

INVITATION FOR BIDS
FOR
VALUATION OF HYDRO ELECTRIC GENERATING
PROPERTY

The Montague Board of Assessors will accept bids for valuation services of the 1) Cabot Generating Station and Turners Falls #1 Generating Station and 2) the Turners Falls Hydroelectric Plant at 16 Canal Road until ***February 8, 2016 at 4:00 p.m.*** at which time the bids will be publicly opened during the meeting of the Board of Assessors.

Specifications are available on the town website procurement page: http://www.montague-ma.gov/Pages/MontagueMA_Procurement/rfp or by calling the Montague Board of Assessors at 413-863-3200, Extension 118 or by e-mailing KarenT@montague-ma.gov. All Bids must be placed in an envelope and clearly marked "Hydroelectric Valuation Bid" sealed and mailed or delivered to the Montague Board of Assessors, 1 Avenue A, Turners Falls, MA 01376. One original and four copies of each bid should be provided. Facsimile submissions are not acceptable.

The Town of Montague will be the awarding authority and they reserve the right to reject any and all bids in total or in part and to waive any minor informality.

Karen M. Tonelli, Director of Assessing

Date: January 4, 2016

The Town of Montague is an equal opportunity provider and employer

INTRODUCTION

The purpose of this Invitation For Bids is to solicit the services of a qualified consultant to arrive at the Fair Market Value of the real and personal property for property tax purposes as of January 1, 2016. Additionally, the values must be in the form required by the Massachusetts Department of Revenue for FY2017 assessment of taxes.

- 1) Cabot Generating Station and Turners Falls #1 Generating Station have a total generating capacity of 68.2 megawatts and are owned by First Light Power Resources, Inc. and First Light Hydro Generating Company (hereinafter called "Owners") and are situated in the Town of Montague and the Town of Gill (hereinafter referred to as "Community"). First Light Properties are listed on approx. 68 property record cards containing 555+/- acres of land in the Montague Assessors' database and approximately 52 property record cards containing 340+/- acres of land in the Gill Assessors' database including the Gill-Turners Falls Dam.
- 2) Turners Falls Hydroelectric Plant is owned by Turners Falls Hydro LLC (hereinafter called "Owners") is located at 16 Canal Road, Montague and consists of approx. 6,200 square feet of space in an old mill building located within the old Strathmore Complex in the Town of Montague.

PROJECT SUMMARY

The Consultant will conduct a Complete Appraisal and prepare a self-contained Valuation Report of the Fair Market Value of the 1) Cabot Generating Station and Turners Falls #1 Generating Station and 2) the Turners Falls Hydroelectric Plant in accordance with the Bid requirements. All values of related real and personal properties, at its highest and best use, shall be included.

SCOPE OF WORK

1. To conduct a fair market valuation analysis of the above mentioned hydroelectric facilities based on the collection of relevant data, including, but not limited to:
 - a. Physical plant description, site characteristics, and permit data.
 - b. Market data, capital investment data, and regional economic data.
 - c. Assessment and land use records information.
 - d. Historic cost data, operation and performance data, and plant financial data.
 - e. Real and personal property assets.
2. The Valuation Report will contain the following information:
 - a. Description of the property being valued.

