

RW011602-14

QualServe™ Self-Assessment and Peer Review Participating Utility Agreement

I. General

The **Rapid City Water and Water Reclamation Divisions** (the utility) has requested materials and services for both a self-assessment and a peer review; to be conducted in accordance with current QualServe program guidance and procedures. QualServe is a copyrighted program offered jointly by the American Water Works Association (AWWA) and the Water Environment Federation (WEF). QualServe provides tools to assist water and wastewater utilities with improving performance and increasing customer satisfaction. This Agreement sets forth the full expectations of the utility and the terms and conditions by which AWWA, as program administrator, will provide these services.

II. Utility Profile

The information shown on Attachment 1 has been submitted by the utility and contributes to the design of services and reports.

III. Pricing and Payment

Based upon the information in the profile, AWWA agrees to provide the requested services for the total fees of **\$3,200.00 (US)** for the self-assessment and **\$24,000.00 (US)** for the peer review, before applicable discounts. These fees are based upon factors such as AWWA and WEF membership status, and utility size. This pricing is based also upon a maximum of **75 Utility/City employees** participating in the self-assessment, and a review team of **four peers** and **one peer team facilitator** on site for a maximum of **4.5 days**, including the expanded out-briefing. Fees are premised upon the following payment schedule.

- A. An initial payment of \$ _____ is due by _____ as prepayment in full for the self-assessment.
- B. A second payment of \$ _____ is due by _____ to defray up-front costs for preparation and travel in conjunction with the peer review.
- C. A final payment of \$ _____ is due within 30 days following completion of the peer review.
- D. **Discounts for early payment will be allowed as follows:**
 - 1. If a single payment is made in full, for both the self-assessment and peer review, and prior to shipment of self-assessment materials by AWWA, a four- percent discount will be allowed on the total fee for the peer review. This will save the utility **\$960.00**. The total will be **\$26,240.00**. See Invoice attached.
 - 2. If the final payment is made in the time frame specified for the second payment, a four percent discount of \$ _____ will be allowed on the amount of the final payment.
- E. Payments can be made by check payable to "The American Water Works Association (for QualServe). Send all payments to the AWWA QualServe Program, 6666 West Quincy Avenue, Denver, CO 80235.

IV. Program Materials

The following program materials are needed by the utility to plan and participate in QualServe. Two copies are provided to utilities when they begin negotiating for services. Additional copies are provided at appropriate times. If additional copies are needed for the utility's own use, they can be photocopied, or call AWWA to request additional copies.

- A. The *QualServe Program Brochure* provides basic, overview information.
- B. *Guidance for Participating Utilities* provides information the utility will need for preparing and conducting the self-assessment and peer review. It also provides basic background information on QualServe and suggests how results might be used.
- C. *Complete Self-Assessment Survey Options* is used for negotiating the content of the actual survey which will be custom printed by AWWA and provided in the appropriate numbers and time frames shown elsewhere in this Agreement.
- D. *Guidance for Peer Reviewers* outlines the preparations and process followed by the peer review team. It, along with the *Guidance for Peer Team Facilitators*, is provided to the utility so they understand how others are preparing for and will conduct the peer review at their utility.
- E. *Guidance for Peer Team Facilitators* is used as reference by the AWWA employees who serve as process keepers for each peer review.
- F. A *Communications Guide* is provided with basic tools to help the utility communicate its participation in QualServe. Included are items such as sample notices, press releases and logos in both hard copy and electronic formats.

V. Schedule

AWWA will ship guidance and survey materials no later than the week of **March 4-8, 2002**. The utility will conduct the survey the week of **April 8-12, 2002**, and return the completed surveys to AWWA using a 2-day delivery service such as UPS or FedEx. AWWA will process the survey and return reports to the utility within 30 days of receipt.

The utility choices for the peer review are the weeks of **September 22-26, 2002** (preferred), or **October 6-10, 2002** (alternate). See the *Guidance for Participating Utilities* for a typical schedule of preparatory and on-site activities important to a successful peer review. AWWA will work with the utility to identify a peer team and confirm final the dates for the review by **April 30, 2002**.

