Authority Employees

The list of current Authority employee positions including salary and benefits is included in Appendix L.

2.8 Customer Billing Information

The Authority currently utilizes El Dorado Utility Software by Creative Technologies for billing. In addition, the Authority utilizes Invoice Cloud for online payments.

2.9 Additional Wastewater System

The Authority anticipates that one additional wastewater system will be acquired by the Authority prior to Closing. The Authority intends to enter into an agreement with a developer of 49 new homes in the Township. The form of agreement is included in Appendix H. In the event that the agreement with the developer of this additional system is executed by the Authority prior to closing, the Buyer will be required to assume such wastewater system as part of the sale, and the Purchase Price shall be adjusted accordingly. It is anticipated that the Authority will enter into the agreement with the developer in July 2016 and that the capital improvements referred to in the draft agreement (included in Appendix H) will be completed by the Authority.

3.0 COMPANY RESPONSIBILITIES

3.1 General

This Section provides a summary of the responsibilities and financial obligations that the Company will assume following the sale of the Systems. Proposers are advised that the Agreement of Sale will be the definitive statement of the responsibilities of the Proposer.

3.2 Operation of Authority Systems

The Authority will continue to operate the Systems until the Closing Date. Buyer will operate the Systems thereafter at its own cost and expense. Buyer must be aware that the customers of the Systems (domestic users, industrial users and commercial users) have received the services as set forth in the Customer Service Standards as defined in the Agreement of Sale. By executing the Agreement of Sale, Buyer will covenant to continue to provide services in accordance with the Customer Service Standards and will covenant to guarantee the continuous, uninterrupted service, as well as, a supply of potable water, including all seasonal variations and subject to any governmentally mandated restrictions on the use of water, and collection and treatment of wastewater to the customers of the Authority's Systems as part of the purchase in a manner that meets all local, state and federal laws and regulations relating to potable water and the collection and treatment of wastewater.

3.3 Assumption of Administrative Orders and NOVs

As described in Section 2.3 of this RFP, the Buyer will be required to assume responsibility for all of the outstanding administrative orders and notices of violation in connection with the Systems.

3.4 Offer of Employment to Current Authority Employees

The Selected Proposer will be required to offer employment to the Authority's three existing employees, which employee positions (including salary and benefits) are listed in Appendix L, or provide an employment termination payment to the employees as described below. In the event that the Selected Proposer chooses to offer employment to any or all of the

three Authority employees, the employee must be offered a position of similar job duties along with equal or better salary and benefits and in the geographic vicinity of West Milford, all as more fully described in the Draft Agreement of Sale. If the Selected Proposer chooses not to make an offer of employment, an employment termination payment must be provided which shall include a payout of six (6) months' salary, and, with respect to the administrator position, an additional \$18,000 for temporary health insurance coverage.

3.5 Municipal Consent and BPU Approval of Sale

The Buyer shall be responsible for obtaining municipal consent from the Township of West Milford to provide for the ownership, construction, expansion and maintenance of water and sewer facilities on public property within the Township. The Buyer shall also be responsible for obtaining BPU approval of such municipal consent pursuant to N.J.S.A. 48:2-14 as well as approval of the sale pursuant to N.J.S.A. 48:2-51.1.

4.0 EVALUATION CRITERIA

4.1 General

The Authority will undertake a review and evaluation of Proposals submitted in response to this RFP in a manner consistent with the provisions of this RFP. Proposals will be evaluated on a number of factors, including financial factors regarding Purchase Price and guaranteed rate stabilization structures, technical qualifications and experience, and business considerations including contract exceptions, financial qualifications and capital commitments. The weighting of each criterion is set forth in this Section.

Upon receipt of Proposals, the Project Team will review each Proposal to determine its completeness and compliance with submittal requirements. Only complete Proposals will be fully evaluated.

4.1.1 Minimum Requirements

The Proposer must meet the following minimum requirements:

- (a) The Proposer must own or operate at least one public water system and one public wastewater system in New Jersey including water and wastewater treatment facilities as well as collection and distribution systems;
- (b) The Proposer must operate or have operated a water system and a wastewater system at least as large as the largest Authority water system and wastewater system.

