



**CITY OF PHOENIX, ARIZONA
WATER SERVICES DEPARTMENT**

**REQUEST FOR PROPOSALS
VOLUME 1 OF 2**

**LAKE PLEASANT WATER TREATMENT PLANT
DESIGN-BUILD-OPERATE PROJECT**

**PROJECT NO. WS85350004
SEPTEMBER 2001**

MAYOR

Skip Rimza

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CITY OF PHOENIX
Phoenix, Arizona

Lake Pleasant Water Treatment Plant DBO Project

Request for Proposals

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LPWTP Project Team

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VOLUME 2

Service Agreement, Appendices, and Transaction Form

Lake Pleasant Water Treatment Plant DBO Project

Request for Proposals

SECTION 1 - INTRODUCTION

1.1 Purpose

Through the issuance of this Request for Proposals (RFP), the City of Phoenix, Arizona (the City) is hereby soliciting competitive, sealed Proposals to design, construct, acceptance test, operate, maintain (including all repair and replacement) and obtain Governmental Approvals for the Facilities, which consist of an Intake on the Waddell Canal, a Raw Water Pumping Station, its Raw Water Transmission Line, and the Lake Pleasant Water Treatment Plant (the Project). The Lake Pleasant Water Treatment Plant (Plant) is located in Maricopa County, Arizona. The other facilities are located in the City of Peoria, Arizona. Only the following Proposers are eligible to submit Proposals in response to this RFP:

- **All American Water Team**
- **Bradshaw Mountain Water JV**
- **Earth Tech**

The issuance of this RFP is the second step in a two-step procurement process conducted by the City pursuant to Chapter 6 of Title 34 of the Arizona Revised Statutes, as amended from time to time (the Enabling Law). Following completion of the procurement process, the City expects to enter into a long-term agreement (the Service Agreement) with a private entity (the Company) for the Project. The City's intent in developing this RFP is to encourage the Proposers to provide the best solution for the Project consistent with the City's Project goals and requirements as defined in this RFP. Proposers should carefully review this RFP to ensure a clear understanding of the City's needs, objectives, and work scope.

1.2 Background

The mission of the City's Water Services Department (WSD) is to continue to provide a reliable supply of high quality drinking water at a reasonable cost, while balancing social, economic, and environmental impacts of water resources development projects and water demand management programs.

The City's rapidly growing population and the requirements of the Arizona Groundwater Management Act make providing adequate and economical water supply to the City of Phoenix service area a challenge. To meet this challenge, the City maintains a water resources plan, which outlines the actions necessary to ensure adequate drinking water supplies over the next 50 years.

In anticipation of future increased water demand north of the Central Arizona Project (CAP) Canal, the feasibility of a new water treatment plant (WTP) located at Lake Pleasant, Bartlett Reservoir, or other locations were evaluated. Upon completion of a study in 1991, a recommendation to locate a new WTP at Lake Pleasant was adopted by the City. The City’s Water System Master Plan update indicates that the initial phase of this new WTP must provide a treatment capacity of 80 MGD based on several factors including growing water demand, a need for multiple source capability, and capacity of the existing transmission system. The City’s flow projections, based on the Water System Master Plan, for the Plant for the period from 2007 to 2027 are provided in Table 1-1 below. These projections are provided to Proposers for informational purposes only. Proposers will be expected to produce Finished Water in amounts as directed by the City pursuant to the terms of the Service Agreement.

Fiscal Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Ann. Avg.
2007								20	20	40	50	70	40
2008	70	50	40	30	30	20	20	30	30	30	50	80	40
2009	80	50	40	30	30	20	20	20	20	30	60	80	40
2010	80	60	40	30	20	20	20	20	30	30	50	80	40
2011	80	50	50	30	20	20	20	20	20	20	70	80	40
2012	80	60	40	30	20	20	20	20	20	30	60	80	40
2013	80	60	60	40	30	20	20	30	40	60	80	80	50
2014	80	80	60	50	30	20	20	30	40	50	60	80	50
2015	80	80	60	50	30	20	20	20	30	50	80	80	50
2016	80	80	60	40	20	20	20	30	40	50	80	80	50
2017	80	80	60	50	50	20	20	50	70	80	80	80	60
2018	80	80	80	70	50	30	20	40	50	60	80	80	60
2019	80	80	70	60	50	40	20	40	50	70	80	80	60
2020	80	80	70	60	50	30	30	40	50	70	80	80	60
2021	80	80	80	60	50	30	20	40	50	70	80	80	60
2022	80	80	80	70	60	60	50	60	60	80	80	80	70
2023	80	80	80	80	70	50	30	50	80	80	80	80	70
2024	80	80	80	80	70	60	40	50	60	80	80	80	70
2025	80	80	80	80	80	50	30	50	70	80	80	80	70
2026	80	80	80	80	70	60	30	50	70	80	80	80	70
2027	80	80	80	80	70	50	40	50	70	80	80	80	70

The new WTP is expected to be expanded in a series of steps over a number of decades to a planned ultimate Plant capacity of 320 MGD. The City will evaluate its options under Applicable Law for implementing future modules (i.e., expansions) at the time of such expansions. The Service Agreement is expected to provide the City with maximum flexibility relative to its potential options for implementing the future expansions. Proposers are advised that this RFP is limited to the development and

implementation of the initial phase of the Project as described in this RFP and detailed in the Service Agreement, and therefore, Proposers shall prepare their Proposals on this basis only.

The City issued a Request for Qualifications (RFQ) for the Project on November 16, 2000. Statements of Qualifications (SOQs) were received from respondents on February 9, 2001. The City's Selection Committee reviewed responsive SOQs and conducted interviews with three invited respondent teams. On July 20, 2001, the Selection Committee short-listed those respondents to the RFQ which would be eligible to receive the RFP. City Council approved the funding for the honorarium payable under Section 3.6 on August 29, 2001.

1.3 Glossary

Unless otherwise defined in this RFP, all capitalized words, abbreviations and terms used herein shall have the meanings set forth in Article I of the Service Agreement.

Defined terms used for purposes of this RFP are as follows:

Benchmark A cost estimate prepared by the City of the net present value of the Project if it were to be undertaken using the City's enhanced design-bid-build (DBB) project delivery method and operated by the City under its reengineered operations program. The Benchmark is further described in Section 2.1.5.

Company The Selected Proposer, or another entity used or created by the Selected Proposer, with which the City executes a Service Agreement to design, construct, acceptance test, operate, and maintain (including all repair and replacement) and obtain Governmental Approvals for the Facilities, and which provides a Guarantor for the Project. The term Company is used to refer to the Selected Proposer after approval by the City and execution of the Service Agreement.

Guarantor The entity or entities acceptable to the City that will irrevocably, absolutely and unconditionally guarantee the full and prompt performance of the Company's payment and performance obligations under the Service Agreement. Each Guarantor shall be jointly and severally obligated and each shall enter into an independent Guaranty Agreement. If there are multiple Guarantors, each shall independently execute the Guaranty Agreement. If the Guarantor is a joint venture, each member firm of the joint venture shall independently execute the Guaranty Agreement.

Major Equipment	Equipment with a purchase price (excluding labor, installation, overhead and profit) of equal to or greater than \$25,000 in 2004 dollars.
Project Team	All firms and persons identified on Proposal Form 1, Attachment 2.
Proposal	The Final Technical Proposal and Price Proposal submitted by a Proposer in response to the RFP.
Proposal Forms	Forms identified and included with this RFP, which shall each be submitted as part of the Proposal according to the instructions in this RFP.
Proposer	Private entity(ies) that were prequalified through the City's RFQ process to receive this RFP and which are identified in Section 1.1.
Selected Proposer	The Proposer which receives the highest score based on the RFP evaluation criteria and scoring method and which is recommended to the City by the Selection Committee for approval and execution of the Service Agreement.

1.4 Procurement Overview and Objectives

By utilizing a design-build-operate (DBO) project delivery approach, the City expects to secure substantial benefits for its customers. These expected benefits include timely, efficient and cost-effective scheduling, optimal risk allocation, competitive design selection, clear assignment of performance responsibilities to a single contracting entity, long-term facility operations and maintenance efficiencies, and cost savings against the Benchmark. Other expected benefits include the full and appropriately-balanced integration of key design, construction, operations and QA/QC personnel in all aspects of the Project development. The City's Project objectives are to assure:

- Safe, adequate, uninterrupted water supply,
- High quality drinking water services to the public,
- Optimization of water treatment processes,
- Integrated operation with the City's Water System,
- Finished Water compatible with the finished water produced by the City's existing WTPs,
- Aesthetic water quality benefits, such as taste and odor removal,
- Compliance with all applicable regulations, City water quality requirements, and future drinking water regulations, including but not limited to the USEPA Interim Enhanced Surface Water Treatment Rule (SWTR) and the Stage 1 Disinfectants/Disinfection By-Products (D/DBP) Rule, as

well as anticipated future regulations, such as the Long-term Stage 2 Enhanced SWTR, Recycled Filter Backwash Water Rule, the Stage 2 D/DBP Rule, the Arsenic Rule, and the Radon Rule,

- Zero exceedances of regulatory limits,
- Zero violations of environmental regulations,
- Safety of the public, the employees and the Facilities,
- Additional protection of public health, including removal or inactivation of *Cryptosporidium*,
- Effective response to both standard and unusual operating conditions including but not limited to changing and adverse Raw Water quality,
- Mitigation of environmental impacts,
- Optimization of Project schedule,
- Minimization of design, construction, operation, administrative and oversight costs,
- Construction of aesthetically-pleasing Facilities,
- A high degree of coordination between the design, construction, and operations elements,
- A team partnership working environment between all parties involved in the Project,
- Sound design and quality construction for long-term operational reliability,
- Ease of expansion of the Facilities through future phases to an ultimate Plant capacity of 320 MGD,
- Optimized maintenance and renewal/replacement programs to preserve the reliability and value of the Facilities in a cost-effective manner,
- Efficient and effective management of process Residuals,
- Environmentally-acceptable Residuals handling and disposal without creating any nuisance to neighboring properties,
- Prudent management and protection of public resources,
- Stabilized cost of operations and maintenance and renewal/replacement for the Term of the Service Agreement,
- Ease of continued operation and maintenance of the Facilities during construction, startup and testing of future phases of the Facilities, and
- Being a good neighbor to adjacent properties in terms of noise, dust, odors, traffic and lighting.

The City desires to optimize creativity and cost-competitiveness in the DBO process and therefore will provide flexibility to Proposers with respect to the design and operation of the treatment processes and the configuration of the overall Facilities. Nevertheless, it is critical that proposed treatment systems be comprised of unit processes that have been proven to meet the Water Treatment Guarantee and the other Performance Guarantees and comply with the requirements of Section 2.1.2 of the RFP. The proposed water treatment systems will be subject to all required regulatory approvals including, but not limited to, approval of the Maricopa County Environmental Services Department (MCESD), City of Peoria, and the Central Arizona Project (CAP), in addition to City acceptance.

1.5 Scope of Services Summary

The scope of services includes the designing, constructing and acceptance testing, and obtaining Governmental Approvals for the Facilities. The proposed Raw Water delivery system shall consist of an Intake on the Waddell Canal, a Raw Water Pumping Station, and the Raw Water Transmission Line to the Plant. Although the initial treatment capacity of the Plant shall be 80 MGD, some components of the Raw Water delivery system shall be initially sized for flows greater than 80 MGD to accommodate future expansions to the Plant. As part of its design, the Proposer is required to show a layout of future facilities that will accommodate a planned ultimate 320 MGD Finished Water production capacity. Capacity requirements for sizing each major component of the Facilities are defined in Appendix 5.

The Plant shall be designed and constructed to meet Performance Guarantees established by the City, including Finished Water quality standards that will be required for water distributed to the City's Water System. The Performance Guarantees for the Facilities are provided in Article VIII of the Service Agreement and Appendix 9.

The Facilities include portions of the Finished Water transmission lines, sanitary sewer line, and fiber optic system located on the Plant Site and terminating at interconnection points either on the Plant Site property line or a location within the Plant Site as described in Appendices 1 and 5. The portion of these systems located outside the Plant Site and up to the designated interconnection points at the Plant Site will be designed and constructed by the City under separate contracts.

The scope of services, following Acceptance of the Facilities, includes operating and maintaining (including all repairs and replacement) the Facilities (except for the portion of the Intake to be operated by CAP), and maintaining governmental Approvals over the Term of the Service Agreement.

1.6 Background Documents

A comprehensive list of background documents for the Lake Pleasant WTP DBO Project that are available to, and which have been provided to, Proposers is provided in Table 1-2 at the end of this section of the RFP. Proposers may also examine copies on-site and/or purchase additional copies of the background documents by contacting Madeline Goddard, Project Manager at (602) 534-3887 or, via email, madeline.goddard@phoenix.gov.

Proposers are advised that the background documents which are being furnished to them have been prepared in the course of the City's development of this Project and other projects and may not be consistent with the City's goals and objectives for the Project as set forth in the main body of this RFP. In preparing their Proposals, Proposers shall rely upon the main body of the RFP for the City's definitive statement of Project goals and objectives. Furthermore, by submitting a Proposal, each Proposer certifies that it has read and understands the disclaimer for the background documents included in Table 1-2.

Certain background documents for this Project are available on a Website at www.LakePleasantWTP.com. Website background documents may be downloaded for general information, but the City accepts no responsibility for documents downloaded from the Website.

1.7 Accuracy of RFP and Its Related Documents

Should a Proposer find discrepancies in, or omissions from, this RFP and its related documents, the Proposer shall immediately notify the City's Project Manager, Madeline Goddard, at the address and telephone number provided in Section 3.8 of this RFP. A written addendum or a clarification letter if necessary, will be faxed, mailed or delivered to each Proposer. Every Proposer requesting a clarification of this RFP will be responsible for delivering such requests in writing.

The City considers any information that it may have released either orally or in writing (other than such written information that was released as part of the formal procurement process) to be "unofficial", and therefore, the City shall not be bound by such information.

1.8 Personal Investigation

Proposers are solely responsible for conducting their own independent research and due diligence for the preparation of their Proposals and the subsequent delivery of services under the Service Agreement. The Service Agreement requires the Company to agree that the Sites are acceptable and suitable for the construction and operation of the Facilities, and to assume the risk of all subsurface geotechnical conditions at the Sites that may affect the Project. Proposers, therefore, are advised to make all necessary inspections (including geotechnical) and visits to the Sites and to review all available and relevant data and information, prior to the submittal of their Revised Preliminary Technical Proposals and Proposals, which are necessary in their judgment in order to undertake the Project. Section 2.2.1 of this RFP describes limited, preliminary geotechnical investigations performed by the City at the Plant Site and the Raw Water Pumping Station Site. Section 3.10 of this RFP describes the procedure by which Proposers must arrange for the Site visits and investigations.

1.9 City's Consultant Support Team

The City has retained the following entities to serve as its Consultant Support Team for the Project:

- Butier Engineering, Inc.
- Carollo Engineers
- Daniel L. Baggett, P.E.
- DDB Engineering, Inc.
- George M. Wesner Consulting Engineers

- Greeley and Hansen, LLP
- Greeley & Hansen Architects, LLC
- Hawkins, Delafield & Wood
- Holm Wright Hyde & Hayes PLC
- John B. Mannion, LLC
- Malcolm Pirnie, Inc.
- Raftelis Financial Consulting, PA
- Robert C. Gumerman, PhD
- Robert D. Clark
- Robert Young and Associates
- Sage Ltd.
- Smith Culp Consulting
- Sonoran Desert Design
- Turbo CM

The City may add additional members to its Consultant Support Team for the Project. The City will identify any new members if and when a new member is added. Proposers are advised that in no event shall a Proposer include any person or firm listed above as part of its team for the Project.

The Consultant Support Team's scope of services requires it to provide assistance to the City and its Selection Committee in preparing the RFP, and in evaluating the Proposals, including providing financial, contractual and technical advice. Members of the Consultant Support Team will also provide DBO project oversight, including design reviews, construction monitoring and environmental compliance oversight.

Members of the Consultant Support Team are not permitted to solicit or answer questions or to provide information or advice to any Proposer during the procurement process concerning any matter related to this procurement. Any contact with a member of the Consultant Support Team by a Proposer concerning any matter related to this procurement, except contacts that have been expressly authorized by the City, may result in a Proposer's disqualification from eligibility for the procurement.

1.10 Selection Committee

Pursuant to the Enabling Law, the City established a selection committee (the Selection Committee) that was responsible for evaluating the SOQs and selecting the Proposers and will be evaluating and scoring the Proposals and thereby determining the Selected Proposer. The Selection Committee consists of six City staff representing the City Auditor, Engineering and Architectural Services, Finance and Water Services Departments and a senior management employee of Malcolm Pirnie, Inc., an Arizona-licensed contractor.

As provided in the Enabling Law, a person who is a member of the Selection Committee is prohibited from being a contractor under the Service Agreement or providing construction, materials or services under the Service Agreement.

Proposers are advised that, by virtue of having served on the Selection Committee, MGC Contractors, Inc., is prohibited from being a contractor under the Service Agreement or providing construction, materials or services under the Service Agreement. In no event shall any Proposer include MGC Contractors, Inc., as a member of its team or contact MGC Contractors, Inc., during the procurement process concerning any matter relating to this Project. Any failure by a Proposer or its representatives to comply with the foregoing prohibitions may result in a Proposer's disqualification from the procurement process.

DISCLAIMER

The following is the list of background documents on the Lake Pleasant WTP DBO Project which are available to Proposers. These documents are provided to Proposers for their informational purposes only, and this list shall not be considered an appropriate or exhaustive list of information necessary for a Proposer to meet the Company’s obligations under the Service Agreement. The recommendations, conclusions, findings, analyses, results or views expressed in the background documents have not been approved or endorsed by the City, and accordingly should not be construed as representing City policy.

The City neither makes any representation nor warranty with respect to, nor assumes any responsibility for the completeness or the accuracy of, the background documents. Proposers are solely responsible for conducting their own independent research and due diligence for the preparation of their Proposals and the subsequent delivery of services under the Service Agreement. No information derived from any part of the background documents, the RFP or from the City or any of its agents, employees, contractors, advisors or consultants, shall relieve the Company from any risk or from fulfilling all terms of the Service Agreement.

Table 1-2 Background Documents List				
<i>No.</i>	<i>Description</i>	<i>Organization</i>	<i>Date</i>	<i>Format</i>
1	LPWTP and Raw Water Pump Station Siting Assistance ⁽¹⁾	Black & Veatch	Feb 2000	Report
2	Phase I Environmental Site Assessment, Proposed Raw Water Pump Station Site, Northeast of Waddell Canal and State Route 74, Peoria, Arizona ⁽¹⁾	Geotechnical & Environmental Consultants, Inc.	Mar 2000	Report
3	Phase I Environmental Site Assessment, Proposed Lake Pleasant Water Treatment Plant, West of New River Road and One Mile North of Carefree Highway, Maricopa County, Arizona	Geotechnical & Environmental Consultants, Inc.	Mar 2000	Report
4	Biological Assessment of the Effects to Federally Endangered Species and Wildlife of Special Concern in Arizona from Removal of Sonoran Desertscrub Habitat and Construction of a Raw Water Pump Station in Maricopa County, Arizona ⁽¹⁾	EcoPlan Associates, Inc.	Feb 2000	Report
5	Biological Assessment of the Effects to Federally Endangered Species and Wildlife of Special Concern in Arizona from Removal of Sonoran Desertscrub Habitat and Construction of a Water Treatment Plant in Maricopa County, Arizona	EcoPlan Associates, Inc.	Feb 2000	Report

Table 1-2 Background Documents List				
<i>No.</i>	<i>Description</i>	<i>Organization</i>	<i>Date</i>	<i>Format</i>
6	Archaeological Survey of the City of Phoenix Lake Pleasant Water Treatment Plant Site, Maricopa County, Arizona	Northland Research, Inc.	Aug 1996	Report
7	Archaeological Survey of an Additional 33.3 Acres for the City of Phoenix Lake Pleasant Water Treatment Plant Site, Maricopa County, Arizona	Northland Research, Inc.	Oct 1997	Report
8	Geotechnical Engineering Report, Phase I Services, Lake Pleasant Water Treatment Plant, New River Road Near SR 74, Peoria/Maricopa County, Arizona R.A.M. Project No. G05059	Ricker, Atkinson McBee & Associates, Inc.	Jun 2000	Report
9	Alternative Delivery Method Investigation for the Lake Pleasant Water Treatment Plant Project – Executive Summary	LPWTP Project Team	Nov 1999	Report
10	Lake Pleasant Water Treatment Plant Water Quality Testing – Source Water Characterization and Regulatory Review	Carollo Engineers/Black & Veatch	Sep 2000	Report
11	Alternative Delivery Method Investigation for the Lake Pleasant Water Treatment Plant Project –Final Report and Appendices	LPWTP Project Team	Nov 1999	Report
12	Lake Pleasant Water Treatment Plant Water Quality Testing – Treatment Process Technology Assessment (Vol. 2)	Carollo Engineers/Black & Veatch	Sep 1999	Report
13	Lake Pleasant Water Treatment Plant Water Quality Testing – Pilot Facility Siting Study (Vol. 3)	Carollo Engineers/Black & Veatch	Sep 1999	Report
14	Biological Assessment of the Effects to Federally Endangered Species and Wildlife of Special Concern in Arizona from Removal of Sonoran Desertscrub Habitat and Construction of a Raw Water Pump Station and Associated Conveyance Pipeline in Maricopa County, Arizona	EcoPlan Associates, Inc.	July 2000	Report
15	Native Plant Inventory for the City of Phoenix Lake Pleasant Raw Water Pump Station, Conveyance Pipeline Corridor and Water Treatment Plant	EcoPlan Associates, Inc.	Nov 2000	CD
16	Geotechnical Engineering Report, Phase II Services, Lake Pleasant Water Treatment Plant, New River Road Near SR 74, Peoria/Maricopa County, Arizona R.A.M. Project No. G05059	Richer, Atkinson, McBee & Associates, Inc.	Aug 2000	Report

Table 1-2 Background Documents List				
<i>No.</i>	<i>Description</i>	<i>Organization</i>	<i>Date</i>	<i>Format</i>
17	Cultural Resource Survey of the Lake Pleasant Water Treatment Plant and Transmission Main, Maricopa County, Arizona	Northland Research, Inc.	Sep 2000	Report
18	Phase I Environmental Site Assessment for the Proposed Raw Water Pump Station and Transmission Line Site Northeast of Waddell Canal and State Route 74	Geotechnical and Environmental Consultants, Inc.	Aug 2000	Report
19	Water & Water Reclamation System Facility Cost Development	Black & Veatch	Feb 1995	Report
20	Draft Opinion of Probable Cost Memorandum Phoenix, Arizona Lake Pleasant Water Treatment Plant, Raw Water Pumping Station & Pipeline	Black & Veatch	Aug 1999	Report
21	RCEP Concrete Corrosion Protection Systems Guide for Chemical Containment Areas	Black & Veatch	Aug 2000	Report
22	RCEP Concrete Corrosion Protection Systems Guide Material Safety Data Sheets	Black & Veatch	Aug 2000	Report
23	RCEP Union Hills WTP Ferric Chloride System Assessment	Black & Veatch	Sep 2000	Report
24	RCEP Deer Valley, Squaw Peak and Union Hills WTPs Sulfuric Acid System Assessment	Black & Veatch	Oct 2000	Report
25	RCEP Union Hills WTP Copper Sulfate System Assessment	Black & Veatch	Oct 2000	Report
26	RCEP Deer Valley, Squaw Peak, and Union Hills WTP Hydrofluosilicic Acid System Assessment	Black & Veatch	Oct 2000	Report
27	RCEP Deer Valley, Squaw Peak and Val Vista WTP Alum System Assessment	Black & Veatch	Nov 2000	Report
28	Phase II-A Report Raw Water Quality Monitoring and Bench-Scale Evaluation	Carollo Engineers	Jun 2001	Report
29	Phase II-A Report Raw Water Quality Monitoring and Bench-Scale Evaluation Appendices - Volume 1	Carollo Engineers	Dec 2000	Report
30	Phase II-A Report Raw Water Quality Monitoring and Bench-Scale Evaluation Appendices - Volume 2	Carollo Engineers	Dec 2000	Report
31	Phase II-A Report Raw Water Quality Monitoring and Bench-Scale Evaluation Appendices - Volume 3	Carollo Engineers	Dec 2000	Report
32	Phase II-B/C Report Alternative Process Evaluation Pilot Study Interim Report	Carollo Engineers	May 2001	Report
33	Phase II-B/C Report Alternative Process Evaluation Pilot Study Interim Report Appendices -Volume 1	Carollo Engineers	May 2001	Report
34	Phase II-B/C Report Alternative Process Evaluation Pilot Study Interim Report Appendices -Volume 2	Carollo Engineers	May 2001	Report

