



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 7/11/2024

File ID: TMP-4301

Department: Water Pollution Control

Subject:

Type of Action: Approval/Action

Resolution authorizing the Mayor to enter into an agreement between the City of Huntsville and GDS Associates, Inc. to Develop an Intergovernmental Service Agreement.

Resolution No.

Finance Information:

Account Number: 6000-76-00000-526000-00000000

City Cost Amount: Not to Exceed \$149,000.00

Total Cost: Not to Exceed \$149,000.00

Special Circumstances:

Grant Funded: NA

Grant Title - CFDA or granting Agency: NA

Resolution #: NA

Location: (list below)

Address: NA

District: District 1 ☐ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

Additional Comments:

RESOLUTION NO. 24-

BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor be, and is hereby authorized, to enter into an agreement between the City of Huntsville and GDS Associates, Inc., in the Not to Exceed (NTE) amount of ONE HUNDRED FORTY-NINE THOUSAND AND NO/100 DOLLARS (\$149,000.00) for City of Huntsville to Develop an Intergovernmental Service Agreement, in Huntsville, Alabama, on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said agreement is substantially in words and figures similar to that document attached hereto and identified as "Agreement between the City of Huntsville and GDS Associates, Inc. to Develop an Intergovernmental Service Agreement," consisting of a total of six (6) pages, plus ten (10) additional pages consisting of Attachment 1, and the date of July 11, 2024, appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, and an executed copy of said document being permanently kept on file in the Office of the City Clerk of the City of Huntsville, Alabama.

ADOPTED this the 11th day of July, 2024.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 11th day of July, 2024.

Mayor of the City of Huntsville,
Alabama

**AGREEMENT BETWEEN THE CITY OF
HUNTSVILLE AND GDS ASSOCIATES, INC.
TO DEVELOP AN
INTERGOVERNMENTAL SERVICE
AGREEMENT**

STATE OF ALABAMA)
)
COUNTY OF MADISON)

**AGREEMENT FOR CITY OF HUNTSVILLE
TO DEVELOP AN INTERGOVERNMENTAL SERVICE AGREEMENT**

This Agreement is made this 11th day of , July 2024, by and among the City of Huntsville, Alabama, a municipal corporation (hereinafter referred to as the “City”) and GDS Associates, Inc., an Alabama professional corporation, (hereinafter referred to as “GDS Associates, Inc.” or “Consultant) for professional services related to the development of an Intergovernmental Service Agreement. The City and GDS Associates, Inc. hereby agree as follows:

RECITALS

WHEREAS, the City desires to develop an intergovernmental service agreement between Water Pollution Control and Redstone Arsenal for the wastewater system at Redstone Arsenal; and

WHEREAS, GDS Associates, Inc. has extensive experience and expertise in developing this type of agreement for public utilities.

WITNESSETH

NOW THEREFORE, in consideration of the mutual promises and covenants, herein contained, the parties hereby agree as follows, to wit:

1. **Scope of Work:** The Scope of Work is as described in Attachment 1 hereto, and more particularly in Section 2 of Attachment 1.

**President of the City Council of the
City of Huntsville, AL**

Date: July 11, 2024

2. **Period of Performance and Schedule:** GDS Associates, Inc. shall commence performance of the Work within ninety (90) days of the approval of this Agreement by the Huntsville City Council and shall complete the Work of this Agreement according to Section 2 of Attachment 1. The schedule and price will be per the price quoted in Section 5 of Attachment 1.

3. **Contract Price:** In consideration of the services rendered hereunder, the City shall pay GDS Associates, Inc. for the work performed per the Scope of Work an amount not to exceed ONE HUNDRED FORTY-NINE THOUSAND AND NO/100 Dollars (\$149,000.00). The total amount of this agreement shall not exceed ONE HUNDRED FORTY-NINE THOUSAND AND NO/100 Dollars (\$149,000.00)

4. **GDS Associates, Inc. Performing as an Independent Contractor:** In the performance of this work it is understood between the parties that GDS Associates, Inc. and its employees, agents, subcontractors and consultants, if any, shall be acting as independent contractors and not as an employee of the City of Huntsville. GDS Associates, Inc. shall have no authority to obligate the City to an indebtedness or other obligation.

