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September 8, 2009

*Via Hand-Delivery and E-Mail*

Hon. Sara Kyle, Chairman  
c/o Ms. Sharla Dillon  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

filed electronically in docket office on 09/08/09

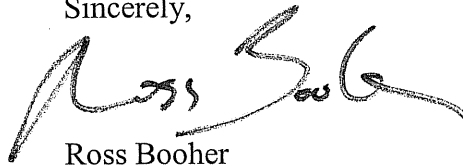
***Re: Tennessee American Water Company's  
Request for Proposal for a Management Audit  
Docket No. 09-00086***

Dear Chairman Kyle:

Please find enclosed an original and five (5) copies of Tennessee American Water Company's Request for Approval of Proposed Clarification Letter Regarding Request for Proposal. Please note that expedited consideration of this filing is requested. I request that one (1) file-stamped copy of this filing be returned with our courier.

Should you have any questions concerning any of the enclosed, please do not hesitate to contact me.

Sincerely,



Ross Booher

Enclosures

cc: Hon. Eddie Roberson, Ph.D.  
Hon. Mary W. Freeman  
Ms. Darlene Standley, Chief of Utilities Division  
Gary Hotvedt, Esq.  
Mr. Ryan McGehee, Esq.  
Kelly Cashman-Grams, Esq.  
Rebecca Montgomery, Esq.  
Richard Collier, Esq.  
Mr. John Watson  
Mr. Michael A. Miller

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

<b>IN RE:</b>	)
	)
<b>TENNESSEE AMERICAN WATER</b>	)
<b>COMPANY'S REQUEST FOR PROPOSAL )</b>	<b>Docket No. 09-00086</b>
<b>FOR A MANAGEMENT AUDIT</b>	)
	)
	)
	<b><u>EXPEDITED CONSIDERATION</u></b>
	<b><u>REQUESTED</u></b>
	)
	)

**TENNESSEE AMERICAN WATER COMPANY'S  
REQUEST FOR APPROVAL OF PROPOSED CLARIFICATION LETTER  
REGARDING REQUEST FOR PROPOSAL**

On January 19, 2009, the Tennessee Regulatory Authority (the "Authority") issued its final order in Docket No. 08-00039 ("2008 Final Order"), which required Tennessee American Water Company ("Tennessee American") to issue a Request for Proposal ("RFP") "for a comprehensive management audit by an independent certified public accountant . . . ."<sup>1</sup> In consultation with Authority staff, Tennessee American developed the requisite RFP, which was filed with the Authority on March 23, 2009. In early August, after a hearing before Hearing Officer Gary Hotvedt and the consideration of amendments proposed by Director Roberson and Tennessee American, the Authority authorized Tennessee American to issue the RFP.<sup>2</sup> Tennessee American subsequently issued the Authority-approved RFP, which was filed on August 21, 2009 in this Docket.<sup>3</sup> Pursuant to the terms of the RFP,<sup>4</sup> Tennessee American hereby seeks approval of the attached proposed letter of clarification ("Proposed Clarification Letter") to be sent to all those invited to submit bids in response to the RFP ("Invited Proposers"). *See*

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<sup>1</sup> 2008 Final Order, Docket No. 08-00039, at 52, ¶ 10 (Jan. 19, 2009).

<sup>2</sup> *See* Tr. 5:22-8:2, Authority Conference (Aug. 4, 2009).

<sup>3</sup> *See* Tennessee American's Notice of Filing of Request for Proposal, Docket No. 09-00086 (Aug. 21, 2009).

<sup>4</sup> *See* RFP at 5-6, § A ("Proposal Information, Conditions, Instructions & Format").

Proposed Clarification Letter, attached as Exhibit 1. Because the RFP response deadline is September 18, 2009, Tennessee American requests expedited consideration of this request.<sup>5</sup>

### **Basis for Request**

Tennessee American, in consultation with Authority staff, identified twelve prospective proposers to invite to respond to the RFP.<sup>6</sup> At the recommendation of Authority staff, the Invited Proposers included four management consulting firms that are on the approved management auditor bid list of the New Jersey Board of Public Utilities (“NJBP”).

