

## **WEST VIRGINIA WATER DEVELOPMENT BOARD MINUTES**

The West Virginia Water Development Board met at 9:02 a.m. on Friday, February 5, 2021 at the Water Development Authority's ("WDA") office in Charleston, West Virginia. Notice of the teleconference meeting was posted on the Secretary of State's online meeting notice database. The notice referenced that the call-in information and agenda would be, and were, posted on the WDA website. Tina Parker recorded the minutes of the meeting. Due to COVID-19, the meeting was held by conference call. After the Roll Call, the Chair declared a quorum.

### **BOARD ATTENDEES:**

Ann V. Urling, Chair as designee for Honorable Governor Jim Justice, via conference call  
Mike Jones, Member, via conference call  
John Miller, Member, via conference call  
Gary Sutphin, Member, via conference call  
Michael Duplaga, Member, via conference call  
Stephanie Hickerson, as designee for the Commissioner of the Bureau of  
Public Health, via conference call  
Kathy Emery, as designee for the Secretary for the Department of  
Environmental Protection, via conference call

### **OTHER ATTENDEES:**

Marie Prezioso, Executive Director, WDA  
Samme Gee, Esq., Jackson Kelly PLLC, Counsel to the Board, via conference call  
Brock Jarrett, WDA CFO and Committee Secretary/Treasurer  
Tina Parker, WDA  
Sheena Chadwell, WDA  
Wayne Morgan, IJDC  
Brandon Crace, IJDC, via conference call  
Leanna Atkinson, WDA, via conference call  
Mike Duminiak, WDA, via conference call  
Sheila, Miller, via conference call

### **APPROVAL OF MINUTES**

The minutes for the meeting held on Friday, October 9, 2020 were presented for approval.

MOTION: Moved by Mr. John Miller; Seconded by Mr. Mike Duplaga; Passed unanimously.

**RESOLVED, THAT THE MINUTES OF THE BOARD MEETING HELD ON OCTOBER 9, 2020, ARE APPROVED.**

### **ELECTION OF SECRETARY/TREASURER**

The retirement of Mrs. Sheila Miller created the vacancy.

MOTION: Moved by Mr. Miller; Seconded by Mr. Gary Sutphin; Passed unanimously.

**RESOLVED, THAT MR. BROCK JARRETT BE ELECTED SECRETARY/TREASURER.**

## **RESOLUTION HONORING SHEILA MILLER'S SERVICE**

A copy of the Resolution is attached.

MOTION: Moved by Mr. Miller; Seconded by Mr. Mike Jones; Passed unanimously.

**RESOLVED, THAT THE RESOLUTION OF APPRECIATION FOR SHEILA MILLER'S SERVICE TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, BE APPROVED.**

## **FINANCIAL REPORT**

### **Loan Report as of December 31, 2020**

Ms. Marie Prezioso reviewed the loan and grant closings, the water and sewer delinquency report and the status of the Economic Development Loans.

### **RFP for Auditing Services**

Ms. Prezioso reported that the RFP for Auditing Services is due February 24, 2021. Ads have been placed in the Gazette Mail. After receiving the proposals, the Auditing Committee will meet and make a recommendation to the Board.

### **West Virginia Legislative Auditor**

Ms. Prezioso discussed the letter from and the response to the Legislative Auditor. Ms. Prezioso, Mr. Jarrett and Ms. Samme Gee met with Mr. John Sylvia, Director, Performance Evaluation Research Division on January 22, 2021.

## **TECHNOLOGY**

### **Purchase of Replacement Servers, Required Licenses and Software Updates**

The contract for \$131,409 was awarded to Citynet. Citynet is in the process of completing the work.

### **Contract for Software Development & System Maintenance**

The WDA received two bids. Staff reviewed and all agreed on the recommendation. Staff was available to answer questions. Also, Jackson Kelly reviewed the RFP, the proposals and the process. Information on the bids and recommendations are attached.

MOTION: Moved by Ms. Kathy Emery; Seconded by Mr. Miller; Passed unanimously.

