

**Lower Cape Fear Water and Sewer Authority**

**Request for Qualifications**

**Utility Billing Audit Services**

Date Issued: June 22, 2022

For: Utility Billing Audit Services for the benefit of the Lower Cape Fear Water and Sewer Authority (“Authority”)

Deadline for receiving proposals: July 22, 2022, by 4:00 pm

Proposals Reviewed on: July 25, 2022

May be emailed to [admin@lcfwasa.gov](mailto:admin@lcfwasa.gov)

May be mailed to: Danielle Hertzog  
Finance Administrative Assistant  
1107 New Pointe Boulevard, Suite 17  
Leland, NC 28451

Qualifications received after 4:00 pm on July 22, 2022 will not be considered.

The Authority is seeking to select a qualified firm (“Auditor”) to provide utility billing audit services for the benefit of the Authority. The purpose of this audit is to verify the accuracy and cost efficiency of expenses for consumption of electric utilities and to obtain all eligible rebates and reductions in these utility accounts. Any audit shall not include and shall not affect the Demand Authorization Reduction program in which the Authority currently participates.

**Scope of Work**

The Auditor will be required to review past utility bills and provide services for the purposes of identifying any billing errors, overcharges, or other billing discrepancies which would entitle the Authority to a refund of payments or credit. The Auditor should be experienced in providing utility audits for North Carolina local governments within the past five years and must provide evidence and results of at least three utility audits performed for those entities.

The Auditor is required to review and evaluate all utility providers whom Authority pays or paid for utility services. The Audit must include a review and evaluation for rates for every item billed to determine if the Authority is billed in accordance with the tariff regulations for the current and previous three years from the execution date of the Utility Auditing Service Contract for errors and overcharges. The Auditor will coordinate with each utility company and come to agreement for proprietary audit methods, if monthly services are being overcharged, if inefficient services or tariff violations currently exist, if violations existed on previous billings, or if other errors resulting in overcharges exist. The Auditor will negotiate with the utility provider to have any detected and confirmed overcharges removed in the form of refunds and/or credits to the Authority. The Authority reserves the right to add additional categories of billing for review and evaluation by the candidate under the same terms and conditions as the original contract.

The Auditor will provide consulting services designed to obtain rebates and reductions for all identified utility expenditures. The Auditor will provide the Authority with an analysis of their methods of purchasing utility services and advice on any cost saving actions that may be implemented or any overcharges that may have been paid. The Auditor will provide a written summary of all calculated savings and available cost saving actions. The Auditor will endeavor to collect any overcharges on behalf of the Authority wherever errors have occurred. The Auditor will receive no compensation where there is no refund or credit, or there is no reduction in the Authority's monthly utility charges.

Any audit shall not include and shall not affect the Demand Authorization Reduction program in which the Authority currently participates. The decision to implement any recommended purchasing or cost saving actions shall be in the sole discretion of the Authority.

### **Deliverables**

At a minimum the following deliverables must be provided to the Authority:

1. No later than the end of the contracted period, submission of a report indicating, by utility service provider, the period of utility bills that have been reviewed and evaluated, the amount of refund or credit due to the Authority, correspondence from said utility provider agreeing to the actual amount of refund due to the Authority, and the method to be used to refund the moneys owed the Authority (*e.g.*, refund check or account adjustment credit).
2. Provide a report with an explanation of areas of cost savings which will include a description of all billing over charges and savings recommendations. The report must be based on sound best practice recommendations and other audit accounting recommendations arising out of the audit information.
3. The report must also include any innovation/creative service or approach ideas that may reduce the Authority's overall costs (*e.g.*, explore achieving a lower tariff by aggregating the entire Authority's electrical load).

### **1.0 INTRODUCTION AND INSTRUCTIONS**

#### **1.1 Right of Rejection/Discretion of the Authority**

The Authority reserves the right to reject any or all proposals.

#### **1.2 Authority Not Responsible for Preparation Costs**

The Authority will not pay any cost associated with preparation, submittal, presentation, or other costs associated with the quotation.

#### **1.3 Disclosure of Proposal Contents**

Submitted proposals and other materials become the property of the Authority. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process.