Recently, Tennessee American has received multiple communications regarding the RFP from prospective proposers which suggest to Tennessee American that a written clarification of the RFP would likely assist all Invited Proposers in better understanding the RFP. Specifically, several Invited Proposers that are management consulting firms have communicated to Tennessee American that they currently do not intend to submit bids because of the RFP’s “certified public accounting firm” criteria. *See* Communications by Invited Proposers, attached as Exhibit 2.<sup>7</sup> Additionally, one Invited Proposer, Schumaker & Company, Inc. (“Schumaker”), submitted a detailed written inquiry (“Schumaker Inquiry”) raising questions regarding the RFP, including about the RFP’s use of the term “certified public accounting firm” and the application

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<sup>5</sup> Tennessee American is providing a copy of this Request to all Invited Proposers.

<sup>6</sup> Copies of Tennessee American’s letters to each such Invited Proposer have been filed in this Docket. *See supra* note 3; Tennessee American’s Notice of Filing of An Additional Invitation Letter Regarding Request for Proposal, Docket No. 09-00086 (Aug. 26, 2009).

<sup>7</sup> Such communications, which suggest varied interpretations of the RFP’s requirements related to the term “certified public accounting firm,” were received from Accenture, Protiviti, and Black & Veatch Corporation. Additionally, Huron Consulting Services (“Huron”) initially indicated an intent not to directly bid, but instead to team with Thompson, Cobb, Brazilio & Associates, Inc. (“TCBA”). Shortly thereafter, however, a Huron representative called Tennessee American to advise that Huron would not submit a bid due to a conflict. Huron subsequently confirmed its withdrawal in writing. TCBA then informed Tennessee American that it would instead be partnering with NorthStar Consultants to submit a bid. *See* Exhibit 2.

of Generally Accepted Auditing Standards (“GAAS”), attestation and CPA Opinion to the management audit. *See* Schumaker Inquiry, attached as Exhibit 3.<sup>8</sup>

Based on these communications, it appears likely that multiple Invited Proposers, including one or more of the management consulting firms on the NJBPU approved list, may not respond to the RFP absent further clarification regarding how proposers may address the RFP’s use of the term “certified public accounting firm,” application of GAAS, attestation and the independent CPA opinion to the management audit.

The Authority’s 2008 Final Order directed that a RFP be issued “for a comprehensive management audit by an independent certified public accountant . . . .”<sup>9</sup> Likewise, the Authority’s subsequent July 16, 2009 Order regarding the requirements of the RFP reiterates that the contemplated management audit is to be performed by a “certified public accountant.”<sup>10</sup> Neither order defines or requires the management auditor to be a “certified public accounting *firm*.” The terms “CPA,” and “certified public accounting *firm*” (including its abbreviated form, “CPA firm”), however, appear repeatedly in the RFP. The RFP states that “[t]he successful bidder shall be. . . ‘a certified public accounting firm’ as defined by GAAP.”<sup>11</sup> The RFP also states that each RFP response should include, “[a] definition section specifically defining all key terms used in the response to this RFP.”<sup>12</sup>

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<sup>8</sup> Tennessee American initially responded to the Schumaker Inquiry but, upon the realization that such response was inconsistent with the process set forth in the RFP for processing inquiries, Tennessee American advised Schumaker to disregard Tennessee American’s response. *See* Exhibit 3. Similarly, Tennessee American also responded to a verbal inquiry from PMC Management Consultants, Inc. (“PMC”) regarding the same issue raised by Schumaker; Tennessee American likewise advised PMC to disregard TAWC’s response and to submit any inquiry in writing.

<sup>9</sup> 2008 Final Order, at 52, ¶ 10 (emphasis added).

<sup>10</sup> Order Moving Request for Proposal to New Docket, at 2, Docket No. 08-00039 (July 16, 2009).

<sup>11</sup> *See* RFP at 5, ¶ 4 (emphasis added).