**RESOLVED, THAT THE BOARD AUTHORIZES THE EXECUTIVE DIRECTOR TO NEGOTIATE AND ENTER INTO A CONTRACT WITH CDM SMITH FOR SOFTWARE DEVELOPMENT AND SYSTEM MAINTENANCE SERVICES BASED UPON THE PROPOSAL SUBMITTED ON DECEMBER 23, 2020, BE APPROVED.**

## **EXECUTIVE DIRECTOR'S REPORT**

Ms. Prezioso reported that the WDA has no legislation proposed this year but will monitor any legislation introduced that would affect the WDA. The WDA has updated its Website to comply with SB 175 passed during the 2020 Legislative Session. The WDA received an email from the Legislative Auditor's Office that WDA complied with the legislation passed in the 2020 Session regarding Rules for agencies exempt from State purchasing.

**UNFINISHED BUSINESS**

There was none.

**NEW BUSINESS**

Next Meeting Date- To be determined.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned.

MOTION: Moved by Mr. Miller; Seconded by Mr. Jones; Passed unanimously.

**RESOLVED, THAT THE BOARD MEETING BE ADJOURNED.**

The meeting was adjourned at 9:30 AM.

  
Brock Jarrett, Secretary

Minutes approved:

4/13/21 (Date)

Attachments:

- Resolution Honoring Sheila Miller's Service
- Software Development & System Maintenance Summaries.

# **Sheila Miller**

## **Resolution of Appreciation West Virginia Water Development Authority**

WHEREAS, Sheila Miller was employed from November 16, 2011 to December 21, 2020 as the Chief Financial Officer for the West Virginia Water Development Authority and served the Board as its Secretary/ Treasurer;

WHEREAS, Sheila Miller provided dedicated service and guidance to hundreds of projects processed through the Water Development Authority and annually successfully coordinated three major Audits; and

WHEREAS, Sheila Miller served the Water Development Authority, thereby serving the State of West Virginia and all its citizens, making a difference to the people of West Virginia;

THEREFORE, BE IT RESOLVED that the West Virginia Water Development Authority hereby expresses its greatest appreciation to Sheila Miller for her dedication and contribution portrayed during her service.

Adopted this 5<sup>th</sup> day of February 2021

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Ann V. Urling, Chair

TO: Marie Prezioso, Executive Director  
West Virginia Water Development Authority

FROM: Brandon Crace  
West Virginia Water Development Authority



2021.01.27 14:18:29  
-05'00'

DATE: January 27, 2021

RE: Software Development & System Maintenance RFP

The Authority received 2 responses for the advertised services for Software Development & System Maintenance RFP. Katalyst Technologies (\$99,755 = \$80,555 + \$19,200) and CDM Smith (\$191,737 = \$106,944 + \$50,298\* + \$34,495^\*) provided responses. \*Additional Scope of Work Items. ^One (1) year of maintenance support.

The Katalyst Technologies response includes a price for the Critical Needs Workflow, and 1 year of Maintenance. There is an immediate security concern, as statements that would lead to the interpretation that sub-contracted services ("formed our team by selecting highly qualified firms") could be utilized. It appears that Katalyst will utilize 2 other companies (Panacea Infotech and Nova Technet), which both appear to be based overseas. Additionally worth noting, there is poor grammar, lack of punctuation, and rather poor sentence structure throughout the response. It is concerning that the estimated 1 year maintenance is only valued at \$19,200 (\$20/hr). I would have estimated the hourly cost higher, due to the amount of employee knowledge/experience required to make system support responses. I did not find any evidence that Katalyst is experienced with the program languages (technology stack) we clearly identified in the RFP. This response also did not include any examples of large database projects, or government work.

The CDM Smith response includes a price for the Critical Needs Workflow, System Modifications, and Maintenance. CDM Smith has provided \$107,149.24 for 3 years (2021 - \$34,495, 2022 - \$35,702.33, and 2023 - \$36,951.91) of System Support and Maintenance, which is an average of \$35,716.41 per year. One could attribute the yearly rising maintenance cost estimate to rising cost of living expense (nominal yearly raises for staff). The response includes evidence of large web-based database experience with USACE and NAVFAC, which are government agencies. CDM provided additional license information (City of Charleston Business License and WVPE Board).

