



Volume 2: Cost Proposal
Executed Original

Township of North Brunswick
710 Hermann Road
North Brunswick, New Jersey 08902

Attention: Ms. Justine Progebin,
Township Business Administrator
Telephone No.: (732) 247-0922 – Ext. 435

Cost Proposal: Operation, Maintenance, Management and Repair Services
of the Township of North Brunswick Municipal Water System

Due Date and Time:

(1) Name of Firm:

Address:

Telephone Number:

(2) Submittal:

Thursday, April 7, 2022 – 2 PM (EST)

Veolia Water North America Operating Services, LLC
461 From Road, Suite 400, Paramus, NJ 07652
401/265-4967

Proposal – Two Volumes – Volume 1: Qualifications & Technical Proposal and Volume 2: Cost Proposal
Submitted under separate cover as Executed Original and 5 Hard Copies



April 7, 2022

Ms. Justine Progebin
Township Business Administrator
Township of North Brunswick
710 Hermann Road
North Brunswick, New Jersey 08902

**Subject: Volume 2 – Cost Proposal
Operation, Maintenance, Management and Repair Services of the
Township of North Brunswick Municipal Water System**

Dear Ms. Progebin:

Veolia's commitment to the **Township of North Brunswick** for the operations, maintenance and management (O&M) of your water facilities and systems is to deliver the best value operations.

In this Cost Proposal volume we provide our approach to the cost effective and efficient operations of the Township's potable water Facilities, enhancing your ability to provide for the health, safety and welfare of your residents. We have developed a Total Yearly Cost and an overall Cost for the proposed 20 Year period of the O&M Partnership Agreement.

As the Chief Operating Officer for Veolia's operations and projects in the State of New Jersey and nationwide, I have executed this Proposal and all of the required forms. Additionally, I have the authority to commit our company to any contract that results from your procurement process; as affirmed by the Certificate for Secretary attached at the end of this letter. Veolia's contact person for all communications to and from the Township with respect to this procurement will be:

Mr. Ryan Lemli, P.E. - Business Development Manager
Veolia Water North America Operating Services, LLC
461 From Road, Suite 400, Paramus, New Jersey 07652
Telephone: (201) 401-3774 – Email: ryan.lemli@veolia.com

Mr. Lemli will be able to answer any questions and respond to any request for additional information.

We look forward to your review of our Proposal and to the next steps in the procurement process, as well as to the opportunity of working with your community under a long term O&M partnership agreement for your water facilities.

Sincerely yours,

A handwritten signature in blue ink that reads 'Keith Oldewurtel'.

Keith Oldewurtel
Chief Operating Officer
Municipal Water Contract Operations Business
Telephone: (616) 308-8037 - Email: keith.oldewurtel@veolia.com

Attachment: Certificate of Secretary (signature Authority)

**CERTIFICATE OF ASSISTANT SECRETARY
OF
VEOLIA WATER NORTH AMERICA OPERATING SERVICES, LLC**

The undersigned, Whitney Fawcett, Assistant Secretary of Veolia Water North America Operating Services, LLC, a Delaware limited liability company (the "Company"), does hereby certify that Keith Oldewurtel is the duly elected and acting Chief Operating Officer of the Company and in such capacity is authorized to execute contracts and make commitments with regard to the following project:

**OPERATION, MAINTENANCE, MANAGEMENT AND REPAIR SERVICES
OF THE TOWNSHIP OF NORTH BRUNSWICK MUNICIPAL WATER SYSTEM**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company this 4th day of April, 2022.





Whitney Fawcett, Assistant Secretary



PROPOSAL



Volume 2: Cost Proposal Operation, Maintenance, Management and Repair Services of the Township of North Brunswick Municipal Water System

April 7, 2022

Contact Information:

Mr. Ryan Lemli, P.E. - Business Development Manager
Veolia Water North America Operating Services, LLC
461 From Road, Suite 400, Paramus, NJ 07652
Telephone: (201) 401-3774 – Email: ryan.lemli@veolia.com

The data on pages identified by with the legend/label "Company Confidential - Trade Secret and Proprietary Information – Veolia", contains information that is a trade secret and/or which, if disclosed, would cause substantial injury to the Respondent (Veolia Water North America Operating Services, LLC)'s competitive position. Veolia Water North America Operating Services, LLC (the Respondent) requests that such data be used only for the evaluation of the Proposal, and understands that disclosure will be limited only to the extent that the Township deems disclosure necessary according to law. If an Agreement is awarded to Veolia Water North America Operating Services, LLC (the Respondent), the Township will have the right to use or disclose the data as provided in the applicable agreement executed with the Respondent (Veolia Water North America Operating Services, LLC).

Volume II:

6.3.9 – Cost Proposal

Introduction

The **Township of North Brunswick** has set out a clear set of expectations and goals for this new partnership for the operation, maintenance, management and repair of your potable water facilities. This will focus on establishing and then maintaining a comprehensive, integrated, cost effective and efficient approach under a long-term, 20-year partnership. Key to the success of this approach will be maintaining compliance with local, state and federal water quality standards – Water Quality Accountability Act, enhancing the Township’s ability to provide for the health, safety and welfare of your residents.