<sup>12</sup> *See* RFP at 7, ¶ 5.

After considering the Schumaker Inquiry and communications from multiple other Invited Proposers,<sup>13</sup> Tennessee American has determined that all proposers would likely benefit if the RFP's use of the term "certified public accounting firm" (or "CPA firm") was clarified. Tennessee American has determined that a definition of the term "certified public accounting firm" is not reasonably ascertainable in the GAAP. Additionally, many highly experienced management consulting firms, including one or more of the management consulting firms that Authority staff recommended and/or which are on the approved management auditor proposer list of the NJBPU, may employ qualified certified public accountants but do not hold themselves out to be a "certified public accounting firm" – this term can have specific legal meaning under certain circumstances.

As used in the RFP, however, the term "certified public accounting firm" is effectively undefined because the RFP requires a specific definition that does not appear to be reasonably ascertainable. Given this circumstance and other guidance in the RFP regarding defining terms, Tennessee American submits that proposers would benefit from guidance that clarifies that the term "certified public accounting firm" may be defined consistent with the manner in which the term is used in such proposer's RFP response.<sup>14</sup> Likewise, Tennessee American submits that the circumstances under which a management consulting firm could meet the letter and intent of the requirement in the 2008 Final Order "for a comprehensive management audit by an independent certified public accountant"<sup>15</sup> (and therefore the intent of the term "certified public accounting firm" ("CPA firm") in the RFP), should and does include where such management consulting firm:

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<sup>13</sup> See Exhibits 2 & 3.

<sup>14</sup> See RFP at 7, ¶ 5 (stating each RFP response should include "[a] definition section specifically defining all key terms used in the response to this RFP").

<sup>15</sup> 2008 Final Order at 52, ¶ 10.

(1) employs or retains the “principal in charge of the management audit” as described in the RFP, and such principal is an “independent certified public accountant” who is qualified to provide the independent CPA attestation described in the 2008 Final Order; or

(2) teams with a “certified public accounting firm” (as such term is defined in the team’s RFP Response) which provides the “principal in charge of the management audit” as described in the RFP and, where such principal is an “independent certified public accountant” who is qualified to provide the independent attestation described in the 2008 Final Order.

The communications from Invited Proposers also suggest to Tennessee American that one or more Invited Proposers may have determined that a literal reading of the language in the RFP may require the application of one or more terms, standards or actions in a context in which such application cannot reasonably or possibly apply. For this reason, the Proposed Clarification Letter also includes language encouraging Invited Proposers to take particular care to thoroughly address and explain their proposed approaches to the RFP provisions that have raised questions (e.g., the role of the CPA in the management audit, attestation, the independent CPA’s opinion and the application of the GAAS to the management audit, etc.),<sup>16</sup> including as follows:

(1) specify the manner, method and/or approach the proposer will take to determine whether the management audit complies with GAAS; and,

(2) to the extent a proposer determines one or more standards, terms, or actions (e.g., GAAS, attestation, an independent CPA’s opinion, etc.) cannot reasonably or possibly apply to an aspect of the management audit where the RFP’s language appears to require the application of such standard, term, or action, proposers are encouraged to specifically explain any such determination and such proposer’s alternate approach to any such aspect of the management audit, setting forth any specific alternate standard(s) such proposer proposes to apply (e.g., U.S. Government Accountability Office’s Yellow Book standards, NARUC standards, etc.).

Proposed Clarification Letter.<sup>17</sup>

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<sup>16</sup> See Schumaker Inquiry (Exhibit 3).

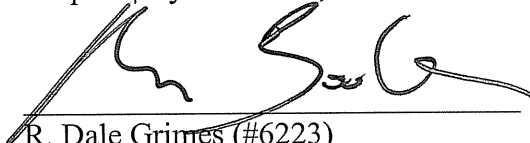
<sup>17</sup> The Proposed Clarification Letter also addresses questions raised by the Schumaker Inquiry regarding other aspects of the RFP. See Schumaker Inquiry. For example, the Schumaker Inquiry requested guidance regarding the

If approved by the Authority, the Proposed Clarification Letter will address the Schumaker Inquiry and will likely assist all Invited Proposers in better understanding several of the expectations that apply to the RFP responses and the management audit. Accordingly, Tennessee American requests approval of the Proposed Clarification Letter.