VI. Participating Utility Commitments

- A. The following individual will serve as the key utility contact with AWWA throughout the self-assessment and is authorized to make decisions on behalf of the utility throughout the process:

Name: John Wagner Title: Water Superintendent

Mail Address: _____
(If Different
than Atch 1) _____

Phone: 605-394-4162 Fax: 605-394-6624 E-mail: john.wagner@ci.rapid-city.sd.us

- B. If different than the person named in paragraph VI.A., the following individual will serve as the key utility contact with AWWA throughout the peer review and is authorized to make decisions on behalf of the utility throughout that process:

Name: _____ Title: _____

Mail Address: _____
(If Different
than Atch 1) _____

Phone: _____ Fax: _____ E-mail: _____

- C. The utility agrees to participate in the QualServe program consistent with the terms of this Agreement and other written and oral guidance provided by AWWA.
- D. The utility agrees to use the names and logos associated with the QualServe program only as authorized by AWWA in guidance, implementation tools, and other products -- that is, as outward signs of an internal commitment to vigorously pursue continuous improvement and customer satisfaction in all work of the utility. Under no circumstances will participation in QualServe be represented as compliance with a set of standards, or as indication of certification, a high level of achievement, or superior performance except as specifically authorized. AWWA reserves the right to authorize all usage of QualServe materials. Unauthorized sale or distribution of QualServe materials, without the prior written consent of the QualServe Program Manager, is not allowed.
- E. The utility agrees that the self-assessment report and data will not be used to purposefully identify individuals and that the self-assessment will not be used to initiate an adverse action against any employee.
- F. The utility recognizes the importance of having as many as possible of its executive, management and other key staff available during the course of the peer team visit, and will strive to have these people available for active participation throughout the peer review process.
- G. The utility understands that the QualServe peer review program is staffed largely by volunteers from water and wastewater utilities and agrees to support this program by naming a volunteer peer candidate from its own staff for each of the peer team positions consistent with the services it provides. Multiple copies of Attachment 2 can be used for these nominations. When called upon by AWWA for training and to serve as a peer, the utility agrees to provide each volunteer time to participate in peer training and to perform at least two peer reviews within the two-year period

following that training. The utility will not be required to support more than two peers trained and available for reviews at any one time. AWWA will reimburse each peer for expenses, consistent with those authorized in the AWWA volunteer travel policy, while attending peer training and while traveling in support of a QualServe peer review.

- H. The utility agrees to evaluate its participation in the QualServe program using materials provided by AWWA. The evaluation typically consists of a one and one-half hour oral and written session scheduled to follow the peer review out-briefing. The session will be conducted by the Peer Team Facilitator. The evaluation will focus on the substance and process of the self-assessment and peer review programs, and on AWWA service and support for the utility during the course of its participation in the QualServe program. Key members of the utility staff involved with conduct of the self-assessment and peer review, utility executives, and senior managers will participate in the evaluation.
- I. The utility recognizes that it will bear incidental costs of program participation not included in the fees, primarily to support of the peer team while at utility facilities. Included are: space for the team to meet privately during the day; use of phones, copiers and fax machines incidental to the visit; lunches delivered to the utility for the peer team each day; and costs associated with hosting the peers at all events such as a tour of utility facilities and a post in-briefing social.

VII. AWWA Commitments

A. Self-Assessment

1. **Before the Self-Assessment Survey:** AWWA will: (a) assist the utility with determining the demographics for the sample of employees who will be respondents, (b) help the utility decide on the appropriate best practice topics to be included in the survey, (c) compile and print the appropriate numbers of the survey, and (d) ship the survey to the utility in time frames consistent with the schedule.
2. **While the Utility Prepares for and Conducts the Self-Assessment:** AWWA will be available to answer questions throughout the process. If the utility trains survey respondents beforehand, AWWA can assist by providing a representative to assist utility staff by phone and answer questions or otherwise participate in that session. Demographics consistent with the AWWA analyses and report will be collected as part of the survey. These will be limited to major organizational unit of assignment, manager / non-manager status, and whether employed by the utility for more or less than 3 years. Accuracy is essential and can be enhanced if the utility closely follows recommendations in the guidance.
3. **Processing Survey Data and Narrative Comments:** AWWA will process each individual survey, prepare a standard report for the appropriate business processes, and provide the utility with 5 bound copies of the report and one each color and black and white copy suitable for photocopying. The analyses and report will be completed within 30 days of receipt of the surveys by AWWA.

