

APPENDIX F

PERFORMANCE GUARANTEES

1. Performance Compensation Specifications

1.1. Overview

The PMC Compensation shall consist of annual fixed management fees and reimbursable O&M spending not to exceed the annual O&M Spending Budget. The BIDDER may specify their fixed management fee as either constant or escalated at a BIDDER specified positive annual escalation rate. The BIDDER must also propose the annual O&M Spending Budget for each contract year.

1.2. Fixed Compensation

Proposed fixed management fees shall be specified separately for the standard “three - year” contract period. The proposals may be specified as an annual fee with or without annual escalation. “Front-end loaded”, declining fees are expressly prohibited.

The annual management fee proposals shall be computed from a base annual management fee and an annual escalation rate.

The official proposed annual management fees for each contract year shall equal the calculated annual management fee rounded to the nearest thousand dollars per year.

1.2.1. Base Annual Management Fee

Base Annual Management Fee shall be specified for the three-year contract period. Each of these base fees is the starting point for any escalation and, in the absence of any escalation, is the constant value of the calculated annual management fee for all full fiscal years.

1.2.2. Annual Escalation Rate

A non-negative annual escalation rate shall be specified for the three-year contract period.

1.3. Reimbursable Compensation

Proposed O&M Spending Budget shall be specified for each contract year. GWA will pay the PMC for actual O&M expenses on a reimbursable basis not to exceed the annual O&M Spending Budget. Request for payments must be accompanied with certification and receipts indicating the cost of goods and services. The PMC shall also furnish satisfactory evidence that all O&M expenses have been paid and delivered on site to be qualified for compensation.

2. Performance Measures & Guarantees

2.1. Performance Measures

2.1.1. Environmental Compliance

The PMC will operate and maintain all pump stations and treatment plants within U.S. EPA / Guam EPA permits and regulations (including Clean Water Act), as well as GWA Environmental Section enforced Spill Control and Countermeasure (SPCC) inspections.

- ◆ Treatment plants must meet or comply with all National Pollution Discharge Elimination System (NPDES) permit limits.
- ◆ Pump stations shall not have any overflow incidents

2.1.2. Preventative Maintenance and Work Order

The PMC shall institute preventative maintenance program and perform no less than 85% of all required preventive maintenance. In addition to this the PMC shall also perform no less than 85% of all corrective maintenance. Work orders shall not exceed one (1) maintenance cycle period to perform preventive maintenance or percent due in excess of 100% overdue.

2.1.3. O&M Expense

During price bid submittals, the PMC identifies annual O&M budgets that will be used as actual budget amounts for each specified contract/fiscal year. The PMC will be required to maintain O&M costs within proposed budget amounts. Actual annual expenses will be evaluated for incentive bonuses or penalties at the end of each contract/fiscal year. GWA and the PMC will share 50% of all savings from O&M expenses that fall below the proposed budget. The PMC will be responsible for all costs that exceed the O&M budget.

O&M expenses do not include non-routine major repairs or replacements of equipment or systems. This is also referred to Performance Improvement Projects (PIPs). GWA and the PMC will be meeting separately on these items to evaluate and agree on budgetary amounts for all PIPs.

2.1.4. Plant / Station Availability:

The PMC shall maintain 100% availability of all treatment plants and pump stations.

2.1.5. Redundant Equipment Availability:

The PMC shall maintain all redundant equipment and rotate their use on regular basis. GWA will institute a monthly inspection and performance testing of all equipment to ensure equipment is being maintained.

2.1.6. Labor Overtime:

Overtime expenses shall not exceed 10% of regular labor for Wastewater Division employees for each contract/fiscal year. The PMC shall be penalized full amount exceeding 10% of the regular amount.

GWA Wastewater System PMC
PERFORMANCE EVALUATION
WORKSHEET

GWA Wastewater System PMC Performance Evaluation Worksheet

No.	Task	Frequency	Comments	Met	Not Met
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Administration

1	Participation in meetings with GWA Management (including progress meetings, customer service oriented meetings,	Monthly			
2	Timely submittal of regulatory reporting (including NPDES permit requirements)	Monthly			
3	Progress update on CIP/PIP Projects	Weekly			
4	Submittal of recommended CIP/PIP Projects	Annual			
5	Timely submittal of invoicing (Fixed Management Fee/Reimbursable Costs)	Monthly			
6	Timely review of personnel performance (Performance Appraisals	Monthly			
7	Management of Personnel (scheduling, discipline, etc)	Monthly			
8	Provide Financing Options	As Needed			
9	Provide access to all records (Procurement, Projects, Personnel documentation, etc)	As Needed			
10	Submittal of performance benchmarks	Monthly			

Operations

11	Project Management of CIP/PIP Projects	Weekly			
12	Management of Work Orders (85% complete, Not more than 1 cycle behind)	Weekly			
13	Provide station availability of all wastewater facilities	Weekly			
14	Perform routine sampling (Treatment Facilities)	Weekly			
15	No violations from EPA or other regulatory Agencies	Weekly			
16	Comply with GWA/EPA emergency response plans	Weekly			

GWA Wastewater System PMC Performance Evaluation Worksheet

No.	Task	Frequency	Comments	Met	Not Met
17	Perform CCTV (50 miles/year)	Monthly (for Progress Updates)			
18	Timely repair of sewer lines	Monthly			
19	Perform routine equipment testing and rotation for redundant equipment (Performance Testing)	Weekly			
20	Inventory Reporting	Quarterly			
21	Completion of Deliverables:	Monthly (for Progress Updates)			
	Project Description	Due			
a.	Perform Inventory Assessment & Identify Stocking requirements	within 6 months of 1st contract year			
b.	Develop Training Program	within 6 months of 1st contract year			
c.	Train employees on SOP's	within 1st contract year			
d.	Evaluate, develop, maintain Operations and Maintenance SOP's	within 6 months of 1st contract year			
e.	Propose, perform cost analysis, and implement a computerized maintenance management system	by end of 2nd contract year			
f.	Develop QA/QC program (including root cause analysis, QMP/QMS)	within 1st Contract Year			