In this Cost Proposal we provide our proposed a total yearly fee for the O&M services, along with a proposed total 20 year cost.

We also support these costs with specific details that document that value of our approach, as outlined in our separate Qualifications and Technical Proposal, Volume 1.

Cost Proposal

Cost Form

Veolia has prepared our costs using Proposal Form A-1 (Request for Proposal – Amendment1) which is provided as an Attachment at the end of this section.

Veolia has based these costs on the pricing items and assumptions that follow.

Cost Detail/Cost Items

Personnel Costs

Veolia has included estimated costs for direct labor salaries. These will be confirmed, and our resulting fee adjusted, when we enter negotiations and are provided with current salaries for the transitioning Municipal Employees. We have also included overtime, state and federal taxes, health care, incentives, insurances and company 401K fund match amounts.

Table 2-1. Cost Inclusion Matrix – Personnel Services	
<ul style="list-style-type: none">• Salaries & Wages (estimated - subject to change)• Training (Skills, Professional Development, H&S, etc.)• Overtime• Vacation, Sick Time and other leave• Payroll taxes• 401K Retirement contributions• Life Insurance	<ul style="list-style-type: none">• Long-term Disability• Life Insurance• Workers Compensation• Performance Incentive• Safety Bonus• Dues and Subscriptions

Routine Maintenance

Veolia has included material costs necessary to perform preventive maintenance on above-ground assets. Examples of these include lubrication materials & consumable items (e.g., belts & hoses).

Table 2-2. Cost Inclusion Matrix – Routine Maintenance & Consumables	
<ul style="list-style-type: none">• Water Treatment Plant• Laboratory Consumables	<ul style="list-style-type: none">• Booster Stations

Office/IT Expenses

Table 2-4. Cost Inclusion Matrix – Office/SCADA/IT	
<ul style="list-style-type: none"> • Office supplies & equipment • Process Control Management Software (Hach-WIMS) 	<ul style="list-style-type: none"> • Cell phones

Vehicle Expenses

Veolia has included costs for vehicle leases, fuel, & routine maintenance.

Table 2-5. Cost Inclusion Matrix - Vehicles	
<ul style="list-style-type: none"> • Vehicle lease costs • Vehicle fuel 	<ul style="list-style-type: none"> • Vehicle routine maintenance

Outside Services

Table 2-6. Cost Inclusion Matrix – Outside Services	
<ul style="list-style-type: none"> • Recommended Predictive Maintenance - Vibration/Motor Analyses • Contract Laboratory Services for Water Quality Compliance • Process Meter Calibration 	<ul style="list-style-type: none"> • Power monitoring instrumentation on select pumping equipment • Large Meter Testing Services • Janitorial Services • Grounds/Landscape services

Other Miscellaneous Costs

Table 2-3. Cost Inclusion Matrix - Materials/Supplies	
<ul style="list-style-type: none"> • Business Insurance 	<ul style="list-style-type: none"> • NJDEP Water Allocation Permit Fees

Escalation

Veolia proposes to implement an appropriate annual escalator to the Service Fee, which will be mutually-agreed upon during negotiation.

Service Agreement

Veolia looks forward to discussing a mutually agreeable contract risk allocation, especially with respect to indemnification, consequential damages, and change in law.

Veolia’s experience with water operations similar to yours in the State of NJ, and throughout the U.S., are unmatched within the industry.

We will bring these resources to this project, with the goal of providing the highest level of support to your employees and service to the Township and your utility customers.

Form A-1
COST PROPOSAL

In preparing this Cost Proposal, the Respondent should read Section 7 of the RFP Document which describes the evaluation of the Cost Proposal.

WATER SYSTEM

Item 1W: Total Yearly Water Operating Costs

The Respondent estimates the following total yearly price for the cost of operation, maintenance, management, and repair of the Township's water System.

Total Cost Per Year: \$1,635,500

Item 1W (cont'd): Total Water Operating Costs for Years 1-20

The Respondent estimates the following total price for the cost of operation, maintenance, management, and repair of the Township's water System throughout the 20-year period of the Partnership Agreement.

Total Cost (Years 1-20): \$39,738,348



(Seal)

By: Veolia Water North America Operating Services, LLC
(Name of Proposer)


(Signature)

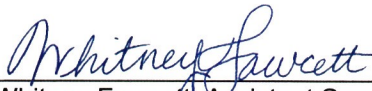
Keith Oldewurtel
Chief Operating Officer
Municipal Water Contract Operations Business
(Name and Title)

**CERTIFICATE OF ASSISTANT SECRETARY
OF
VEOLIA WATER NORTH AMERICA OPERATING SERVICES, LLC**

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OF THE TOWNSHIP OF NORTH BRUNSWICK MUNICIPAL WATER SYSTEM**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company this 4th day of April, 2022.



Whitney Fawcett, Assistant Secretary