Legible narrative comments will be typed verbatim, organized by business process category, and included as an appendix to the report, provided that they are in good taste. Comments containing attacks against individuals and/or vulgarities will be purged, or edited by AWWA if in its judgement, the message may be helpful to the utility and the meaning can be retained while removing such characteristics.

AWWA will process best practice data in the following way:

- a. Each utility will be assigned a number that will allow data to be preserved during analysis and for entry into the multi-utility database.
- b. Each individual survey will be randomly assigned a number useful for distinguishing that survey for quality control and for analysis.
- c. Demographic information and responses to each best practice statement will be entered into the database for each respondent.
- d. Reports will be generated using standard analyses. Tables and histograms (bar charts), along with brief written observations by the analyst, will include:

Primary Analyses Using Data from All Respondents

- (1) Overall results with frequency distribution of responses by business process category
- (2) Adjusted composite scores by business process category
- (3) Standard deviations of adjusted composite scores by business process category
- (4) Percentages of "No response" by business process category
- (5) Adjusted overall mean scores for each best practice statement
- (6) Individual best practice statements indicating strengths (one point or more greater than average scores for that business process category)
- (7) Individual best practice statements indicating opportunities for improvement (one point or more less than average scores for that business process category)
- (8) Overall percentage of "no response" for each best practice statement

Secondary Analyses Using Subsets of the Survey Data

- (9) Labor / Management comparison of adjusted scores
- (10) Labor / Management comparison of "no response" rates
- (11) Tenure comparison of adjusted scores
- (12) Tenure comparison of "no response" rates
- (13) Departmental comparison of adjusted scores
- (14) Departmental comparison of "no response" rates
- (15) Adjusted mean scores for each best practice statement with separate presentations for management, labor, tenure less than 3 years, tenure more than 3 years, and for each department
- (16) Percentage of "no response" for each best practice statement with separate presentations for management, labor, tenure less than 3 years, tenure more than 3 years, and for each department

4. **Upon Completion of the Survey:** AWWA will respond to questions from the utility relative to the report. Completed survey booklets will be retained by AWWA for a period of six months after the completion of the self-assessment report. They will then be destroyed.
5. **Multi-Utility Summary of Self-Assessment Surveys:** Once self-assessment data is available from at least 20 utilities with similar profiles, AWWA will prepare a composite report, that may be useful as an assessment tool, using a format similar to that in paragraph VII.A.3.d. above. This composite will be updated periodically to reflect data from the most recent 20 or more self-assessment surveys completed by utilities. A copy of the latest report will be provided to each participant at the time their survey results are returned. Utilities participating in the program before there is sufficient data to construct this report will be subsequently sent a copy of the first composite report.