- b. A discussion of the property's highest and best use.
 - c. A statement of purpose of the report.
 - d. Identification of the property rights being valued.
 - e. Definition of fair market value.
 - f. A discussion of the data collection process.
 - g. A statement of assumptions and limiting conditions.
 - h. A statement of the qualifications of the appraiser(s).
 - i. A valuation analysis and market value estimate based on the following approaches:
 - 1. Reproduction cost new less depreciation.
 - 2. Replacement cost new less depreciation.
 - 3. Comparable sales analysis.
 - 4. Direct capitalization of plant earnings.
 - 5. Yield capitalization; discounted cash flow analysis of projected earnings.
3. The Consultant must apportion the values of the real and personal properties according to the taxable properties in Montague and Gill. This apportionment could be based on the percentage of value derived from the Cost, (Reproduction or Replacement cost new less depreciation), or Comparable Sales Approach or any other methods that are appropriate.
4. Consultant must complete a draft valuation report and submit four (4) copies by **June 1, 2016** to the Assessors. The draft valuation report should set forth the total opinion of Fair Market Value of the property and be further separated by each parcel. The Assessors are to review the draft report and return it with Assessors comments to the Consultant by **June 20, 2016**. After approval by the Assessors regarding the incorporation of the comments, the Consultant will incorporate comments into the final valuation report, which must be completed and submitted along with four (4) copies by **July 30, 2016**.
5. The Valuation Report(s), as well as all other materials, will become the sole property of the Towns of Montague and Gill. These shall include, but not be limited to, the materials listed below which are related to the Scope of Work:
- a. Documentation of procedures used throughout the project.
 - b. Detailed cost schedules and base rate tables.
 - c. Depreciation Schedules.
 - d. Land Schedules and land influence factors, which must be compatible with the FY 2017 land schedule and land influence factors of the communities.
 - e. Income and Expense Statements.
 - f. Property Inventory Records for each parcel.
 - g. Sales Ratio Studies.
 - h. Field Review Documents.
 - i. List of all parcels with new assessed values.
 - j. Certification review spreadsheets prepared for the Department of Revenue (DOR).
6. If needed, Consultant may be asked to provide expert witness, as to valuation and/or

classifications resulting from this project, to represent the Community at all appeals to any Court, Appellate Tax Board, or otherwise. For informational purposes only, the Consultant is requested to submit a flat hourly fee for this service on the Bid Form.

MINIMUM REQUIREMENTS

1. All Consultants must have completed at least six (6) valuations of electric generating facilities, of which at least four (4) must be of hydroelectric generating facilities within the last six (6) years.
2. All Consultants must provide a complete list of client references, two (2) of which must be municipalities for whom you have provided similar valuation services within the last five (5) years. For each client reference, include the name of the agency, the contact person, phone number, project description, project outcome, if the valuation was appealed, and date and time line of the project. Please make sure that all contacts and phone numbers are current.
3. All Consultants must have expert testimony experience in defense of public utility property valuations and be qualified in all valuation approaches.
4. If a Consultant has had any court cases where the valuation was not upheld, this may be a basis of determining if the Consultant is a responsible bidder.
5. All Consultants must have personnel who will be working on this project who hold the designation of Accredited Appraiser from the American Society of Appraisers.
6. At least one individual to be assigned to this project must have experience in valuating at least six (6) electric generating facilities.
7. At least one individual to be assigned to this project must have experience valuating at least four (4) hydroelectric generating plants.
8. Consultant must provide a time schedule demonstrating how the project will be completed on time. Time schedule must include each task, personnel assigned, and expenditures by task and the total must equal the total bid price.
9. The Consultant must not have worked for Massachusetts Department of Revenue in any capacity related to power plant valuations during the past four (4) years.
10. The consultant must not have worked for First Light Power Resources, Inc. or Turners Falls Hydro LLC or their predecessors in any capacity related to power plant valuations during the past four (4) years.
11. The consultant cannot have any ownership interest in any Power Plant as of January 1, 2016.