Table 1-2 Background Documents List				
<i>No.</i>	<i>Description</i>	<i>Organization</i>	<i>Date</i>	<i>Format</i>
35	Phase II-B/C Report Alternative Process Evaluation Pilot Study Interim Report Appendices -Volume 3	Carollo Engineers	May 2001	Report
36	Final Report on Biological Assessment for Cactus Ferruginous Pygmy Owl Survey - LPWTP	EcoPlan Associates, Inc.	Jun 2001	Report
37	RCEP Deer Valley, Squaw Peak, Union Hills and Val Vista WTP Caustic Soda System Assessment	Black & Veatch	Nov 2000	Report
38	RCEP Deer Valley, Squaw Peak, Union Hills and Val Vista WTP Carbon System Assessment	Black & Veatch	Dec 2000	Report
39	July 24, 2000 Correspondence from the City of Phoenix to the Maricopa County Planning and Development Department regarding permit and inspection approvals for the Lake Pleasant WTP	City of Phoenix	Jul 2000	Letter
40	September 20, 2000 Section 404 Jurisdictional Delineation request from the City of Phoenix to the Unites States Army Corps of Engineers	USACOE	Sep 2000	Letter
41	Lake Pleasant Raw Water Pump Station, Conveyance Pipeline Corridor, and Water Treatment Plant Jurisdictional Delineation of Water of the U.S.	EcoPlan Associates	Sep 2000	Report & CD
42	December 11, 2000 United States Army Corps of Engineers Jurisdictional Determination letter	USACOE	Dec 2000	Letter & Drawings
43	October 28, 1997 Correspondence from the Arizona Department of Environmental Quality to the City of Glendale regarding membrane filtration pilot demonstration project	ADEQ	Oct 1997	Letter
44	Plants for Use in Utility Easements	City of Phoenix	2000	List
45	Cultural Resources Survey of the LPWTP and Transmission Main, Maricopa County, Arizona	Northland Research, Inc.	Jun 2001	Report
46	LPWTP and RWPS Topo	Kenny Aerial	Aug 2000	CD
47	Raw Water Transmission Line Topo	Kenny Aerial	Apr 2001	CD
48	Benchmark Facility Conceptual Design Report	Malcolm Pirnie, Inc.	Aug 2001	Report
49	Benchmark Facility Preliminary Design Report	Greeley & Hansen	Aug 2001	Report
50	Benchmark Facility Preliminary Design	Greeley & Hansen	Aug 2001	Plans
51	Architectural Rendering of Operations Building (presented for the Benchmark facility)	Greeley & Hansen Architects	Aug 2001	Drawing
52	Benchmark Facility-Conceptual Landscape Plan	Sonoran Desert Design	Feb 2001	Drawings

Table 1-2 Background Documents List				
<i>No.</i>	<i>Description</i>	<i>Organization</i>	<i>Date</i>	<i>Format</i>
53	Benchmark Facility Cost Report	Raftelis Financial Consulting	Aug 2001	Report
54	City of Phoenix Design Standards Manual for Water, Wastewater, and Reclaimed Water Systems	City of Phoenix	NA	Manual
55	City of Phoenix, Arizona Design Guidelines for Remote Wastewater Facilities	Wilson & Company	May 1989	Report
56	30% Review of the Raw Water Pump Station and Water Treatment Plant	CAP	Mar 2001	Letter
57	August 15, 2001 Categorical Exclusion for the Raw Water Pump Station, Raw Water Main, and Water Treatment Plant Project from United States Bureau of Reclamation	BOR	Aug 2001	Memo

(1) Proposed Raw Water Pumping Station Site was moved after preparation of this report at the request of the current property owner to allow for other development opportunities. The City believes that this decision was based on the landowner's planning for the best use of its land and is not related directly to this Project.

Lake Pleasant Water Treatment Plant DBO Project

Request for Proposals

SECTION 2 - GENERAL INFORMATION

2.1 Project Overview

As of the year 2000, the City's five WTPs were capable of treating 600 MGD of water for the City of Phoenix (Verde WTP – 50 MGD, Val Vista WTP – 130 MGD, Squaw Peak WTP – 140 MGD, Deer Valley WTP – 150 MGD, and Union Hills WTP – 130 MGD).

The City has determined that there is a need for additional water treatment plant capacity to serve the area of the City currently served by their Central Arizona Project (CAP) supply. A new water treatment plant in north Phoenix will also improve the reliability of the City's Water System. This Project is the larger of two planned projects intended to address these needs. The other anticipated project is an upgrade of the capacity of the Union Hills Water Treatment Plant from its current capacity of 130 MGD to its design capacity of 160 MGD. The City intends to separately procure a firm or firms to implement the Union Hills Water Treatment Plant Improvements. The Union Hills Water Treatment Plant improvements and the Project are being treated by the City as two separate projects under the Enabling Law, and persons or firms participating in one project will be permitted to participate in the other project. The City's intention is to bring the Union Hills Water Treatment Plant Improvements on-line in 2003 and this Project on-line by early 2007.

The proposed source of water for the Project is the Waddell Canal, which connects the CAP Canal to Lake Pleasant. The direction of flow in the canal changes seasonally as Lake Pleasant is either filled or drained from or to the Waddell Canal. The water quality in the Waddell Canal varies and will depend upon the source of the water in the Waddell Canal, i.e. whether water is being pumped into Lake Pleasant or released out of Lake Pleasant back into the CAP Canal. The source of water, seasonal influences and other operational factors will greatly affect the water quality in the Waddell Canal for treatment at the Plant.

2.1.1 Selected Sites

The Plant Site, the Raw Water Transmission Line Site and the Raw Water Pumping Station Site are each located on undeveloped stretches of rural desert land northwest of the urban metropolitan Phoenix area, near Lake Pleasant. A site location map and information regarding the metes and bounds of each property are provided in Appendix 1.

The Plant Site is approximately 225 acres in size and is roughly triangular in shape. This site is owned by the City and was acquired from the Arizona State Land Department in 1998. It is located on the west side of New River Road approximately one mile north of the Carefree Highway. The Plant Site is located in Maricopa County.

The Raw Water Transmission Line Site connects the Plant Site and the Raw Water Pumping Station Site. The lands on which the Raw Water Transmission Line Site will reside are either owned by the United States Bureau of Reclamation (BOR) and managed by the CAP, or are owned by the Arizona State Land Department. The Raw Water Transmission Line Site is located in the City of Peoria, Arizona. The City has acquired or is pursuing all necessary easements or other property interests for the Raw Water Transmission Line Site and Raw Water Pumping Station Site. A right-of-way for the portion of the Raw Water Transmission Line Site owned by the Arizona State Land Department is provided in Appendix 1.

The Raw Water Pumping Station Site is approximately 10-acres in size and roughly rectangular in shape. It is currently owned by the BOR and managed by the CAP. This site adjoins the Waddell Canal to the west and is approximately 1000 feet north of Carefree Highway (State Highway 74). The Raw Water Pumping Station Site is located within the City of Peoria, Arizona.

Both the Plant and Raw Water Pumping Station Sites are undeveloped and consist primarily of desert vegetation including palo verde trees, creosote shrub and isolated saguaro, cholla, and barrel cacti. The Raw Water Pumping Station Site was previously disturbed during construction of the Waddell Canal and also has an abandoned airport runway. The land adjacent to these sites is also currently undeveloped desert land with the nearest development being the Lake Pleasant Recreational Area and marina approximately one and one-half miles northwest of the Plant Site and the Waddell Canal adjacent to the Raw Water Pumping Station. It is expected that adjacent properties will be developed and that such development may include residential and commercial development.

The Plant Site and Raw Water Pumping Station Site are accessible from Phoenix via I-17 (North) and the Carefree Highway, which runs west from I-17. A rough dirt road currently exists from the Carefree Highway to the Raw Water Pumping Station Site. Access to the Plant Site is via its frontage on New River Road. This paved road runs northeast from Carefree Highway. An overhead power line terminates on the Raw Water Pumping Station Site. There are no other developed public utilities on the Raw Water Pumping Station Site. A natural gas transmission main is present on the Plant Site as indicated in Appendix 1. The nearest overhead power line to the Plant Site is approximately 750 feet from the northwest corner of the Plant Site.

The City, or its designee will construct portions of the Finished Water transmission lines, wastewater force main, and fiber optic system located off of the Plant Site and terminating at the property line or within the Plant Site as further described in Appendices 1 and 5. The schedule for construction of those facilities for which the City is responsible will be coordinated with the Company's schedule. The City

will require the use of a portion of the Plant Site for construction of such facilities. The Company's requirements for connection work at the interfaces of Company and City construction are described in Appendices 1 and 5.

2.1.2 Proven Technologies

The Project is being implemented to allow the City to maintain regulatory compliance, provide water quality improvements and improve the capacity and reliability of the water supply. As such, the City will only consider the application and implementation of proven technologies or technologies defined as allowable exceptions. For the purposes of this Project, a "proven technology" is any technology related to water treatment that has been installed and operated in the United States at a water treatment facility and concurrently meets all of the following:

1. is supplied by a surface water source,
2. is serving the public,
3. is currently in operation and has been operating for at least the last two years under similar raw water quality conditions, and
4. is operating at a modular size at least as large as that proposed.

"Allowable exceptions" are ultra-violet (UV) disinfection, microfiltration (MF), dissolved air flotation (DAF) and ballasted flocculation technologies. Experience for these technologies need not be limited to installations in the United States although all other requirements of a proven technology apply.

Notwithstanding the foregoing, any Proposer may request the City to consider an additional exception to the definition of a proven technology at the time of Preliminary Technical Proposal submittal. Any such submittal must meet the following requirements:

- (a) The treatment technology or process must be commercially available and in current commercial operation at a modular size similar to or greater than the proposed,
- (b) the reference project must be available for inspection by the City, and
- (c) the submittal must include the following documentation:
 - name, location, and description of water treatment facility(ies) where treatment process or technology is currently operating,
 - years of operation,
 - detailed operating data and performance history demonstrating its efficacy and applicability for this Project, and
 - rationale for proposed use of this technology or process in this application.

City will review any such proposed treatment technologies or processes and, as provided in Section 3.1, will determine whether it is objectionable or non-objectionable to the City.

If an additional exception requested by a Proposer is found to be non-objectionable by the City based on the City's review of that Proposer's Preliminary Technical Proposal, the Proposer will be permitted to propose such allowable exception without further action of the City.

It is expected that any allowable exception is unfamiliar to Maricopa County Environmental Services Department (MCESD) and, as indicated in Section 2.2.5.3, may require pilot testing under conditions determined by MCESD prior to MCESD approval. MCESD may also require pilot testing of proven technologies.

Proposers are advised that, as part of its review of Preliminary Technical Proposals, the City reserves the right to eliminate any technology or process, in general, or any aggressive design of a technology or process which it deems objectionable for any reason. Any treatment process determined to be objectionable by the City will be added to the list of non-allowable treatment processes in this Section 2.1.2 by addendum and be prohibited from use by all Proposers.

Proposers may only request City evaluation of an additional exception as part of its Preliminary Technical Proposal. Only proven technologies and allowable exceptions shall be included in a Proposer's Revised Technical Proposal.

Notwithstanding the foregoing, the City has determined that the following treatment processes will not be allowed:

- Chloramination
- Drying beds and lagoons for residuals processing
- Any technology that is either (a) not proven, or (b) not an allowable exception as defined above.

2.1.3 Facilities Ownership and Financing

The City will, at all times, own the Facilities, except for the Intake, and the portions of the Sites owned by BOR or Arizona State Land Department, and will fund all or part of the Fixed Design/Build Price with tax-exempt debt. To maintain the tax-exempt status of the debt, the Service Fee under the Service Agreement has been structured to comply with United States Internal Revenue Service (IRS) Revenue Procedure 97-13 and any subsequent related rulings or procedures at all times during the Term of the Service Agreement. Proposers are advised that the City is seeking a private letter ruling from the IRS to confirm the compliance of the compensation arrangement under the Service Agreement with Revenue Procedure 97-13. The City reserves the right to modify such compensation arrangement as and to the extent necessary to permit the City to issue tax-exempt debt for the Project.

2.1.4 Pilot Testing Program

A bench-scale and pilot-scale testing program was initiated by the City to obtain data regarding a number of treatment processes which may or may not be applicable for the Plant and other City water treatment facilities. Bench-scale testing commenced at the beginning of 2000 and was completed by December 2000. Pilot-scale testing for selected treatment alternatives commenced in the Spring of 2000 and is expected to be completed by the end of calendar year 2001.

The City will make available data from its bench-scale and pilot-testing program; however, each Proposer will be solely responsible for interpreting and determining the adequacy and accuracy of Raw Water quality data and any process performance data to be used as the basis for design of the Facilities to meet the requirements of the Service Agreement. The quality of the Raw Water used during the bench-scale and pilot-testing program does not represent the full range of future Raw Water quality expected in the Raw Water to be provided to the Plant. Proposers may elect to perform additional research and pilot-testing.

A Proposer may perform its own pilot testing at the Proposer's own expense. Testing at the Union Hills WTP must be arranged with the City's Project Manager and must be consistent with all requirements, approvals and regulations, including City-established regulations and procedures. Proposers are free to contact CAP/BOR for use of Waddell Canal water and to determine the availability of other testing locations.

2.1.5 Project Benchmark

The Benchmark for the Project is \$_____ (amount to be provided by Addendum), which represents the net present value of the City's estimated costs for:

- (1) designing, obtaining governmental approvals for, and constructing the Facilities,
- (2) operating and maintaining (including repairs and replacements) the Facilities from February 1, 2007, to June 30, 2022, and
- (3) City administrative and oversight activities associated with enhanced DBB project design, construction, and City operation from February 1, 2007, to June 30, 2022.

The Benchmark will be escalated to the timeframe applicable for the Project. The risk allocation which is the basis of the Benchmark is the standard risk allocation in the City's enhanced design-bid-build (DBB) delivery method with City operation under its reengineered operations program. The methodology and procedures used, and the factors assumed in calculating the net present value of the Benchmark are presented in the "Benchmark Facility Cost Report", dated August 2001.

The Benchmark was estimated based on a preliminary design prepared by the City. This design work is summarized in background documents entitled “Benchmark Facility Conceptual Design Report”, dated October 2000, “Benchmark Facility Preliminary Design Report” dated August 2001, “Benchmark Facility Preliminary Design” dated August 2001, “Architectural Rendering of the Benchmark Operations Building” dated August 2001 and “Benchmark Facility Landscape Conceptual Plan” dated February 2001.

Proposers are advised that the preliminary design represents only one of many alternatives that the City may consider for this Project and should not be construed as representing the City’s preferred approach to the Project. Proposers are further advised that the Benchmark does not represent the City’s budget for the DBO project delivery approach, nor does it represent the Project Budget within the meaning of the Enabling Law.

2.2 Site Reviews and Permitting Activities

2.2.1 Geotechnical Investigations

Limited, preliminary geotechnical investigations were performed for the Plant Site and the Raw Water Pumping Station Site. The work is summarized in a report included in the background documents entitled “Geological Engineering Report, Phase I Services, Lake Pleasant Water Treatment Plant, New River Road Near SR 74, Peoria/Maricopa County, Arizona R.A.M. Project No. G05059”, dated June 2000. A Phase II geotechnical investigation was performed for the Plant Site, the Raw Water Pumping Station Site and the Raw Water Transmission Line Site. This work is summarized in the August 2000, background document entitled “Geotechnical Engineering Report, Phase II Services, Lake Pleasant Water Treatment Plant, New River Road Near SR 74, Peoria/Maricopa County, Arizona R.A.M. Project No. G05059.”

The Service Agreement requires the Company to agree that the Sites are acceptable and suitable for the construction and operation of the Facilities, and to assume the risk of all subsurface geotechnical conditions at the Sites that may affect the Project. As such, the City will provide appropriate opportunities to each Proposer, at its own cost, to visit the Sites and perform its own geotechnical investigations thereof. Information and requirements concerning Proposer visitations to and investigations of the Sites are described in Section 3.10.

2.2.2 Archaeological Investigations

The City has had two archaeological surveys conducted for the Plant Site. An initial survey was completed in November 1996; a second survey of an additional 33.3 acres was completed in October 1997. The purpose of the surveys was to identify any existing archaeological sites and artifact occurrences at the Plant Site. Each survey consisted of review of archaeological literature and site file records followed by a pedestrian survey of the Plant Site. Both studies indicated that no further

archaeological investigation is necessary, and recommended that archaeological clearance be granted for development of the Plant Site. The archaeological studies conducted to date are summarized in the background documents entitled “Archaeological Survey of the City of Phoenix Lake Pleasant Water Treatment Plant Site, Maricopa County, Arizona”, dated August 1996, and “Archaeological Survey of an Additional 33.3 Acres for the City of Phoenix Lake Pleasant Water Treatment Plant Site, Maricopa County, Arizona”, dated October 1997.

An initial archaeological survey was performed for the Raw Water Pumping Station Site and Raw Water Transmission Line Site in July 2000. This initial study recorded a portion of one archaeological find within the Raw Water Transmission Line Site, but concluded that no further archaeological investigation was necessary at these sites. This work is summarized in the background document dated September 2000 and entitled “Cultural Resource Survey of the Lake Pleasant Water Treatment Plant and Transmission Main, Maricopa, County, Arizona”.

Subsequently, the State Historic Preservation Office requested that a more comprehensive archaeological survey be performed on the Raw Water Transmission Line Site. This work was conducted in December 2000. Following this study, and in conjunction with other environmental concerns, the City realigned a portion of the Raw Water Transmission Line Site. An archaeological survey of this realignment was performed in March 2001. This work is summarized in the background document dated June 2001 and entitled “A Cultural Resources Survey of the Lake Pleasant Water Treatment Plant and Transmission Main, Maricopa County, Arizona”. This report documents one additional archaeological site within the realignment. The report indicates that this additional site is not considered eligible for the National Register of Historic Places; however, the initial site identified in the July 2000 report is considered potentially eligible. As a result of the realignment, the initial site is no longer within the Raw Water Transmission Line Site but remains adjacent to it. The study recommends that this initial site be avoided during construction activities.

Proposers are advised that although not anticipated, if significant subsurface cultural resources are encountered during site tests and/or construction activities on land owned by the BOR and managed by the CAP, an archaeologist from the Phoenix Area Office of the BOR and the City Archaeologist should be notified. The Arizona State Museum should be notified immediately of significant subsurface cultural resources on State land as per A.R.S. Section 41-865.

2.2.3 Biological Assessment

The City has had biological assessments conducted for the Plant Site, Raw Water Pumping Station Site and Raw Water Transmission Line Site. This work was initiated in January 2000 and is summarized in the background documents entitled “Biological Assessment of the Effects to Federally Endangered Species and Wildlife of Special Concern in Arizona from Removal of Sonoran Desertscrub Habitat and Construction of a Water Treatment Plant in Maricopa County, Arizona”, dated February 2000, and

“Biological Assessment of the Effects to Federally Endangered Species and Wildlife of Special Concern in Arizona from Removal of Sonoran Desertscrub Habitat and Construction of a Raw Water Pump Station and Associated Conveyance Pipeline in Maricopa County, Arizona”, dated July 2000. The results reported in these documents indicate that there is no designated or proposed Critical Habitat within the proposed Plant Site, Raw Water Pumping Station Site, and Raw Water Transmission Line Site.

A second Cactus Ferruginous Pygmy Owl survey for the Plant Site was conducted per U.S. Fish and Wildlife Services recommendation. The work is summarized in a report entitled “Cactus Ferruginous Pygmy Owl Survey LPWTP”, dated June 21, 2001. Results of the survey indicate that there are no Cactus Ferruginous Pygmy owls at the Plant Site, and the consultants recommended that because the Plant Site is not within the current range of this species, no additional surveys be conducted. Proposers are advised that the Company may be required to conduct additional pygmy owl surveys during the permitting process for the Plant.

The City also had a native plant survey conducted for the Plant Site, Raw Water Pumping Station Site and Raw Water Transmission Line Site. This work is summarized in the background document dated November 2000 and entitled “Native Plant Inventory for the City of Phoenix, Lake Pleasant Raw Water Pump Station, Conveyance Pipeline Corridor and Water Treatment Plant.”

2.2.4 Environmental Site Assessment

A Phase I environmental site assessment was conducted for the Raw Water Pumping Station Site, Raw Water Transmission Line Site and the Plant Site. This work is summarized in the background documents entitled “Phase I Environmental Site Assessment for the Proposed Raw Water Pump Station and Transmission Line Site Northeast of Waddell Canal and State Route 74”, dated August 2000, and “Phase I Environmental Site Assessment, Proposed Lake Pleasant Water Treatment Plant, West of New River Road and One Mile North of Carefree Highway, Maricopa County, Arizona”, dated March 2000. The results reported in these documents indicate that there is no evidence of environmental concern within the Raw Water Pumping Station Site, Raw Water Transmission Line Site and Plant Site.

2.2.5 Permitting

The Company will be responsible for obtaining and maintaining all Governmental Approvals necessary to design, construct, and operate the Facilities in accordance with the requirements of the Service Agreement. The number and type of Governmental Approvals will vary according to the specific design and operating concepts proposed.

Based on preliminary discussions with the MCESD, it has limited experience in permitting projects in any manner other than the conventional approach based on submittal of complete design packages. However, MCESD has indicated its willingness to consider the possibility of an alternate approval process for the

Facilities that would likely be based on conditional approval packages by construction phase (e.g., site work, structural, etc.) or by construction elevation (e.g., foundation, walls, etc.).

Appendix 2 presents a preliminary listing of Governmental Approvals that can be expected for the Facilities. This list is not all-inclusive and Proposers are solely responsible for determining all Governmental Approvals that are necessary for the Facilities proposed. Where required by Applicable Law, Governmental Approvals will be applied for and obtained in the name of the City.

2.2.5.1 Company Assumption of Permitting Risk for Design/Build Work

Subject to the City's review rights under the Service Agreement, the Company is responsible for making all applications and taking all other actions to obtain and maintain all Required Construction Date Governmental Approvals and all other Governmental Approvals necessary to continue and complete the Design/Build Work. Proposers are advised that the Company is required to assume the risk of obtaining and maintaining all such Governmental Approvals including, without limitation, the risk of delay, non-issuance or imposition of any term or condition in connection therewith by a Governmental Body for any reason. Proposers are further advised that the occurrence of any such risk will not constitute a Change in Law or Uncontrollable Circumstance under the Service Agreement.

The City has reserved the right to terminate the Service Agreement if the Required Construction Date Governmental Approvals have not been issued and the Construction Date has not occurred on or before 548 days following the Contract Date. In such event, the Company is required to repay the City for all amounts previously paid to the Company for its Development Period work and the parties otherwise will bear all of their cost and expenses incurred prior to the date of termination.

2.2.5.2 Process Permits and Use Permits

As part of its Development Period responsibilities, the Company will be required to prepare and submit complete applications for the Process Permits and the Use Permits to the appropriate Governmental Body(ies) within certain stipulated periods of time. The Process Permits are identified as follows:

- *Maricopa County Environmental Services Department (MCESD) Permit to Construct* – approval of detailed design, plans and specifications prior to commencement of construction of the Facilities; and
- *United States Army Corps of Engineers (USACOE) Section 404 Permit* – approval of any discharge of dredged or fill material within a designated jurisdictional area, which is expected to include impacts to washes.