### **2.0 STANDARD PROPOSAL INFORMATION**

#### **2.1 Amendments to Proposals**

Amendments to or withdrawals of proposals will only be allowed if requests are received prior to the deadline set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline.

### **3.0 STANDARD CONTRACT INFORMATION**

#### **3.1 Contract Type**

The Authority anticipates that the conclusion of the RFQ process will be a contract between the Authority and the successful candidate under which the successful candidate will provide the services generally described in this RFQ.

#### **3.2 Contract Approval**

This RFQ does not, by itself, obligate the Authority. The Authority's obligation will commence when the contract is approved. Upon written notice to the Auditor, the Authority may set a different starting date for the contract. The Authority will not be responsible for any work done by the Auditor, even work done in good faith, if it occurs before the contract start date set by the Authority.

#### **3.3 Proposal as a Part of the Contract**

Part or all of this RFQ and the successful proposal may be incorporated into the contract.

#### **3.4 Additional Terms and Conditions**

The Authority reserves the right to add terms and conditions during contract negotiations. These terms and conditions will be within the scope of the RFQ and will not affect the proposal evaluations.

#### **3.5 Insurance Requirements**

Auditor shall maintain Commercial General Liability insurance covering combined single limit not less than \$1,000,000 per occurrence.

#### **3.6 Compensation**

The Auditor will be paid a contractual percentage share of all verified actual dollars saved by rebates/refunds or rate schedule overcharges which are itemized and confirmed by each utility company. Payment will be made by the Authority within thirty days of approval of adjustment or actual refund or credit issued by the utility provider. The Authority will owe the Auditor nothing unless and until a refund or credit is received from a utility provider. The decision to implement any recommended purchasing or cost saving actions shall be in the sole discretion of the Authority.

#### **3.7 Contract Changes - Unanticipated Amendments**

During the course of this contract, the Auditor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the Authority will provide a written description of the additional work and request the Auditor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments. The Auditor will not commence additional work until the Authority has secured any required Authority approvals necessary for the amendment and issued a written contract amendment.

### **4.0 PROPOSAL FORMAT AND CONTENT**

#### **4.1 Proposal Format and Content**

Overly lengthy and costly proposals are discouraged; furthermore, in order for the Authority to evaluate proposals fairly and completely, proposals should follow the format set out herein and

provide all requested information. Quotations should adequately describe the Auditor's capabilities to satisfy the requirements of this RFQ. The RFQ should include sections, clearly labeled and numbered.

#### 4.2 Contact information

The RFQ must include the complete name and address of the candidate and contact information for the person responsible for submitting the proposal (name, mailing address, email address, fax number, and telephone number).

#### 4.3 Understanding of the Project

Candidates must provide a comprehensive narrative Statement that provides a project schedule and illustrates their understanding of the requirements of the project.

#### 4.4 Methodology Used for the Project

The comprehensive narrative Statement must indicate the methodology the candidate intends to employ and illustrate how the methodology will serve to accomplish the work and meet the project schedule.

#### 4.5 Management Plan for the Project

The comprehensive narrative Statement must indicate the management plan the candidate intends to follow and illustrate how the plan will serve to accomplish the work and meet the Authority's project schedule.

#### 4.6 Experience & Qualifications

It is expected that the candidate who is awarded the contract will have experience providing utility audit service to North Carolina governmental or municipal agencies or equivalent. The candidate must provide evidence and results of at least three utility audits performed for North Carolina local governments over the last five years.

#### 4.7 Vendor Tax ID

A valid Federal Tax ID number and current W-9 must be submitted with the proposal or within five days of the Authority's request.

#### 4.8 Assumptions regarding Authority Actions and Participation

If the proposal assumes that the Authority will take certain actions, provide certain facilities, or do anything else, these assumptions must be stated explicitly. If the proposal relies on the RFQ's statements of what the Authority will do and provide, there is no need to restate those statements.

#### 4.9 Conflict of Interest

If the candidate has any grounds to believe there could be a conflict of interest, such as if an Authority employee involved in awarding the contract has a connection with the candidate, the proposal should identify that information.