12. Consultant must have been in business for at least six (6) years.

GENERAL REQUIREMENTS

1. The awarded consultant will supply, at their own expense, all equipment, tools, materials (other than those provided for in the Responsibilities of the (Parties) Boards of Assessors, part 1), and supplies to accomplish the services to be performed.
2. The awarded Consultant will not be an agent or employee of the Town and is not authorized to act on behalf of the Towns of Montague or Gill Assessors' Departments.
3. All Bids must be complete and provide all the information requested herein.
4. The Bid shall be signed by an official with the power to contractually bind the Consultant and Resolution of the Board of Directors or other proof shall be included.
5. All Bids must contain a completed Bid Form and also a properly executed Non-Collusion and Tax Compliance Form. These forms can be found within the contents of this Invitation for Bids (IFB).
6. The Bid submission cannot be conditional. A conditional bid is the submission of two or more bid prices on the same bid form or stating that a price will vary depending on certain factors.
7. All expenses to be reimbursed must be included in the total bid price.
8. A Bidder will be held to the terms and prices on the Bid Form for the duration of the contract if both parties sign a contract within 60 days of the Bid opening.
9. This contract award is subject to yearly appropriation of funds.
10. The period of the contract resulting from this bid will be from the date of the award to December 31, 2016, or the date of final acceptance of the values by DOR, or the date of a final decision of all appeals to any Court, Appellate Tax Board, or otherwise whichever is later.
11. General questions about the Invitation for Bid should be written and sent to Karen Tonelli, Director of Assessing, Town of Montague, 1 Avenue A, Turners Falls, MA 01376 or by mailing KarenT@montague-ma.gov. No question will be answered that in any way would give an unfair advantage to a Bidder. All questions and their responses will be distributed in writing to all bidders who received the Invitation for Bid. No alleged "verbal interpretation" shall be valid.
12. The Contract resulting from this bid will be awarded to the lowest responsible and responsive bidder.

13. The awarding authority reserves the right to take any actions it deems necessary to determine if bidders are qualified.
14. Bids may be mailed or hand delivered to the Montague Board of Assessors Office, Town of Montague, 1 Avenue A, Turners Falls, MA 01376. The Board of Assessors must receive Bids **no later than 4:00 p.m. on February 8, 2016**. Any/all late bids will be rejected.
15. Because the Town is exempt from the payment of Federal Excise Taxes and Massachusetts Sales Tax, prices quoted with respect to this Invitation for Bid are not to include these taxes.
16. Any correction or modification to a Bid submitted must be in a sealed envelope marked "Revised Submission" and contain the required number of copies. A Consultant may withdraw their Bid if they put the request in writing and the request is received by the Montague Board of Assessors prior to the opening of the bids.
17. The Consultant selected will be bound by all applicable statutory provisions of the laws of the United States of America and the Commonwealth of Massachusetts.
18. All addenda issued during the bidding period supersede previous information and automatically become part of the contract.
19. All Consultants are advised that any Bid, which is awarded, shall be subject to execution of the enclosed written contract.

RESPONSIBILITIES OF THE PARTIES

Boards of Assessors

1. The Montague and Gill Assessors shall timely provide all of the following information, which shall be current and correct as of January 1, 2016:
 - a. One (1) copy of available tax maps related to the hydroelectric facilities in Montague and Gill.
 - b. A list of the Parcel Identifications for each parcel of real property related to the hydroelectric facilities in Montague and Gill.
 - c. Copies of the real and personal property record cards pertaining to the hydroelectric facilities in Montague and Gill.
2. The Montague and Gill Boards of Assessors shall review the draft report promptly after it is received and provide a copy to Massachusetts Department of Revenue for their prompt review.

Awarded Consultant:

1. The Consultant will work closely with the Montague and Gill officials to review existing information the Towns of Montague and Gill have accumulated regarding the hydroelectric facilities and attend a maximum of five (5) meetings relative thereto.
2. The awarded Consultant will meet with representatives of the First Light Power Resource/First Light Hydro Generating Company and Turners Falls Hydro LLC and will view each, along with representatives from the Community, to see the condition of and to collect data on the real and personal property. The Consultant will determine what other documents are needed from the owners.
3. The awarded Consultant will provide draft and final valuation reports as previously stated under the Scope of Services.
4. As a condition of the successful project completion, the work product shall meet all certification requirements of the Department of Revenue and shall be in compliance with Massachusetts Laws. The awarded Consultant shall agree to be bound by the legal interpretations and the directives of the Commissioner of the Massachusetts Department of Revenue.
5. The Consultant shall fulfill all requirements for the appraisal using professional standards, and all work shall meet or exceed state certification standards.