The Use Permits are identified as:

- *Maricopa County Planning and Development Department (MCPDD) Special Use Permit* – approval of site use for the Plant; and
- *City of Peoria Planning Department (CPPD) Conditional Use Permit* – approval of site use for the Intake, Raw Water Pumping Station and Raw Water Transmission Line.

Stipulated time periods for submitting complete applications for these permits are identified in Appendix 2. The City believes that these timeframes represent reasonable periods of time within which to prepare and submit the respective Process Permit and Use Permit applications based on the City's history with such permits. Proposers are advised that the failure of the Company to submit completed Process Permit and Use Permit applications within the applicable timeframes will constitute a breach of the Service Agreement.

2.2.5.3 Regulatory Review and Approval of Technologies

Proposers are advised that in seeking MCESD approval of their proposed treatment technologies and processes for the Facilities, they may be required to demonstrate to MCESD, through pilot plant studies or other means, the reliability of such technologies and processes to meet then-applicable water treatment requirements. Each Proposer is responsible for independently verifying with MCESD the particular review and approval requirements necessary for obtaining all Governmental Approvals for its proposed technologies and processes and assessing their relative impact on the Company's assumption of the permitting risk described in Section 2.2.5.1. Proposers are also advised that it is to be expected that additional requirements may be identified as a governmental agency performs its review.

2.2.5.4 Contact with Regulatory Agencies

Proposers are encouraged to contact regulatory agencies directly with respect to any matters relating to the Governmental Approvals that may be required for this Project and their Proposals, except for the USACOE which has requested that the City act as liaison for all contacts with the USACOE. Any inquiries for the USACOE shall be coordinated through the City's Project Manager.

2.2.6 City Assistance in Permitting Process

The City recognizes that the activities necessary to secure the Governmental Approvals are extensive. As the permit holder for the Facilities, the City has an interest in the ability of the Company to successfully obtain the necessary Governmental Approvals for the design, construction and operation of the Facilities. Therefore, as set forth in the Service Agreement, the City will have the right to review and comment on material documentation submitted by the Company in the permitting processes. In no event, however, shall the City's assistance to the Company in the permitting process result in any liability to the City nor

release the Company from its obligation to obtain all Governmental Approvals necessary to design, construct and operate the Facilities.

The City has held several preliminary Facilities permitting sessions with the MCESD, the MCPDD and the CPPD for the purpose of identifying compliance requirements for the Facilities. The City has come to an agreement with MCPDD regarding the protocol for permit application, plan review and inspection for building permits related to the Facilities located in the County.

The arrangement between the City and MCPDD for permit application, plan review and inspection for building permits is described more fully in a July 24, 2000, letter from the City to the MCPDD. A copy of this letter is included as a background document. The City intends to request CPPD approval for a similar building permit and inspection process for the Raw Water Pumping Station Conditional Use Permit.

The City applied to the USACOE on September 20, 2000, for jurisdictional delineation of the Plant's impact on the washes at the Plant Site. The USACOE responded on December 11, 2000, with an approved jurisdictional determination for washes within the proposed Sites. A copy of this correspondence is included as a background document. It is expected that construction of the Plant will impact the washes under the jurisdiction of the USACOE, necessitating a Section 404 USACOE permit. The Company shall be responsible for acquiring the Section 404 permit; the City will be the permit holder. At the request of the USACOE, the City will act as liaison between the Company and the USACOE in all matters pertaining to the Section 404 USACOE permit.

2.3 Service Agreement

The Service Agreement contained in Volume II of this RFP sets forth the detailed risks, responsibilities and obligations of the Company in performing the Contract Services for the Project. As described in Section 3 of this RFP, Proposers will be afforded a full opportunity to provide detailed, written comments on all aspects of the Service Agreement (other than those discussed below) as part of their Revised Preliminary Technical Proposal submittals. Based on its assessment of all Proposer comments, the City, in its sole discretion, may or may not make modifications to the Service Agreement. Proposers are advised that all modifications made by the City will be binding on all Proposers. If any modifications are made, they will be made by addendum, and the Service Agreement as modified will become final. Each Proposer will be required to base its Final Technical Proposal and Price Proposal on the final, clarified Service Agreement. No exceptions to the clarified Service Agreement may be taken by any Proposer in its Proposal, nor will any of the terms of the clarified Service Agreement be subject to any post-award negotiation. Any exception taken by the Proposer to the final, clarified Service Agreement will result in the Proposal being declared nonresponsive.

As indicated above, Proposers are advised that they will not be permitted to comment on or otherwise take exception to any aspect of the Service Agreement pertaining to the requirements of Sections 2.3.2, 2.3.3, and 2.3.4 of this RFP. Proposers are further advised that no information derived from any part of this RFP, or from the City or any of its agents, employees, advisors or consultants, shall relieve the Company from any risk or from fulfilling all terms and conditions of the final, clarified Service Agreement.

2.3.1 Performance Guarantees

Article VIII of the Service Agreement and Appendix 9 set forth the Performance Guarantees for the Facilities and the liquidated damages for failure of the Company to meet certain of the Performance Guarantees during the Operation Period. The Company shall design, construct, operate, and maintain the Facilities to meet the Performance Guarantees. If, at any time, the Performance Guarantees are not met, the Company will be subject to liquidated damages and/or termination in accordance with the Service Agreement.

It should be noted that the required Water Treatment Guarantee in the Service Agreement includes the requirements of Applicable Law and in certain instances imposes stricter requirements for Finished Water quality than Applicable Law (i.e., Enhanced Standards). The Company shall be required to fully comply at all times during the Term of the Service Agreement with the Water Treatment Guarantee.

Proposers are advised that, pursuant to the Service Agreement, the Company is required to assume the risk of the nature, condition or quality of the Raw Water at all times (except for outside of the turbidity curve presented in Appendix 9) in connection with their performing the Contract Services.

2.3.2 Guarantor

Each Guarantor will be required to sign a Guaranty Agreement with the City in the form set forth in the Service Agreement (Transaction Form A). The Guaranty Agreement requires each Guarantor to irrevocably, absolutely and unconditionally guarantee all of the Company's obligations under the Service Agreement including, but not limited to, designing, constructing, acceptance testing, operating and maintaining (including all repair and replacement) and obtaining Governmental Approvals for the Facilities.

2.3.3 No Stated Dollar Limitation on Liability

Proposers are advised that, in accordance with Phoenix City Code Section 42-13.B, neither the Service Agreement nor the Guaranty Agreement contains provisions putting a stated maximum monetary limitation on the liability of the Company and the Guarantor in the performance of their obligations under the respective agreements. **Proposers are further advised that any Proposer that attempts to place a**

stated dollar limit on the liability of the Company or the Guarantor as part of its Proposal will be rejected by the City and will not receive the honorarium.

Notwithstanding the provisions of City Code Section 42-13.B, the Phoenix City Council passed an ordinance on July 5, 2001 authorizing the City Manager to waive the City's right to seek consequential, punitive, incidental or special damages against the Company under the Service Agreement. Proposers are advised of the inclusion of such waiver in the Service Agreement and that no exception or further comment will be accepted by the City pertaining to the foregoing waiver and its related scope of the indemnity provision as contained in the Service Agreement.

2.3.4 Security for Performance

In addition to the Guaranty Agreement, the Company will be required to provide additional security for performance of its obligations under the Service Agreement. The Company will be required to cause the Guarantor to provide as additional security for its Design/Build Period obligations under the Service Agreement an irrevocable direct pay letter of credit in the amount of \$20,000,000 issued by a United States bank whose long-term debt is rated "A" or better by Moody's and Standard and Poor's and which maintains a banking office in the State. The Company will be required to provide, as additional security for its Design/Build Period obligations under the Service Agreement, a performance bond and a payment bond. Pursuant to the Enabling Law, the performance bond and the payment bond are each required to be in an amount equal to the Company's price for construction of the Facilities, exclusive of any costs for design and preconstruction services.

As additional security for its Operation Period obligations under the Service Agreement, the Company will be required to cause the Guarantor to provide an irrevocable direct pay letter of credit in the amount of \$5,000,000 (as escalated annually pursuant to the Service Agreement) issued by a United States bank whose long-term debt is rated "A" or better by Moody's and Standard and Poor's and which maintains a banking office in the State.

Except for the Operations Period Letter of Credit, each of these instruments shall be furnished to the City on or before, and as a condition precedent to, the Contract Date. These instruments shall be in substantially the forms as indicated in the Transaction Forms.

2.3.5 Select Contractual Requirements

2.3.5.1 Affirmative Action

The Service Agreement is subject to the Phoenix City Code, Chapter 18, Article IV and V, as amended, pertaining to non-discrimination in employment by contractors, subcontractors, and suppliers. Each

Proposer shall clearly state its Affirmative Action Compliance number on Proposal Form 1 (Proposal Transmittal Letter).

2.3.5.2 Minority- and Woman-Owned Business Enterprises (MBE and WBE) Utilization

All Proposers must agree to provide opportunities for the fair and full utilization of MBE/WBEs during the construction portion of the Design/Build Work by complying with the requirements of Chapter 18, Article VI of the Phoenix City Code, as amended from time to time. Included in these requirements is the achievement of a required percentage of utilization of MBE and WBE firms in the performance of the construction phase of the Design/Build Work under the Service Agreement. Proposers unable to achieve the required utilization percentage must substantiate that a good faith effort was made to ensure that MBE and WBE firms had the full opportunity to participate in the construction phase of the Design/Build Work. Nothing in this requirement shall be construed to require the utilization of MBE or WBE firms that are unavailable or unqualified. For further information contact the City of Phoenix Goals Compliance Office at (602) 262-6790.

Only firms certified by the City under Chapter 18, Article VIII of the Phoenix City Code are eligible towards fulfilling the goals for City projects. City certification requires that a physical business be located within the Phoenix Metropolitan Statistical Area that includes Maricopa County. The City of Phoenix Construction Directory for Maricopa County contains the complete listing of those firms which the City has verified and approved and which therefore may potentially be used on this Project. The Company will be responsible for compliance with Arizona law, which requires that only licensed contractors work on this Project. Suppliers, manufacturers and service suppliers do not require a license. The City must verify and approve proposed MBE and WBE firms prior to any contract or procurement arrangements being made, or work being performed, in order for those contract dollars to count towards MBE and/or WBE utilization goals. If the name of an MBE/WBE firm does not appear in the City of Phoenix Construction Directory for Maricopa County at the time the work is to be performed, that firm will be ineligible to satisfy the subcontracting goals for this Project.

The most current electronic listing of all certified MBE and WBE firms can be accessed through the Internet at: www.phoenix.gov/CERTIFY/index.html.

For this Project, the City has established a 10% goal for the utilization of MBEs and WBEs in the performance of the construction work. Rounding up when calculating utilization will not be allowed. The goal shall be achieved adhering to the following requirements:

- A goal that MBEs shall participate in the construction work at a level not less than 7% of the Fixed Design/Build Price relating to the construction of the Facilities.

- A goal that WBEs shall participate in the construction work at a level not less than 3% of the Fixed Design/Build Price relating to the construction of the Facilities.

Attachment A to this RFP sets forth the City's procedures and guidelines with respect to crediting MBE/WBE firms' work towards the goals set for this Project.

As described in Section 4.3.3 and Section 5.5.1.4, each Proposer is required to provide documentation as part of its Revised Preliminary Technical Proposal and its Final Technical Proposal demonstrating compliance with the MBE/WBE utilization goals for the Project. **Failure to meet this requirement will result in a Proposal being declared non-responsive to the requirements of the RFP and the Proposal will not be considered.**

The City encourages the use of MBE and WBE firms in the design phase of the Design/Build Work under the Service Agreement although it is not an evaluative factor of this RFP. Proposers, however, are advised that only MBE/WBE participation in the construction phase of the Project will be counted towards the City's MBE/WBE goals for the Project.

2.3.5.3 Convenience Termination Payments

In accordance with Article 12.7 of the Service Agreement, the City shall have the right to terminate the Service Agreement at any time for its convenience and without cause upon the payment of a convenience termination fee. The amount of the convenience termination fee is dependent upon when the City exercises its right to convenience terminate the Service Agreement:

- During the Development Period, the convenience termination fee shall be the reimbursement of 100% of the Cost Substantiated costs and expenses of the Company for its Development Period activities up to 8% of the Fixed Design/Build Price.
- During the Construction Period, the convenience termination fee shall be \$1,000,000 plus 1% of the unbilled and unpaid Fixed Design/Build Price, subject to settlement of outstanding payments, as of the Termination Date.
- During the Operating Period, the convenience termination fee shall be \$2,000,000, reduced by 1/180th of such amount for each month that has elapsed following the Acceptance Date to and including the month in which the Termination Date occurs.

2.3.5.4 Minimum Labor Benefits

Proposers are advised that the Service Agreement requires the Company to provide and maintain during the Term thereof continuous medical coverage for its employees and their dependents during the Operation Period only, which coverage shall include at a minimum:

1. Hospitalization with at least 60% coverage (in-and-out patient);
2. Doctor's visits with at least 60% coverage; and
3. Prescription drug coverage.

The Service Agreement further requires the Company to provide the City with a copy of its medical insurance coverage plan prior to Acceptance of the Facilities. Thereafter, the Company is required to promptly notify the City of any changes to its medical insurance coverage plan which reduces the medical benefits below those levels prescribed above and provide the City with copies thereof. The Company's failure to, at any time, comply with these minimum benefits will constitute a breach of the Service Agreement.

2.3.6 Other State Law/City Ordinance Requirements

The Company is required to comply with ARS Title 32 and all registration and licensing requirements imposed by the City and any other government agency with jurisdiction over any aspect of the Design/Build Work. Pursuant to the Enabling Law, the Successful Proposer will be required to be appropriately registered and licensed pursuant to Title 32, Chapter 1 and Title 32, Chapter 10, respectively, each of the Arizona Revised Statutes. Proposers shall confirm that all registrations and licenses are valid and in full effect. The submittal requirements described in Section 5 of this RFP define the specific requirements for submittal and/or confirmation of registrations and licenses.

Lake Pleasant Water Treatment Plant DBO Project

Request for Proposals

SECTION 3 - RFP PROCUREMENT PROCESS

3.1 RFP Procurement Process and Decision to Proceed

The major steps remaining in the procurement process are as follows:

- Proposer Information Meeting (Pre-Preliminary Technical Proposal Conference)
- Submittal of Preliminary Technical Proposals, comments on the RFP and preliminary written comments on the Service Agreement
- Individual Proposer Meetings to Review Preliminary Technical Proposals
- Submittal of Revised Preliminary Technical Proposals
- Clarification of Revised Preliminary Technical Proposals and detailed, written comments on the Service Agreement
- Issuance of final RFP addendum with clarified Service Agreement
- Submittal of Proposals
- Evaluation of Proposals
- Selection Committee recommendation of Selected Proposer for City approval or rejection
- City determination to accept or reject Selection Committee recommendation

The proposed procurement schedule is presented in Section 3.2.

3.1.1 Overview

The procurement process established by the Enabling Law generally requires that the Service Agreement for the Project be awarded by the City to the Proposer receiving the highest number of points under the scoring system developed by the City which is set forth in the RFP. The points are to be determined by the Selection Committee based upon a review of the Final Technical Proposals and the Price Proposals submitted simultaneously at the conclusion of the procurement process. The point scoring system for this Project is detailed in Section 6 of this RFP.

As further provided by the Enabling Law, the Selection Committee has determined to undertake a clarification process prior to the receipt of the Final Technical Proposals and the Price Proposals. Accordingly, Preliminary Technical Proposals and Revised Preliminary Technical Proposals (but not preliminary price proposals) are to be submitted as first steps in the proposal process. The Revised Preliminary Technical Proposals, once clarified, are then submitted as the Final Technical Proposals.

The submittal of the initial and revised Preliminary Technical Proposals will allow:

- (a) Proposers to present a preliminary technical proposal to the City and convey to the City the value and benefit of the Proposer's approach to meeting the City's Project requirements as defined in the RFP;
- (b) The City to understand each Proposer's technical approach and to review the Preliminary Technical Proposals for (1) sufficient information and detail for the City's future Proposal evaluation and (2) compliance with the City's Project requirements as defined in the RFP;
- (c) The City to evaluate additional allowable exceptions as described in Section 2.1.2 of this RFP and through an Addendum to inform all Proposers of any proposed allowable exceptions that were found to be objectionable;
- (d) Clarification of the City's Project requirements through addendum to the RFP; and
- (e) Proposers to comment on the RFP including the Service Agreement and its Appendices and the City to clarify the Service Agreement after consideration of Proposer comments.

Based on the statutory requirements, it is the intent of the City to conduct the Preliminary Technical Proposal clarification process in a manner which (1) results in the submittal by each Proposer of a Final Technical Proposal which is based fundamentally on the Preliminary Technical Proposal (2) is the same as the Revised Preliminary Technical Proposal that has been clarified and modified to the extent that it is fully consistent with the goals and requirements of the City as set forth in this RFP, and (3) is presented in final, detailed and definitive language acceptable to both the City and the Proposer which can be incorporated directly in the final Service Agreement as technical Appendices without further material changes.

3.1.2 Preliminary Technical Proposal Preparation Period

Preliminary Technical Proposals in response to this RFP are due on December 5, 2001. Proposers are encouraged to submit written comments or questions concerning the RFP and Service Agreement during the Preliminary Technical Proposal preparation period in the manner described in Sections 3.2 and 3.8. Proposers are encouraged to submit questions and comments which may impact Preliminary Technical Proposals as early as possible and in no event later than October 19, 2001. The City will not share written submittals of comments and questions with the other Proposers. The City may elect, however, to respond to any such comments or questions by addendum to the RFP.

The City plans to conduct a Pre-Preliminary Technical Proposal Meeting with the Proposers during the Preliminary Technical Proposal preparation period. The purpose of the information meetings will be to provide the City and the Proposers with an opportunity to discuss the RFP so that the City's goals and requirements can be clarified.

The City plans to respond to any Proposer questions or comments, and to conduct the pre-Preliminary Technical Proposal Meeting, in a timely manner in order to assist Proposers in preparing Preliminary Technical Proposals.

The City further reserves the right at any time during the Preliminary Technical Proposal preparation period to revise or amend the RFP for any reason.

3.1.3 Preliminary Technical Proposal Clarification Process

Preliminary Technical Proposals must be submitted in compliance with the requirements set forth in Section 4 of this RFP. In general, Preliminary Technical Proposals shall present the basic technology and processes which the Proposer intends to utilize and contain conceptual and layout information. As part of the Preliminary Technical Proposal, Proposers may propose within the limitations defined in Section 2.1.2, a technology or process that does not meet the definition of a proven technology or an allowable exception. No cost information, however, shall be presented.

Following an initial review of the Preliminary Technical Proposals, the City intends to conduct one or more individual meetings with each Proposer to discuss its Preliminary Technical Proposal. The primary purpose of the individual meeting(s) will be to identify any elements or features of the Proposer's technical approach which the City believes may be inconsistent with the goals and requirements of the RFP. The City reserves the right to determine whether any element or feature of a Preliminary Technical Proposal is objectionable or non-objectionable for any reason. The RFP will be amended as necessary to preclude the use by any Proposal of those elements or features determined to be objectionable by the City. If a Preliminary Technical Proposal includes any element or feature determined to be objectionable, the Proposer will be required to resubmit its Preliminary Technical Proposal omitting such objectionable element or feature therefrom.

The City plans to conduct such information meetings in a responsive manner, affording comparable opportunities for discussion to each Proposer. At the conclusion of the Preliminary Technical Proposal clarification process, each Proposer is required to prepare and submit a substantially complete and fully developed Revised Preliminary Technical Proposal which takes into consideration any addenda issued by the City.

3.1.4 Revised Preliminary Technical Proposal and Service Agreement Clarification Process

The Service Agreement, which is part of this RFP, consists of the basic contract and numerous Appendices. Some of the Appendices are denoted as "To be Developed and Finalized Based on the Final Technical Proposals." These are referred to herein as the "Technical Appendices", and will be different for each Proposer based on its technical approach. The Appendices not so denoted are referred to herein as the "Common Appendices", the text of which is included in this RFP along with the text of the basic contract itself.

The Revised Preliminary Technical Proposal clarification process will be used in part to develop a single Service Agreement (including the Common Appendices) which each Proposer will accept and execute if its Proposal is determined to be the highest scored, without any period of negotiation following the point of submittal of the Final Technical Proposal and Price Proposal. The City expects to have one or more meetings with the Proposers during the clarification process in order to discuss any comments and requests made by the Proposer with respect to the Service Agreement (including the Common Appendices) in its Revised Preliminary Technical Proposal. At such time as the City may determine, the clarification process with respect to the Service Agreement (and the Common Appendices) will be terminated and the Proposers will be provided with a copy of the Service Agreement (including the Common Appendices) that the City will require the Proposer to execute if selected. The City expects to provide the final Service Agreement (including the Common Appendices) to Proposers sufficiently in advance of the submittal date for the Final Technical Proposal and the Price Proposal to allow the risk and responsibility allocation finally determined by the City to be taken into account in the final submittals. All Proposers thus will "propose to" the common Service Agreement (and the Common Appendices) as to which each was accorded an opportunity to address.

As to technical matters, generally, the clarification process will be used to inform a Proposer of any aspects of its Revised Preliminary Technical Proposal which the City has identified as inconsistent with the Project goals and requirements. The clarification process will also be used to develop the "proposal language" of the Revised Preliminary Technical Proposal into "contract language" suitable for inclusion in the Technical Appendices which will be included in the Service Agreement upon selection and prior to award. The final Technical Appendices so developed with each Proposer shall constitute part of the "Final Technical Proposal" which is evaluated and scored.

Each Final Technical Proposal shall be acceptable to both the City and the Proposer and shall be fundamentally based on the Proposer's Revised Preliminary Technical Proposal. Proposers are cautioned against submitting a Revised Preliminary Technical Proposal which is not substantial, complete, fully developed or otherwise not reasonably susceptible to being expeditiously clarified and developed in this manner into a Final Technical Proposal meeting the requirements of this RFP. The City reserves the right to reject as non-responsive any Final Technical Proposal which is not fundamentally based on the Proposer's Revised Preliminary Technical Proposal.

In accordance with the Enabling Law, Proposer-specific information will not be shared with competing Proposers during the clarification process.

The City reserves the right to conclude the clarification process at any time of its choosing, and to revise or amend the RFP for any reason during the clarification process.

3.1.5 Evaluation Scoring and Selection

Final Technical Proposals and Price Proposals received in response to the RFP will be evaluated and scored using the evaluation criteria and scoring method noted in Section 6. In applying the scoring method, the Selection Committee will first evaluate the Final Technical Proposals. Only after evaluating and scoring the Final Technical Proposals will the Price Proposals be opened, evaluated and if found to be responsive, scored. The Selected Proposer will be the Proposer whose Proposal receives the highest combined score based on the evaluation criteria and scoring method.

The Selection Committee may, in its sole discretion, prepare a written request for clarification to some or all Proposers for the purpose of clarifying any information submitted in a Proposal. The request may seek written clarification from the Proposer of any ambiguities in its Proposal and additional information the Selection Committee believes is necessary to complete the evaluation process, including clarification of language in light of the fact that the Final Technical Proposal will be incorporated in and become part of the definitive Service Agreement as Technical Appendices. In addition, the Selection Committee may, in its sole discretion, perform other due diligence investigations with respect to any information submitted in a Proposal.

The Selection Committee will forward its recommendation of the Selected Proposer to the City for its approval or rejection. The City reserves the right, in its sole discretion, to reject the recommendation of the Selection Committee and to cancel the RFP process in its entirety if the City determines that such cancellation is in the best interest of the City.

3.2 Schedule

A summary schedule of the major activities associated with this solicitation process is presented below. This procurement schedule is based on the City's intent to execute a Service Agreement to be effective on July 1, 2003. The deadline is based on the City's objective to initiate operation of the Facilities on February 1, 2007.