### **Conclusion**

For the reasons set forth above, Tennessee American respectfully requests that the Proposed Clarification Letter be approved. Because the RFP responses are due on September 18, 2009, Tennessee American also respectfully requests the expedited consideration and approval of this Request.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. Dale Grimes', is written over a horizontal line.

R. Dale Grimes (#6223)  
Ross I. Booher (#19304)  
BASS, BERRY & SIMS PLC  
315 Deaderick Street, Suite 2700  
Nashville, TN 37238-3001  
(615) 742-6200

*Attorneys for Tennessee American Water  
Company*

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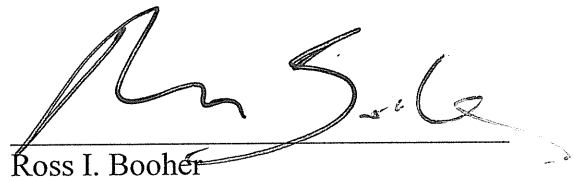
reference in "Section B, Response to the RFP, No. 4," to "Paragraph 13 in Section A, Specific Requirements" since the RFP does not contain a Paragraph 13 in the referenced section. *Id.* at ¶ 5.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and exact copy of the foregoing has been mailed to the following, postage prepaid, on this 8th day of September, 2009:

Richard Collier, General Counsel  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

Ryan McGehee, Esq.  
Office of the Attorney General  
Consumer Advocate and Protection Division  
P. O. Box 2027  
Nashville, TN 37202

  
\_\_\_\_\_  
Ross I. Booher



# Exhibit 1

[PROPOSED CLARIFICATION LETTER]

September \_\_, 2009

XXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX

Re: Request for Proposal

Dear XXXXXXXXXXXX,

I write to you to regarding the Request for Proposal (“RFP”) for a management audit of American Water Works Service Company (“AWWSC”) which I sent to you and other invited proposers last month on behalf of Tennessee American Water Company (“Tennessee American”). Tennessee American has received questions regarding aspects of the RFP, including the use of the term “certified public accounting firm” (sometimes abbreviated as “CPA firm”) in the RFP. This letter of clarification regarding the RFP has been approved by the Tennessee Regulatory Authority (“Authority”).

The Authority ordered that the RFP be issued “for a comprehensive management audit by an independent certified public accountant....” Authority Order, Docket No. 08-00039, at 52, ¶ 10 (Jan. 13, 2009) (emphasis added) (“2008 Final Order”). Likewise, the Authority’s subsequent July 16, 2009 Order regarding the requirements of the RFP reiterates that the contemplated management audit is to be performed by a “certified public accountant.” Authority Order, Docket No. 08-00039, at 2 (July 16, 2009). Neither order defines or requires the management auditor to be a “certified public accounting *firm*.” The terms “CPA” and “certified public accounting *firm*,” however, appear repeatedly in the RFP, which states that “[t]he successful bidder shall be... ‘a certified public accounting firm’ as defined by GAAP.” RFP at 5, ¶ 4 (emphasis added). The RFP also states that each RFP response (“RFP Response”) should include “[a] definition section specifically defining all key terms used in the response to this RFP.” RFP at 7, ¶ 5.

After considering questions raised by the RFP’s use of the term “certified public accounting firm,” Tennessee American has determined that the definition of the term “certified public accounting firm” is not reasonably ascertainable in the GAAP. Accordingly, the RFP’s use of the term “certified public accounting firm” (including its abbreviated form, “CPA firm”) is hereby clarified as follows:

Each proposer is permitted to define the term “certified public accounting firm” consistent with the manner in which such proposer uses the term in such proposer’s RFP response. *See* RFP at 7, ¶ 5 (stating each RFP response should include “[a] definition section specifically defining all key terms used in the response to this RFP”).