4.1.2 Financial Factors (70%)

4.1.2.1 Purchase Price (30%)

The Authority has determined that the purchase price is an important element in its decision to select a Proposer to execute the Agreement of Sale. The Authority does not expect to accept a purchase price for the Systems of less than \$6,863,000, which amount reflects the outstanding debt on the Systems as well as the outstanding pension and healthcare obligations of the Authority. In addition, the Authority will require that the Buyer provide a lump sum payment on the Closing Date in the amount of \$250,000 to cover the Authority's

administrative costs in connection with the sale (“Transaction Reimbursement Costs”).

4.1.2.2 Rate Stabilization (40%)

One of the Authority’s primary objectives in issuing this RFP is to assure the best potential rate structure for the ratepayers following the sale of the Systems. The proposed 5-year (or longer if proposed by a Proposer) binding rate structure (described in Section 5.5) will be a significant factor in the evaluation. Each binding rate structure should at a minimum reflect that existing rates will not increase for three years following Closing.

4.1.3 Technical Qualifications and Experience (10%)

The Project Team will consider the expertise, past experience, record of regulatory compliance, and reputation of the Proposer to determine whether the Proposer is capable of operating, maintaining and managing the Systems and the relative advantages of such expertise and experience as compared to other Proposals. The Project Team will also consider key personnel of the Proposer that will undertake the operation, maintenance and management of the Systems.

4.1.4 Business Issues (20%)

The Authority considers the financial strength of the Proposer as an important evaluation factor. In addition, the Authority will consider whether a Proposal contains less advantageous terms and conditions than those sought by the Authority based upon the Proposer’s mark-up to the Draft Agreement of Sale. The Authority will also consider the Proposer’s proposed customer service plan and plan for billing customers. Finally, the Authority will consider Proposer commitments with respect to capital improvements.

5.0 INSTRUCTIONS FOR PREPARATION AND SUBMISSION OF PROPOSALS

5.1 Submission Requirements

5.1.1 Proposal Submission; Timing of Submission; Number of Proposals to be Submitted

Proposals must be submitted by 10:00 a.m. (Eastern Time) on Wednesday, August 31, 2016. One original, five (5) hard copies and one electronic copy (cd or thumb drive) of the Proposal shall be submitted to:

Kelly Love
Administrator
West Milford Municipal Utilities Authority
179 Cahill Cross Road, Suite 221
West Milford, New Jersey 07480
Phone: (973) 506-7330

One copy of the Proposal documents must be clearly marked as the original and must contain the original signature forms and other original documents. The remaining 5 copies can be reproductions. Proposers shall number each set of documents in sequential order on the upper right corner of each cover.

All Proposals submitted will remain unopened until the deadline for submission of the Proposals has passed. At such time, all Proposals received will be opened and distributed to the Project Team for review.

The delivery of the Proposal to the Authority on the above date and prior to the time specified herein is solely and strictly the responsibility of the Proposer. The Authority shall not, under any circumstances, be responsible for delays caused by the United States Postal Service or any private delivery service, or for delays caused by any other occurrence.

5.1.2 Proposal Forms

The Proposal Forms specifically enumerate the requirements set forth in this RFP. A complete set of Proposal Forms shall be included in each Proposal.

Each Proposer must fill out all of the forms completely. Use “N/A” to specify any items set forth in the Proposal Forms which are not applicable to a Proposal. It should be noted that the failure to fully complete all applicable Proposal Forms by incorrectly providing that certain Proposal Forms (or portions thereof) are not applicable to a Proposal may result in a determination that the Proposal is unresponsive. To provide additional information, use separate sheets following the Proposal Form format.

In cases where a written price is used with a numeric price, the written price will govern.

5.1.3 Completeness

The Proposer must follow each and all of the instructions set forth in this Section in order for a Proposal to be deemed responsive to this RFP. In all cases, the Authority reserves the right to determine, at its sole discretion, whether any aspect of the Proposer’s Proposal meets the submission requirements of this RFP. The Authority reserves the right to reject any Proposal which, in its judgment, does not comply with these Proposal submission guidelines. In providing the information required within this Section 5.0 of this RFP, the Proposer should emphasize and should be responsive to the evaluation criteria described in this RFP.

5.2 Organization and Form of Proposal

5.2.1 Organization of Proposal

Proposals submitted in response to this RFP should consist of the following sections:

SECTION I: Executive Summary

SECTION II: Technical Qualifications and Experience

SECTION III: Financial Proposal

SECTION IV: Business Proposal

5.2.2 Form of Proposal

The Proposer shall provide the appropriate information required for each section, in accordance with the following content and format requirements:

1. The responses shall be concise, clear, factual, and complete with a minimum of extraneous material.
2. The information provided shall identify the section of the RFP being addressed.
3. The Proposal shall be indexed and divided into sections and shall be prefaced with a table of contents.