Date	Activity
September 5, 2001	Issue RFP with Service Agreement
October 12, 2001	Pre-Preliminary Technical Proposal Conference
October 19, 2001	Deadline for submittal of questions on RFP

Date	Activity
December 5, 2001 (5 p.m. MST)	Deadline for Submittal of Preliminary Technical Proposals, comments on the RFP, and preliminary comments on the Service Agreement
Week of January 7, 2002	Meetings with Proposers
March 5, 2002	Deadline for Submittal of Revised Preliminary Technical Proposals
March – July 2002	Clarification of Revised Preliminary Technical Proposals and detailed, written comments on the Service Agreement
November 22, 2002	Deadline for Submittal of Final Technical Proposals and Price Proposals
March 26, 2003	Selection Committee Recommendation of Selected Proposer for City Approval or Rejection
April 23, 2003	City Determination to Accept/Reject Selection Committee Recommendation
July 1, 2003	(If City accepts) Execute final, clarified Service Agreement

The City reserves the right to modify any or all of the above dates.

3.3 Protests

Proposers may protest the Selection Committee's recommendation of the Selected Proposer by filing a formal, written protest as to such determination in accordance with Phoenix City Code Article XII, Sections 2-187, *et seq.*, as amended. Such protest shall be filed with the City Clerk no later than 5:00 p.m. of the third business day following the date on which the City Council Report containing the Selection Committee's recommendation is submitted to the City Council for its approval or rejection. The City Council Report will be made publicly available on the Project Website on the same day it is submitted to the City Council. If a protest is timely filed, the City will conduct a hearing in accordance with the procedures set forth in the above-referenced Phoenix City Code provisions pertaining to an "objection to award of a contract."

3.4 Communications Protocol

The City is committed to a fair, open process for interested parties to receive information about the Project and the competitive procurement process that the City is utilizing for the selection of a Company and award of the Service Agreement. Accordingly, the City will continue to use its Communications Protocol for the Project (the Communications Protocol). Proposers, including any of their representatives, shall manage their communications in a manner consistent with the Communications Protocol, a copy of which is included as Attachment B. Any failure to comply with the Communications Protocol in effect may result in the disqualification of a Proposer.

3.5 City Rights and Options

This RFP constitutes an invitation to Proposers to submit Proposals to the City. By responding to this RFP, Proposers acknowledge and consent to the following conditions relative to the procurement process and the selection of a Proposer. Without limitation and in addition to other rights reserved by the City in this RFP, the City reserves and holds, at its sole discretion, the following rights and options.

1. To supplement, amend, or otherwise modify this RFP, prior to the date of submission of the Proposals.
2. To receive questions concerning this RFP from Proposers and to provide such questions, and the City's responses, to all Proposers.
3. To require additional information from one or more Proposers to supplement or clarify the Preliminary Technical Proposals, the Revised Preliminary Technical Proposals or Proposals submitted.
4. To conduct further investigations with respect to the qualifications and experience of each Proposer.
5. To visit and examine any of the facilities referenced in the Proposal and others owned, operated, and/or built by the Proposer to observe and inspect such facilities and their operations.
6. To waive any defect or technicality in any Proposal received.
7. To eliminate any Proposer that submits a nonconforming, nonresponsive, incomplete, inadequate or conditional Proposal.
8. To reject any or all Proposals.
9. To cancel this RFP in whole or in part with or without substitution of another RFP if such cancellation is determined to be in the best interest of the City.
10. To reject any Final Technical Proposal which is materially different than the Revised Preliminary Technical Proposal submitted by that Proposer.
11. To reject any Price Proposal that results in a total net present value, as defined in Section 6 of this RFP, equal to or in excess of the Benchmark.
12. To select and enter into a Service Agreement with the Proposer submitting a Proposal which receives the highest score using the evaluation criteria and scoring method described in Section 6 of this RFP.

13. To decide on the most appropriate method for Project implementation, which may include discontinuation of this procurement process and development of the Facilities via a traditional design-bid-build process or another process elected by the City.
14. To take any action affecting the RFP process, or the Project subject to this RFP that would be in the best interests of the City.

3.6 Expenses of the Proposers and Payment of an Honorarium

With the exception of payment of the honorarium as described in the subsequent paragraph, if applicable, the City accepts no liability for the costs and expenses incurred by the Proposers in responding to this RFP, responding to clarification requests and discussion meetings, preparing resubmittals and any other activities included as part of this procurement process. In addition, if a Proposer performs pilot testing or subsurface geotechnical investigations as part of the Proposal preparation activities, these costs shall be at the sole cost and expense of the Proposer. Each Proposer that enters into the procurement process shall prepare the required materials and submittals at its own expense and with the express understanding that they cannot make any claims whatsoever for reimbursement from the City for the costs and expenses associated with the process.

Pursuant to ARS §34-603(F)(11), the City will pay an honorarium equal to two-tenths of one per cent of the Company's Fixed Design/Build Price (as set forth in the executed Service Agreement) to each Proposer who provides a responsive, but unsuccessful, Proposal. If the City does not award the Service Agreement following receipt of Proposals, all responsive Proposers will receive an honorarium of \$476,700, which is equal to two-tenths of one percent of the City's budget for the design and construction of the Project based on the Benchmark Facility Cost Report.

The City will pay the honorarium to each eligible Proposer within 90 days after the award of the Service Agreement or the decision not to award the Service Agreement. Acceptance of the honorarium shall constitute a full, final, and complete release of all rights, claims, and demands of the Proposer against the City arising out of or pertaining to the Project.

In consideration for paying the honorarium, the City may use any of the ideas or information contained in the Proposals in connection with any contract awarded for the Project, or in connection with any subsequent procurement, without any obligation to pay any additional compensation to the unsuccessful Proposers.

A Proposer may elect to waive payment of the honorarium, pursuant to Proposal Form 10, in which case the City will be precluded from using any ideas or information contained in its Proposal. The City will not be precluded, however, from using any idea or information that is common to a Proposal received from another Proposer accepting the honorarium, or otherwise is publicly available.

3.7 Pre-Preliminary Technical Proposal Conference and Site Visit

There will be a Pre-Preliminary Technical Proposal Conference to discuss the RFP requirements and, if requested by any of the Proposers, to provide a tour of the Plant Site and Raw Water Pumping Station Site. Questions and requests for clarifications should be submitted to Madeline Goddard, Project Manager at the address provided in Section 3.8 of this RFP.

The Pre-Proposal Conference and Site Visit is scheduled as follows:

Time and Date: 9:30 am, Friday, October 12, 2001
Location: City of Phoenix City Hall, 9th floor Training Room
200 West Washington
Phoenix, Arizona 85003

3.8 Information Requests and Questions Concerning this RFP

All formal interpretations or clarification of the meaning of any part of the RFP or other documents will only be made in writing. Questions or clarification requests must be made in writing and addressed to Madeline Goddard, Project Manager, at:

Water Services Department
Phoenix City Hall, Eighth Floor
200 West Washington Street
Phoenix, Arizona 85003
Phone: (602) 534-3887
Fax: (602) 495-5843
E-mail: madeline.goddard@phoenix.gov

3.9 Addenda or Amendments to this RFP

During the period provided for preparation of Preliminary Technical Proposals and Revised Preliminary Technical Proposals and prior to submission of Proposals, the City may issue addenda to this RFP. These addenda will be numbered consecutively and will be distributed to each Proposer. These addenda will be issued by, or on behalf of, the City and will constitute a part of this RFP. Each Proposer is required to acknowledge receipt of all addenda at the time of submission of its Proposal by submitting an executed Proposal Transmittal Letter, included as Proposal Form 1. All responses to this RFP shall be prepared with full consideration of the addenda issued prior to such response.

3.10 Site Access and Investigation

The City recognizes that Proposers may need access to the Sites during the period between shortlisting of Respondents and submittal of Proposals and encourages Proposers to access the Sites to the full extent

that they deem appropriate, while complying with the requirements stated herein. Proposers may only access the Sites after obtaining written authorization from the City. Prior to any geotechnical investigation, a formal written request must be made to the City specifying the location and number of test borings, the testing procedure, and the names of the licensed contractor and operator performing the work. Testing must be performed according to City-approved plans. All safety regulations must be complied with during work activities and adequate insurance must be provided for the work with the City named as additional insured. The City reserves the right to have a representative present for the testing. Access will be allowed only on Monday through Friday, excluding City holidays, between 8:00 a.m. and 5:00 p.m.

Proposers may drive to the perimeter of the Sites accessible by public thoroughfares and park along public roads adjacent to the Sites, but no vehicles other than those authorized by the City in writing are allowed on the Sites. If Proposers desire greater access, specific detailed requests for permission to access any City-owned portion of the Sites must be made to the City in writing. Requests for access to portions of the Sites that are not owned or controlled by the City must be coordinated through the City.

3.11 Information Disclosure to Third Parties

All Preliminary Technical Proposals, Revised Preliminary Technical Proposals and Proposals and related materials received from Proposers in response to the procurement documents will become the property of the City and will not be returned. Pursuant to ARS §34-603(G), until award and execution of the Service Agreement by the City, only the name of each Proposer and its list of Project team members may be made available to the public. All other information received by the City from Proposers will be kept confidential in order to avoid disclosure of the contents that may be prejudicial to competing Proposers during the selection process. All Proposals will be open to public inspection after the Service Agreement is awarded and executed by the City. ARS §34-603(G) provides that to the extent a Proposer designates and the City concurs, trade secrets and other proprietary data contained in a Proposal will remain confidential.

If a Proposer believes that portions of its Preliminary Technical Proposal, Revised Preliminary Technical Proposal and Proposal are exempt from disclosure to third parties after the Service Agreement is awarded and executed by the City, the Proposer must in its Preliminary Technical Proposal, Revised Preliminary Technical Proposal and Proposal clearly label the specific portions that are to be kept confidential, specify the exemption allowed under applicable law, and explain the reasons why these portions of its Proposal should be kept confidential. Marking all or substantially all of the Preliminary Technical Proposal, Revised Preliminary Technical Proposal and Proposal as confidential may result in the Proposer being considered non-responsive by the City. Proposers, by submitting their Proposals, expressly acknowledge and agree that the City will not be responsible or liable in any way for any losses that the Proposer may suffer from disclosure of information or materials to third parties.

Lake Pleasant Water Treatment Plant DBO Project

Request for Proposals

SECTION 4 - PRELIMINARY TECHNICAL PROPOSAL AND REVISED PRELIMINARY TECHNICAL PROPOSAL REQUIREMENTS

4.1 General

Proposers shall submit a Preliminary Technical Proposal and a Revised Preliminary Technical Proposal in accordance with the instructions provided in this section of the RFP.

4.2 Preliminary Technical Proposal

4.2.1 Deadline for Preliminary Technical Proposal

Preliminary Technical Proposals shall be submitted at or before 5:00 p.m. MST, on December 5, 2001. Preliminary Technical Proposals received after this deadline may not be considered. Sealed Preliminary Technical Proposals shall be addressed and submitted to:

Madeline Goddard, Project Manager
Water Services Department
Phoenix City Hall
200 West Washington Street, 8th Floor
Phoenix, Arizona 85003
Re: Preliminary Technical Proposal for Lake Pleasant Water Treatment Plant DBO Project

Include the following information on the outside of each envelope or box: (1) name of Proposer, (2) "Preliminary Technical Proposal for Lake Pleasant Water Treatment Plant DBO Project", and (3) Project Number WS85350004. Preliminary Technical Proposals will not be opened publicly.

4.2.2 Number of Copies and Packaging of Documents

All Preliminary Technical Proposals shall be complete, with all requested information, data and attachments. Proposer shall submit one (1) original and twenty-four (24) copies of its Preliminary Technical Proposal. The original Preliminary Technical Proposal document must be clearly marked as the original and must contain the original cover letter signed by an authorized representative of the Proposer. The remaining twenty-four (24) copies can be reproductions. Proposers shall number each set of documents in sequential order on the upper right corner of each cover.

4.2.3 Preliminary Technical Proposal Format and Content

Preliminary Technical Proposals shall be prepared to a level of detail that is sufficient to allow the City to determine whether the Proposer has a full understanding of, and is responsive to, the goals and objectives of this RFP. The Preliminary Technical Proposal shall, at a minimum, consist of the information, data and attachments listed below.

- A cover letter identifying the Proposer and its team
- Preliminary layout of the Sites, indicating general arrangement of major process units and buildings, access location, layout of the expanded 320 mgd Facilities, and areas to remain undisturbed
- Identification of treatment processes - Proposers shall include a process flow diagram identifying each unit process, chemicals to be added, number of process trains, number of pumps (Raw Water, Finished Water and major intermediate pumping), and diameter and material of Raw Water Transmission Line and Finished Water Transmission Lines
- Sludge handling technology
- Design criteria and rationale for the overall treatment system each unit process proposed
- Description of anticipated pilot testing
- Discussion on permissibility and ease of obtaining permits for the proposed design
- For any allowable exceptions specifically identified in Section 2.1.2 that are proposed, provide data on installations demonstrating use of the technology under all of the conditions required for a proven technology excluding the requirement that experience be demonstrated for US installations
- If the Proposer is requesting an expansion of the definition of an allowable exception, Proposer shall provide sufficient information to demonstrate the efficacy of the proposed technology using data collected at water treatment facilities where the process or technology is in commercial operation serving the public
- Chemical handling procedures
- Supplemental qualifications for any proposed technologies not addressed in Proposer's SOQ, if any
- Proposer is free to supplement its team or key staff to provide additional reference experience
- Description of hydraulic capacity and firm hydraulic capacity of each set of pumps and each unit process
- Number of and size of each Finished Water Reservoir
- Any proposed TDS removal
- Description of limiting factors in design of treatment processes
- A preliminary project schedule identifying project milestones (no more than 50 items) including, but not limited to the following items:
 - Contract Date of July 3, 2003
 - Initiation of any pilot testing
 - Completion of any pilot testing

- Receipt of Permit to Construct
- Receipt of 404 Permit
- Receipt of Special Use Permit
- Receipt of Conditional Use Permit (Intake, Raw Water Pumping Station, and Raw Water Transmission Line)
- Receipt of all other Required Construction Date Governmental Approvals
- Construction Date
- Initiation of construction at the Raw Water Pumping Station Site
- Initiation of construction at the Raw Water Transmission Line Site
- Initiation of construction at the Plant Site
- Completion of construction at the Raw Water Pumping Station Site
- Completion of construction at the Raw Water Transmission Line Site
- Completion of construction at the Plant Site
- Receipt of Approval of Construction
- Completion of Startup
- Substantial Completion Date
- Initiation of Acceptance Testing
- Completion of Acceptance Testing
- Submittal of Acceptance Testing Report
- Acceptance Date

A number of hypothetical cases of Raw Water quality are presented in the following requests for information. These cases are not intended to set design criteria for the Facilities, but rather to assist the City in understanding the design submitted by the Proposer. (All of these cases can be treated effectively by the Benchmark plant.) Proposers shall provide:

- Description of how the treatment processes proposed will be capable of continuously providing Finished Water meeting all of the Performance Guarantees at a Flow Rate of 80 mgd for Raw Water with the following turbidities:
 - Case 1: 1 hour turbidity of 1,000 NTU in a ten-day period with an average turbidity of 28.8 NTU
 - Case 2: a 24-hour period with a constant turbidity of 270 NTU in a ten-day period with an average turbidity of 28.8 NTU
 - Case 3: a 72-hour period with a constant turbidity of 90 NTU in a ten-day period with an average turbidity of 28.8 NTU
- Description of to what extent treatment processes proposed will be capable of continuously providing Finished Water meeting all of the Performance Guarantees for Raw Water with the following turbidities. Also describe to what extent and in what manner the proposed solids handling facilities would be capable of managing solids over this period:

- Case 4: a six-day period with a constant turbidity of 200 NTU in a ten-day period with an average turbidity of 130 NTU
- Description of how the treatment processes proposed will be capable of continuously providing Finished Water meeting all of the Performance Guarantees at a Flow Rate of 80 mgd for Raw Water with the following TOC concentrations:
 - An average Raw Water TOC of 7 mg/L over a 30-day period. Present detailed information on how the proposed design will address disinfection by-products.
 - An average Raw Water TOC of 7 mg/L over a six-month period. Present detailed information on how the proposed design will address disinfection by-products
- Description of how the treatment processes proposed will be capable of continuously providing Finished Water meeting all of the Performance Guarantees at a Flow Rate of 80 mgd for Raw Water with the following geosmin and MIB concentrations:
 - An average Raw Water MIB and/or geosmin concentration of 50 ng/L over a 30-day period. Present detailed information on how the proposed design will address taste and odor criteria
 - An average Raw Water MIB and/or geosmin concentration of 100 ng/L over a 30-day period. Present detailed information on how the proposed design will address taste and odor criteria

As described in Section 3.1.3, Proposers should expect that the clarification process will consist of a series of written requests, discussions and meetings. As part of Proposer's cover letter, each Proposer must designate the individuals who will be the Proposer's key technical and legal representatives available to respond in a timely manner to written inquiries submitted, and to attend meetings requested, by the City.

Although a complete Volume I is not required as part of the Preliminary Technical Proposal, the Proposer shall provide supplemental qualifications and experience on Proposal Form 3 in the event the Proposer proposes a technology for which qualifications and experience were not provided as part of its SOQ. If no supplemental information is to be provided, the Proposer is not required to submit Proposal Form 3.

In no event shall the Preliminary Technical Proposal contain any price-related information. Preliminary Technical Proposals containing price-related information will not be read by the Selection Committee and may result in a Proposer's being disqualified by the City.

4.2.4 Preliminary Comments on the Major Service Agreement Concepts

Proposers are invited, but not required, to submit their preliminary written comments on the Service Agreement for consideration of the City. Such comments may be submitted by means of a memorandum or a mark-up of the Service Agreement. Suggested contract language may also be presented, but is not required in the Preliminary Technical Proposal submittal.

Proposers are advised that the City does not intend to engage Proposers in discussions concerning their preliminary Service Agreement comments during the individual meetings to discuss the Preliminary Technical Proposals unless such comments are integrally related to such submittal.

4.3 Revised Preliminary Technical Proposal

4.3.1 Deadline for Revised Preliminary Technical Proposal

Revised Preliminary Technical Proposals shall be submitted at or before 5:00 p.m. MST, on March 5, 2002. Revised Preliminary Technical Proposals received after this deadline may not be considered. Sealed Revised Preliminary Technical Proposals shall be addressed and submitted to:

Madeline Goddard, Project Manager
Water Services Department
Phoenix City Hall
200 West Washington Street, 8th Floor
Phoenix, Arizona 85003

Re: Revised Preliminary Technical Proposal for Lake Pleasant Water Treatment Plant DBO Project

Include the following information on the outside of each envelope or box: (1) name of Proposer, (2) "Revised Preliminary Technical Proposal for Lake Pleasant Water Treatment Plant DBO Project", and (3) Project Number WS85350004. Revised Preliminary Technical Proposals will not be opened publicly.

4.3.2 Number of Copies and Packaging of Documents

With the exception of the Exterior Architectural Materials Sample Board(s), twenty-five (25) copies of the Revised Preliminary Technical Proposal shall be submitted. All Revised Preliminary Technical Proposals shall be complete, with all requested information, data and attachments. One copy of the Revised Preliminary Technical Proposal document must be clearly marked as the original and must contain the original signature forms and other original documents. The remaining twenty-four (24) copies can be reproductions. Each copy of the Revised Preliminary Technical Proposal shall be accompanied by a CD-ROM version thereof with all files in Microsoft® Word 97, Microsoft® Excel 97 or PDF format, as appropriate, and drawings in Autocad 2000 or Autocad Release 14. The information provided on the CD-ROM shall be arranged in the same manner as the hard copy of the Revised Preliminary Technical Proposal. The typed, hardbound Revised Preliminary Technical Proposal shall take precedence over the CD-ROM version. The CD-ROM shall be submitted in an appropriate sealed envelope with the same information on the envelope as on the hardbound Revised Preliminary Technical Proposal. Proposers shall number each set of documents in sequential order on the upper right corner of each cover. The

Exterior Architectural Materials Sample Board(s) shall be submitted in a box or envelope or sealed in some other appropriate manner.

4.3.3 Revised Preliminary Technical Proposal Format and Content

Each Proposer shall submit a Revised Preliminary Technical Proposal that consists of a portion of the entire Proposal, which is defined in Section 5 of this RFP. The Revised Preliminary Technical Proposal consists of:

- Proposal Form 1: Proposal Transmittal Letter
- Proposal Form 2: Additional Key Project Staff (As necessary)
- Proposal Form 3: Additional Relevant Project Experience (As necessary)
- Proposal Volume II: Approach
- Proposal Form 11: MBE/WBE Utilization
- Proposal Volume III: Technical Proposal
- Proposal Volume IV: Drawings and Diagrams
- Comments on the Service Agreement
- Optional Proposal Form 1: Comments on the Service Agreement
- Optional Proposal Form 2: Additional Project Commitments

As previously described, Proposers should expect that the clarification process will consist of a series of written requests, discussions and meetings. As part of the Proposal Transmittal Letter (Proposal Form 1), each Proposer must designate the individuals who will be the Proposer's key technical and legal representatives available to respond in a timely manner to written inquiries submitted, and to attend meetings requested, by the City.

Although a complete Volume I is not required as part of the Revised Preliminary Technical Proposal, the Proposer shall provide (1) supplemental qualifications and experience on Proposal Form 2 for any additions or changes to the key staff and (2) Proposal Form 3 in the event the Proposer proposes a technology for which qualifications and experience were not provided as part of its SOQ. If no supplemental information is to be provided, the Proposer is not required to submit Proposal Forms 2 or 3.

The Proposer shall provide information pertaining to its utilization of MBE/WBE firms during the construction of the Facilities. Proposers should refer to Attachment A to the RFP for the City's general MBE/WBE Utilization procedures and guidelines in completing this section. Each Proposer shall submit with its Revised Preliminary Technical Proposal the following documents:

1. A preliminary statement of MBE/WBE utilization (Proposal Form 11) that lists trade areas proposed to be utilized in the construction of the Facilities for MBE/WBE participation and an approximate percentage of the Fixed Design/Build Price relating to the construction portion of the Design/Build

Work for each trade area. The trades shall be as listed per the CSI format. **In no event shall any Fixed Design/Build Price information be submitted with this Proposal Form 11.**

2. A detailed plan that describes the Proposer's outreach efforts that will be used to recruit MBE/WBE firms that are certified/not currently certified but could perform the construction work on this Project.

Revised Preliminary Technical Proposals shall be fully-developed and comply in all respects with the format and content requirements applicable to each Volume, as described in Sections 5.2 and 5.5 of this RFP. This means that the Revised Preliminary Technical Proposal must contain a detailed presentation, in graphic and written form, of the proposed Facilities including preliminary design drawings, diagrams and the appropriate Proposal Forms included with this RFP. Comments on the Service Agreement, shall be contained in a three-ring binder separate from Volumes II, III and IV in the manner described in Section 4.3.4 herein.

Any commitments that the Proposer is offering the City as part of its Proposal which are not required by the RFP or the Service Agreement shall be included with the Revised Preliminary Technical Proposal on Optional Form 2 - Additional Project Commitments. In addition, the City reserves the right to include any information submitted in the Proposal in the final, clarified Service Agreement and/or executed Service Agreement.

In no event shall the Revised Preliminary Technical Proposal contain any price-related information. Revised Preliminary Technical Proposals containing price-related information will not be read by the Selection Committee and may result in a Proposer's being disqualified by the City.

4.3.4 Written Comments on the Service Agreement

The City's preference for the submittal of the written comments is by means of a neat handwritten mark-up (or redlined comparison) of the Service Agreement (including the Common Appendices). Written comments shall be presented in the form of suggested contract language and be accompanied by a narrative description of the rationale for such language. Any comments which cannot be neatly marked on the Service Agreement (including the Common Appendices) should be included on separate typed sheets as riders.

In addition to the mark-up of the Service Agreement (including the Common Appendices), Proposers may elect to submit particular comments on Service Agreement Appendices by using Optional Form 1, which has been provided with the Proposal Forms. Optional Form 1 permits Proposers to convey the relative cost implications associated with their particular comments on the Service Agreement Appendices (i.e., whether such change is expected to result in an increase or decrease of costs to the City). **Any cost**

information must be expressed in relative terms; price-related information is prohibited as described in Section 4.3.3 above.