Although Katalyst Technologies is the apparent low bid, their response lacks the professional assembly demonstrated in the CDM Smith response. Additionally, Katalyst has defined a condition of a 20% upfront payment, which is not a condition of our RFP. Following a review of the cost breakdown of the CDM Smith response, when comparing the similar scope of work (Critical Needs Workflow + 1 year of Maintenance), the cost proposals should be considered at \$99,755 (Katalyst) and \$141,439 (CDM). The CDM Smith response provides additional cost estimates (projected 2 years [additional] of maintenance support and a proposal of suggested modifications) that Katalyst did not provide.

Katalyst failed to meet all conditions of the RFP, failed to demonstrate comparable experience, and inserted a condition (20% upfront payment) that WDA had not created; therefore, it is my opinion that the Katalyst response should be deemed inadequate/unresponsive/etc. The award should be made to CDM Smith based on meeting conditions of the RFP, presentation of professional experience, and documentation of understanding the scope of services.

## Marie Prezioso

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**From:** Mike Duminiak  
**Sent:** Wednesday, January 6, 2021 8:25 AM  
**To:** Leanna Smith-Atkinson; Marie Prezioso  
**Cc:** Brandon Crace  
**Subject:** Re: Requested Review of Software Development & System Maintenance RFP Candidates

I generally agree with Leanna's evaluation and defer to her more expansive knowledge of the system and the needs we have for it in this effort.

I don't feel as though Katalyst provided enough information to demonstrate the understanding and ability necessary to perform the work. They may have it, but I could not determine that from their proposal. The lack of detail and generic language they provided leads me to believe that there will be a lot of "we can make the change you want, but the code you have is not very good and it really needs to be replaced" types of excuses and pushing for scope expansion. I will note that they do say that they have the ability to meet our response time requirements and, even if they are coding in another part of the world, such companies have adjusted their work schedules to align with US markets, i.e. they work at night there. I would not reject them based on that issue. Their failure to provide a three year support cost and commitment is a serious concern.

CDM provided good information, but they have the fortune and misfortune of having developed the current system. We know where they have succeeded and failed in the past. We know that their proposals have frequently required additional funds as development progressed not because their estimates were wrong for the work proposed, but rather the scope often changed. They are the better bidder, but I am concerned that they bid the minimum to strictly comply with the terms of the RFP and costs could rise if our vision of what we want is beyond what they envisioned we needed. This concern is heightened by the costs proposed for maintenance. If the initial work is done correctly, it seems an unusually high estimate for support over the three years. \$35-37K a year is nearly 50% of the annual salary of a developer. It may be just a high estimate, but it may also indicate an expectation of problems.

Regardless of which company is chosen, I would suggest trying to develop with them a very detailed SOW for each task prior to beginning work. We need to make sure that we have a shared vision of what will meet our expectations. As we have seen in the past, software projects can easily get bogged down or side-tracked during development leaving us in a position where the money for a task is spent, but the task is not complete or at least not to the expected level. Both sides need to know exactly what the detailed scope is and agree in writing to any change in scope over time to ensure that the cost and schedule impacts of deviation from the initial scope are equally understood. I also think we need to be very clear about the level of 'project management' that is acceptable as a portion of the project cost. We have had this discussion with CDM in the past, but it may bear repeating and definitely would need to be discussed if Katalyst were chosen. I think this is particularly important during the maintenance period as we shouldn't be having problems and even if we do, we shouldn't be seeing significant charges for project management when it is a needs driven period rather than a development period. Development takes a level of continual management, but support should take less.