B. Peer Review

1. **Team Size and Review Period:** AWWA will provide a team consisting of four trained peers plus one facilitator to conduct the on-site review beginning with a tour of utility facilities (usually scheduled for Sunday morning) and ending with an out-briefing the morning of the final day.
2. **Utility Role in Peer Team Selection:** The utility will be consulted on the team make-up. If the utility shows cause why a member of the team proposed by AWWA will be unable to effectively function in that capacity, AWWA will seek an alternate.
3. **Peer Pre-visit Preparations:** The peer team will arrive on-site prepared for the visit, having reviewed and discussed documentation provided by the utility, and with team member responsibilities assigned. The peer team will facilitate and lead both the in and out briefings.
4. **The On-Site Review:** The review will consist primarily of interviews with utility managers and some staff, and may include facilities visits and reviews of utility processes, information management systems, etc. These activities will normally be scheduled between the hours of 8:00 AM and 5:00 PM, unless other times are agreed to by the peer team and utility staff.
5. **Availability of Peers While On-Site:** The peer review process is time-intensive. With the exception of the evening of day one (Sunday), peers will use evenings for team meetings and preparation of the final report.
6. **The Peer Team Report:** Copies of the final draft report will be available for review by utility senior managers by 4:00 PM on the afternoon of the day before the outbriefing. The utility CEO and the peer team leader will meet at/before 5:00 PM to discuss team findings and to identify errors in fact and wording that may be inappropriate. The peer team will consider these in a final meeting and make such changes as the team deems appropriate. The utility will be provided with a final report, ready for photocopying and distribution to utility staff, prior to the outbriefing. Five copies of cover and binding materials will also be provided for the utility to assemble formal copies.

The peer team report will be based on a "Strengths" and "Opportunities for Improvement" model, with primary focus on identifying a few of the key strengths and a few key opportunities for improvement for each business process category, and for overall utility operations. At its discretion, the team may aggregate reports for related business process categories, especially when they have few comments for these related review topics.

7. **Peer Team Availability Following the Review:** Peers will retain a copy of the final report for three months following each review. Documentation provided by the utility for use by peers will be left with the utility at the out briefing, or discarded by each peer within these three months. Peers will be available by phone to answer questions from the utility about the final report throughout this three-month period.
8. **Confidentiality:** AWWA and the peer team will hold the substance of both the self-assessment and the peer review in confidence except as authorized by the utility. If inquiries are received, AWWA and peers will screen those inquiries, and if deemed appropriate, refer the inquirer to the utility self-assessment or peer review contact. AWWA encourages utilities to share information from QualServe openly with its customers and the public. AWWA may, at its discretion, report basic information such as participation by the utility, dates of participation, and key utility participants.

VIII. Other Terms and Conditions

- A. **The self-assessment and peer review will be conducted in accordance with processes described in current program guidance materials.** As administrator of the QualServe program, AWWA reserves the right to modify these processes and materials and will be the final authority on interpretation and use of all QualServe processes and materials.
- B. **AWWA member utilities and WEF corporate members will receive preference to participate** when capacity is at issue. However, once an Agreement has been signed by both the utility and AWWA, utilities will have access to the services covered in chronological order based upon date of acceptance of Agreements by AWWA.
- C. **AWWA capacity for enrolling participants, processing self-assessments, selecting and training peers, and assembling peer teams is limited.** AWWA will make a good faith effort to meet the dates committed to in this agreement; however, the uncertainties listed here and unforeseen events may create delays. If such delays are unacceptable to the utility, the following shall constitute its exclusive remedies:
 1. If the self-assessment process has not progressed to the point of shipment of materials to the utility, the utility may elect to reschedule or ask for a full refund of all fees paid to date for the self-assessment. If a refund is requested, and a self-assessment has not been conducted within the past 12 months, the peer review will also be canceled and any fees prepaid for it will be refunded as well.
 2. If materials for the self-assessment have been shipped, whether or not the survey has been conducted by the utility, no refund for the self-assessment will be allowed, but AWWA will work with the utility to reschedule the survey for another time.
 3. If the utility fails to complete portions of its self-assessment in accordance with dates in this agreement, or in concert with program guidance, AWWA reserves the right to delay processing the survey analyses and report until other surveys that are proceeding according to schedule have been processed.
 4. If AWWA fails to agree to dates and provide a peer team within 60 days prior to the later of the review periods requested in this agreement, the utility shall have the option of rescheduling the review for a different time frame or receive a full refund of all fees paid to date for the peer review.
 5. Peers are volunteers contributing their time and experience for the good of QualServe and

participating utilities. From time to time, emergencies may arise that make it impossible for a peer to follow through and participate in a review for which he or she is scheduled. Under such circumstances, AWWA will notify the utility immediately and work to reach an acceptable resolution. Remedies include: (a) the remaining members of the peer team will conduct the review if they believe they can do a credible job for all business process categories within the scheduled time frame or by adding one day to the site visit; (b) AWWA will add a peer to the team and the review will proceed as scheduled; (c) the peer review will be rescheduled. The utility agrees to cooperate with AWWA toward reaching a solution that provides a quality review for the utility while minimizing loss of sunk costs and added expenditures experienced by the QualServe program. Cancellations and refunds will be avoided if at all possible.