Proposers submitting comments on Optional Form 1 must provide:

- Identification of the contract document and specific section(s) suggested to be changed;
- Specific language to be included for the suggested change;
- A narrative description of the rationale behind the suggested change; and
- The relative cost implications associated with such change.

Proposers shall break out cost implications by Project phase (i.e., Development Period, Construction Period, and Operation Period).

The City reserves the right, in its sole discretion, to determine whether to accept any suggested comment and to modify the Service Agreement. Proposers should not assume that comments accepted by the City will be incorporated verbatim into the Service Agreement. Proposers are further advised that all modifications made by the City will be binding on all Proposers.

Lake Pleasant Water Treatment Plant DBO Project

Request for Proposals

SECTION 5 - FINAL TECHNICAL AND PRICE PROPOSAL REQUIREMENTS

5.1 Overview of Proposal Submittal Requirements

Proposers shall submit a fully developed Proposal in accordance with the instructions provided in this section of the RFP. In addition to textual discussions, Proposers shall submit design drawings, diagrams and the Proposal Forms included with this RFP. Textual discussions should include references to the design drawings, diagrams and Proposal Forms.

Proposers shall provide the information requested in this RFP in accordance with the format and content requirements outlined below. Failure of the Proposer to provide all of the requested information and to provide it in the requested format may result in the City, at its sole discretion, determining that the Proposal is non-responsive to the requirements of the RFP.

5.2 Proposal Format

The Proposer shall provide information in accordance with the format requirements set forth in this Section. Proposal information shall be provided in the following volumes:

- Volume I: Transmittal Letter and Team
- Volume II: Approach
- Volume III: Technical Proposal (with associated Exterior Architectural Material Samples Board(s))
- Volume IV: Drawings and Diagrams
- Volume V: Price Proposal
- Supplemental Information (optional)

Proposers shall submit a Final Technical Proposal, consisting of Volumes I, II, III, and IV in sealed boxes, and a **Price Proposal, consisting of Volume V, in a single, separate, sealed envelope or box.** Proposers shall present Volumes I, II, III and IV in bound form. Multiple volumes (excluding Volume V: Price Proposal) may be combined into a single bound document (e.g., Volumes III and IV). It is desired that no bound document exceed three inches in thickness and that the total thickness of all documents not exceed 15 inches.

Supplemental Project-specific technical information such as design calculations, reference tables, and charts may be used to facilitate Proposal presentation. Supplemental information to each volume of the Proposal may be bound with the associated volume, bound separately or bound together with other supplemental information.

Proposers may reduce the repetition of identical information within several sections of the Proposal by making appropriate and specific cross-references to other sections of their Proposal.

Narrative pages shall be 8-½ inches by 11 inches, printed on one side only, and shall be bound into the volume. A minimum 12-point font size and 1.25 line spacing is required for text. A clear and concise presentation of information is encouraged within the size limitations established for each volume as indicated above. Proposals shall be in the English language and units of measurement shall be those used in the United States. Proposers shall incorporate graphics (e.g., process flow diagrams and drawings) as necessary to clearly present their Proposals. Sales brochures are not desired unless directly related to the Proposal and referenced in the text. Audiovisual materials will not be accepted.

The complete Proposal format requirements are outlined below.

Final Technical Proposal

Volume I: Transmittal Letter and Team

1. Proposal Transmittal Letter – Proposal Form 1 (PF 1)
2. Qualifications and Experience
3. Financial Capacity
4. MBE / WBE Utilization
5. Team Proposal Forms – (PF 2 through PF 11)
6. Proposal Security
7. Supplemental Information to Volume I (optional)

Volume II: Project Approach

1. Project Executive Summary (limit of 20 pages)
2. Summary of Design/Build Work
3. Project Abstract (limit of one page)
4. Preliminary DB Quality Management Plan
5. Project Schedule
6. Project Management
7. Environmental Stewardship and Management
8. Approach to Obtaining Governmental Approvals
9. Team Partnership Environment
10. Supplemental Information to Volume II (Optional)

Volume III: Technical Proposal

1. Treatment Process and Equipment Selection
2. Non-Process Design
3. Reliability and Redundancy
4. Expandability of Facilities (Site Master Planning)
5. Architecture, Aesthetics, and Landscaping
6. TDS Removal (Optional)
7. Construction Operation Planning and Sequencing
8. Subcontractor and Labor Management
9. Construction Safety
10. Preliminary Operating Protocol
11. Energy and Chemicals Management
12. Preliminary Maintenance, Repair and Replacement Plan
13. Technical Proposal Forms (PF 12 through PF 33)
14. Supplemental Information to Volume III (optional)

Volume IV: Drawings and Diagrams

1. General
2. Civil / Structural
3. Architectural and Landscaping
4. Process Control and Instrumentation
5. Electrical
6. Supplemental Information to Volume IV (optional)

Price Proposal

Volume V: Price Proposal

1. Price Proposal Forms (PF 34 and PF 35)

No information pertaining to price should be included in any other Proposal volume.

5.3 Proposal Deadline and Address for Submittal

Proposals shall be submitted on or before 2:00 PM, MST on **November 22, 2002**. Proposals received after this deadline will not be considered. Sealed Proposals shall be addressed and submitted to:

Madeline Goddard, Project Manager
Water Services Department
Phoenix City Hall
200 West Washington Street, 8th Floor
Phoenix, Arizona 85003
Re: Proposal for Lake Pleasant Water Treatment Plant DBO Project

5.4 Number of Copies and Packaging of Proposals

With the exception of the Exterior Architectural Materials Sample Board, twenty-five (25) copies of the Final Technical Proposal and fifteen (15) copies of the Price Proposal shall be submitted. All Proposals shall be complete, with all requested information, data and attachments. One copy of the Proposal documents must be clearly marked as the original and must contain the original signature forms and other original documents. The remaining 24 copies of the Final Technical Proposal and the fourteen copies of the Price Proposal may be reproductions. Each copy of the Final Technical Proposal shall be accompanied by a CD-ROM version thereof with all files in Microsoft® Word 97, Microsoft® Excel 97, or PDF format, as appropriate with Drawings presented in Autocad 2000 or Autocad Version 14. The information provided on the CD-ROM shall be arranged in the same manner as the hard copy of the Proposal. The typed, hardbound Final Technical Proposal shall take precedence over the CD-ROM version. The CD-ROM shall be submitted in an appropriate sealed envelope with the same information on the envelope as on the hardbound Final Technical Proposal. The Price Proposal shall not be submitted on CD-ROM. Proposers shall number each set of documents in sequential order on the upper right corner of each cover. All 15 copies of the Price Proposal shall be in a single envelope or box and sealed separately from the Final Technical Proposals. Copies of the Final Technical Proposal may be submitted in multiple envelopes or boxes. One Exterior Architectural Materials Sample Board(s) shall be submitted in a box or envelope or sealed in some other appropriate manner.

The Final Technical Proposal shall include the following information on the outside of the envelopes or boxes: (1) name of Proposer, (2) "Final Technical Proposal for Lake Pleasant Water Treatment Plant DBO Project", and (3) Project Number WS85350004. Final Technical Proposals will not be opened publicly. The separate Price Proposal shall include the following information on the outside of the envelope or box: (1) name of Proposer, (2) "Price Proposal for Lake Pleasant Water Treatment Plant DBO Project", and (3) Project Number WS85350004. Price Proposals will not be opened publicly.

5.5 Proposal Contents

The Proposer shall provide the appropriate information in accordance with the content requirements set forth in the following Sections and with the format requirements set forth in Section 5.2. **In no event, shall Proposal Volumes I through IV contain any price-related information.**

Proposers are advised that, if selected, information contained in portions of the Proposal will be included or integrated in the Service Agreement, including without limitation the:

- Proposal Forms
- Preliminary Operating Protocol
- Preliminary DB Quality Management Plan
- Preliminary Maintenance, Repair and Replacement Plan
- Volume IV: Drawings and Diagrams

Any commitments that the Proposer is offering the City as part of its Proposal which are not already included on the Proposal Forms or the Drawings required by the Service Agreement shall be included on Optional Form 2 - Additional Project Commitments. In addition, the City reserves the right to include any information submitted in the Proposal in the final, clarified Service Agreement and/or executed Service Agreement.

5.5.1 Volume I: Transmittal Letter and Team

The information requested in this Volume I may refer to the appropriate and specific portions of a Proposer's previously submitted SOQ if such information was previously provided in the Proposer's SOQ and has not materially changed since the SOQ submittal. In addition, the most recent information available (e.g. updated financial reports) shall be submitted in the appropriate Proposal section(s) and/or Proposal Forms. Any changes to the information submitted as part of the Proposer's SOQ shall include a description of the proposed change and how the change differs from the previously submitted information. In the case that information has not changed, the Proposer shall explicitly state "NO CHANGE" in the appropriate Proposal section(s) and/or Proposal Forms.

Proposers should recognize that the information provided in the SOQs was used as a basis for short-listing respondents thereto. Therefore, any changes to the Proposer's relevant project experience found to be unacceptable by the Selection Committee may result in disqualification of the Proposer. The Proposer's key assigned employees, along with its Significant Subcontractors and their key employees included in the SOQ, were used as factors in determining the Proposers. Therefore, changes to the Proposer's project team, particularly the Proposer and its named Guarantor, Significant Subcontractors and key employees, will not be allowed in the Proposal stage except for extenuating circumstances, such as corporate takeovers, buyouts, and other unforeseen changes. Proposers may, however, enhance their teams prior to submission of Proposals by adding additional personnel and subcontractor members. The Selection Committee shall have the right to determine, in its sole discretion, the acceptability of any changes in the Proposer's proposed team as prescribed in its SOQ. Any changes to the Proposer's proposed team found to be unacceptable by the Selection Committee may result in disqualification of the Proposer.

5.5.1.1 Transmittal Letter

Together with each Proposal, the City must receive one fully executed Proposal Transmittal Letter (Proposal Form 1) from the Proposer acknowledging, among other things, that the Proposer has completely reviewed and understands and agrees to be bound by the requirements of this RFP.

The Proposal Transmittal Letter and all attachments thereto must be signed by a representative of the Proposer who is empowered to sign it and to commit the Proposer to the obligations contained in the Proposal. The Certificate of Authorization, which shall be included as Attachment 1 to the Proposal Transmittal Letter, must also be submitted with the Proposal. If the Proposer is a partnership, the Proposal shall be signed by one or more of the general partners. If the Proposer is a corporation, an authorized officer shall sign his or her name and indicate his or her title beneath the full corporate name. Anyone signing the Proposal as an agent must file with it legal evidence of his or her authority to execute such Proposal. The Proposal Transmittal Letter shall include the following attachments:

- Attachment 1 – Certificate of Authorization
- Attachment 2 – Project Team Member List
- Attachment 3 – Project Team License List

Proposers shall list in Attachment 3 all licenses by number and classification, the name of the organization holding the license, the renewal date of each license, and whether each license is active. Proposers may refer to their SOQ when providing such information. Proposers shall list the license, registration number, and renewal date for each professional engineer that will provide professional engineering services for the Project. The professional engineer(s) that will sign the design drawings must be given responsible charge for the engineering design work and shall be licensed in the State of Arizona. Proposers shall confirm that the registration card issued by the Arizona Registrar of Contractors remains valid for each Arizona contractor's license required to perform the Design/Build Work. To the extent any specialty license is required under ARS Title 32, by the City or any other government agency with jurisdiction over the Design/Build Work, Proposers shall also confirm that such registrations remain active. Proposers shall also provide a copy of any privilege license issued to its organization by the City, the State and any other political subdivision with jurisdiction over any aspect of the Project. Information concerning the City of Phoenix Privilege License may be obtained from the City of Phoenix Finance Department, Tax and License Division, 251 West Washington Street, 3rd Floor, Phoenix, Arizona, 85003, Attention: License Services, telephone (602) 262-6785, facsimile (602) 495-5605.

5.5.1.2 Qualifications and Experience

The Proposal shall include a description of the Proposer, i.e., the form of business structure (corporation, partnership, joint venture, consortia, etc.) that is proposed and will serve as the contracting party. A project organization chart is required. If the Proposer is a partnership, joint venture, or consortium, all

members of the Proposer shall be listed. The Proposal shall identify the portions of the Project that will be undertaken directly by the Proposer and what portions of the Project will be subcontracted and to which firms (i.e., Significant Subcontractors).

The Proposer shall also identify any other entity, including without limitation, any corporation, partnership, firm, joint venture, consortium or individual to which the Proposer intends to assign material responsibilities under the Service Agreement. At a minimum, the Proposal shall identify the parties that will undertake the roles of Project public relations, Project safety, design (including conceptual and detailed design), construction management, construction, startup, testing, operation and maintenance (including all repair and replacement), and obtaining Governmental Approvals for the Facilities.

The history, ownership, organization, and background of the Proposer shall be provided. If the Proposer is a partnership, a joint venture, or a consortium, the required information shall be submitted for each member thereof. If the Proposer or a joint venture member is a subsidiary of a parent company, the Proposer shall state when the subsidiary was formed and its place in the corporate structure of the parent company. If a subsidiary is newly created for the purposes of responding to the RFQ and to the RFP, the reasons for this action shall be fully disclosed.

Proposers shall demonstrate their ability to undertake the Project by providing the technical experience and qualifications of the Proposer, its Significant Subcontractors, any additional team members with key experience related to the Project, and individual team members related to the design, construction, acceptance, operation and maintenance (including all repair and replacement) and obtaining of governmental approvals for water intake, pumping, transmission and treatment facilities comparable to the Facilities.

As part of their SOQs, Respondents submitted a list of up to ten directly relevant projects completed within the past ten years that the Proposer or its Significant Subcontractors have been involved with as a designer, builder, or operator. If any of the information provided in the Proposer's SOQ has changed, it shall be revised and resubmitted in this section of Volume I. It is not intended that Proposers resubmit information simply to update an existing project's status.

5.5.1.2.1 Additional Team Members

The Proposer shall provide supplemental qualifications and experience on Proposal Form 2 under Section 5.5.1.2.2 and in this Section using Proposal Form 3 in the event the Proposer has enhanced its team by adding additional subcontractor members for which qualifications and experience were not provided as part of its SOQ. If no supplemental information is provided under Sections 5.5.1.2.1 or 5.5.1.2.3, the Proposer is not required to submit Proposal Form 3.

5.5.1.2.2 Key Project Staff

A complete list of key project staff indicating name of individual and their role, and a copy of Proposal Form 2 for each key project staff person shall be provided in this section of the Proposal. If a key project staff information form has been previously submitted to the City (e.g., SOQ Submittal Form #1 or RFP Proposal Form 2) and does not require updating, the Proposer may indicate such and identify the submittal which included the requested information. As part of Appendix 12: Key Project Staff and Subcontractor Commitments, the Service Agreement will incorporate the information provided in (i) SOQ Submittal Form #1 as well as RFP Proposal Form 2, and (ii) the Project Team Members List included on Attachment 2 to the Transmittal Letter to the Proposal. Taken together, these sources should fully describe each key staff member identified for the Project.

5.5.1.2.3 New Technology

The Proposer shall provide supplemental qualifications and experience on Proposal Form 3 in the event the Proposer proposes a technology for which qualifications and experience were not provided as part of its SOQ. If no supplemental information is to be provided, the Proposer is not required to submit Proposal Form 3.

5.5.1.3 Financial Capacity

In the appropriate Proposal section(s) and/or Proposal Forms, each Proposer shall update the financial information requested below for itself, its Guarantor and its Significant Subcontractors. This information shall be subject to the same conditions stipulated in the RFQ. If this information has not changed from the SOQ, each item shall explicitly state "NO CHANGE" in the appropriate Proposal section(s) and/or Proposal Forms. If the Proposer, its Guarantor or any participating firm is not a public company, it shall provide independently audited financial statements and may request that the information be treated confidentially by the City. The City reserves the right to request such financial information from any members of the Proposer's Project team if such a request is determined to be in the best interest of the City.

1. Annual audited financial reports for a) the Proposer (the most recent year), b) the Guarantor (most recent year), and c) any Significant Subcontractor(s) (the most recent year), prepared in accordance with Generally Accepted Accounting Principles (GAAP), and all relevant notes. The City will accept statements prepared in accordance with European GAAP; however, Proposers submitting reports that are not prepared in accordance with GAAP must provide a general description of the differences between the principles under which the reports have been prepared and GAAP. The City reserves the right to request additional financial information if necessary to make the appropriate comparisons.

2. The most recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission (SEC) by a) the Proposer, b) the Guarantor, and c) any Significant Subcontractor(s); or, if one or more of these parties are not regulated by the SEC, then the most recent quarterly financial report for each such party. This quarterly financial report may be prepared internally, but must be approved and signed by an officer of the company.
3. Completed copies of the “Financial Resources Data” forms (Proposal Form 5) by the a) Proposer, b) Guarantor, and c) any Significant Subcontractor(s).
4. Any credit reports, credit bulletins, or other published statements by recognized rating agencies (Standard & Poor’s Rating Services, Moody’s Investor Services, Dun & Bradstreet and Value Line) that have been issued or published since submittal of the SOQs for the a) Proposer, b) Guarantor, and c) Significant Subcontractor(s).
5. Any other information of the Proposer and Guarantor that is necessary to evaluate the Guarantor’s or Proposer’s capabilities, e.g., the prospectus or offering statement for the Guarantor’s or Proposer’s latest debt or equity offering.

Failure to provide any of the above information without adequate explanation is cause for rejection of the Proposer at the sole discretion of the Selection Committee.

5.5.1.3.1 Guarantor Acknowledgment

The Guarantor will be required to sign a Guaranty Agreement with the City in the form set forth in the Service Agreement (Transaction Form A), in which it will irrevocably, absolutely, and unconditionally guarantee the performance of all obligations of the Company under the Service Agreement. The Guarantor shall submit Proposal Form 7 (Guarantor Acknowledgment) signed by an officer of its parent or third-party Guarantor, as applicable, demonstrating its willingness to execute the Guaranty Agreement. A Certificate of Authorization (Attachment 1 to the Guarantor Acknowledgment) attesting to such authorization must also be submitted with the Guarantor Acknowledgment. If the Guarantor is a partnership, the Guarantor Acknowledgment shall be signed by one or more of the general partners. If the Guarantor is a corporation, an authorized officer shall sign his or her name to the Guarantor Acknowledgment and indicate his or her title beneath the full corporate name. If the Guarantor is a joint venture, each firm in the joint venture shall sign a separate Guarantor Acknowledgment. If there are multiple Guarantors, each must independently comply with these requirements and submit separate Guarantor Acknowledgments with Certificates of Authorization. Anyone signing the Guarantor Acknowledgment as agent must file with it legal evidence of his or her authority to execute such Guarantor Acknowledgment.

5.5.1.3.2 Additional Contract Security Requirements

Design/Build Period Letter of Credit

The Proposer shall provide a letter of intent from a commercial bank located in the United States, or other banking institution that is acceptable to the City, which has long-term debt rating of "A" or better by Moody's and Standard and Poor's indicating that the bank is highly confident that when full application is made by the Guarantor, the bank will furnish the required \$20,000,000 Design/Build Period Letter of Credit as security for the Company's performance of its Design/Build Period obligations under the Service Agreement (Proposal Form 8). The Design/Build Period Letter of Credit shall comply with the requirements of Section 14.3 of the Service Agreement and be substantially in the form set forth in the Service Agreement (Transaction Form D) and presentable in Phoenix, Arizona.

Operation Period Letter of Credit

The Proposer shall provide a letter of intent from a commercial bank located in the United States, or other banking institution that is acceptable to the City, which has a long-term debt rating of "A" or better by Moody's and Standard and Poor's indicating that the bank is highly confident that when full application is made by the Guarantor, the bank will furnish the required \$5,000,000 Operation Period Letter of Credit as security for the Company's performance of its Operation Period obligations under the Service Agreement (Proposal Form 9). The Letter of Credit shall comply with the requirements of Section 14.3 of the Service Agreement and be substantially in the form set forth in the Service Agreement (Transaction Form D) and presentable in Phoenix, Arizona.

5.5.1.4 MBE/WBE Utilization

The Proposer shall provide information pertaining to its utilization of MBE/WBE firms during the construction of the Facilities. Proposers should refer to Attachment A to the RFP for the City's general MBE/WBE Utilization procedures and guidelines in completing this section. Each Proposer shall submit with the Final Technical Proposal the following documents:

1. Either:
 - (a) A final statement of MBE/WBE utilization (Proposal Form 11) that meets the MBE/WBE goals for this Project. The statement shall outline the phase of construction where each trade area listed in the Proposal will be utilized and the proposed percentage of the Fixed Design/Build Price relating to the construction portion of the Design/Build Work performed by each trade area, and if available during the time of submittal, a Letter of Intent to Perform as a Subcontractor/Supplier from each MBE/WBE subcontractor that is proposed to be utilized; or

(b) A fully documented waiver packet, including full or partial goal waiver request and all supporting documentation, as more fully described in Attachment A to this RFP. A Proposer providing such waiver packet affirms that it has exercised good faith efforts and, at the time of Final Technical Proposal submittal, was unable to meet the established MBE/WBE subcontracting goals set for the Project; and

2. A detailed plan that describes the Proposer's outreach efforts that will be used to recruit MBE/WBE firms that are certified/not currently certified but could perform the construction work on this Project.

In no event shall any Fixed Design/Build Price information be submitted in connection with the requirements of this subsection.

5.5.1.5 Team Proposal Forms

The following Proposal Forms shall be submitted as part of Volume I of the Proposal:

Proposal Form 1 – Proposal Transmittal Letter

- Attachment 1 – Certificate of Authorization
- Attachment 2 – Project Team Member List
- Attachment 3 – Project Team License List

Proposal Form 2 – Additional Key Project Staff

Proposal Form 3 – Additional Relevant Project Experience

Proposal Form 4 – Statement of Ownership

Proposal Form 5 – Financial Resources Data

Proposal Form 6 – Bank Credit Reference

Proposal Form 7 – Guarantor Acknowledgment

- Attachment 1 – Guarantor Certificate of Authorization

Proposal Form 8 – Design/Build Period Letter of Credit Letter of Intent

Proposal Form 9 – Operations Period Letter of Credit Letter of Intent

Proposal Form 10 – Certificate of Acceptance/Waiver of Honorarium

Proposal Form 11 – MBE / WBE Utilization

5.5.1.6 Proposal Security

No Proposal will be read unless a Proposal guarantee is included in the form of a certified check, cashier's check or surety bond using the form in Attachment C, for an amount not less than \$18,800,000 as a guarantee that the Proposer will enter into the Service Agreement. Notwithstanding any other statute, the surety bond shall be executed solely by a surety company or companies holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance pursuant to Title 20, Chapter 2, Article 1. The surety bond shall not be executed by an individual surety

or sureties even if the requirements of Section 7-101 are satisfied. The surety company or companies shall be rated "A-" or better per current A.M. Best Company ratings. The City will return the certified check, cashier's check or surety bond to the Proposers whose Proposals are not accepted, and to the Selected Proposer on the execution of the Service Agreement and the receipt of satisfactory Payment and Performance Bonds, the Design/Build Period Letter of Credit, and Required Design/Build Period Insurance required by the Service Agreement. Proposals not in compliance with the foregoing Proposal security requirements shall be rejected by the City.

5.5.2 Volume II: Project Approach

As an introduction to Volume II, the Proposer shall submit a Project Executive Summary detailing the key aspects of the Proposal. The Project Executive Summary should include a clear statement of the Proposer's understanding of the RFP, briefly describe the Proposal, and summarize the proposed Contract Services and how the Proposer meets the requirements of the RFP and Service Agreement. The Project Executive Summary shall not exceed 20 pages. Small-scale graphics and architectural renderings of the Facilities may be incorporated into the Project Executive Summary within the specified size limitations.

The Proposer shall also submit a two- to five-page summary of its Summary of Design/Build Work appropriate for inclusion in Appendix 5 of the Service Agreement.