5.3 Section I: Executive Summary

5.3.1 General Provisions

The Executive Summary shall summarize, in clear and concise language, the information contained in all other parts of the Proposal. The Executive Summary should be drafted so that it may be easily understood.

5.3.2 Letter of Qualification, Letter of Intent and Signature Requirements

Together with each Proposal, the Authority must receive one Letter of Qualification and one Letter of Intent, in the forms attached as Proposal Form 1 and Proposal Form 4, respectively, copied onto the official letterhead of the Proposer. The Letter of Qualification and Letter of Intent must be signed by an officer of the Proposer's entity who is empowered to sign such material and to commit the Proposer to the obligations contained in the Proposal. If the Proposer is a partnership, the Proposal shall be signed in the name of each firm by one or more of the general partners. If the Proposer is a corporation, the authorized officer shall sign his/her name and his/her title beneath the full corporate name.

All forms which require Proposer signatures shall be signed by the same individual(s) signing the Letter of Qualification and Letter of Intent.

5.3.3 Proposal Bond

A Proposal Bond in the amount of \$20,000, payable to THE WEST MILFORD MUNICIPAL UTILITIES AUTHORITY, must accompany the Proposal when submitted. Such Proposal Bond shall provide that if the Proposal is accepted and the Proposer is determined to be the Selected Proposer, then prior to the expiration or termination of said Bond, the Selected Proposer will enter into an Agreement of Sale with the Authority, or if the Selected Proposer shall fail to do so, said surety will pay to the Authority, as liquidated damages, the full amount of

the Proposal Bond. At the option of the Proposer, the Proposal Bond may be a bond secured by a guarantee of a surety company listed in the latest issue of United States Treasury Circular 570 and within the maximum amount specified in said circular and authorized to do business in the State, or an irrevocable, standby “letter of credit” from a bank with a credit rating from either Standard & Poor’s Corporation or Moody’s Investors Service of at least “A.”

Any Proposal Bond must be valid for a period of at least 180 days from the Proposal submission date. If the Agreement of Sale has not been executed prior to the expiration of the Proposal Bond, the Authority may require the renewal of the Proposal Bond for an additional period of time. No Proposal shall be considered unless accompanied by the required Proposal Bond. The form of the Proposal Bond which must be submitted is included in Appendix C.

The Proposal Bonds submitted by the Proposers shall be returned within 10 business days after execution of the Agreement of Sale by and between the Authority and the Selected Proposer.

5.4 Section II: Technical Qualifications and Experience

This Section shall describe the qualifications and experience of both the organization and key personnel that will undertake the operation, maintenance and management of the Systems.

5.4.1 Qualifications and Experience of Proposer

The Proposer shall provide information on the general expertise, experience, and reputation of the Proposer. The Proposer must demonstrate to the satisfaction of the Authority that it has the necessary qualifications to operate the Systems, maintain the physical plants and maintain all equipment in order to adequately operate and maintain the Systems. The Proposer shall describe the Proposer's experience and qualifications relevant to the operation and maintenance of water and wastewater systems.

5.4.2 Qualifications and Experience of Key Personnel

The Proposer must demonstrate to the satisfaction of the Authority that it has on staff a sufficient number of qualified personnel to operate the Systems, maintain the physical plants and maintain all equipment in order to adequately operate and maintain the existing Systems. The

Proposer shall provide a description of all personnel anticipated to be significantly involved in the operation of the Systems, with a list of their educational degrees, licenses held and years of experience in water and wastewater utility service operation and maintenance. Personnel shall be appropriately licensed (including NJDEP Class T-2 for water treatment; W-2 for distribution systems; S-2 for wastewater systems; and C-2 for collection systems) and experienced in the performance of operating, maintaining, monitoring and repairing water treatment plants, water distribution systems, water treatment systems and wastewater collection systems.

5.4.3 Regulatory Compliance

The Proposer shall describe its record of compliance with applicable regulatory requirements. The Proposer shall list any material violations of any applicable regulatory requirements, including any that resulted in fines over \$50,000.