Furthermore, a management consulting firm could meet the letter and intent of the 2008 Final Order's requirement "for a comprehensive management audit by an independent certified public accountant" (and therefore the intent of the term "certified public accounting firm" ("CPA firm") in the RFP), where such management consulting firm:

(1) employs or retains the "principal in charge of the management audit" as described in the RFP, and such principal is an "independent certified public accountant" who is qualified to provide the independent CPA attestation described in the 2008 Final Order; or

(2) teams with a "certified public accounting firm" (as such term is defined in the team's RFP Response) which provides the "principal in charge of the management audit" as described in the RFP and, where such principal is an "independent certified public accountant" who is qualified to provide the independent attestation described in the 2008 Final Order.

Similarly, proposers are encouraged to thoroughly address their proposed approaches to the RFP's provisions regarding the role of the certified public accountant, attestation, the independent CPA's opinion and the application of the GAAS to the management audit, including as follows:

(1) specify the manner, method and/or approach the proposer will take to determine whether the management audit complies with GAAS; and,

(2) to the extent a proposer determines one or more standards, terms, or actions (e.g., GAAS, attestation, an independent CPA's opinion, etc.) cannot reasonably or possibly apply to an aspect of the management audit where the RFP's language appears to require the application of such standard, term, or action, proposers are encouraged to specifically explain any such determination and such proposer's alternate approach to any such aspect of the management audit, setting forth any specific alternate standard(s) such proposer proposes to apply (e.g., U.S. Government Accountability Office's Yellow Book standards, NARUC standards, etc.).

All RFP Responses are also encouraged to include:

(1) if the proposer was unable to ascertain the GAAP definition of "certified public accounting firm," a clear statement to that effect;

(2) in the "definition section" referenced in "Section B, Response to the RFP, No. 4," the term "certified public accounting firm" should be defined in the manner in which the proposer uses such term in its Response. This "definition section," which may be presented in the form of a glossary of terms, should also include the definitions of other key terms used by the proposer in its RFP Response (e.g., Yellow Book Standards,

independence, attestation, CPA, NARUC, certified public accountant, etc.);

(3) a description of how the “principal in charge of the management audit” is an independent certified public accountant who is qualified and certified to supervise the management audit and to provide the independent CPA’s opinion and attestation to each of the areas set forth in the RFP;

(4) a clear and specific plan of how the “principal in charge of the management audit” will supervise the management audit and may direct the audit in order to provide the independent CPA’s opinion and attestation to each of the areas set forth in the RFP; and

(5) an explanation of the proposer’s approach to attestation, the independent CPA’s opinion and the application of GAAS, including how, in what manner, to what, and by whom they will be applied and the definition of and explanation of any other standards (e.g., Yellow Book, NARUC, etc.) or approaches that will be applied to the management audit. For example, if some standards will be applied by a CPA and others by a management consultant, a RFP Response would be improved by delineating which standards will be applied to what aspects of the project, how they will be applied and how such roles will be allocated.

Also, please note the clarifications of the following RFP references:

(1) In Section B, Response to the RFP No. 4, the RFP references “Section A, Specific Requirements, Paragraph 13.” This quoted reference should instead be to “Section B, Qualifications of Proposers, No. 3;”

(2) In Section B, Response to the RFP No. 6, the RFP references “Section A, Specific Requirements, Paragraph 17.” Instead of Paragraph 17, this reference should be to “Section B. Qualifications of Proposers, No. 7.”

I hope this letter clarifies the RFP. I am sending this letter to all those to whom I sent the RFP. Any inquiries regarding the RFP should be submitted to Tennessee American in writing. Tennessee American will process such inquiries as set forth in the RFP. *See* RFP, Section A, Proposal Information, Conditions, Instructions & Format. The RFP response deadline is September 18, 2009. I encourage you to submit a proposal in response to the RFP.