The Proposer shall also submit a one-page Project Abstract that outlines its Proposal. The Project Abstract shall at a minimum include an identification of the proposed Project team and description of the proposed Facilities. The Project Abstract should be drafted so that it may be easily understood by persons not having a technical background. The abstract may be used by the City for public relations purposes.

5.5.2.1 Preliminary DB Quality Management Plan

This section shall consist of the Proposer's Preliminary DB Quality Management Plan. The Preliminary DB Quality Management Plan shall be prepared in conformance with the requirements in Appendix 3 for the DB Quality Management Plan. The DB Quality Management Plan will be submitted in its final form during the Development Period.

5.5.2.2 Project Schedule

The City has determined that the Construction Date shall be no sooner than July 1, 2004. The City has determined that the Scheduled Acceptance Date shall be February 1, 2007. This section shall include the proposed Contract Date and shall specify the total Project duration (in calendar days) such that an Acceptance Date of February 1, 2007 is achieved.

The Proposer shall include a Project critical path method (CPM) schedule that presents the major activities necessary to implement the Proposal. A minimum of 100 and not more than 500 activities shall be shown on the Project CPM schedule. The schedule should commence with the Contract Date and extend to Final Completion. The Proposer should indicate proposed task start and finish dates, key interim milestones including those listed in Section 4.2.3 of this RFP, and City meeting dates. The proposed schedule shall include all proposed major activities for completing the Project, including ordering and delivery of equipment requiring long lead times, and shall identify the interrelationship between tasks, including the critical path.

The schedule shall clearly distinguish between Development Period and Construction Period activities. In addition, within this section, Proposers shall identify the date(s) where receipt of Governmental Approval(s) is anticipated. The Project schedule shall clearly identify the float in the schedule should the timeframe for obtaining Governmental Approvals extend beyond the Proposer's anticipated timetable for these tasks. Proposers shall also identify specific City responsibilities, anticipated City actions, and suggested City review periods during design consistent with the requirements of Appendix 6.

5.5.2.3 Project Management

This section of the Proposal shall describe the proposed coordination and management of various Project activities. The Proposer is responsible for addressing all aspects of the approach to management of the Project. Topics to be addressed include, but are not limited to:

- Project Understanding, including benefits of using the DBO approach and key Project challenges.
- Team Composition
 - Project participants
 - Detailed organizational chart
 - Team reporting lines and mechanisms of reporting
- Project Approach
 - Design
 - Construction administration, oversight, resident engineering and materials testing
 - Startup and Acceptance testing
 - Operations and Maintenance (including repair and replacement)
 - Information flow, document management and records control
- Project Safety
- External Communications
 - Public information plan
 - Service Providers
 - Other Stakeholders
- Resources Management
 - Budget management

- Labor management
- Schedule management

Much of the information requested in this section may exist in other sections of the Proposal. This information can be cross-referenced, as appropriate. The submittal requirements for several of these Project management topics are discussed further below.

Team Composition

This section shall include the following:

- Composition of the Proposer's team, including identification of all Project participants (firms and individuals) and their roles at each stage of the Project, including a detailed organizational chart.
- Organizational structure of key personnel involved in the design, construction, operation, and quality control and quality assurance (for design, construction and operations). All individuals who the Proposer believes are critical to the Project should be included.
- The team reporting structure, mechanisms of reporting, and internal communications plans.
- The specific responsibilities, authority and accountability of the key personnel and how these team members will interact with each other and other entities involved in the Project. Where several functions are performed by one individual, information shall be provided on immediate subordinates.
- The geographic location of key staff during each phase of the Project.
- Description of how both the construction and operations organizations will be integrated with the design organization during all phases of design in order to promote constructability, operability, maintainability, value engineering and efficiency of design and construction.
- Description of the legal relationships between the parties to be involved in the performance of the Service Agreement. Such relationships shall include, without limitation, descriptions of all profit-sharing agreements, contracts for professional services, and risk/reward allocation agreements. If the Proposer believes any of this information is confidential in nature, it shall clearly label the specific portions that are to be kept confidential.

Project Approach

The Proposer shall describe its team's design process, including procedures for equipment selection, constructability reviews, obtaining operations team input, and identifying, tracking, and implementing design, and construction operations strategies including designer involvement in oversight of construction. Describe how the Proposer will avoid:

- Both duplication and discontinuity in leadership between Project phases,
- Compartmentalization between design, construction and operations, and
- Contractor or equipment supplier interests overriding engineering-based decisions.

The Proposer shall describe its approach for startup and acceptance testing the Facilities, particularly addressing how to fully test the Facilities in compliance with Appendix 8. The Proposer's approach to timing of Acceptance Testing, management of partially treated or non-conforming water, staging of testing, use of the Low Pressure Finished Water Transmission Line and High Pressure Finished Water Transmission Line, etc., shall be described. The Proposer shall identify any Governmental Approvals required for acceptance testing.

The Proposer shall describe its approach to operations and maintenance, including repairs and replacements. Cross-reference may be made to the Preliminary Operating Protocol and Preliminary Maintenance, Repair and Replacement Plan in Volume III.

Information flow, document management and records control for each phase of the Project shall also be described.

External Communications

The Proposer shall describe its plan for handling communications with the public during (a) the Development Period, (b) Construction Period, and (c) Operations Period, as appropriate. The Proposer shall describe how it will meet requirements for public notification, for responding to public inquiries and complaints, and for making the Facilities available to the public for tours of the completed Facilities. Cross-references to architectural diagrams and renderings are encouraged. The Proposal shall describe the personnel responsible for implementing its public information plan. The Proposer shall describe its approach to creating an educational brochure, and in the Proposal shall submit a sample brochure from a previous project and/or a sample brochure for this Project.

5.5.2.4 Environmental Stewardship and Management

The Proposer shall describe potential environmental impacts of the Project and the Proposer's environmental protection, mitigation, and monitoring systems. The Proposer may reference the site plan drawings to describe how disturbance of the Sites will be minimized temporarily (during construction), over the long-term (during operations) and during future Plant expansions. The Proposal shall describe how the design will mitigate the City's environmental concerns through incorporation of the City's design approach and philosophy into the design, construction and operation of the chemical systems for the Facilities. This philosophy is being developed out of the chemical system assessments for the City's "Regulatory Compliance Excellence Program." Several evaluations of existing City facilities have been prepared under this program and are included as Background Documents.

The Proposal shall also describe mitigating measures to meet the Environmental Guarantees defined in Appendix 9 and control environmental impacts to:

- Air (e.g., odor and dust impacts)

- Groundwater
- Surface water (e.g., washes and the Waddell Canal)
- Ambient noise levels (e.g., local noise ordinances and Performance Guarantee)
- Light emissions
- Traffic (during construction and operation)
- Other environmental considerations (e.g., waste disposal, fuel handling)

The Proposer shall also describe how the Facilities are compatible with the Sites, the surrounding environment, and the City's preference for efficient use and conservation of resources. The Proposer shall describe its program to ensure long-term compliance with environmental regulations and permit conditions. The Proposer shall identify the proposed method of disposal for Residuals.

5.5.2.5 Approach to Obtaining Governmental Approvals

The Proposer shall describe its approach to obtaining Governmental Approvals needed to construct and operate the Facilities. The approach described should be specific to the Sites and technologies proposed for the Facilities.

The Proposal shall specify the name of each applicable Governmental Approval, the Proposer's estimated calendar time required to submit a complete Governmental Approval application, total time estimated to obtain the Governmental Approval from the Contract Date, and each instance where coordination or assistance from either the City or others in obtaining such Governmental Approvals is required. Information on non-key Governmental Approvals may be presented either singularly, collectively or in groupings for the Development Period, the Construction Period and the Operation Period. The Proposal shall also highlight (a) any Governmental Approvals listed in Appendix 2 that the Proposer believes will not be required due to the specific nature of the Proposal and (b) any Governmental Approvals, in addition to those listed in Appendix 2 that will be required due to the specific nature of the Proposal, and the rationale for each.

The Proposal shall address the relevance of previous permitting experience with the proposed treatment technologies to the treatment services to be provided at the Facilities. For example, the discussion shall address similarities and differences between the conditions of raw water quality and quantity in previous usage of the technologies and the range of conditions anticipated at the Facilities. If the Proposer anticipates pilot testing of proposed technologies, the Proposer shall describe when, how and for how long this pilot testing will be conducted, whether such testing is anticipated to be completed prior to execution of the Service Agreement, how the results of such pilot testing might impact on the design criteria for the technology proposed, whether it might impact the Proposer's ability to proceed with the proposed technology, and its potential impact on the obtaining of Governmental Approvals for the Project.

5.5.2.6 Team Partnership Environment

It is of utmost importance to the City that it selects a competent and compatible “business partner” for this long-term relationship. The City desires that this long-term business relationship be one of optimum mutual benefit to both parties and that it be conducted in a “team partnership environment.” The Proposer shall describe its plan for providing a team partnership environment on this Project.

City review is an essential part of the City’s collaboration with the Company in the permitting, design, construction and operations of the Facilities. The Proposer shall describe the communications methods for facilitating City review during all phases of the Project, in order to ensure that the completed Facilities and the operations thereof meet the City’s requirements for performance and quality. The Proposer shall describe the relationship and communications with the City during the Development Period, Construction Period and Operation Period. Communication tools described in the Proposal shall include, but not be limited to meetings, progress reports, and facilitated City reviews at key points in the Project.

The City requires the Company to have a full-time project manager located in the City of Phoenix throughout the Development Period and the Construction Period. During the Operation Period, day-to-day City contact is expected to be through the Facilities manager at the Plant. Describe the project manager role and how this role will work on this Project.

The Proposal shall describe how the Proposer’s approach to creating a partnering environment will provide benefits to the Project, including but not limited to: reduced costs, reduced bureaucracy, better communication, safer work environment, reduced stress, increased productivity, and improved morale. The Proposal shall outline the partnering process and describe the proposed degree and nature of involvement of City and Proposer staff.

5.5.3 Volume III: Technical Proposal

This Volume shall present the technical aspects of the Proposer’s plan to implement the Project. The Proposer shall define the proposed Facilities, including the technical information necessary to convey a clear understanding of the proposed water treatment and conveyance systems. The Proposal shall be in sufficient detail so that the City can ascertain the Proposer’s ability to comply with the Performance Guarantees and Design Requirements. Proposal text which defines the proposed Facilities shall be included on the appropriate Proposal Form. Proposal text which provides an explanation of a rationale behind the design, including descriptions of the benefits of the proposed design shall be provided in narrative sections of the Proposal.

The Proposer shall clearly describe the specifics of the Facilities. All major components of the Facilities, as appropriate, shall be described, including the Intake, Raw Water Pumping Station, Raw Water Transmission Line, water treatment processes, Finished Water Reservoirs, Operations Building, Finished

Water Pumping Station(s) maintenance and other support buildings and areas. The following subsections outline the technical elements that shall be included in order to demonstrate compliance with the Performance Guarantees and Design Requirements.

Enhanced technical features that the Proposer feels are unique and that enhance the value of the proposed Facilities shall be described in the appropriate section(s) of this Volume III and in Volume IV.

5.5.3.1 Treatment Process and Equipment Selection

This section of Volume III shall explain the treatment process, equipment selection and the design of the treatment Facilities and include in its Proposal information to a level consistent with a preliminary basis of design report. Detailed design criteria and specifications shall be provided on the appropriate Proposal Forms. Sufficient information for the City to review and understand the design shall be provided on the Proposal Forms and Volume IV: Drawings and Diagrams. Proposers shall demonstrate that their proposed design meets the Design Requirements

The selection and combination of unit processes, with the exception of processes explicitly disallowed in Appendix 5, shall be at the sole discretion of the Proposer. Proposers shall only propose technologies and processes which, in its judgement, will be approved by each applicable Governmental Body. Within this Proposal section, Proposers shall also:

1. Provide the history and demonstrated results of the proposed water treatment technologies. Proposers are encouraged to identify reference installations where the proposed water treatment technologies have been successfully implemented. For the reference installations, include the name of the installation, location, size, age, type of treatment technology being referenced, and installation contact name and phone number. Proposers should emphasize installations of similar size to the Facilities or installations with treatment modules of similar size to those proposed for the Facilities. For reference installations where the Proposer was involved in the implementation of the referenced technology and which were included in the Proposer's SOQ or elsewhere in its Proposal, the Proposer may provide a cross-reference to that reference information.
2. Discuss the anticipated useful life of the proposed systems.
3. Provide an explanation of and a basis for the Proposer's judgement that the proposed combination of unit processes and system configurations will be approved by each Governmental Body, including MCESD.
4. Describe when and to what extent, through text descriptions and diagrams, the Proposer will require relief from producing 80 mgd of Finished Water, based on peak hour, peak day, and 10-day average Raw Water turbidity events beyond the turbidity curve provided in Appendix 9.
5. Identify and describe the proposed methods of disinfection by-product (DBP) precursor removal and the anticipated precursor removal performance to be achieved by such methods. Proposers should note that the Performance Guarantees for DBPs define specific protocols and levels for certain

chemical compounds (e.g. trihalomethanes). It should also be noted that the City recognizes the benefit of DBP precursor removal due to the reduction in many known and unknown DBPs.

6. Described the Facilities taste and odor control capabilities.
7. Describe how the treatment processes proposed will be capable of continuously providing treated water meeting all of the Performance Guarantees for Raw Water turbidity (excluding case 4), TOC, and geosmin/MIB events described in Section 4.2.3. Describe to what extent the treatment processes proposed will be capable of continuously providing treated water meeting all of the Performance Guarantees for Raw Water with turbidity as described in case 4 of Section 4.2.3.
8. Explain the Facilities' hydraulics and describe any pumping within the Plant.

If the Proposal includes allowable exceptions to proven technologies, the Proposer shall describe contingency plans that the Proposer would implement if such proposed technologies do not perform as intended, during pilot testing, Acceptance and/or full-scale operation. This will include a specific description of how the design and/or operation of the Plant could be modified to accommodate the eventuality of reduced performance of the given technology (e.g. how the given technology processes would be modified either through capital improvements or modified operation to attain the required Finished Water).

5.5.3.1.1 Hydraulic Capacity

As part of Proposal Form 23, the Proposer must describe the installed hydraulic capacity and firm hydraulic capacity of each Major Equipment/system. Appendix 5 identifies minimum requirements for hydraulic capacity.

5.5.3.2 Non-Process Design

This section shall provide narrative descriptions of components of the Facilities not directly related to water treatment, including but not limited to, civil/site work, structural design (including seismic), building services, power supply, electrical equipment, instrumentation and control, communications systems, auxiliary facilities including odor control facilities on-site laboratory facilities and administrative offices. Provide rationale and operating philosophy for major systems, i.e., power supply, I&C, communications, HVAC, odor control, laboratory facilities, etc. Proposers should reference drawings and diagrams in Volume IV as appropriate.

5.5.3.2.1 Civil/Site Work

The Proposal shall describe its civil and site drawings that define the Proposer's approach for development of the Sites, including the layout of the Sites, construction laydown areas, earth movement (cut and fill), excavation and blasting, clearing and grading, undisturbed areas, drainage, stormwater

management, roadways and traffic management, parking, site security, utilities, etc. Proposers shall show this information on the drawings to the extent possible.

5.5.3.2.2 Building Services

The Proposal shall describe all building services on Proposal Form 24. The Proposal shall supplement the Proposal Forms with system schematic drawings, where appropriate, to illustrate proposed systems. Where applicable, the Proposal shall indicate measures provided to comply with the Americans with Disabilities Act.

5.5.3.2.3 Power Supply

The City anticipates that this Project will require negotiations and planning with the local power company, Arizona Public Service. The Proposer shall describe in detail how electricity will be provided to the Facilities. The City has determined that substation(s) with transformer(s) shall be purchased, installed, and maintained by the Company as further described in Appendix 5-Attachment 5B. The Proposer shall address the planning process necessary to satisfy this requirement.

The Proposal shall discuss how electricity usage will be managed, and any on-Site generation facilities capable of curtailing electrical demand during peak capacity events and the cost effectiveness of the proposed approach.

The Proposer shall describe its proposed distribution system.

5.5.3.2.4 Electrical Equipment

The Proposal shall describe all major electrical equipment on Proposal Form 25. For each major component, the Proposal shall include, at a minimum, the number of units, location, horsepower, voltage rating, motor classification, and rate of power usage.

5.5.3.2.5 Instrumentation and Controls

The Proposal shall describe its instrumentation and controls on Proposal Form 26. In addition, the Proposer shall supplement the Proposal Forms with a detailed description of the process instrumentation and control systems; their utilization to achieve the Proposer's Operational philosophy and their compatibility and potential interconnection with the City's SCADA system for monitoring and control of water treatment and supply. The control interface shall be fully described, and logic diagrams provided.

The Proposer shall describe how the proposed automation of the Facilities will impact staffing levels at the Facilities. The Proposer shall describe its plan for system upgrades as technology advances.

5.5.3.2.6 Auxiliary Facilities

On Proposal Form 21, the Proposer shall describe the auxiliary facilities to be provided, including on-site laboratory facilities, chemical storage, maintenance shop, etc. Off-site usage, if any, of laboratories shall also be described. The function, size, and purpose of each auxiliary facility shall be described, including how each facility will be equipped.

5.5.3.2.7 Operations Building

The Proposal shall provide a description of the Operations Building, its visitor center, laboratory, offices, employee locker rooms and rest rooms, a multipurpose room, and a conference room. The description should reference the architecture and aesthetics provided in the Proposal Forms and Volume IV drawings, including furnishings, lighting, floor coverings, wall coverings, ceiling finishes, doors, windows, and all other appurtenances such that the overall building concept is adequately described. These features shall also be described for other critical buildings (e.g., maintenance center, process building), as applicable.

5.5.3.3 Reliability and Redundancy

Elsewhere in the Proposal, the Proposer has defined its design of the Facilities. In this section, Proposers shall describe the rationale behind their design decisions, including its use of redundant structures and equipment. The Proposal shall also describe the redundancy for each unit process and the interconnections between unit processes allowing flexibility in process configuration to be maximized. This discussion of reliability and redundancy may include, but is not limited to:

- Alternative flow routing and overflow requirements under all expected operational, maintenance, and emergency circumstances.
- Redundant power supply. The combination of redundant power supply and Finished Water storage shall ensure that the Facilities can deliver Finished Water during power failures in accordance with the requirements of Appendix 5. The Proposer shall describe any additional aspects of the redundant power supply and the Finished Water storage, such that the reliability of the Facilities is maximized.
- Alternate power sources, ranging from on-site generation to alternative energy options (including diesel, natural gas, etc.) to alternative or supplemental off-site guaranteed capacity, that reduce the future risks of increased electricity costs and potentially reduced reliability.
- Preventive and predictive maintenance programs specifically with regard to improving the reliability of the Facilities and equipment. Training and staffing to ensure that the reliability and redundancy programs are successfully implemented.

5.5.3.4 Expandability of Facilities (Site Master Planning)

The Company shall describe its master plan for the Sites to allow for easy future expansion of the Facilities, while maintaining full Finished Water production capacity. This section shall describe the layouts of the Sites included with the drawings in Volume IV. Narrative descriptions shall be provided for the construction procedures required to expand the Facilities incrementally to Finished Water production capacities of 160, 240, and 320 MGD while maintaining full Finished Water production capacity. Clearly describe any difference in design assumptions for the first 80 MGD module and future modules and the rationale for any such difference. Flexibility in choosing future expansion scenarios and the impact on the operability of the first 80 MGD module should be described.

The Proposer shall describe how its design of buildings will minimize the expense of future expansions. The Proposer shall also describe how its design minimizes the impacts of future changes in building classifications which may result from future expansions to the Facilities.

5.5.3.5 Architecture, Aesthetics, and Landscaping

5.5.3.5.1 Site Analysis

This section of the Proposal shall include the Proposer's site analysis which examines and displays the relationship of the proposed architectural design to the existing and anticipated characteristics of the Sites. The site analysis shall be consistent with the following preliminary site analysis performed by the City. The site analysis shall demonstrate the Proposer's knowledge of the Sites and provide the basis for the Proposer's architectural concept and design.

Preliminary Site Analysis

The natural surroundings of the Sites can be defined as abstract relationships of color, form, scale and ordering principles. The color palette of the Sites consists of varying shades of warm earth tones in horizontal layers against a cool backdrop provided by the sky. The vegetation provides the composition with accents of varying low intensity greens. The forms of the existing context are predominately composed of horizontal forms producing various layers of density. The system of horizontal layering is balanced by the sprinkling of vertical accents, provided by the cacti.

There are a variety of scales prevalent on the Sites. The scales of the different elements shift in magnitude based on their form. The horizontal elements are large-scale elements that relate more to the Sites' civil scale as well as the horizon and sky. The natural vegetation provides a scale that is more associated to the human body.

The ordering principles of the Sites are based on organic systems. The anticipation of future development on adjacent properties infers the probability of the future arrival of geometric ordering principles to the

vicinity. However, the Sites are based on the organic ordering principles non-geometric, asymmetrical topography and boundaries balanced with seemingly random placement of natural vegetation accents.

5.5.3.5.2 Design Approach

The Proposer shall describe its architectural design approach which shall relate directly to the surroundings at the Sites. The existing natural desert is an invaluable asset to the City and the philosophy of the architectural design shall respond to the preservation of that asset. It is clearly understood that the Facilities will have a visual impact on the surroundings. The design approach shall proactively set an aesthetic standard that relates to the natural desert and is consistent with the future expansion of the Facilities and development adjacent to the Sites. The design approach shall describe the useful life of the proposed architectural concepts.

5.5.3.5.3 Architectural and Landscaping Design

The Proposer's architectural and landscaping design shall be provided on the Proposal Forms, Proposer drawings, and an Exterior Architectural Materials Sample Board. The Exterior Architectural Materials Sample Board shall include a physical sample of each major exterior element material to depict the full architectural palette of the Facilities. These material elements include walls, roofs, glass, window frames, column enclosures, and louvers. The board or boards shall be approximately 24" x 36" and shall be labeled with the samples permanently mounted.

A preliminary site analysis showed that color, form, scale, and ordering are the essential principles that define the abstract properties of the Sites. The proposed architectural design shall utilize an architectural philosophy which is consistent with these principles by using their defined character in the synthesis of the architectural elements. The color used for the architecture shall be based on the defined palette of the Sites. The walls may be composed of concrete, stone, brick and concrete masonry using colored aggregate to produce varying shades of the earth tones prevalent at the Sites. Aluminum window frames and trim shall be anodized with a tone consistent with the same palette.

The forms of the architecture shall be broken down into forms that relate to the existing forms defined in the Site Analysis. The walls shall be visually divided into separate layers of horizontal elements. Each element shall be designed to have separate shades of color to produce a visual layering effect. The breakdown of layering shall be produced by fenestration, articulation of protruding canopies and changes in texture and color. The texture may be provided with split-faced and fractured fin concrete masonry, stone, textured concrete and brick textures that composes an architecture that is a cohesive overall design of varying horizontal layers.

The proposed architectural design shall be consistent with the scales of the Sites. The process buildings shall provide a large scale element that can be utilized to maintain the civic scale present on the Sites

while the variations of the layering as well as the architectural treatment shall create a scale at the human magnitude. The landscaping approach shall also reinforce the existing scale produced by the vegetation that will be protected and/or replanted.

The organic ordering principle of the Sites shall be utilized to produce the architectural design. The separate areas of a building shall be arranged in a non-geometric pattern based on the local contours of the Plant Site topography. Organic ordering shall be used on the facades in asymmetrical divisions that break down the exterior facades into horizontal layers.

Proposers shall design all structures for ease of future expansion. An example of a design for easy expansion would be a pump station layout that, during expansion, requires piping to be extended, and pumps to be installed over an existing wetwell. Additionally, buildings should be designed to anticipate future changes in building classifications resulting from expansions.

The City assumes that Proposers will desire that the Facilities reflect the Proposer's creative approaches to both the process design and technology. The City encourages the Proposer to integrate graphical displays and other features that express these considerations into the architectural design and to describe these features on their drawings and on Proposal Form 28.