5.5 Section III: Financial Proposal

The Financial Proposal shall contain Proposal Form 3 (Purchase Price) and the Rate Stabilization Proposal. The Proposer shall describe in detail its plan for implementing a binding rate structure for the ratepayers following the sale. Proposer shall propose its best offer to address the Authority's objective of stabilizing rates for its ratepayers following the sale. Proposed binding rate freezes or decreases, limits on annual rate escalation, etc. shall be described in detail. Proposers shall submit a five-year binding rate schedule following the Closing Date. Proposers may propose a binding rate schedule in excess of five years. The binding rate schedule should reflect that existing rates will not be raised for at least three years following Closing. In addition, Proposers shall submit a projected (non-binding) rate schedule that projects rates for a minimum of 20 years following the Closing Date.

5.6 Section IV: Business Proposal

5.6.1 Financial Strength

The Proposer must demonstrate to the satisfaction of the Authority that Proposer has the adequate financial resources to purchase the Systems from the Authority in accordance with the terms contained in the RFP and Draft Agreement of Sale. The Purchaser shall provide annual audited financial reports of its operations for the past three (3) years as part of the Proposal. The

Proposer shall also describe its anticipated plan for financing the purchase of the Systems.

5.6.2 Proposed Capital Investments

The Proposer shall provide its assumptions with respect to how much capital it expects to invest in the Systems in order to address the outstanding administrative orders and notices of violations. The Proposer shall identify anticipated capital improvements, provide a schedule for completing such improvements and identify which improvements, if any, are firm commitments.

5.6.3 Customer Service Plan

The Proposer shall describe its proposed customer service plan and plan for billing customers. The Proposer shall also describe how this new service area will be incorporated into existing operations. While the Purchaser will not be required to have a physical office in West Milford Township, it is important to the Authority that its ratepayers continue to have a physical location in town where payments can be made in person. In the event that the Proposer elects not to assume the Authority's office space lease pursuant to Section 2.6.2, the Proposer shall describe its plan for transitioning receipt of in-person payments from the current Authority's office to a different pay in person facility (e.g. Quick Check, 7-11, etc.).

5.6.4 Exceptions to the Agreement of Sale

The Proposer shall mark-up the draft Agreement of Sale and identify areas where the Proposer takes exception, if any. While Proposers are permitted to propose changes to the Draft Agreement of Sale, such changes shall be considered in the evaluation scoring and Proposers proposing significant changes run the risk of being deemed non-responsive.

APPENDIX A

GLOSSARY

GLOSSARY

Capitalized terms used in this RFP have the meanings assigned herein as set forth below. Certain other capitalized terms not defined herein shall have the meanings assigned in the Agreement of Sale.

“Addenda” shall mean the as written amendment(s) to the RFP issued prior to the Proposal due date to prospective Proposers who obtained the RFP.

“Agreement of Sale” shall mean the agreement attached hereto as Appendix B.

“Authority” shall mean the West Milford Municipal Utilities Authority.

“Closing Date” shall mean 30 days following the receipt of BPU approval of the municipal consent or such other date as provided for in the terms of the Agreement of Sale.

“Proposal” means a document submitted for evaluation in response to this RFP.

“Proposal Security” shall mean the amount of Twenty Thousand Dollars (\$20,000), by a certified check or bid bond issued by a surety/bonding company licensed in the State of New Jersey and acceptable to the Authority.

“Proposer” means a Company that submits a Proposal in response to this RFP.

“Selected Proposer” means the Company selected to execute the Agreement of Sale with the Authority after review of the submitted Proposals.

“Seller” shall mean the Authority.

“Systems” shall mean the Authority’s water treatment plants, water distribution systems, and wastewater treatment and collection systems.

“Township” shall mean the Township of West Milford, in the County of Passaic, New Jersey.

APPENDIX B

DRAFT AGREEMENT OF SALE

[NOTE: The draft Agreement of Sale will be issued as an addendum.]