5. **Notices:** All notices (a) shall be in writing, (b) shall be deemed served on the date which they are actually received, and (c) shall be served by (i) personal delivery, or (ii) United States First Class Certified or Registered Mail, Return Receipt Requested, properly addressed with postage prepaid or (iii) a nationally recognized overnight courier/delivery service (i.e. Federal Express, United Parcel Service, etc.) or (iv) electronic transmission ("E-mail") or telephonic facsimile transmission ("Fax") in conjunction with one of the other methods of delivery set forth in subparagraphs (i), (ii) or (iii), each addressed as follows:

City of Huntsville
Attention: Water Pollution Control
P.O. Box 308
Huntsville, Alabama 35804
grant.smith@huntsvilleal.gov
256-883-3719

GDS Associates, Inc.
Attn: Mathew Butler
1850 Parkway Place, Suite 800
Marietta, GA 30067
mathew.butler@gdsassociates.com

6. **Subcontracting:** GDS Associates, Inc. may not associate/hire/contract with any subcontractor/independent contractor/consultant in order to fulfill the requirements of this Agreement without obtaining the prior written approval of the City's Project Manager. GDS Associates, Inc. shall be solely responsible for any and all payments/wages/earnings due any such

independent contractor for work performed thereby in furtherance of this Agreement. GDS Associates, Inc. shall be legally responsible for any and all actions of any subcontractor/independent contractor/consultant. Consent by the City to any subcontract shall not constitute approval of the acceptability of any subcontract price or of any amount paid under any subcontract, nor relieve GDS Associates, Inc. of any responsibility for performing this contract. The City's Project Manager shall have final approval of any proposed subcontractor.

7. **Confidential Information:** Each party hereto (each, a "Recipient") shall protect and keep confidential all non-public information disclosed to Recipient by the other party (each, a "Discloser") and identified as confidential by Discloser ("Confidential Information") and shall not, except as may be authorized by Discloser in writing, use or disclose any such Confidential Information during and after the term of this Agreement. These obligations of confidentiality shall not apply to information that: (1) was previously known to Recipient; (ii) is or becomes publicly available through no fault of Recipient; (iii) is disclosed to Recipient by a third party having no obligation of confidentiality to Discloser relating to such Confidential Information; (iv) is independently configured by Recipient; or (v) is required to be disclosed as a matter of law (e.g. open records request).

8. **Termination**

(1) Termination for Convenience.

This agreement may be terminated by the City without cause prior to the completion of the project upon ten (10) days written notice of the intent to terminate to GDS Associates, Inc.. Notice to terminate shall be given to GDS Associates, Inc. by written notification mailed or hand delivered to the contact address for GDS Associates, Inc. listed in Section 5 herein. In the event of such termination without cause, GDS Associates, Inc. shall be compensated for all services actually performed in a timely manner prior to receipt of the notice of termination provided, however, that such compensation shall be conditioned upon GDS Associates, Inc. providing in a timely manner to the City all documents developed and copies of the work product produced pursuant to the Contract which were performed in furtherance of the Scope or Work up to the receipt of the notice of termination. In such event, GDS Associates, Inc. shall promptly submit the City its invoice for final payment.

(2) Termination for Cause.

This agreement may be terminated by either party upon thirty (30) days written notice to the other should such other party fail substantially to perform in accordance with its material terms through no fault of the party initiating the termination.

9. **Nonexclusiveness of Remedies.** Any right or remedy on behalf of the City or GDS Associates, Inc. provided for in any of these specifications, including but not limited to any guaranty or warranty or any remedy for nonperformance, shall be in addition to and not a limitation of any right or remedy otherwise available by law, equity, or statute.

10. **Injuries to GDS Associates, Inc.** GDS Associates, Inc. is obligated to obtain sufficient liability insurance coverage (as well as worker's compensation coverage, if required by

law) for the benefit of GDS Associates, Inc. and its agents and/or employees. GDS Associates, Inc. waives any and all rights to recovery from the City for any injuries that GDS Associates, Inc. (and/or its agents and/or employees) may sustain while performing services under this Agreement.

11. **GENERAL PROVISIONS.**

A. Governing Law and Venue.

This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama without regard to Alabama conflict of laws provisions. Proper venue for any action to enforce the terms of this Agreement shall be in the state or federal courts of Madison County, Alabama.

B. Force Majeure.

Neither party shall be responsible for delays or failure of performance resulting from acts beyond the reasonable control of such party. Such acts shall include, but not be limited to, acts of God, strikes, walkouts, riots, acts of war, epidemics, failure of suppliers to perform, governmental regulations, power failure(s), earthquakes, or other disasters.