Sincerely,

[Michael A. Miller]

# **Exhibit 2**



"Umbach, Frederick (10170)"  
<Frederick.Umbach@protiviti.  
com>

09/01/2009 08:21 PM

To mike.miller@amwater.com

cc

bcc

Subject American Water RFP

Mike,

Thanks for including Protiviti on this RFP. Unfortunately, we will not be able to bid because we are not a CPA firm and do not meet your requires. If you have any questions, please contact me. Thanks again.

Regards,

Frederick S. Umbach

Protiviti

Office: 212-603-8390

Mobile: 917-304-0114

Fax: 212-399-8741

10 Woodbridge Center Drive

Woodbridge, NJ 07095

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<b.michael.riggins@accentur  
e.com>

08/24/2009 10:45 AM

To <Mike.Miller@amwater.com>

cc

bcc

Subject Management Audit RFP response for Ameriacn Water Works  
Services Company

Mike, per our discussion, Accenture will not be able to submit a formal response to the RFP as our firm is not allowed to provide Audit Assessment work. We certainly appreciate you including us in the RFP and we wish you much success in getting the work completed.

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"Barber, Keith D."  
<barberkd@bv.com>  
08/27/2009 11:07 AM

To "mike.miller@amwater.com" <mike.miller@amwater.com>  
cc "Lambert, Michael S. (Shannon)" <LambertMS@bv.com>,  
"Peterson, Thomas R." <PetersonTR@bv.com>, "Howe,  
Peggy L." <HowePL@bv.com>

bcc

Subject AWWSC Management Audit RFP

Thank you for including us in your Request for Proposals concerning a management audit of American Water Works Service Company on behalf of the Tennessee-American Water Company.

We have carefully reviewed and internally discussed the RFP. Although we believe we could do the work requested, none of our CPA's are licensed in the State of Tennessee as required to provide a CPA certified opinion. In addition, it is believed that our legal and risk management staff may prohibit us from submitting a proposal since we are not a firm that provides Public Accounting services.

As the management consulting division of Black & Veatch, we primarily work for public and private utilities involving rate and regulation services, revenue bond feasibility services, asset management, customer application services and other independent management related services.

Although we can not propose on this RFP, we would like the opportunity to propose on future RFPs dealing with management related services and would appreciate being added to American Water and affiliated companies RFP list(s).

For additional information regarding the Enterprise Management Solutions division of Black & Veatch Corporation, please click on the following link: [http://www.bv.com/Markets/Management\\_Consulting/Default.aspx](http://www.bv.com/Markets/Management_Consulting/Default.aspx)

Thank You

*Keith D. Barber*

BLACK & VEATCH CORPORATION - Enterprise Management Solutions

Desk: (913) 458-3675

Mobile: (913) 626-4985

Fax: (913) 458-3817

E-mail: [barberkd@bv.com](mailto:barberkd@bv.com)

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wdoherty@huronconsultinggroup.com

08/25/2009 09:59 AM

To mike.miller@amwater.com

cc

bcc

Subject Management Audit

Mike

Thanks for sending me the RFP.

The TRA requires a CPA firm to do the audit. Since we are not a CPA firm we would not qualify and you would have the same issues you had with Booz Allen.

So we plan to enlist a CPA firm to take the lead role and Huron will be a subcontractor.

If this doesn't work, let me know.

*Bill Doherty*

Director, Utility Practice

Huron Consulting Services

Office: 941-224-6190

Fax: 509-472-8820

wdoherty@huronconsultinggroup.com

www.huronconsultinggroup.com

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wdoherty@huronconsultinggroup.com

09/02/2009 01:30 PM

To mike.miller@amwater.com

cc

bcc

Subject TAWC Management Audit

Mike

As discussed this morning, due to a potential conflict of interest, Huron will not be able to participate as a subcontractor in a proposal to perform the management audit of TAWC and AWWSC.

The lead firm, Thompson, Cobb, Bazilio & Associates, a CPA firm, plans to partner with another management consulting firm with water utility expertise.