Regards,

Michael H. Duminiak

## Marie Prezioso

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**From:** Leanna Smith-Atkinson  
**Sent:** Tuesday, January 5, 2021 5:58 PM  
**To:** Marie Prezioso  
**Cc:** Brandon Crace; Mike Duminiak  
**Subject:** Requested Review of Software Development & System Maintenance RFP Candidates  
**Attachments:** WDA Software Development & System Maintenance Proposal CDM Smith.pdf; KATALYST Software Development & System Maintenance Services RFP.pdf; KATALYST Software Development & System Maintenance Services RFP - Proponent Credentials, Proposal, and Costs.pdf

All, below is my review of the software development and system maintenance RFP candidates. Please feel free to contact with any questions you have or discussion that you deem necessary related to these comments.

In short, I found CDM Smith's submittal to be sufficient to the requirements and to have met the necessary qualifications set forth in the RFP. Attached is a copy of their proposal with highlights added by myself indicating the pros and cons mentioned below.

**PROS:**

- They provided detailed explanations and graphic representations of how each of our requested items would be implemented.
- They provided detailed cost estimates for both maintenance and for new development.
- They demonstrate that they meet the technology stack requirements.
- They provided personal project references as well as company references which demonstrate a wealth of relative experience.
- There is no language indicating any use of sub-contractors.
- Provide business license as well as a license to work in WV permit.
- They agree to a 36 month support contract.
- Higher estimated cost. I believe that this demonstrates that they are intimately knowledgeable of exactly how much work will be required, thereby providing us with a much more accurate and realistic expenditure amount. Having extensively monitored what they currently bill against what they quoted us over the past year, I know from experience it is common for them to come in under budget when comparing hours billed against hours estimated. I believe this number to be an accurate reflection of the requested work effort.

**CONS:** Higher Estimated Cost.

Based on my review, Katalyst's proposal does not meet the requirement set forth in the RFP and should be rejected on that basis, regardless of the cost estimate provided. Attached is a copy of their proposal with highlights added by myself indicating the pros and cons mentioned below with associated comments.

**PROS:** Lower cost estimate.

**CONS:**

- They fail to sufficiently detail HOW they will implement each of our requested changes. For some items, they took language from the RFP, and simply reworded it. On some items, they failed to do even that. They simply entered "WIP", which means Work In Progress. This is insufficient and unacceptable.
- They only provided detailed cost estimate for the new work. They did not provide an estimate for 3 years worth of maintenance. In addition, they do not agree to a 3 year maintenance term but instead are requiring us to sign an Annual Maintenance contract with them. See more below on this issue.
- The introduction contains wording that suggests the use of sub-contractors, which our RFP expressly forbids without our approval.
- Does not demonstrate that they meet the required technology stack requirements.



- Does not sufficiently demonstrate that they have relative experience.
- It is unknown if they will agree to be available during the requested hours or on an as-needed basis.
- Does not show any licenses to work in the state of WV or any business licenses period.
- Does not agree to a 36 month support term. Instead, they are requiring us to sign an Annual Maintenance Contract with them.
- The payment terms of their RFP is requiring us to pay them \$16,111 up front before any work is done. This is highly concerning to me. If it were my decision, I would refuse to agree to pay anyone anything up front. If the contract was signed, work should begin FIRST. Once items have been completed delivered or at the very least demonstrated to the contact person, ONLY then should any payments be issued. Why are we being asked to deliver an initial payment up front if no work has been completed? I would not agree to these terms.
- Lower cost estimate suggests to me several things: (aside from the fact that the maintenance cost estimate is missing altogether)
  - They are for a fact not well versed in our code and database structure given they only spent 30-45 minutes looking at these items.
  - Given that they are not well versed in our code and database structure and do not meet the required technology stack, I doubt the accuracy of this estimate simply because they failed to demonstrate in the RFP that they are knowledgeable enough about our code languages and data structure to provide an knowledgeable estimate. I believe that there is such a thing as a "too-low estimate" and I think this certainly fits that criteria.
  - I have grave concerns about going with the lowest bidder, especially if we are not required to, for the following reasons:

a. You get what you pay for, especially in the world of intellectual property and SaaS (software as a service).

b. I fully expect to pay more than the estimated cost in additional amendments to this contract to add money if the Katalyst group was to be selected given that fact that there is a good chance that they would fully discover the complexity of the code and processes after the contract was signed and would then need additional funds to cover the development hours necessary to address the additional complexities they were unprepared for. If amendments were not signed, this would cause them to have to cut into their profit and could result in the delivery of a sub-par product.