C. Headings.

The titles and headings of the various sections and paragraphs in this Agreement are intended solely for convenience of reference and are not intended for any other purpose whatsoever, or to explain, modify or place any construction upon or on any of the provisions of the Agreement.

D. Agreement Deemed to Have Been Jointly Drafted.

The parties acknowledge that they have thoroughly reviewed this Agreement and bargained over its terms. Accordingly, neither party shall be considered responsible for the preparation of this Agreement which shall be deemed to have been prepared jointly by both parties. The provisions of the Agreement allocate the risks between the parties. The terms and conditions included herein reflect the allocation of risk, and each provision herein is a part of the bargained for consideration of this Agreement.

E. Waiver.

The failure of the City to insist in one or more instances upon the performance of any term of this Agreement is not a waiver of its right to future performance of such terms unless such waiver is in writing and signed by a duly authorized officer of the City.

F. All Amendments in Writing.

No provisions in either party's purchase orders, or in any other business forms employed by either party will supersede the terms and conditions of this Agreement, and no supplement, modification, or amendment of this Agreement shall be binding, unless executed in writing by a duly authorized representative of each party to this Agreement.

G. Property of City.

All work product prepared by GDS Associates, Inc. shall become and be the sole property of the City.

H. Third Parties.

Nothing contained herein shall create a contractual relationship with, or any rights in favor of, any third party.

I. Non Discrimination Policy.

In consideration of this agreement, the parties hereto for themselves, their agents, officials, employees, and servants agree not to discriminate in any manner on the basis of race, color, creed, age, sex, disability or national origin with reference to the subject matter of this agreement, no matter how remote.

J. No Assignment

Neither party shall assign its rights hereunder, excepting its right to payment, nor shall it delegate any of its duties hereunder without the written consent of the other party.

K. Entire Agreement.

The parties have read this Agreement, including all Exhibits, and agree to be bound by its terms, and further agree that it constitutes the complete and entire agreement of the parties and supersedes all previous communications, oral or written, and all other communications between them relating to the subject matter hereof. No representations or statements of any kind made by either party, which are not expressly stated herein, shall be binding on such party. In the event any separate Statements of Work are subsequently executed by the parties and are in conflict with the provisions of this Agreement, then the provisions of this Agreement shall prevail over any such conflicting provisions. Any pre-printed terms and conditions of GDS Associates, Inc.'s and City's business forms shall be without legal effect with respect to this Agreement or any subsequent Statements of Work.

L. Order of Precedence of Contract Documents

In the event any conflict, discrepancy, or inconsistency among any of the documents which make up this contract, the following shall control, and GDS Associates, Inc. is deemed to have based its estimate of performing the work upon the order of precedence as set forth below.

Interpretations shall be based upon the following order of precedence: 1) this Agreement and 2) GDS Associates, Inc.'s proposal attached hereto as Attachment 1.

IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized officers or representatives, have each executed this Agreement, effective as of the date first above written.

CITY OF HUNTSVILLE, ALABAMA

By: _____

Tommy Battle

Its: Mayor

Attest: _____

Shaundrika Edwards

Its: City Clerk

GDS ASSOCIATES, INC.

By: _____

Its: _____

PREPARED BY GDS ASSOCIATES, INC.

Water Pollution Control

City of Huntsville

CONFIDENTIAL:
**INTERGOVERNMENTAL
SUPPORT
AGREEMENT
WITH
REDSTONE ARSENAL**

May 27, 2024





Mathew Butler

mathew.butler@gdsassociates.com

phone 770.799.2427

May 27, 2024

Mr. Randall Stewart

Mr. Shane Davis

Water Pollution Control

City of Huntsville

Subject: CONFIDENTIAL: WPC – IGSA Consulting Services

Mr. Stewart, Mr. Davis, and associates:

It was great to meet with you on Monday. Thank you for taking the time to speak with us.

GDS Associates, Inc. ("GDS") appreciates the opportunity to provide a proposal to assist with the development of an IGSA between WPC and Redstone Arsenal for the wastewater system at Redstone.

GDS has been collaborating and advising municipal utilities, electric cooperatives, commissions, and other government entities on electric utility issues since 1986. As you know, GDS worked extensively with Huntsville Utilities and Redstone Arsenal to develop the IGSA for Redstone's electric, water, and gas systems.