You have Al Lucas's contact information in the event you would like to follow-up with them

*Bill Doherty*

Director, Utility Practice

Huron Consulting Services

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Fax: 509-472-8820

wdoherty@huronconsultinggroup.com

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"Albert Lucas" <alucas@tcba.com>

To <mike.miller@amwater.com>

cc "Douglas Bennett" <dbennett@northstarconsultants.com>

09/08/2009 10:33 AM

Subject TAWC RFP for Management Audit of American Water Works Service Company

Mr. Miller

To follow-up on my phone call to you last Friday, Thompson, Cobb, Bazilio and Associates (TCBA) and our teaming partner NorthStar Consultants intend to submit a joint proposal in response to the above referenced RFP subject to receiving an okay from you. TCBA had previously agreed to team with Huron, which had received this RFP directly from you. Due to a conflict, Huron had informed you that it was unable to bid and recommended that TCBA and NorthStar submit a joint proposal. We very much appreciate your consideration in this matter. TCBA and NorthStar look forward to submitting our response to this RFP.

Albert Lucas, Principal  
Thompson, Cobb, Bazilio & Associates, PC  
1101 15th NW Suite 400  
Washington DC 20005  
202 778 3405 (office number)  
202 737 2684 (fax)

# Exhibit 3

"Schumaker, Patricia H." <pschumaker@schuco.com>

To <mike.miller@amwater.com>

cc

08/27/2009 04:33 PM

Subject TAWC Management Audit Questions

Dear Mr. Miller:

1. In Section A Scope of Work, the RFP indicates that TAWC is soliciting the services of a qualified independent CPA firm to conduct the management audit, and this CPA firm may employ management consultants. However, would TAWC also consider a situation where the prime contractor is a management consulting firm whose Engagement Manager is a CPA, but whose firm is not? Would the answer change if the management consulting firm used the services of a licensed CPA firm as part of the team?
1. Please confirm that Yellow Book standards for performance audits is applicable to this project. If so, then typically such management/performance audits do not result in an "opinion" letter and a report, but simply a report with background, findings, and recommendations. Is an "opinion" letter really required? If so, why? If the latter scenario in Question #1 above is acceptable, a management consulting firm (even with a CPA as Engagement Manager and a CPA subcontractor) does not render an opinion but provides findings and recommendations. What is expected in that situation?
2. Also, in Section A, the RFP states that TAWC shall review the bids and submit proposal (with a copy of all bids) to the TRA for consideration within 60 days. Does that mean that TAWC will be making a recommendation as to whom should be awarded the bid, with the TRA making the final decision? If not, what is the likely scenario?
3. Will the resulting contract be with TAWC, TRA, or both?
4. To what extent will TRA representatives be involving during performance of the management audit?
5. In Section B, Response to the RFP #4, the RFP references Paragraph 13 in Section A, Specific Requirements; however, there was no Paragraph 13 provided in the RFP. What is this referring to?
6. In Section B, Response to the RFP #5, the RFP ask for "a definition section specifically defining all key terms used in the response to the RFP." Are you looking for a glossary of terms or something else? If something else, can you elaborate on specifically what you require and the desired format.
7. In Section B, Response to the RFP #6, the RFP references Paragraph 17 in Section A, Specific Requirements; however, there was no Paragraph 17 provided in the RFP. What is this referring to?

Thank you for your help in answering these questions in a timely manner.



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*Managing Change, Defining Solutions*

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Mike Miller/WVAWC/AWWSC

To pschumaker@schuco.com

cc

09/04/2009 05:37 PM

Subject Tennessee American Management Audit

Ms. Schumaker,

It has come to my attention that TAWC responses to Proposer inquiries need to be processed through the TRA as set forth in the RFP section entitled, "Proposal Information, Conditions, Instructions & Format." My response to your inquiry was premature and should not be relied on as it was not reviewed and approved by the TRA. TAWC will proceed with processing your inquiry by seeking approval for a proposed TAWC response as set forth in the RFP. TAWC intends to provide all invited bidders a copy of its Clarification Request which I anticipate will be filed at the TRA on Tuesday morning. I am sorry for any inconvenience this has caused you.

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