APPENDIX C
PROPOSAL FORMS

PROPOSAL CHECKLIST

Owner's **CHECKMARKS**

Items Submitted with Proposal
Proposer's **INITIALS**

A. FAILURE TO SUBMIT ANY OF THESE ITEMS WITH

THE PROPOSAL IS MANDATORY CAUSE FOR REJECTION

⇓

⇓

- X Letter of Qualification –Proposal Form 1 _____
- X Proposal Bond or certified/cashier's check - Proposal Form 2 _____
- X Purchase Price –Proposal Form 3 _____
- X Letter of Intent –Proposal Form 4 _____
- X Disclosure Statement – Proposal Form 5 _____
- X Acknowledgment of Receipt of Addenda (if any) –Proposal Form 6 _____
- X Statement of Ownership –Proposal Form 7 _____
- X Non-Collusion Affidavit –Proposal Form 8 _____

B. ITEMS PREFERRED AT TIME OF PROPOSAL, BUT MANDATORY AT THE TIME INDICATED

- X New Jersey Business Registration Certificate (Prior to Contract Award) _____

PRINT NAME OF PROPOSER: _____

SIGNED BY: _____

PRINT NAME AND TITLE: _____

DATE: _____

COMPLETE AND SUBMIT THIS CHECKLIST WITH THE PROPOSAL

PROPOSAL FORM 1

LETTER OF QUALIFICATION

(Note: To be typed on Proposer's Letterhead. No modifications may be made to this letter, except to italicized items.)

[Insert date]

Dear Authority Administrator:

The undersigned *has/have* reviewed *my/our* Proposal submitted in response to the Request for Proposal (RFP) issued by West Milford Municipal Utilities Authority ("the Authority "), in connection with the sale of the Authority's Water Treatment Plants, Water Distribution Systems and Wastewater Treatment Plants and Wastewater Collection Systems.

I/We affirm that the contents of *my/our* Proposal (which Proposal is incorporated herein by reference) is accurate, factual and complete to the best of our knowledge and belief and that the Proposal is submitted in good faith upon express understanding that any false statement may result in the disqualification of *(Name of Proposer)*.

(Proposer shall sign and complete the spaces provided below.)

(Signature)

(Typed Name and Title)

*(Type Name of Firm)**

Dated: _____

PROPOSAL FORM 2

PROPOSAL BOND

KNOW ALL MEN BY THESE PRESENT, that we [NAME OF PROPOSER], as Principal (hereinafter the "Proposer") and [NAME OF SURETY], a [Corporation], [Partnership] duly organized under the laws of the State of _____, as Surety, are held and firmly bound unto the West Milford Municipal Utilities Authority (the "Authority"), as Obligee, in the sum of Twenty Thousand Dollars (\$20,000) lawful money of the United States of America to be paid to the Authority, its successors or assigns, for which payment, well and truly to be made, we bind ourselves, our successors and assigns, jointly and severally, firmly by these present; and

WHEREAS, the above-named Proposer has submitted or is about to submit to the Authority a Proposal to enter into an Agreement of Sale to purchase the Authority's Water Treatment Plants, Water Distribution Systems and Wastewater Treatment Plants and Wastewater Collection Systems as described in the Request for Proposals, dated June 30, 2016 (the "RFP"), issued by the Authority and covered by the Proposal submitted by the Proposer in response thereto, which Proposal is made a part hereof.

NOW, THEREFORE, the Surety hereby understands that if the above-referenced Proposal is accepted by the Authority, then the Proposer will in good faith enter into negotiation of a final Agreement of Sale in writing and give bond with surety acceptable to the Authority for the purchase of the Authority's Water Treatment Plants, Water Distribution Systems and Wastewater Treatment Plants and Wastewater Collection Systems within the time specified in the RFP, or any extension thereof agreed to in writing by the Authority. Surety hereby agrees that if the Proposer shall fail to do so, Surety will pay to the Authority, as liquidated damages, the full amount of this Bond within 30 calendar days after receipt by Proposer and Surety of written notice of such failure from the Authority, which notice shall be given with reasonable promptness, identifying this Bond and including a statement of the amount due. Upon execution of the Agreement of Sale, this Bond shall thereafter become null and void, otherwise to remain in full force and effect unless terminated as hereinafter provided.

It is agreed that this Bond shall become effective on the date the Proposal is submitted and will continue in full force and effect for one hundred eighty (180) days from such date of submittal (unless extended) or until terminated as hereinafter provided.

If the Proposal is not accepted within such 180-day time period, or any extension thereof agreed to in writing by the Authority and the Proposer, then after written notice by the Authority of such non-acceptance, this Bond may be terminated by the Surety or Proposer upon written notice to each other and to the Authority by registered mail at least 10 days prior to the termination date specified in such notice. Upon the giving of such notice, the Surety shall be discharged from all liability under this Bond for any act or omission of the Proposer occurring after the date of the notice of non-acceptance.