6. If one or more members of the peer team must withdraw once the team has initiated travel to the utility, the review shall proceed as planned. If remaining members of the peer team can remain on site for one extra day, they will do so and there will be no adjustment of fees. If the remaining peers can not extend their stay, and the utility believes that the value of the review has been significantly diminished, AWWA will reimburse a percentage of the peer review fee equal to the reduction in the size of the peer team as defined in paragraph VII.B.1.
7. In no event shall AWWA be liable to the utility for its performance or non-performance of any terms or conditions of the Agreement in an amount exceeding fees paid by the utility for that service under this Agreement.

D. Emergencies interrupting availability of the utility will be accommodated to the extent feasible. If an emergency arises that is outside control of the utility, and participation in the self-assessment and/or peer review must be delayed, AWWA will work with the utility to reschedule and make adjustments as follows:

1. If administration of the self-assessment must be delayed, it will be rescheduled for completion within three months of the original schedule.
2. If the schedule for the peer review must be changed from the dates shown in paragraph V. of this Agreement, and a peer team has not been assigned, there will be no additional fee.
3. If the peer review is rescheduled after the peer team has been accepted by the utility, AWWA will recover any non-refundable costs associated with planning for the review (travel expenses, hotel deposits, etc.) and a fee of \$2,500 shall be paid by the utility to cover additional administrative costs.

E. Cancellations by the Utility:

1. If the utility elects to cancel the self-assessment, a cancellation fee of \$1,000.00 shall be paid or will be deducted from any refund due the utility. If materials for the self-assessment have been shipped to the utility, no refund will be allowed. If no self-assessment has been completed by the utility within the previous twelve months, the peer review will also be canceled.
2. If the peer review is canceled by the utility under any circumstance, including that necessitated by paragraph VIII.E.1., and it is not rescheduled as described in paragraph VIII. D., AWWA will recover all costs associated with the review plus a cancellation fee of \$1,000.00.
3. Fees prepaid by the utility will be returned to the utility less the total amount of any costs accrued by AWWA and other fees set forth in this Agreement.

F. Indemnification and Liability Insurance

1. The Utility, AWWA, and WEF each agrees that it is responsible for its own actions under this Agreement and agrees to mutually indemnify and hold the other parties, their elected officials, officers, employees, and agents harmless.
2. Each party agrees to defend the other parties against any claim or asserted liability arising out of its own acts or omissions, either willful or negligent, in implementing the Program.
3. Each party agrees to maintain a policy of general liability insurance sufficient in amount and scope to protect against the risks and harms reasonably associated with the Program and fulfill the obligations each party incurs under this Agreement.

G. Employment Status of QualServe Peer Team

The services of this Agreement shall be performed by AWWA or under its supervision. It is the express intention of the parties that AWWA, its staff, and its volunteers are not employees, agents, joint venturers, or partners of the host Utility. Nothing in this Agreement shall be interpreted to create the relationship of employer and employee between the host Utility and AWWA, its staff, and its volunteers. Further, the members of the peer team participate in the peer review as volunteers and receive no compensation from AWWA or the host Utility for this volunteer activity.

H. Changes to the Agreement

All changes to this agreement will be in writing and acknowledged by both parties. We agree to quickly notify each other of circumstances that are likely to result in a change using telephone, E-mail, magfax, or express mail services as soon as those conditions are recognized. Contact with the utility will be through the key contact shown in paragraph V.A. of this Agreement. Contact with AWWA will be at the following address, telephone and fax:

**QualServe Program Manager
AWWA
6666 West Quincy Avenue
Denver, CO 80235
Phone: 303-794-7711
Fax: 303-794-6303**