5.5.3.6 TDS Removal (Optional)

Although the City recognizes that there are benefits that will be achieved if this Project reduces total dissolved solids (TDS) for the Finished Water, the City has not determined an economically-feasible method of materially reducing TDS and disposing of waste brine streams. Therefore, the City is not requiring TDS removal and has not included a TDS standard in the Performance Guarantees. Proposals which provide some degree of TDS reduction or minimize the addition of TDS will be evaluated as part of the technical evaluation as offering a technical enhancement. The percent removal, example mass-balance calculations, and a confirmation that the Proposer would be willing to add TDS removal as a treatment standard in the Performance Guarantees should be provided for Proposals offering TDS reduction.

5.5.3.7 Construction Operation Planning and Sequencing

The construction market in the greater Phoenix metropolitan area is limited by the availability of construction resources, particularly labor. The Proposal shall identify all schedule-constraining resources and indicate how the Proposer will manage these resources to prevent them from impacting construction progress (e.g., availability of skilled workers, materials, machinery, equipment, temporary facilities, and working capital). Construction-phase activities shall take into account resource requirements from other concurrent projects and the availability of resources from higher priority projects. The resource leveling objective shall be to reduce problems associated with the limited availability of resources. The Proposal

shall also include the Proposer's approach to attracting, retaining and providing incentives to attract and retain skilled laborers necessary to meet the labor requirements during the Construction Period.

Proposers shall also describe their approach to procurement and delivery of materials for the Project. Innovative and cost-effective procurement and delivery techniques should be described.

5.5.3.8 Subcontractor and Labor Management

The proposed contractual relationships between the Proposer and its members and Significant Subcontractors shall be outlined in the Proposal. The Proposer's approach to management of subcontractors shall be provided.

The Service Agreement requires the Company to provide and maintain an internal dispute resolution process for on-site disputes between the Company and its employees during the Operation Period. To evidence their compliance with this requirement, Proposers are required to include in this section of their Proposals a detailed description of their proposed dispute resolution process. Proposers are advised that, although the City will not evaluate the sufficiency or content of such proposed dispute resolution process, it will incorporate the description of such process in Appendix 14.

5.5.3.9 Construction Safety

The Proposer shall describe the planning and safety measures to be used on the Sites and to be communicated to all individuals near or on the Sites during the Construction Period. The Proposer shall also describe their approach to minimizing the likelihood of construction-related accidents and compliance with safety measures required by Applicable Law. This section shall, at a minimum, address the following items:

- Safety goals, standards, and guidelines
- Designation by name of a full-time, on-site safety coordinator who is to be responsible for all safety related activities and a description of other staff positions involved in safety planning and review
- A framework for a safety review process and appropriate regular meetings to address safety issues
- Documentation of safety procedures
- Construction traffic management and equipment and substance (chemicals) safety training
- Method for tracking who is on the Sites

5.5.3.10 Preliminary Operating Protocol

This section of the Proposal shall consist of the Proposer's Preliminary Operating Protocol prepared in accordance with the requirements of Appendix 13 for the Operating Protocol.

5.5.3.11 Energy and Chemicals Management

The Proposer shall describe how fuel, chemicals, and other hazardous materials will be handled on the Sites. The approach to the handling of hazardous materials shall demonstrate how the design of the Facilities and the proposed operating strategies will minimize the risk of related hazards, including combustion, noxious or harmful fumes, and spills. At its option, the Proposer may propose the use of energy providers other than Arizona Public Service (APS). Such Proposers shall describe its approach for implementing this option. Proposers shall also describe the number of days of on-site storage capacity provided for each chemical.

5.5.3.12 Preliminary Maintenance, Repair and Replacement Plan

This section of the Proposal shall consist of the Proposer's Preliminary Maintenance, Repair and Replacement Plan, which shall define how the Proposer will achieve the City's objective of quality performance, including but not limited to the following components of quality performance: 1) availability of consumables and spare parts; 2) ongoing maintenance and repair; 3) uninterrupted Finished Water at flows demanded by the City; 4) appropriate and timely renewal and replacement of Major Equipment; 5) continuous good housekeeping to preserve aesthetics and protect against deterioration; and 6) cost-effective upgrades of obsolete equipment and systems.

The Preliminary Maintenance, Repair and Replacement Plan shall include an equipment inventory, schedule for shift and preventative maintenance, and related operator training. Through the use of a computerized maintenance management system (CMMS) that is compatible with the City's CMMS system, the plan shall address the tracking of groups of equipment with different useful lives, and include depreciation and the appropriate repairs, replacements, and renewals. The Preliminary Maintenance Repair and Replacement Plan shall be provided in sufficient detail to represent contractual terms.

The Preliminary Maintenance Repair and Replacement Plan shall define how maintenance, repairs and replacements will be made to a specified standard and in a timely manner and will not be deferred due to cost pressures or other factors, and that at the expiration of the Term, the Facilities will be returned to the City in a sound, proper and well-maintained condition without the necessity for the City to undertake a major overhaul when assuming Facilities management responsibilities. A repair and replacement schedule (Proposal Form 32) shall be provided as part of the Preliminary Maintenance and Repair Plan. The Proposer shall describe how the Facilities will be periodically taken down for maintenance, while continuously meeting the Water Delivery Guarantee. Additionally, the Proposer shall describe how portions of the Facilities will be operated during the major annual maintenance period which is expected to last up to six weeks during the winter. During this annual maintenance period the Facilities shall remain capable of producing 60 mgd at all times. The Preliminary Maintenance, Repair and Replacement Plan shall be consistent with the weighted average useful life requirements defined in the Service Agreement and Appendix 15.

5.5.3.13 Technical Proposal Forms

The following Proposal Forms shall be submitted in this section of Volume III of the Proposal:

- Optional Proposal Form 2: Additional Project Commitments
- Proposal Form 12 – Intake, Raw Water Pumping Station and Raw Water Transmission Line
- Proposal Form 13 – Chemical Systems
- Proposal Form 14 – Primary and Secondary Disinfection
- Proposal Form 15 – Clarification and Filtration System
- Proposal Form 16 – Taste and Odor and Organics Removal
- Proposal Form 17 – Backwash and Filter-to-Waste Recovery System
- Proposal Form 18 – Finished Water Reservoirs and Pumping Station(s)
- Proposal Form 19 – Treatment Process Monitoring System
- Proposal Form 20 – Solids Handling System
- Proposal Form 21 – Other Major Systems and Auxiliary Facilities
- Proposal Form 22 – Facilities Major Equipment List
- Proposal Form 23 – Firm Capacities
- Proposal Form 24 – Building Services
- Proposal Form 25 – Electrical Equipment
- Proposal Form 26 – Instrumentation and Control System
- Proposal Form 27 – Corrosion Control Philosophy
- Proposal Form 28 – Additional Architectural Features
- Proposal Form 29 – Interior Architectural Materials
- Proposal Form 30 – Exterior Architectural Materials
- Proposal Form 31 – Architectural Expansion Considerations
- Proposal Form 32 – Repair and Replacement Schedule
- Proposal Form 33 – Guaranteed Maximum Electricity Utilization and Demand

5.5.4 Volume IV: Drawings and Diagrams

The Proposer must clearly label and illustrate the specifics of the Facilities, including all major components. These drawing(s) will serve as an overview of the technical design proposed for the Facilities and will become a part of the Appendices to the Service Agreement. At a minimum, this section shall include the drawings and diagrams described below. The Proposer may include additional drawings.

5.5.4.1 General

The Proposer shall provide drawings showing the limits of the Sites and the limits of construction and areas to be avoided during construction. The site plan drawing(s) shall identify the limits of work, including clearing limits; all permanent and temporary on-site structures, facilities, site security and utilities; staging and laydown areas; roadways and traffic circulation; parking areas; clearing and grading; site drainage; stormwater management facilities, landscaping; undisturbed washes, disturbed washes, and artificial / enhanced washes; and wash mitigation approaches. Site section drawing(s) showing typical sections through the developed portion of the Sites shall be included.

Drawings shall depict the accommodations made for future expansion of the Facilities to 160, 240, and 320 MGD of Finished Water production. Hydraulic profiles and the hydraulic grade lines at 20 and 80 MGD shall be provided that illustrate all the major hydraulic elevations from the Intake to the Finished Water pumps. Pumping, piping and valving at the intake and discharge point of major systems within the Facilities shall be indicated, including the size, hydraulic capacity, and material of each component. The general Facilities drawings shall include:

- Cover Sheet
- Index
- Legend
- Hydraulic Profile
- Process Flow Diagram - Proposers shall provide a complete process flow diagram for the entire Plant indicating the purpose of each process along with the efficiency of the process component for the removal of contaminants for which the process is selected. At a minimum, the Proposers should identify the processes along with their efficiencies for the removal of turbidity, geosmin/MIB, manganese, disinfection byproducts precursors (measured as TOC). Proposers should identify all chemical feed locations. The projected water quality of the influent and effluent of each unit process with respect to the key parameters shall also be provided.
- Process Flow Diagrams (Chemical Systems)
- Process Flow Diagrams (Residuals Handling)
- A turbidity curve for the Facilities, which at a minimum fully encompasses the turbidity curve provided in Appendix 9.
- Site Layout Plan (including clearing limits and delineation of undisturbed areas)
- Grading and Drainage Plan
- Piping Plan (large diameter)
- Master Planning Drawings (including clearing limits and landscaping) for future expansions to 160 MGD, 240 MGD, and 320 MGD

5.5.4.2 Civil / Structural

The civil / structural drawings shall include:

- Legend (if different from the general drawings legend)
- Plans and Layouts (all tankage, Major Equipment, chemical storage areas and buildings, etc.)
- Foundation Plan
- Roadway and Traffic Plan (may be included in general drawings, Site Layout Plan)
- Utilities Plan (may be included in general drawings Site Layout Plan)

Plans and layouts shall be to a standard scale, identify the scale, and include dimensions for major features.

5.5.4.3 Architectural and Landscaping

Proposers shall provide architectural renderings that depict the proposed philosophy and resulting aesthetics of the Facilities. The renderings should be visually accurate, clearly indicate materials and forms of the architecture, and be suitable for presentations to the public. The lighting illustrated on each rendering should be accurate in relationship with the location, cardinal points and solar angles. Proposers shall provide all the required renderings to convey the architectural solutions with the following as a minimum requirement:

- Aerial Perspective: The Aerial perspective should indicate the relationship of the buildings to the Sites.
- Public View: The most likely public view shall be provided. The viewing point is most likely from Lake Pleasant so a view from the northwest may be the most appropriate.
- Operations Building Perspective: The perspective should indicate the materials, color and form of the exterior of the Operations Building. At a minimum, the view from the Plant entrance approach shall be provided to illustrate how the Operations Building is distinctive and visually identified as the operations center of the Plant.
- Raw Water Pump Station and Intake: A separate rendering shall be provided for the Raw Water Pumping Station and Intake.

In addition to the renderings, the Proposer shall submit the following architectural and landscaping drawings at a minimum:

- Legend (if different from the general drawings legend)
- Site landscaping layout
- Schematic Operations Building enlargement, including area classifications

- Schematic entry feature elevation or perspective for the Plant Site and the Raw Water Pumping Station Site, including signs
- Schematic barrier elevation for the Plant Site and the Raw Water Pumping Station Site
- Plans, elevations and sections necessary to convey the Proposer's architectural and landscape design
- Schematic diagrams of areas open for public tours

The above listed architectural drawings shall include building layouts and access between structures, building exterior and interior dimensions, materials of construction, and schematic diagrams of the route of public Facilities tours and other areas open to the public.

5.5.4.4 Process Control and Instrumentation

The process control and instrumentation drawings shall include:

- Legend (if different from the general drawings legend)
- Mass balance diagrams, including flow, concentration (ppb) and mass (lbs/day)
- Process control and instrumentation diagrams (include the range of concentrations and/or other values of key water quality parameters for the Raw Water and before and after each unit process)
- Locations of all flow and water quality monitoring devices
- Schematic block diagram of distributed control system
- Control philosophy
- Operational descriptions of loops

5.5.4.5 Electrical

The electrical drawings shall include:

- Legend (if different from the general drawings legend)
- Electrical One-Line Diagram
- Plant entrance, substations, buses, and transformers
- Electrical corridors

5.5.5 Volume V: Price Proposal

A Proposal submitted in response to this RFP must contain a Price Proposal that fully conforms with and satisfies the format and content requirements described herein, and sets forth the Proposer's proposed Fixed Design/Build Price, Fixed Component of the Base Fee of the Service Fee. The Adjustment Factor Modifier and certain electrical usage guarantees. In evaluating and scoring the Price Proposal, the Selection Committee will apply the price evaluation criteria and scoring method set forth in Section 6.

5.5.5.1 Price Proposal Forms

Volume V of the Proposal (the Price Proposal) shall consist only of the following Proposal Forms:

Proposal Form 34 – Fixed Design/Build Price

Proposal Form 35 – Fixed Component of Service Fee

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Lake Pleasant Water Treatment Plant DBO Project

Request for Proposals

SECTION 6 - PROPOSAL EVALUATION

6.1 Conformance Review

Proposals will first be individually evaluated for conformance with the specific requirements set forth in this Section 6.1. Any Proposal that the Selection Committee determines is incomplete in any material respect will be deemed non-responsive and will be rejected in its entirety by the Selection Committee. In such event, the Selection Committee will return the entire Proposal (including the unopened Price Proposal) to the Proposer and the Proposer will not be entitled to receive the honorarium set forth in Section 3.6. Materially responsive Proposals will include the following:

- Delivery to the correct address at the specified time
- Complete Non-Price Proposal Forms and Attachments
- Requisite Proposal Security
- Compliance with the City's MBE and WBE Requirements
- Compliance with Project Schedule Requirements
- No material deviations from the Revised Preliminary Technical Proposal (unless required to comply with an RFP addendum issued subsequent to submission of the Revised Preliminary Technical Proposal)
- No exceptions taken to the final, clarified Service Agreement (including the Common Appendices)
- Separate Sealed Price Proposal

Proposals deemed responsive to these requirements will be evaluated as described in the following sections.

6.2 Evaluation of Final Technical and Price Proposals

Following the Proposal conformance review, the Selection Committee will evaluate the Proposals in accordance with evaluation criteria set forth herein. Only after evaluating and scoring the Final Technical Proposals will the Price Proposals be opened, evaluated and if found to be responsive, scored. The result of the Proposal evaluation process will be a comparative, numerical ranking of the Proposals.

The Selection Committee may, in its sole discretion, prepare a written request for clarification to some or all Proposers for the purpose of clarifying any information submitted in a Proposal. The request may seek written clarification from the Proposer of any ambiguities in its Proposal and additional information the Selection Committee believes is necessary to complete the evaluation process including clarification of

language in light of the fact that the Final Technical Proposal will be incorporated in and become part of the definitive Service Agreement as Technical Appendices. In addition, the Selection Committee may, in its sole discretion, perform other due diligence investigations with respect to any information submitted in a Proposal.

6.2.1 Final Technical Proposal Evaluation Criteria

The Final Technical Proposal Evaluation Criteria will consist of five major criteria, each with multiple subcriteria that will be evaluated and scored by the Selection Committee when evaluating the Final Technical Proposals. The maximum number of points assigned for each of the five major criteria are indicated in bold for a total of 1,000 points. The maximum number of points are further defined for certain subcriteria in accordance with the Enabling Law. Proposers are advised that the Selection Committee will not establish technical points for Final Technical Proposals in the abstract, but rather such points will be assigned on the relative qualitative differences in Final Technical Proposals to the City. The Selection Committee reserves the right, in its sole discretion, to determine the points awarded for each criterion based on its evaluation of the Proposal information considered for each such subcriterion. The Selection Committee may elect to award tenths of a point.

Final Technical Evaluation Criteria	Points
Volume I: Team	100
<ul style="list-style-type: none"> • Qualifications and Experience • Financial Capacity 	<p style="margin: 0;">50</p> <p style="margin: 0;">50</p>
Volume II: Approach	240
<ul style="list-style-type: none"> • Preliminary DB Quality Management Plan • Compliance with the Project Schedule Requirements • Project Management • Environmental Stewardship and Management • Approach to Obtaining Governmental Approvals • Team Partnership Environment 	<p style="margin: 0;">50</p> <p style="margin: 0;">10</p>
Volume III: Technical Proposal	
Demonstrated Compliance with Design Requirements	400
<ul style="list-style-type: none"> • Treatment Process and Equipment Selection • Non-Process Design • Reliability and Redundancy • Expandability of Facilities (Site Master Planning) • Architecture, Aesthetics, and Landscaping • TDS Removal 	

Final Technical Evaluation Criteria	Points
Construction Process <ul style="list-style-type: none"> • Construction Operation Planning and Sequencing • Subcontractor and Labor Management • Construction Safety 	110
Operations <ul style="list-style-type: none"> • Preliminary Operating Protocol <ul style="list-style-type: none"> - Flexibility of Operations and Operational Philosophy - Emergency Operations Plan - Process Monitoring and Regulatory Reporting Plan • Energy and Chemicals Management • Maintenance, Repair and Replacement • Other 	150
Total	1000

6.2.1.1 Team

The Selection Committee will evaluate Volume I of the Proposal based on the criteria summarized below. For the purposes of this Section, the Proposer’s SOQ, in its entirety and as amended and/or supplemented by the Final Technical Proposal, shall be deemed part of the Proposal.

Qualifications and Experience

The Selection Committee will evaluate the strength of the technical experience and qualifications of the Proposer and its Significant Subcontractors, including any changes to the capability and experience of the Proposer’s team since the SOQ submittal. The City will further evaluate the specific design firms for both conceptual and detailed design and construction firms for both construction management and major construction components designated by the Proposer, including its Significant Subcontractors, to complete the Project. The past performance and record of accomplishment by key personnel assigned to the Project, as evidenced by the Proposal and any other relevant information that may be obtained by the City, will also be evaluated. Experience with innovative, proven technologies, including allowable exceptions proposed for the Project, will be evaluated favorably.

Financial Capacity

The Selection Committee will evaluate the financial strengths of the Proposers and their Guarantor(s), including any changes in the Proposer’s or Guarantor’s financial capacity since the SOQ evaluation. The financial capacity assessment will consider the adequacy of the Proposer and the Guarantor to assure the full and timely performance of the Company’s obligations under the Service Agreement and the overall financial stability of the Proposer and the Guarantor.

6.2.1.2 Approach

The Selection Committee will evaluate Volume II of the Proposal based on the following criteria.

Preliminary DB Quality Management Plan

This criterion will include an evaluation of the Preliminary DB Quality Management Plan for proactively monitoring and assuring quality of the Design/Build Work and tracking of proper action based on QA/QC input. Consideration will be given to the level of authority and independence of person(s) tasked with implementing QA/QC. Other factors to be evaluated include:

- Permitting and Design QA/QC procedures
- Construction QA/QC procedures and staffing

Compliance with the Project Schedule Requirements

The Selection Committee will evaluate whether or not the Proposer's Project CPM Schedule reasonably projects Acceptance and Final Completion of the Facilities within the time period specified in the Service Agreement. Since the City has no preference for early Acceptance of the Facilities, no additional points will be assigned for schedule projections indicating early achievement of Acceptance or Final Completion.

Project Management

The Selection Committee will evaluate the Proposer's team organization, reporting structure, mechanisms of reporting, and internal communications plans. Organizational structures that facilitate a common vision among team members and contract relationships that provide a fair allocation of the Project's risks and benefits will be evaluated positively. Mechanisms of reporting that assign clear roles and responsibilities will also be considered. The Selection Committee will determine whether the Proposal communicates how key personnel will have the authority, accountability, and means to accomplish the Proposer's goals and objectives.

The Selection Committee will also consider how the design organization will be integrated with both the construction and operations organizations during all phases of design in order to promote constructability, operability, maintainability, value engineering and efficiency of design and construction. The Selection Committee will consider favorably additional Project commitments that are identifiable, measurable, of value to the City, and included in the Proposal as commitments to the City. Additional Project considerations include the acceptance testing approach and public information plan.

Environmental Stewardship and Management

Responsiveness to design and construction phase environmental issues, including consideration of the City's regulatory compliance excellence program will be considered. Effective environmental protection through the management of construction phase activities, including protection of washes, dust control,

erosion control, noise control and protection of environmentally sensitive areas on the Sites in compliance with the Environmental Guarantee (as defined in the Service Agreement and Appendix 9) will be considered. Minimization of disturbed areas of the Sites, impacts to the surrounding flora and fauna, and impacts to washes, will be considered favorably. The approach to restoring disturbed areas will also be considered. Environmental stewardship through the efficient use of raw materials and minimization or beneficial use of waste materials during the operational phase of the Project will be favorably considered.

Approach to Obtaining Governmental Approvals

The Proposer's schedule and approach for obtaining Governmental Approvals will be evaluated. This assessment will include an analysis of the Proposer's understanding of the regulatory and permitting processes of all Governmental Bodies having jurisdiction. The Proposer's understanding of regulatory uncertainty, potential permit program changes, and the Proposer's ability to minimize the risk of delays during the approval process will be priority considerations under this criterion. The likelihood of the Proposer obtaining the requisite Governmental Approvals for its proposed design in a timely manner will also be assessed.

Team Partnership Environment

The Selection Committee will favorably evaluate Proposals that demonstrate the Proposer's understanding of a team partnership environment in all phases of the Project and consider the City's involvement throughout the Project. The Selection Committee will look favorably on Proposals with key project management personnel located full time in the City of Phoenix.

6.2.1.3 Demonstrated Compliance with Design Requirements

The Selection Committee will evaluate the design and constructability of the Facilities as presented in Volumes III and IV of the Proposal based on the criteria presented below. The Selection Committee will favorably evaluate Proposer-specific enhanced technical features that are incorporated into design and are beyond the requirements of the Service Agreement.

Treatment Process and Equipment Selection

Under this criterion, each water treatment system component will be evaluated, including performance, capacities, instrumentation and control, flexibility, and reliability. The overall appropriateness and soundness of the technical approach to hydraulics (e.g., minimizing headloss and stagnant zones) and the functional completeness of the proposed Facilities will also be considered. The design criteria and quality of materials and the type and quality of equipment proposed will be evaluated. An engineering quality analysis will also be conducted, which will include a review of the durability of the system, piping and equipment, materials of construction, the methods of construction, and the approach to providing structural and foundational stability.

Non-Process Design

Under this criterion, the Selection Committee will consider components of the Facilities not directly related to water treatment, including civil/site work, structural integrity (including seismic), building services, instrumentation and control, power supply and electrical systems, and communications systems.

Reliability and Redundancy

Selection Committee will evaluate the extent to which the proposed design considers the reliability (including ongoing renewal and replacement throughout the Term) of the Facilities and the extent to which the design includes adequate redundancy features in the event of equipment or system failure. Specific design features that will be considered include:

- Capacity and firm capacity of each unit process
- Equipment selection
- Equipment redundancy (e.g., installed spares)
- Redundant power supply

Expandability of Facilities (Site Master Planning)

The overall strategy to accommodate future changes in technology, expandability of the buildings, and the proposed master plan for the Sites, including narratives and drawings, will be considered. The degree to which expansions can occur without impacting operation of earlier phases (i.e., required shutdowns of the existing Facilities) as well as a minimization of disturbance of the Sites with each new phase will also be included in this criterion.

Architecture, Aesthetics and Landscaping

This criterion will include an evaluation of the aesthetics of the Facilities, including not only structural features and architectural profile, but also the aesthetic presentation of the Plant entrance, grounds, landscaping, security features, surrounding areas, and aerial and public view perspectives of the Facilities. Greater attention will be given to the areas of the Facilities that will be open to the general public, including the Facilities exterior and the interior portions open for public tours.

TDS Removal (Optional)

Although inclusion of TDS removal in the Facilities is optional, the Selection Committee will look favorably on Proposals that provide for cost-effective processes for TDS removal. As discussed in the RFQ, the City understands the potential long-term benefits of removing TDS from the source water for all of its water treatment plants, in terms of salt balances and reuse options in their water resources, but has not included TDS in the Benchmark or in the Performance Guarantees. Given the desire to improve long-term water quality relative to TDS, evaluation points will be awarded to Proposals that incorporate treatment processes proposed for the Plant that also have the secondary benefit of reducing TDS or minimizing TDS addition as part of the treatment process. While desiring to encourage the secondary

benefit of cost-effective TDS removal, if achievable, the City is not intending to procure a Plant with technologies selected primarily to achieve TDS removal.