- The specified team is stated to have either Masters in Computer Application, Master in Computer Science, or Bachelor of Computer Applications. Yet the document that provides approx hours and hourly rates suggest wages far below US income standards of individuals with similar education and work experience leading me to question (while the RFP state the company is "based in" Illinois, whether specified employees themselves are located in Illinois or in India, given the drastic wage gap.
- If the specified team is indeed located in another continent, country and time zone, there is a high likelihood that they would not be available during our normal business hours or even on an as needed basis. This would present serious problems in our resolution times.

Respectfully,

**E. Leanna Atkinson**

*IFAS System Helpdesk*

West Virginia Water Development Authority

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## Marie Prezioso

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**From:** Leanna Smith-Atkinson  
**Sent:** Wednesday, January 27, 2021 3:41 PM  
**To:** Marie Prezioso  
**Subject:** Shortlist of Issues with Katalyst RFP response\_with RFPs Attached and Employee Responses  
**Attachments:** RFP Response ELA.msg; RFP Response Summary BC.pdf; RFP Response Summary MD.msg; KATALYST Software Development & System Maintenance Services RFP.pdf; KATALYST Software Development & System Maintenance Services RFP - Proponent Credentials, Proposal, and Costs.pdf; WDA Software Development & System Maintenance Proposal CDM Smith.pdf

Marie,

Below is a shortlist summary of concerns with Katalyst's RFP response. Attached are all three of the employee's involved responses, as well as the electronic copies of both RFP responses.

- A. They failed to provide us the option or quotes for a 3 year maintenance contract as we requested. They only provided a quote for a year. In answer to follow up questions, they offered quarterly, 6 month, and ad hoc contract option but never the requested three year contract option.
- B. They failed to demonstrate proficiency in the required technology stack of programming languages necessary for our contractor's to be proficient in in order to do the work properly. When questioned on an unrelated point, their response contained the following: "I guess the project involves a skill set of .NET and PHP." Our RFP clearly stated the programming languages utilized by our system and required by our contractors. Language such as this seems to indicate that the RFP was not read in any detail.
- C. They failed to provide project references that demonstrated experience in similar work project, both in complexity and scope.
- D. They are requiring 20% payment up front before any work is delivered, which is something we did not specify, something they inserted and something we are very hesitant to agree to. When questioned on this point, they responded that it is their company's policy.
- E. They did provide the names, educational qualifications, and work experience of each developer that would be a part of this project. However, the wage rate indicated for these individuals is far below the US standard for someone of equal educational qualifications and work experience. We find this concerning. When questioned on this point, they failed to explain the reason for this discrepancy and provided a vague answer to the posed question.
- F. Overall, they failed to sufficiently answer the RFP, which resulted in an insufficient, incomplete submission and resulted in grammatical errors, lack of professionalism, and grave oversights of key information.

**E. Leanna Atkinson**

*IFAS System Helpdesk*

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6	Rahul Devakar	Quality Analyst	Writing test cases, testing public & internal website	7	MCS
7	Vishnu Nimbalkar	UI/UX Developer	Design web pages, handle mobile responsive	8	BCA

## Schedule

Please refer the “Annexure” to review the timeline of the project. It will be defining the breakdown cost of each services and required timeline.

