



New Jersey Future/Jersey Water Works Request for Qualifications

Dollars and Sense: The Fiscal Implication of Asset Management for Wastewater Utilities Research Report

Scope of Work:

On behalf of the [Jersey Water Works](#) Finance Committee, New Jersey Future seeks a graduate business or public administration student or a qualified professional to prepare two case studies of the fiscal implications of wastewater utility asset management programs. The case study reports will assess the return on capital investments made through the programs by examining changes in operations and maintenance costs, the impacts on user rates, and other performance metrics.

Professionals should provide an hourly rate schedule to perform this work. Graduate level students should provide their university's rate schedule. The project's budget is \$5,000.

Deadline for submissions: September 30, 2016

INTRODUCTION

New Jersey Future, in its role as the backbone organization of Jersey Water Works, and in cooperation with the New Jersey Environmental Infrastructure Trust (NJEIT), seeks a graduate business or public administration student or a qualified professional to work as a consultant to prepare two business-oriented case studies of the fiscal implications of wastewater utility asset management programs. An asset management program is a process by which a utility system's capital assets are inventoried, monitored, managed and upgraded over time to deliver the desired level of service at the lowest lifecycle cost.

The Camden County Municipal Utilities Authority (CCMUA) will serve as one case example. The research should focus on the utility's use over two decades of financing approaches and asset management to support facility upgrades with minimal impact on user rates. A second case example will be identified at the time the consultant is selected.

New Jersey Future seeks a consultant to produce the deliverables listed below. New Jersey Future provides staff support to the Jersey Water Works Finance Committee, a subcommittee of which will oversee the project as follows:

- Project management will be led by Daniel Van Abs, associate professor of practice for water, society and the environment at Rutgers University's School of Environmental and Biological Sciences.
- Review of draft documents will be done by David Zimmer, executive director of the New Jersey Environmental Infrastructure Trust; Andrew Kricun, executive director of the Camden County Municipal Utilities Authority; and Dan Van Abs.

- Contracting and payment will be handled by Jane Rosenblatt of New Jersey Future.

The consultant should be available immediately in order to meet anticipated product deadlines noted below.

SCOPE OF WORK

Deliverables

The consultant will produce a final report within four months of contract execution that analyzes two case studies of New Jersey wastewater utilities, including one of the Camden County Municipal Utilities Authority's asset management activities over a two-decade time period. The second case study will be determined at the time the consultant is selected.

For each case study, the analysis will address the following questions:

- To what extent were the annual (debt service) costs of the capital investments offset by annual reductions in costs for operations (i.e. labor, energy, emergency repairs, etc.) and maintenance?
- Did the utility's asset management program allow it to save money over the time period? What were the savings obtained by using low-interest loans from the New Jersey Environmental Infrastructure Program?
- What was the impact (in nominal dollars) of the asset management program on user rates?
- Where there other non-financial benefits, such as improved reliability and improved environmental performance, of the investments?

The analysis will look at this situation in aggregate and in per-household or per-capita terms to standardize the results.

For each case study, the final report should assess the validity of the utility's approach to asset management, including whether and the extent to which the results should be generally replicable or were the result of unique conditions for the case study utilities. The report should also discuss any ancillary benefits to the local community. Any attempt to measure or quantify those benefits would be welcome but is not required.

The analysis should include an evaluation of the implications regarding the requirements of the recent Water Resources Development Act (WRDA) for financial sustainability plans and their relationship to asset management planning and programs such as studied in this project.

Schedule

Submissions are due September, 30, 2016.

The final report will be completed within four months of contract execution. The project manager will work with the selected consultant to establish dates for the following milestones for the project:

- Preliminary meetings with Dr. Van Abs and each utility, at which key documents are provided.
- Detailed outline for the report, including an executive summary, and with a proposed list of tables and figures.
- Interviews for the Case Studies
- Discussion? of preliminary case study results
- Draft report submitted for committee review
- Final draft report responding to comments on the draft report
- Final report – due within four months of contract execution

SUBMISSION REQUIREMENTS

Questions:

Please contact [Jane Rosenblatt](#) with any questions or requests for more information.

Submission specifications:

All submissions should include:

- A basic statement of qualifications, including experience, background, skills and degree of expertise in the specific areas outlined in this RFQ. The graduate student or professional should have sufficient education, training or experience in business or public administration finance, including the evaluation of long-term financing options and costs, to evaluate the implications of financial approaches used in the case studies. An understanding of engineering processes or asset management is not necessary; the asset management practices of the utilities will be provided and explained to the extent necessary to complete the project.
- Professionals should provide at least two references that attest to relevant experience in business or public administration finance, including the evaluation of long-term financing options and costs. Graduate students should provide a written recommendation from a faculty member with relevant expertise and familiarity with the student's relevant knowledge.
- Short writing sample (not more than five pages).
- Professionals should provide an hourly rate schedule to perform this work. Graduate level students should provide their university's rate schedule. The project's budget is \$5,000.

Submissions should be sent, via email, to [Jane Rosenblatt](#) New Jersey Future, by close of business September 30.

This request for qualifications does not commit New Jersey Future to engaging the services of any individual or firm for any of the items either within or outside the outlined scope of work.

INFORMATION RESOURCES

- [Jersey Water Works](#)
- NJDEP [guidance on asset management](#).