GDS continues to be fortunate to provide engineering and consulting services to clients around the country covering a broad range of services in the areas of strategic power supply planning, transmission access and deliverability, RTO market issues, contract negotiations, risk management services, regulatory/legislative industry issues, wholesale and retail rates, generation development and monitoring, demand-side management programs, and organizational management challenges. This broad array of areas where GDS is a subject matter expert, as well as direct experience with the installation, makes GDS uniquely qualified to undertake WPC's required scope of services.

We welcome the opportunity to discuss this proposal, any means to refine the scope to better meet your expectations and determine the next steps for moving forward with this project. Please reach out to either Katie or me at your convenience.

Sincerely,

Mathew Butler

Principal

cc: Katie Barrett



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1 Introduction

GDS Associates (GDS) is an industry-tried and proven consulting and engineering firm in the energy business, and our consultants have a significant record of serving the public power sector with distinction across the U.S.

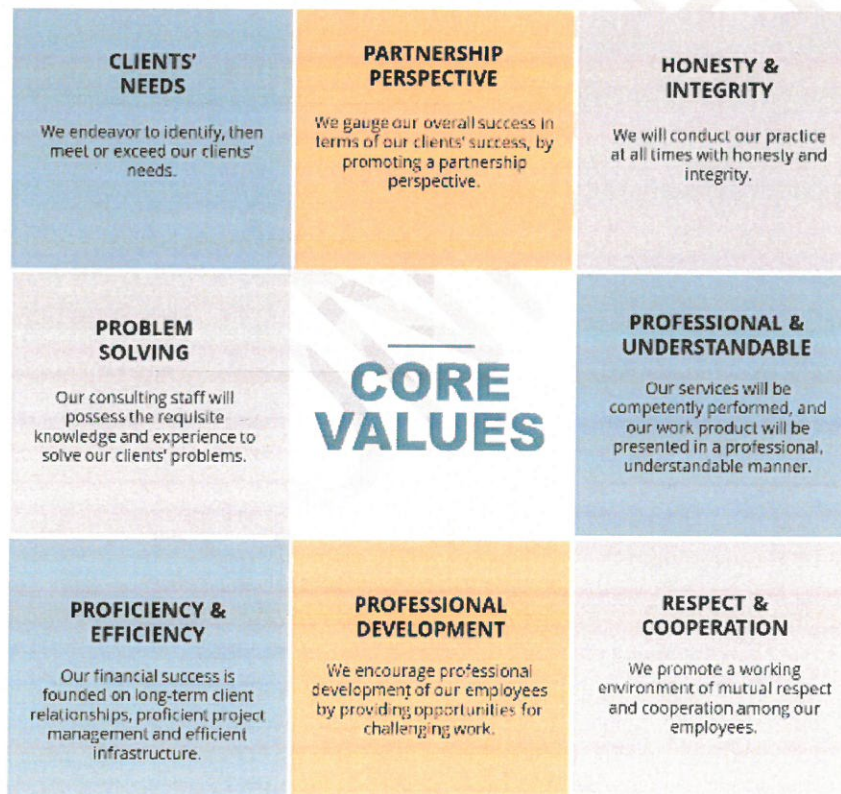
1.1 OVERVIEW OF GDS ASSOCIATES, INC.

Founded in 1986, GDS Associates, Inc. ("GDS") provides engineering and consulting services to electric utility clients across the country, covering a broad range of services in the areas of wholesale and retail rates, cost of service ("COS"), demand-side management, power supply planning, financial consulting, transmission planning, access and pricing, generation development and monitoring, operational and management challenges, and many others. Cooperatives, municipal systems, and regulatory agencies are GDS' target clients, and we gear our business toward being able to provide the multitude of services that those entities need, all "under one roof". We serve a diverse client base with a variety of energy consulting services, as well as information technology, market research, and statistical services.

The GDS MISSION is to "help our clients succeed by anticipating and understanding their needs and by efficiently delivering quality services with confidence and integrity".

GDS is a multi-service consulting and engineering firm formed in 1986 and now employs a staff of more than 180. Headquartered in Georgia, GDS also has offices in Alabama, Florida, Maine, New Hampshire, Texas, Washington, and Wisconsin. GDS' annual revenues in 2020 were \$45 million.