Any suit or action under this Bond shall be commenced only in a court of competent jurisdiction located in the State of New Jersey.

All capitalized terms used herein and not otherwise defined shall have the meaning set forth in the RFP.

IN WITNESS WHEREOF, the Surety and Proposer, intending to be legally bound hereby, do each cause this Proposal Bond to be duly executed on its behalf by its authorized officers, agents or representatives.

Signed and sealed this _____ day of _____, 20__.

SURETY
[NAME OF SURETY]

PROPOSER
[NAME OF PROPOSER]

Name

Name

Name of Authorized Signatory

Name of Designated Signatory

Signature

Signature

Title

Title

PROPOSAL FORM 3

PURCHASE PRICE

Total Purchase Price: Proposer hereby proposes a TOTAL PURCHASE PRICE in accordance with the RFP for the assets described therein at an amount set forth in words as follows:

and in dollars as follows:

\$ _____

(Proposers acknowledge that in case of discrepancy, the amount in words will govern)

Plus an amount of \$250,000 payable to Seller for Transaction Reimbursement Costs.

Plus an amount of \$_____ payable to Seller in the event the additional wastewater system as described in Section 2.9 is acquired by the Seller prior to Closing.

Name of Proposer

Signature

Title

PROPOSAL FORM 4

LETTER OF INTENT

(Note: To be typed on Proposer's Letterhead. No modifications may be made to this letter, except to italicized items.)

[Insert date]

Dear Authority Administrator:

The undersigned, as Proposer, *has (have)* submitted the attached Proposal in response to a Request for Proposal (RFP), issued by West Milford Municipal Utilities Authority (“the Authority”), for the Sale of the Authority’s Water Treatment Plants, Water Distribution Systems and Wastewater Treatment Plants and Wastewater Collection Systems.

(Name of Proposer) HEREBY STATES:

1. The Proposal contains accurate, factual and complete information.
2. *(Name of Proposer)* agrees/agrees to participate in good faith in the contract process as described in the RFP and to adhere to the Authority’s contract schedule.
3. *(Name of Proposer)* acknowledges/acknowledge that all costs incurred by *it (them)* in connection with the preparation and submission of the Proposal prepared and submitted in response to the RFP, or any negotiation which results from this RFP shall be borne exclusively by the Proposer.
4. *(Name of Proposer)* hereby declares/declare that the only persons participating in this Proposal as Principals are named herein and that no person other than those herein mentioned has any participation in this Proposal or in any contract to be entered into with respect thereto. Additional persons may subsequently be included as participating Principals, but only if acceptable to the Authority.
5. *(Name of Proposer)* declares that this Proposal is made without connection with any other person, firm or parties who has submitted a Proposal, except as expressly set forth below and that it has been prepared and has been submitted in good faith and without collusion or fraud.
6. *(Name of Proposer)* acknowledge and agrees that the Authority may modify,

amend, suspend and/or terminate the contract process (in its sole judgment). In any case, the Authority shall not have any liability to the Proposer for any costs incurred by the Proposer with respect to the contract activities described in this RFP.

(Proposer shall sign and complete the space provided below.)

(Signature)

(Typed Name and Title)

*(Type Name of Firm)**

Dated: _____

PROPOSAL FORM 5

DISCLOSURE STATEMENT

N.J.S.A. 40A:9-22.1 et seq.

(Must be completed for Response to be accepted.)

The attention of Proposers is drawn to the provisions of the Local Government Ethics Law (N.J.S.A. 40A:9-22-1, et seq.) which prohibits a Authority Officer or employee or member of his/her immediate family from having an interest in a business organization or engaging in any business, transaction, or professional activity, which is in substantial conflict with the proper discharge of his duties in the public interest.

In furtherance thereof, every Proposer must disclose below, being a Authority Officer or employee or whether an immediate family member is a Authority Officer or employee. If the Proposer is a business organization, then disclosure shall be made with respect to anyone having an interest in the business and their immediate family members.

Please answer the following:

Is the Proposer or a member of the Proposer's immediate family, or anyone having an interest in the Proposer's business organization including their immediate family members, an officer or employee of the Authority?

NO _____ **YES** _____

If yes, provide the name of the individual and identify the position held, below, and notify, in writing, to the Authority Administrator, 179 Cahill Cross Road, Suite 221 West Milford NJ 07480 (Attach copy of correspondence to this form.)