COMPENSATION

Upon the determination of the Montague and Gill Boards of Assessors that the work performed has been satisfactorily completed according to the time schedules, a percentage payment representing ninety percent (90%) of the contracted amount billed shall be paid to the Consultant. The total amount paid shall not exceed ninety percent (90%) of the total amount of the Agreement until such time as the DOR has accepted the valuations placed by the Consultant.

BID FORM

Consultant must complete the following questionnaire:

1. Has your company completed at least six (6) valuations of electric generating facilities, of which at least four (4) valuations have been of hydroelectric generating facilities within the last six (6) years? _____

2. Have you provided a complete list of client references, two (2) of which must be municipalities for whom you have provided similar valuation services within the last five (5) years? _____

3. Do you have expert testimony experience in defense of public utility property valuations and are you qualified in all valuation approaches? _____

4. Have you had any court cases where your valuation was not upheld? _____ If yes, please explain: _____

5. Do you or the personnel who will be working on this project hold the designation of Accredited Appraiser from the American Society of Appraisers? _____ Who is that person(s)? _____

6. Does at least one individual who will be assigned to this project have experience in valuating at least six (6) electric generating facilities? _____. Who is that person(s)? _____

7. Does at least one individual who will be assigned to this project have experience valuating at least four (4) hydroelectric generating plants? _____ Who is that person(s)? _____

8. Have you provided a time schedule demonstrating how the project will be completed on time? _____. Does the time schedule include each task, personnel assigned, and expenditures by task and does the total equal the total bid price? _____.

9. Have you been in business for at least six (6) years? _____

10. The Price to conduct a Complete Appraisal and prepare a Self-contained Report, as described in the bid documents, is based on the following:
Personnel Name Number of Hours Hourly Rate

Total Personnel Cost \$ _____

Total Other Expense \$ _____

Total Bid Price is \$ _____

11. For informational purposes only, the hourly rate to provide expert witness, as to valuation and/or classifications resulting from this project, to represent the Towns at all appeals to any Court, Appellate Tax Board, or otherwise is \$ _____.

I certify that I have thoroughly read this Invitation for Bid package, understand the requirements and declare that I meet all requirements.

My signature below certifies that I, my company, and/or my employees have not worked for DOR or First Light Power Resources, Inc. or Turners Falls Hydro L.L.C. (or their predecessors) in any capacity related to power plant valuations during the past four years nor am I, my company, and/or my employees part owners in any Power Plant.

Authorized
Signature * _____ Date _____

Printed
Name _____ Phone _____

Title of
Above _____ Fax _____

Company _____ Email
Address _____

Mailing Address _____

* Must be signed by the person authorized to bind the company to full performance and proof of same must be included.

TAX COMPLIANCE AND NON-COLLUSION STATEMENTS

Any person or corporation that fails to date, sign with original signature, and submit the following statements shall not be awarded this contract.

Tax Compliance

Pursuant to M.G.L. Ch. 62C, Sec. 49A, I certify under the penalties of perjury that, to the best of my knowledge and belief, I am in compliance with all laws of the Commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

Authorized Official's Signature

Title of Person Signing

Typed or Printed Name of Person Signing

Company or Corporation

Telephone Number

Address

Fax Number

Address

Date

Certificate of Non-Collusion

The undersigned certifies under penalties of perjury that this bid has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

Date _____

Typed or Printed Name of Person Signing

Authorized Official's Signature

Company or Corporation

Taxpayer Identification Number (TIN) and Certification

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box:

- Individual/Sole proprietor
- Corporation
- Partnership
- Other

Address (number, street, and apt. or suite no.)

City, State, and ZIP Code

Taxpayer Identification Number (TIN)

Enter your TIN on the appropriate line below. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the IRS instructions on filling out Form W-9. For other entities, it is your employer identification number (EIN).

SSN: _____

EIN: _____

Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting to have a number issued to me), and
2. I am not subject to backup withholding because:
 - a) I am exempt from backup withholding, or
 - b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or
 - c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification Instructions

You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

Signature of U.S. person _____

Date: _____