## Budget

Description	Cost in USD
New Work Effort - Critical Needs Project Type	\$80,555
Continuing Work Effort-System Support and Maintenance (1 year) Minimum 80 hours per month (\$1600). Exceeded hours calculated at an hourly rate of \$20	\$19,200
<b>Total Cost</b>	<b>\$99,755</b>

### Payment Terms

Below are the offered payment terms for the proposal:

- The Katalyst shall invoice the WVVDA in respect of all sums payable by the Project Proposal.
- Where the Project Proposal contains staged payments, the Katalyst shall raise individual invoices to be issued in respect of each amount.
- A WVVDA needs to pay 20% of project fee, i.e., USD 16111 as an advance payment at the beginning of the project.
- Remaining payment, i.e., 80%, i.e., USD 64,444 should be in no of milestone. Project execution plan will be submitted at the beginning of the project which will define the milestones.
- A WVVDA will intimate invoice approval by email.
- Continuing work effort-system support and maintenance billing to be done monthly basis once start date will be define
- The WVVDA shall make all payments within 30 days of the date of the relevant invoice.

## References

<b>Project Name</b>	CRM
<b>Project URL</b>	No public URL-Used by internal staff
<b>Client Name</b>	Mr. Chris Beckford

## Section 4:

# Schedule & Cost

### Project Schedule

CDM Smith accepts the 36-month Period of Performance as outlined in the RFP. We will work with the WDA POC regularly to provide updates and prioritize and schedule intermediate task activities. Our team understands the high priority placed on the Task 2 Critical Needs items and will prioritize those items regarding scheduling development workloads.

Based on the level of effort for the defined tasks in Section 3, CDM Smith anticipates the overall development schedule to be between 6 and 8 months. This schedule accounts for both development time as well as review and testing by WDA and IJDC staff on the staging environment. All changes to IFAS will require testing and approval by the WDA POC before being promoted to Production.

### Estimated Cost

This section presents CDM Smith's cost proposal to perform the services and associated deliverables specified in the RFP. Our labor level of effort and cost estimates are based upon the Section 3 Technical Approach to the RFP tasks and associated development requested.

### System Support and Maintenance

The table below highlights the proposed amount of funds to cover Task 1.1 Continuing System Support and Maintenance. This amount represents a pre-approved total amount of funds available for user support requests by WDA and IJDC staff, or by those staff on behalf of public requests. The estimate is based on past experience with support requests and is estimated to cover the first 12 months of the 36-month POP. Time on this task would be billed hourly on an as needed basis and would not incur costs if CDM Smith is not contacted with requests for support.

Task Description	Cost
<b>Task 1. Continuing Work Effort</b>	
Task 1.1 Continuing System Support Maintenance Year 1 (2021)	\$34,495.00
Task 1.2 Continuing System Support Maintenance Year 2 (2022)	\$35,702.33
Task 1.3 Continuing System Support Maintenance Year 1 (2023)	\$36,951.91
<b>SYSTEM SUPPORT AND MAINTENANCE TOTAL</b>	<b>\$107,149.24</b>

## New Development

The table below outlines the estimated cost to complete the new development items outlined in the provided RFP. These costs are broken out by individual item defined, as well as summed by the task corresponding to the development categories that were provided.

Task Description	Cost
<b>Task 2. New Work Effort - Critical Needs Project Type</b>	
Task 2.1 New Critical Needs Initiation Form Section	\$10,339.00
Task 2.2 New Critical Needs Project Workflow	\$37,753.00
Task 2.3 New Critical Needs Project Application	\$15,865.00
Task 2.4 New Critical Needs Project Commitment Form	\$13,417.00
Task 2.5 New Critical Needs Project Closing Form	\$13,417.00
Task 2.6 Bulk Import Tool for Manually Tracked Critical Needs Projects	\$16,153.00
<b>Task 2 Total</b>	<b>\$106,944.00</b>
<b>Task 3. Significant Modification Effort</b>	
Task 3.7 Remove Workflow from IFAS Project Budget and Funding Information	\$20,653.00
Task 3.8 Update Bid Overrun/Underruns	\$3,031.00
Task 3.9 Add Ability to Move Project from Internal to External Workflow	\$8,503.00
Task 3.10 Update Project Details Page	\$3,031.00
Task 3.11 Update Project Primary Location Value	\$5,767.00
Task 3.12 Further Assessment of Overall System Design	\$9,313.00
<b>Task 3 Total</b>	<b>\$50,298.00</b>
<b>NEW DEVELOPMENT TOTAL</b>	<b>\$157,242.00</b>