NOTE: All terms used herein are to be construed in accordance with their meaning under the Local Government Ethics Law, cited above.

Name of Proposer: _____

Authorized Signature: _____

Title: _____

Date: _____

PROPOSAL FORM 6

ACKNOWLEDGEMENT OF RECEIPT OF ADDENDA OR REVISIONS (IF ANY)

Proposer has examined and carefully studied the RFP, the other related data identified in the RFP, if any, and the following Addenda, receipt of all of which is hereby acknowledged.

<u>Addendum No.</u>	<u>Date Received</u>	<u>Addendum No.</u>	<u>Date Received</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Name of Proposer

Signature

Title

PROPOSAL FORM 7

STATEMENT OF OWNERSHIP

(N.J.S.A. 52:25-24.2)

(Must be completed for Response to RFP to be accepted.)

P.L. 1977, c. 33, §1, N.J.S.A. 52:25-24.2, became effective on March 8, 1977. It requires corporate and partnership Proposers for contracts with the Authority to submit a statement setting forth the following:

1. The names and addresses of all stockholders of a corporate Proposer who own 10% or more of its stock.
2. The names and addresses of all partners of a partnership Proposer who owns 10% or more of its partnership interests.
3. If one or more such stockholders or partners are itself a corporation or partnership, the names and addresses of all stockholders holding 10% or more of that latter corporation's stock, or the names and addresses of all partners holding a 10% or more interest in latter partnership.

In addition, the Authority, in the event that a Proposer is a limited liability company, requires that the Proposer must submit a statement setting forth the following:

- A. The names and addresses of all members owning a 10% or greater interest therein and, if any member of the limited liability company is a corporation or a partnership or a limited liability company.
- B. The names and addresses of the stockholders or partners or members holding a 10% or greater interest in such corporation, partnership or limited liability company.

The statement of such names and addresses must be submitted accompany the Response.

No Proposer will be qualified if there is a failure to comply with the requirements set forth above.

LIST HERE (OR ATTACH) THE NAMES AND ADDRESSES REQUIRED, AS DISCUSSED ABOVE.

NAME _____

ADDRESS _____

CITY/STATE/ZIP _____

NAME _____

ADDRESS _____

CITY/STATE/ZIP _____

NAME _____

ADDRESS _____

CITY/STATE/ZIP _____

The undersigned acknowledges that it is mandatory that Proposers submit the required information with the response to the RFP. This information will not be accepted after the receipt of the responses. Failure to submit a disclosure statement, which conforms to the requirements of N.J.S.A. 52:25-24.2 will result in rejection of the response.

NAME OF PROPOSER: _____

AUTHORIZED SIGNATURE: _____

TITLE: _____

DATE: _____

PROPOSAL FORM 8

NON-COLLUSION AFFIDAVIT

West Milford Municipal Utilities Authority

Request for Proposals – Sale of Water and Wastewater Systems

STATE OF _____)
) ss:
COUNTY OF _____)

I, _____ of the City of _____ in the County of _____ and the State of _____ of full age, being duly sworn according to law on my oath depose and say that:

I am _____ of the firm of _____ the proposer making the Proposal for the above named project, and that I executed the said Proposal with full authority so to do; that said Proposer has not, directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free, competitive bidding in connection with the above named project; and that all statements contained in said Proposal and in this affidavit are true and correct, and made with full knowledge that the West Milford Municipal Utilities Authority relies upon the truth of the statements contained in said Proposal and in the statements contained in this affidavit in awarding the contract for the said project.

I further warrant that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide employees or prospective employees or bona fide established commercial or selling agencies maintained by _____ for the purpose of securing business.

(N.J.S.A. 52:34-15) (NAME OF CONTRACTOR)

Subscribed and sworn to _____

(Type or print name of affiant under signature)

before me this ___ day
of _____ 20__.

Notary Public of _____
My commission expires _____, 20__.

NEW JERSEY BUSINESS REGISTRATION

REQUIREMENTS – NON-CONSTRUCTION

All New Jersey and out of state business organizations must obtain a Business Registration Certificate (BRC) from the Department of Treasury, Division of Revenue, prior to conducting business in the State of New Jersey. Proof of valid business registration with the Division of Revenue, Department of Treasury, State of New Jersey, must be submitted for the vendor. No contract will be awarded without proof of business registration with the Division of Revenue. The contract will contain provisions in compliance with N.J.S.A. 52:32-44, as amended, outlined below.