1.2 CORPORATE CORE VALUES



GDS places the needs of our clients first and foremost. The size and depth of our firm permits us to offer clients multiple sources of assistance, ensuring complete, competent, and timely service on a very cost-effective basis. GDS' long history of meeting or exceeding client needs has established our reputation within the industry. In fact, most of our project assignments are derived from repeat work for existing clients or from client referrals. GDS recognizes that no two clients or problems are exactly alike, so we strive to deliver "right-fit" solutions for each client's particular situation. GDS conducts its business in accordance with stated core values which we follow steadfastly in providing services to our clients.

2 Scope of Work

2.1 INTRODUCTION

GDS Associates, Inc. (GDS) appreciates the opportunity to offer this proposed Scope of Work (SOW) to the Water Pollution Control Department of City of Huntsville, AL (WPC) on Intergovernmental Support Agreement (IGSA) development with Redstone Arsenal.

2.2 CAPITAL INVESTMENT FEASIBILITY AND RECOVERY

2.2.1 Solution Development and Assessment

GDS will collaborate with WPC to develop solutions that can meet RSA's wastewater processing need. It is understood that this may require a significant capital investment by WPC. The solutions will involve a significant amount of technical detail, which WPC is assumed to lead, and carefully developed contractual structures to achieve an appropriate level of service for RSA and an effective and efficient recovery of costs for WPC.

2.2.2 Economic Analysis

GDS will provide the financial analysis necessary to assist WPC in evaluating various solutions. As a part of that financial analysis, GDS will work with WPC to construct recovery mechanisms that are amenable to both WPC and RSA. The analysis will take a short- and long-term view and have the ability to incorporate risk and potentially qualitative variables as required.

2.3 IGSA DEVELOPMENT

2.3.1 Initial Feasibility Assessment

GDS proposes to, in collaboration with WPC, seek to gain an understanding of RSA's expectations and economic thresholds before endeavoring forward with this effort. The goal is to, before making significant efforts of time and cost, gain enough assurance that an IGSA can create value for both parties.

2.3.2 Request and Receipt of Data

In coordinating with WPC to gauge timing and scope, our Project Team will build a data request that supplements the data received thus far to assure a full and robust review. The Project Team would work as directed by WPC, to efficiently collect and compile all relevant data.

2.3.3 Review of Relevant Documents

Our Project Team will work with the WPC team to review any and all exiting information about the current state of operations, system maps and inventories, and anything else that RSA can provide. GDS and WPC will collaboratively determine how this data can support further work scope steps.

2.3.4 Facilitate Discussions with Redstone

With WPC's guidance and collaboration, the GDS Project Team will guide communications with RSA personnel. Much of the IGSA development process includes face to face discussions with the RSA team to both understand and draft an agreement that is agreeable to both parties. GDS will lead these discussions, act as WPC's advocate, and ensure that all essential topics are covered.

2.3.5 Work with Redstone to Develop Project Work Scope (PWS)

The GDS Project Team will, in collaboration with Redstone representatives and WPC, develop the Project Work Scope (PWS), or the agreement that details the scope requirements. GDS will facilitate conversations between WPC and RSA and help bridge the gap between what the installation wants and the service that WPC can provide.

GDS will then build the language into the PWS document that reflects the decisions being made. The PWS is very important to define and manage scope expectations to assure success is achieved from both the WPC and RSA perspective. Further, a clearly defined scope of work will allow for the most accurate development of pricing for WPC services.

2.3.6 Construct Cost Structure and Proforma

Incremental Cost to WPC

A higher principle for any change or pursuit is that the ultimate outcome must result in a more favorable circumstance in order for such a decision to be prudent. As such, a proforma structure and input assumptions associated with any IGSA must be developed and verified. The GDS Project team will create a model to determine what resources WPC will need to execute the agreement reached with RSA, including labor, transportation, and access to materials. This initial pricing model will help WPC determine whether the agreement is feasible, as well as detail what GDS refers to as the “hidden margins”. Some of the WPC’s existing resources will be utilized on the installation, and those will constitute additional savings when calculating the benefits of the agreement to WPC.

Annual Price Estimation for Concept Packet

In order for IMCOM to approve an IGSA, RSA has to submit justification that working with WPC will save the Government money. The challenge with this comparison is twofold.

1. **Apples-to-Apples Comparison** GDS will work with WPC and RSA to ensure that the Government is truly comparing apples to apples, in terms of the level of service provided. The IGSA is being approved based on whether it saves the Government money, but it’s unfair to WPC to be expected to meet higher standards for the same amount of effort. The GDS Project Team will advocate for WPC and work to create a true comparison between equal requirements.
2. **Creating a Fixed Estimate for a Variable Price** Two of the four pricing categories as prescribed by the Government are variable. However, the Government also requires that an estimated one-year cost be submitted in the Concept Packet to be compared to what the existing System Owner charged annually. This estimated price will only be used for negotiating with Redstone and submitting to IMCOM, but it is crucial for getting the IGSA approved.

Fixed and Variable Pricing Models

The Government requires DPWs to categorize pricing in very specific ways. The GDS Project Team will work with WPC to develop a pricing model for each of the four Government-required pricing categories, including analysis of work order data from RSA to estimate the variable pricing elements. For the fixed elements, The GDS Project Team will collaborate with WPC to estimate the average labor, transportation, subcontracting, office, and other costs that will be incurred performing the required operations and maintenance tasks. For the variable elements, the Government requires set annual unit pricing for labor, transportation, materials, etc. that will then be applied to each Work Order. GDS will develop a variable pricing tool that will work with WPC accounting methods.

2.3.7 Tailor Service to WPC as Required

The services listed above are not inclusive of the assistance that the GDS Project Team is willing to provide. The GDS Project Team is flexible to provide great efforts to meet WPC needs. Development and presentation of briefings to WPC stakeholders, travel to WPC offices or RSA for work sessions, hosting of phone calls and virtual meetings, file-sharing services, and other typical consultancy related services are all available.

2.3.8 Build and Submit “Concept Packet”

Ultimately, RSA must submit a “Concept Packet” that demonstrates value creation for approval at higher levels. The GDS Project Team will support WPC and RSA in building the business case justification and finalizing the Concept Packet for submission. With the right level of due diligence and effort to create a mutually beneficial

circumstance with appropriate risk mitigation measures within the PWS, approval of the concept packet, particularly after election to move away from a privatized state, will likely be a formality. However, it is critical that this step is not taken for granted.

3 Key Success Factors

In building the other Redstone IGSA and general Government contracts, GDS has found the following to be the key success factors:

- **Customer Built Agreement** Unlike most Government contracts, the IGSA program is based around agreements. This means that it is built collaboratively with the Government and can be customized to WPC's standards and procedures.
- **WPC Participation for Success** IGSA's are most successful when a collaborative environment is fostered between the Government and the utility. In detailing the required standards and building the predicted pricing, WPC's participation in the development process is crucial. While the agreement is flexible, it needs to be as complete as possible from the start, in order to maintain a good relationship with the Installation.
- **Mutually Beneficial Level of Service, Cost, and Margin** While we likely all mutually agree that WPC can provide a higher level of service at a more efficient level of cost, while also creating value for WPC stakeholders, that case must be made quantitatively and qualitatively for both WPC and RSA stakeholders to review and understand.
- **Solid Financial Service Information from WPC for Basis of Cost Construction** While the agreement is flexible, it is important to get the pricing as accurate as possible in the initial submittal. RSA has a history of being agreeable to slight pricing updates, but the Government will be uneasy if major updates need to be made (outside of unprecedented times.)
- **Strong Relationship with Redstone** In a flexible arrangement like an IGSA, relationships are everything. Good relationships with the installation lead to a more mutually beneficial relationship. People at the installation will be more open to being flexible with WPC needs in day-to-day operations or pricing updates if they feel like RSA and WPC are on the same team.

4 Risks and Risk Mitigation

4.1 IGSA-SPECIFIC

- **Contract Management Challenges** When entering into a contract or agreement with another party, especially one with very specific procedures and internal bureaucracy, one of the major challenges is contract management and learning to work with another entity. In this scenario, it helps that this is an agreement, rather than a contract. It is more flexible. If clauses need updating once WPC gets onto RSA and finds differing conditions, WPC can work with RSA to change the agreement. Also, we will be sure to include a reasonable exit clause for both sides. This is a new arrangement for both sides, and GDS wants to make sure that WPC is protected.
- **Future Requirements** Another risk is changes in requirements that WPC has to follow, whether those come from WPC or RSA. Because it is an agreement, the PWS can more easily be updated. Changes in scope and requirements allow for repricing.
- **Pricing Risks** The two major pricing risks are underestimating resources necessary to meet the scope or underestimating the costs of those resources. The GDS Project Team will make sure that the budgeting is conservative. There will be healthy margins built into the pricing to protect WPC from pricing fluctuations. Should that margin not be enough, WPC can work with RSA to adjust the agreement.