The contractor shall provide written notice to its subcontractors and suppliers of the responsibility to submit proof of business registration to the contractor.

Before final payment of the contract is made by the contracting agency, the contractor shall submit an accurate list and proof of business registration of each subcontractor or supplier used in the fulfillment of the contract, or shall attest that no subcontractors were used.

For the term of the contract, the contractor and each of its affiliates and each subcontractor and each of its affiliates (N.J.S.A 52:32-44 (g) (3)) shall collect and remit to the Director, New Jersey Division of Taxation, the use tax due pursuant to the “Sales and Use Tax Act” (N.J.S.A. 54:32 B-1, et seq.) on all sales of tangible personal property delivered into this state.

A business organization that fails to provide a copy of a registration as required pursuant to section 1 of P.L. 2001, c.134 (N.J.S.A. 52:32-44 et seq.) or subsection e. or f. of section 92 of P.L. 1977, c.110 (N.J.S.A. 5:12-92), or that provides false business registration information under the requirements of either of those sections, shall be liable for a penalty of \$25.00 for each day of violation, not to exceed \$50,000.00 for each business registration copy not properly provided under a contract with a contracting agency.

Sample Business Registration Certificates are attached. Certain other forms, such as a Certificate of Authority to collect Sales and Use Taxes or a Certificate of Employee Information Report Approval, are **not** proof of business registration.

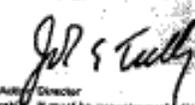
Any questions in this regard can be directed to the Division of Revenue at (609) 292-1730. Form NJ-REG can be filed online at:

<http://www.state.nj.us/treasury/revenue/gettingregistered.htm#busentity>

THESE ARE SAMPLES OF BUSINESS REGISTRATION CERTIFICATES.

	STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE
Taxpayer Name:	
Trade Name:	
Address:	
Certificate Number:	
Date of Issuance:	
For Office Use Only:	

OR

STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE		DEPARTMENT OF TREASURY DIVISION OF REVENUE PO BOX 732 TRENTON, N.J. 08646-0212
TAXPAYER NAME:	TRADE NAME:	
TAXPAYER IDENTIFICATION#:	SEQUENCE NUMBER:	
ADDRESS:	ISSUANCE DATE:	
EFFECTIVE DATE:		
FORM-BRC(08-01)	<small>Acting Director</small>	<small>This Certificate is NOT assignable or transferable. It must be conspicuously displayed at above address.</small>

APPENDIX D
DESCRIPTION OF SYSTEMS

APPENDIX E
REGISTRATION FOR UPDATES

WEST MILFORD MUNICIPAL UTILITIES AUTHORITY

REGISTRATION

Sale of Water and Wastewater Systems

The Proposer, _____, as designated below hereby wishes to receive any updates for the Request For Proposals and its appendices.

PROPOSER: _____

BY: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

ADDRESS: _____

TELEPHONE: _____

FAX: _____

EMAIL: _____

NOTE: As set forth in Section 1.7.5 this completed form must be submitted to the parties identified in Section 1.6 to ensure that the Proposer receives all addenda/notices related to this RFP.

APPENDIX F
2014, 2013 AND 2012 AUDIT REPORTS

APPENDIX G
ADMINISTRATIVE ORDERS AND NOVS

APPENDIX H
EXISTING AUTHORITY AGREEMENTS

APPENDIX I

[RESERVED]

APPENDIX J
CAPITAL EXPENSE PLAN

APPENDIX K
CURRENT RATE STRUCTURE AND HISTORY OF RATE INCREASES

APPENDIX L

CURRENT EMPLOYEE INFORMATION

Employee 1:

Administrator: Salary \$85,000/yr Full Time (35 Hrs per week) Health, Dental, Vision Reimburse \$250 per year, Pension & 401K, Sick, Vacation & Personal Days.

Employee 2:

Customer Service Representative: Hourly \$24.00 Per hour, Part time (31 Hours per week) 401K, Vision Reimburse \$250 per year, Sick Vacation & Personal Days.

Employee 3:

Maintenance/Laborer/Meter Reader: Hourly \$17.00 Per hour, Part time (25-30 Hrs per week) sick, vacation, personal days.

APPENDIX M

PERMITS

APPENDIX N
ASSET REGISTRY

[NOTE: This is not a complete registry.]