- **Investment Recovery** While there will be initial investments, IGSA's are very quickly cash flow positive. Should WPC or RSA decide to end the agreement before the 10-year period is completed, the exit clause timeframe that will be detailed in the PWS will protect WPC from losses.

4.2 CAPITAL INVESTMENT

Providing capital through infrastructure development at a military installation with the backing of the United States federal government appears on its face to be a very low risk endeavor. However, it's very important to get the details, terms and conditions correct when establishing that commercial relationship in order to effectively take advantage of the very low federal government counterparty risk. GDS will assist WPC in assuring the contractual relationship is established correctly.

5 Schedule and Budget

5.1 SCHEDULE

The schedule will very much be dependent upon WPC's engagement with Redstone and driven by Redstone's timeline and incentives for moving forward with an agreement. Those incentives are likely to be driven by the anticipated repurchase of Redstone's wastewater system and the need to bring on someone to operate, maintain and manage that system.

Therefore, GDS would propose providing services on an as-needed ready basis to assure WPC can meet its goals for building further engagement and relationship with Redstone.

5.2 ESTIMATED COST AND BUDGET APPROACH

Based on the tracks that have already been laid at Redstone with the IGSA project currently in operation, the Project Team estimates that the labor and out-of-pocket travel expenses budget for this project will not exceed \$149,000. This is the number we've arrived at after looking at the level of effort that was necessary with HU and keeping the compressed schedule in mind. It is anticipated that WPC would recover these costs well within the first year of the agreement via stated and incremental margins resulting in a fast payback should the agreement be executed.

Name/Title	Tasks		Total Hours	Rate	Total \$ Amt
	IGSA	CapEx			
Mathew Butler, Principal	100	60	160	\$330	\$52,800
Katie Barrett, Project Engineer	290	40	330	\$210	\$69,300
Engineer/Analyst	40	40	80	\$185	\$14,800
Engineering Assistant	70	40	110	\$110	\$12,100
TOTAL	500	180	680		\$149,000

The budget described above is based on the efforts necessary to complete the scope as written above, based on GDS's experience developing a similar IGSA at the same installation. The provided estimate is lower than the costs incurred by HU based on the idea that the basic agreement outline has already been developed, and GDS can now avoid some of the obstacles experienced by the team as a whole due to it being a new style of agreement. GDS has credibility with Redstone; Redstone has a strong understanding and confidence about IGSA's and their required processes. That should allow for a smooth IGSA development and an agreement that produces value for both WPC and Redstone.

GDS proposes to provide services and work product on an as-needed basis and under the direction of WPC leadership. The services and efforts would be tailored to meet the impending need to collaborate with WPC and Redstone to construct the IGSA. WPC would have full discretion over what services are performed and tasks would be scoped and considered at each relevant milestone.

A monthly invoice will be produced which provides in detail all the individuals working on this project, number of hours worked, efforts performed during those hours and that person's standard billing rate. GDS' standard billing rates would apply. Under GDS' current 2024 rates, a Principal position would bill at \$330/hour, and a Project Engineer position would bill at \$210/hour.

6 GDS Project Team

6.1 KEY PERSONNEL

Mathew Butler *Principal* is innovative in his approach to helping clients make better decisions, achieve better results, and increase savings and returns. He has over 20 years of experience advising over 100 different cooperative, municipal and IOU utilities, law firms, financial institutions, and private industry clients in more than 25 states across the country. His service has occurred across the full utility supply chain and all major utility disciplines, with a focus on power. Mr. Butler is experienced in leading large, long-term projects, he has provided expert testimony, and understands how incentives and governance influence the perspective of utility industry leaders. Areas of expertise include Modeling & Forecasting, Cost Benefit Analysis, Contract Analysis & Simulation, Valuation/Acquisition Support & Analysis, Utility Privatization/Municipalization, Distributed & Renewable Generation Project & Policy Analysis & Review, and Utility Rates & Rate Design.

Katie Barrett *Project Engineer* graduated from the Georgia Institute of Technology. She has worked in many areas of utility practice including cost of service studies, retail rate design, utility privatization, and valuations and acquisitions. Some of her project work has included designing cost of service models for utilities. Modeling includes the classification of a utility's plant data, development of cost-based load allocators, and development of pro forma financial forecasts to determine overall revenue requirements. She also assists in the development of valuation studies by conducting in depth analysis of financial statements, doing neighboring market research, and assembling reports detailing the data collected. Ms. Barrett designed and developed one of the first Intergovernmental Support Agreements for electric, water, and gas utilities, including writing and negotiating the terms of the agreement, detailed proforma development and financial analysis to determine effective rates and outcomes, and building tools to assist with ongoing financial requirements of the agreement.

6.2 ADDITIONAL TEAM MEMBERS

While Mathew and Katie will be performing the primary tasks on this project, additional team members will be utilized as necessary for additional expertise or assistance, especially in the following categories:

- Engineer/Analyst
- Engineering Assistant

7 Past Performance / Experience

The following are just a few examples of GDS's long history in Government and military utility contracts and agreements. GDS has been assisting clients with winning or developing long-term contracts and agreements with the military for more than 25 years. Beyond winning the award, GDS provides continued as needed and tailored service to assist those same clients as they execute.

7.1 IGSA Experience

Development of IGSA at Redstone Arsenal Huntsville Utilities GDS worked in conjunction with Redstone Arsenal and Huntsville Utilities to write and implement the country's first IGSA agreement for utility systems. GDS played an instrumental role from before project start through approval, as well as assisting Huntsville Utilities with annual pricing updates as needed. GDS's role included but was not limited to: developing the pricing models,

writing the first draft of the PWS, leading the discussions with RSA to finalize the PWS and the pricing, and running checks between all documentation to ensure that HU was protected and taking everything into consideration.

7.2 MILITARY CONTRACTING EXPERIENCE

Privatization of and Continued Operations at Eglin AFB Choctawhatchee Electric Cooperative (CHELCO) GDS assisted in the development of the electric distribution system privatization contract at Eglin Air Force Base and continues to help with contract maintenance. This process included describing all standards and procedures for maintaining the system, providing DLA with extensive past performance information, organizing and completing the necessary contract documentation, and estimating the cost of owning the system for a 50-year period. GDS continues to work with CHELCO on an ongoing basis – updating pricing models, pricing out projects, building up documentation to meet new government requirements, etc.

Privatization of Continued Operations at Fort Leavenworth Freestate Electric Cooperative Much like with CHELCO, GDS developed the electric distribution system privatization contract. After contract award, GDS has continued assisting Freestate with contract maintenance, such as completely recalculating the fixed price of the contract every three years and working with Freestate to accommodate changing DLA requirements.

Development of O&M Contract for CAT Turbine Generator at Fort Bliss Rio Grande Electric Cooperative GDS developed a contract for Fort Bliss, Rio Grande Electric Cooperative (RGEC), and a third-party contractor to coordinate the operations and maintenance for a generator at Fort Bliss. This unique contract allows for the third-party contractor to continue operations under the supervision and billing management of RGEC. GDS built a pricing mechanism that was agreeable to all parties.

7.3 CAPITAL INVESTMENT EVALUATION EXPERIENCE

The utility business is a very capital intensive industry; GDS has been working with utilities and other entities since 1986 to effectuate favorable outcomes in the deployment of capital through utility infrastructure and the recovery of those costs over time. GDS' experience is both wide and deep as described in these few anecdotal experiences:

- Service to Public Service Commissions as they manage and monitor the costs of Nuclear Plant Development.
- Development of Construction Work Plans and total system replacement plans at Military Installations, Municipal Utilities and other Public Utility Systems.
- Regulatory proceedings and expert testimony on fair and equitable cost recovery.
- Wholesale and retail ratemaking throughout every utility's supply chain.
- Business plan development and feasibility analysis for privatization and manipulation efforts.
- Feasibility and risk analysis for deployment of major utility infrastructure.
- Economic model development and scenario analysis for myriad circumstances within the utility industry.

7.4 REFERENCES

Huntsville Utilities

Mike Counts, Vice President of Operations, 256-535-1305

Choctawhatchee Electric Cooperative (CHELCO)

Matthew Avery, Vice President of Operations and Engineering, 850-307-1190

Freestate Electric Cooperative

Chris Parr, Chief Executive Officer, 800-794-1989