6.2.1.4 Construction Process

The Selection Committee will evaluate the proposed construction process for the Facilities based on the following criteria:

Construction Operation Planning and Sequencing

The Selection Committee will evaluate the Proposer's work breakdown structure, considering resource limitations (people, equipment, materials, and financing) rather than the logical sequence dictated by technical considerations. The Proposer's plans to ensure timely deliveries of materials and equipment will also be evaluated. Procedures to ensure optimization of construction progress and cost through resource leveling will be considered favorably. To reduce problems associated with hiring, overtime, and layoffs, it is desirable to attain a balanced work effort so that the labor loading is somewhat uniform over the duration of the Project.

Subcontractor and Labor Management

The Selection Committee will consider the construction organization and the relationships between contractors and Subcontractors and the Proposer's approach to coordination of Subcontractors to ensure that schedules are met and that the work progresses in a timely manner.

Construction Safety

The Selection Committee will consider the measures proposed for planning, implementing, and maintaining construction safety for all persons and ensuring that a safe construction site is maintained at all times. Public safety measures, including the approach to traffic and noise control, excavation and blasting methods, and other public safety initiatives such as community notification programs will also be considered.

6.2.1.5 Operations

The Selection Committee will evaluate the proposed operations of the Facilities based on the following criteria:

Preliminary Operating Protocol

Flexibility of Operations and Operational Philosophy - The Selection Committee will evaluate the Proposer's operational philosophy including, but not limited to, the flexibility of the proposed operations to accommodate the City's supply and treatment requirements. A clearly defined operational management strategy that coordinates the Company's water production and delivery with the City's water

production and distribution requirements and the flexibility of the Company's operations to accommodate the City's needs will be evaluated favorably.

In addition, the Proposer's consideration of safe working conditions during operation of the Facilities will be an important consideration for the Selection Committee. Proposed staffing requirements and ongoing training programs for operating personnel and City staff will also be considered under this criterion.

Emergency Operations Plan - The Selection Committee will evaluate the ability of the Company to rapidly respond to emergencies in accordance with the Service Agreement. Consideration of emergency awareness and avoidance planning, and approach to immediate notification of appropriate parties in the event of an incident that may threaten the safety, health or welfare of the customers of the Facilities, Facilities personnel and/or the environment will be considered favorably. In addition, the clear and comprehensive emergency procedures combined with the appropriate staff training shall be evaluated favorably.

Process Monitoring and Regulatory Reporting Plan - The Selection Committee will evaluate the proposed approach to process monitoring and regulatory reporting. A clear and comprehensive plan addressing water quality control, reporting requirements, record keeping, and how this information will be conveyed to the City for Consumer Confidence Reports (CCRs) and other reporting and public relations requirements will be considered. Approaches illustrating clear, streamlined quality control procedures and innovative data management techniques will be viewed favorably.

Energy and Chemicals Management

The Selection Committee will evaluate the proposed energy management strategy focused on the Proposer's operational strategies to optimize energy consumption and minimize the cost of energy utilized.

The Selection Committee will also evaluate the proposed chemicals management strategy, reviewing how well this integrates with plant operations, emergency operations, and process monitoring approaches. Safe operations and management of chemicals will be important considerations for the Selection Committee. A clear and comprehensive approach outlining methods for inventory control, water quality impact, and dosage control will be favorably considered.

Maintenance, Repair and Replacement

This criterion will include an evaluation of the proposed Preliminary Maintenance, Repair and Replacement Plan. The degree and frequency of anticipated maintenance requirements and ease of maintenance will be included in the evaluation. Worker safety and ease of access to components requiring maintenance, and avoidance of interruption of system operation during maintenance, will be considered favorably. The Proposer's approach to repair and replacement will also be evaluated.

6.2.2 Price Proposal Evaluation Criteria

Price Proposals will be evaluated in a two-step process. The first step will be an evaluation of the responsiveness of Price Proposals in accordance with Section 6.2.2.1. The second step will be the scoring of responsive Price Proposals in accordance with the system defined in Section 6.2.2.3.

6.2.2.1 Responsiveness Evaluation

In the responsiveness evaluation, Price Proposals will be evaluated against the following conformance requirements:

Favorable Comparison to the Benchmark – To be considered responsive, a Price Proposal must result in an estimated net present value (NPV) of Project costs (including the City’s estimated Project administrative and oversight costs) which is less than the Benchmark stated in Section 2.1.5. The date used for calculating the NPV is July 1, 2003 (NPV Date). To determine if a Price Proposal meets this requirement, the Price Proposal NPV will be calculated as described in Section 6.2.2.2

6.2.2.2 Price Proposal NPV Calculation

This section presents the Selection Committee’s model for calculating a Proposal’s NPV as of the NPV Date. Estimations, projections and simplifying assumptions have been made regarding many factors needed to develop a model to fairly and equitably evaluate the Price Proposals against one another and this Benchmark, which applies the same assumptions. These factors include, but are not limited to, projected City flow demands on an annual and peak monthly basis, electric rate schedule structure, and inflation rates. These estimates, projections and simplifying assumptions are for the purpose of Proposal Evaluation only and in no way impact the Company’s obligation to comply with the terms and conditions of the Service Agreement.

The Price Proposal NPV will be equal to the sum of the following price components (Equation 1):

- The NPV of the Design/Build Costs. Design/Build Costs are defined as the sum of: (1) the Fixed Design/Build Price (from Proposal Form 34), and (2) the City’s estimated administrative and oversight costs associated with the Design/Build Work which is estimated to be \$4,947,367; and
- The NPV of the Operating Costs, which are comprised of the Fixed Component of the annual Service Fee (from Proposal Form 35), the annual electricity costs for the operation of the Facilities and the City’s estimated annual administrative and oversight costs during the initial Operation Period.

The formula for calculating the Price Proposal NPV is as follows:

$$NPV_{PP} = NPV_{DB} + NPV_{OC}$$

Equation 1

Where:

NPV_{PP} = the Price Proposal NPV

NPV_{DB} = the NPV of the Design/Build Costs

NPV_{OC} = the NPV of the Operating Costs

NPV of Design/Build Costs (NPV_{DB})

NPV_{DB} is calculated as follows:

$$NPV_{DB} = C_{DB} \left[\frac{1}{1+k} \right] \quad \text{Equation 2}$$

Where:

NPV_{DB} = the present value as of the NPV date of the Design/Build Costs (C_{DB}).

C_{DB} = The Design/Build Costs. The Design/Build Costs are the sum of the Fixed Design/Build Price and the City's estimated administrative and oversight costs associated with the Design/Build Work.

k = the NPV annual discount rate (5.7%)

NPV of Operating Costs (NPV_{OC})

NPV_{OC} will be calculated according to Equation 3:

Where:

$$NPV_{OC} = \sum_{t=1}^{19} \frac{OC_t}{(1+k)^t} \quad \text{Equation 3}$$

NPV_{OC} = The NPV of the Operating Costs presented in NPV Date dollars, which is the arithmetic sum of the discounted annual Operating Costs (OC) for each fiscal year t over the period of July 1, 2003, through June 30, 2022. The Operating Costs for fiscal years prior to fiscal year 2007 will be zero. For the purposes of discounting annual operating costs, it is assumed that all of the costs for a fiscal year occur on the first day of that fiscal year.

t = the specific fiscal year. For fiscal year 2004 (i.e., July 1, 2003 through June 30, 2004), $t=1$. For fiscal year 2022 (i.e., July 1, 2021 through June 30, 2022), $t=19$.

Finished Water flow is assumed to equal Finished Water demand in each fiscal year.

k = the NPV annual discount rate (5.7%)

OC_t = The Operating Costs in then current year dollars for each fiscal year t which are comprised of:

1. The proposed annual Fixed Component of the Service Fee for each fiscal year t (from Price Proposal Form 35) which will be based on the projected total annual average Finished Water demand in fiscal year t as shown in Table 6-1, escalated annually by the proposed fraction of the annual percent change in the CPI (from Proposal Form 35) from July 1, 2003, to the first

day of fiscal year t . For the purposes of Price Proposal evaluation the annual percent change in the CPI will be assumed to be 3.0% and the Fixed Component for a fiscal year will be linearly interpolated between the Flow Resets provided in Proposal Form 35.

Fiscal Year	Total Annual Average Finished Water Demand (mgd)
2007**	40
2008	40
2009	40
2010	40
2011	40
2012	40
2013	50
2014	50
2015	50
2016	50
2017	60
2018	60
2019	60
2020	60
2021	60
2022	70

* - The numbers presented in this table are for evaluation purposes only and may not correspond to actual flow demand for the Plant during the Operation Period.

** - Fiscal year 2007 consists of the five-month period from February 1, 2007 through June 30, 2007. Remaining fiscal years are 12-month periods beginning on July 1.

2. The City’s annual cost for electricity for operation of the Facilities. The City’s method of calculating these electric costs based on Proposal Form 33 will be provided in an addendum to this RFP.

3. The City’s estimated annual costs for administrative and oversight associated with the Project during the initial 15-year Operation Period as presented in Table 6-2.

NPV_{PP} will be rounded to the nearest whole dollar, with a half-dollar rounding up to the nearest dollar.

Any Price Proposal which results in an associated NPV_{PP} that equals or exceeds the Benchmark will be deemed by the Selection Committee to be non-responsive and will be rejected in its entirety. Proposers are advised that this comparative evaluation is limited to a comparison of the full NPV_{PP} against the

Benchmark and does not include a comparison of individual components of the NPV_{pp} to the individual components of the Benchmark.

Table 6-2 City's Estimated Annual Operation Period Administrative and Oversight Costs	
Year of Operation	Administrative and Oversight Costs in then Current Year Dollars ⁽¹⁾
1 ⁽²⁾	\$ 1,393,155
2	\$ 3,443,878
3	\$ 3,547,195
4	\$ 3,653,611
5	\$ 3,763,219
6	\$ 3,876,116
7	\$ 3,992,399
8	\$ 4,112,171
9	\$ 4,235,536
10	\$ 4,362,602
11	\$ 4,493,480
12	\$ 4,628,285
13	\$ 4,767,133
14	\$ 4,910,147
15	\$ 5,057,452
16	\$ 5,209,175

1. Costs are presented in dollars corresponding to the Year of Operation.
2. Estimated cost for Year 1 is for the 5-month period February 1, 2007 to June 30, 2007.

6.2.2.3 Price Proposal Scoring

In the second step of the evaluation of Price Proposals, responsive Price Proposals receive points for the amount that their Price Proposal NPV is below the highest responsive NPV_{pp}. For each Responsive Price Proposal:

- The NPV_{pp} will be subtracted from the highest responsive NPV_{pp}.

$$D_i = NPV_h - NPV_i \quad \text{Equation 4}$$

Where:

NPV_h = the highest responsive NPV_{pp}

NPV_i = the NPV_{pp} of Proposer i

D_i = the difference in dollars between the highest responsive NPV_{PP} and the NPV_{PP} of Proposer i

- The price difference (D_i) will be divided by \$250,000 per point to determine the number of Price Proposal points to be awarded.

$$A_i = \frac{D_i}{\$250,000} \quad \text{Equation 5}$$

Where:

A_i = the number of Price Proposal points awarded to Proposal i .

The resulting number of points (A_i) will be rounded either up or down to the nearest tenth of a point (exactly one twentieth of a point will be rounded up to the nearest tenth of a point) to yield the number of points to be awarded to the Price Proposal.

6.2.3 Final Scoring of Proposals

After the points have been assigned to both the Technical and Price Proposals, the Selection Committee will sum up the Technical Score and the Price Score for that Proposal. The Proposer submitting the Proposal that receives the highest total number of points will become the Selected Proposer. In the event of a tie (i.e., more than one Proposal has the highest total point value after adding together the Technical Score and the Price Score) the Selection Committee will select from one of the tying Proposals the Proposal that it believes is in the best interest of the City. The following table is an example of the application of the Price Proposal Evaluation:

	Proposal 1	Proposal 2	Proposal 3
Benchmark	351,413,440		
Technical Score	770.0	840.0	895.8
Price Proposal NPV	\$295,520,612	\$310,200,500	\$351,413,465
Price Points	58.7	0	Not Evaluated since $NPV_{PP} > \text{Benchmark}$
Total Points	828.7	840.0	Not Evaluated
Selected Proposer	Not Selected	Selected	Not Evaluated

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Attachment A

CITY OF PHOENIX
Phoenix, Arizona

Lake Pleasant Water Treatment Plant Project
Project No. WS85350004

MBE/WBE Utilization Procedures and Guidelines

I. Obtaining Credit for MBE/WBE Expenditures

The following general procedures and guidelines shall be used by Proposers in determining how to credit an MBE/WBE firm's work during the construction portion of the Design/Build Work towards the goals set forth in Section 2.3.5.2 of the RFP.

Proposed expenditures to brokers and suppliers to meet the utilization goals shall not exceed 25 percent (25%) of the total MBE and/or WBE goal. One hundred percent (100%) of the dollars proposed to be paid to a MBE or WBE supplier or broker can be counted up to the 25% limitation. A supplier is defined as a firm that does not directly manufacture the product supplied for the Project. A broker is defined as a firm supplying services or labor through the use of individuals not directly employed by the broker, i.e., employment taxes and insurance are not paid directly by the broker.

Example: An MBE goal of 5% has been established on a project where a company has submitted a base bid of \$1,000,000. This results in a dollar goal of \$50,000 to be subcontracted to MBEs. The company proposes to contract with a MBE supplier for \$100,000. Only \$12,500, or 25 percent (25%), may be counted towards achievement of the MBE goal for this project. The remaining \$37,500 must be achieved through the use of firms that are not suppliers or brokers.

The following defines the expenditures to MBE and WBE firms that are NOT subject to the 25% limitation. The following expenditures may be counted in their entirety towards fulfilling 100% of the utilization goal set for the Project.

1. Expenditures to certified MBE/WBE firms that operate and maintain an establishment or factory to produce, on the premises, the material or supplies purchased for the Project.
2. Expenditures to certified MBE/WBE fabricators that operate and maintain a factory to substantially alter materials or supplies before resale.
3. Expenditures to certified MBE/WBE dealers or wholesalers that own, operate, and maintain a store, warehouse, or other establishment in which the materials or supplies required for the completion of the project are bought, kept in stock, and regularly sold to the public in the usual course of business. To be considered as a dealer, the firm shall be engaged in, as its principal business, and in its own name, the purchase and sale of the products in question.
4. Expenditures, including fees and commissions, charged to provide bona fide technical and professional personnel recruitment for the contract. The total cost paid shall be comparable to the industry standards customarily charged for the same or similar services.
5. Expenditures, including fees and commissions, charged for providing bonds and insurance specifically required for the performance of the construction portion of the Design/Build Work.

The total cost shall be comparable to the industry standards charged for the same or similar services.

Proposers must meet the MBE goal separate and apart from the WBE goal. A firm certified as a MBE may not be used to satisfy a WBE goal, and vice-versa. If this occurs on the proposed utilization form, the City shall deduct the percentage of proposed utilization for that firm in determining if the Proposer is responsive to the requirements of this section. If the resulting reduced proposed utilization is insufficient to meet the applicable MBE or WBE participation goal, and no waiver documentation has been submitted, the Proposer shall be determined to be non-responsive to the requirements of this section and the Proposal will not be considered.

If a certified MBE/WBE firm Proposes as the Company, they can not count the work they will self perform toward meeting the required MBE or WBE subcontracting goal.

II. Requirements for Obtaining Waiver of MBE/WBE Subcontracting Goals

Any Proposer seeking a full or partial waiver of the Project's MBE/WBE subcontracting goals pursuant to Section 5.5.1.4 of the RFP shall submit a fully documented waiver packet that includes the following information.

A fully documented waiver request detailing why the Proposer has been unable to meet the MBE and WBE utilization goal(s) of the construction portion of the Fixed Design/Build Price in whole, or in part, and the "good faith" effort of the Proposer to obtain MBE/WBE participation. In order to be viewed as good faith efforts, a Proposer's activities must be consistent with all activities that could reasonably be expected from a Proposer who was actively and aggressively seeking to meet the MBE/WBE goal. To show proof of having exercised good faith efforts in trying to obtain bids from MBE/WBE firms to meet the subcontracting goals, the Proposer must, at a minimum, provide the following:

- A. A cover letter addressed to the EAS Bids Specifications Section clearly indicating whether a full or partial waiver is being requested, the percentage to be waived and the reasons the waiver is being sought.
- B. If a partial waiver is being requested, a Proposer's Statement of Proposed Utilization for the portion of the goal that will be met. And if available during the time of submittal, a Letter of Intent to Perform as a Subcontractor/Supplier from each MBE/WBE subcontractor that is proposed to be utilized.
- C. Proof of contact with MBE/WBE firms, including but not limited to, fax logs, telephone logs, mail receipts, etc, including documentation of the number of times that firms were contacted, the dates of contact, and the name, phone number, fax number, and address of the contact person associated with each MBE/WBE firm. Solicitation of MBE/WBE subcontractors must be consistent with the solicitation of all subcontractors and must clearly demonstrate that MBE/WBE firms had sufficient time to submit an effective response.
- D. Copies of the documents submitted to all subcontractors requesting their bid. This should include the scope of work to be bid and performed on the project.
- E. Copies of bid responses/quotes from all subcontractors who bid to perform work on the Project that MBE/WBE firms were also bidding on, including information as to why MBE/WBE bids were not considered. **PRICE ALONE IS NOT SUFFICIENT REASON TO REJECT A MBE/WBE BID.**

- F. Documentation that shows efforts made to provide assistance to MBE/WBE firms in the areas of bonding, insurance, or other contracting requirements.
- G. Documentation of attendance at the pre-submittal conference held for the Project.
- H. Documentation of contact made with City personnel seeking assistance in identifying eligible MBE/WBE firms for contracting opportunities on the project.

Requests for a partial or full waiver of the MBE and/or WBE goal(s) for the Project shall be submitted as part of the Proposal. The request will be reviewed to ensure compliance with the requirements of this section. If the request is determined to meet the requirements, a waiver hearing will be scheduled and the Proposer notified of the date, time, and place of the hearing. All waiver hearings are open to the public. However, only the designated representative for the Proposer and City staff may participate in the proceedings.

The Proposer requesting the waiver may appear at the hearing to present their request and answer questions from the Waiver Review Committee regarding their submittal. The Committee will consider the information and documentation that was submitted at the time of Proposal submission. The Proposer may not present additional or new information at the hearing. At the conclusion of the hearing process the Committee will make independent recommendations on the request for waiver. The presiding officer, on behalf of the Committee, will provide a written summary of the Committee's recommendations to the City Manager's designee, the City Engineer. The City Engineer will make the final decision to grant or deny the waiver request. The City Engineer's decisions shall be final. The City will notify the contractor regarding the final decision of the City Engineer.

If a partial or full waiver of the MBE and/or WBE goals is granted to a Proposer, the Proposer shall be considered to have met the project goals and their proposal will be considered responsive to the requirements of this section. If a waiver is denied, the Proposer is deemed non-compliant and non-responsive to the requirements of this section and their Proposal will not be considered.

LETTER OF INTENT TO PERFORM AS A SUBCONTRACTOR/SUPPLIER

Section to be completed by Proposer

Project Number:	Project Description:
------------------------	-----------------------------

Section to be completed by M/WBE subcontractor

To: _____
(Name of Company)

1. The undersigned is *certified by the City of Phoenix* as of the day and time of submittal as a (check one)

_____ Minority Owned Business Enterprise (MBE)

_____ Woman Owned Business Enterprise (WBE)

2. The undersigned intends to perform work on the above referenced project in the following capacity (check one)

_____ An individual

_____ A corporation

_____ A partnership

_____ A joint venture

3. The undersigned is prepared to perform the following work on the above referenced project:

4. The undersigned states that the total bid price for the subcontract work described above is: _____% of the construction portion of the Fixed Design/Build Price.

5. The undersigned will sublet and/or award _____% of this subcontract to non-MBE or non-WBE firms.

Should the Company receive award of contract from the City of Phoenix for this project and choose to utilize your firm, the undersigned will enter into a formal agreement/subcontract for the work described above.

(Print M/WBE Firm Name)

(Authorized Signature)

(Print Name and Title)

(Date)

(Phone Number)

Attachment B

CITY OF PHOENIX
Phoenix, Arizona

Lake Pleasant Water Treatment Plant Project
Project No. WS85350004

Communications Protocol

1. INTRODUCTION

The City of Phoenix (City) has established this Communications Protocol for use in connection with the competitive procurement process being undertaken by the City for the Lake Pleasant Water Treatment Plant Project (Project). The City is procuring the services for the Project in accordance with Chapter 6 of Title 34 of the Arizona Revised Statutes, and relevant provisions of the City Charter. The Project will be developed using a Design-Build-Operate (DBO) project delivery approach, which consists of a Request for Qualifications (RFQ) phase and a Request for Proposals (RFP) phase. This Communications Protocol includes five components:

- A statement of Communication Objectives;
- An identification of Key Project Contacts;
- Contact with Elected Officials;
- Contact with the City Manager's Office; and
- Guidelines on Project Information Accessibility.

2. COMMUNICATION OBJECTIVES

The City is committed to a fair and open competitive process that allows all interested parties to receive information about the procurement for the Project. This Communications Protocol is intended to maintain the integrity of the procurement process, to maximize the benefits of a fair and open competitive process and to set forth the guidelines for all permitted communications relating to the procurement. The City will work to:

- Achieve a fair distribution of relevant information to any interested party;
- Avoid unfair "insider" information going to any firm, or the appearance of such;
- Provide regular information updates regarding the status of the Project; and
- Provide thorough, prompt responses, if warranted, to parties with questions or concerns related to the Project.

All interested parties, including the respondents to the RFQ (Respondents) and the short-listed Respondents (Proposers) and any of their representatives, will be required to manage their communications in a manner consistent with this Communications Protocol. Any failure to comply with this Communications Protocol may result in the disqualification of a Respondent or Proposer from the procurement process.

3. **KEY PROJECT CONTACT**

The City requires that all questions, requests for information and clarifications from interested parties, Respondents and Proposers and any of their representatives be made in writing directly to the Project Manager at the following address:

Madeline Goddard, P.E.
Project Manager
Phoenix Water Services Department
200 West Washington Street, 8th Floor
Phoenix, Arizona 85003-1611
Phone: (602) 534-3887
Fax: (602) 495-5843
E-mail: madeline.goddard@phoenix.gov

After the City's announcement for the submittal of qualification statements, no interested party, Respondent or Proposer, including any of their representatives, shall contact the Mayor, any City Council Member, any City official, any Selection Committee member, any employee or representative of the City or any consultant or other agent involved with this procurement other than the Project Manager.

Respondents and Proposers are advised that only those communications directed through the Project Manager will be subject to the confidentiality provisions set forth in Chapter 6 of Title 34 of the Arizona Revised Statutes.

4. **CONTACT WITH ELECTED OFFICIALS**

The Mayor and the City Council are committed to the procurement process as the means of ensuring that the selection of a contractor for the Project is completely based on a Proposal's merit. Elected officials will be briefed by the Water Services Department as necessary and their input and direction sought at key Project milestones. **Notwithstanding the provisions of Section 3 above, the City's elected officials do not mean to preclude interested parties, Respondents or Proposers, including any of their representatives, from discussing their interests in the Project with one or more members of the City Council, provided such meetings are scheduled through the Water Services Department's Project Manager in the manner described herein and in Section 3.** The Water Services Department will prepare and submit the meeting notices to the Phoenix City Clerk's office. The meetings will be conducted at Phoenix City Hall, and posted as an open meeting with the City Clerk at least twenty-four (24) hours prior to the scheduled meeting. The City Clerk's posting shall include and detail the participants, the subject matter and shall invite the public and press to participate. The posting shall also be listed on the Project's Internet web site.

All interested parties, Respondents or Proposers, including any of their representatives interested in meeting with the City's elected officials, if required pursuant to Section §2-1000 of the City Code, must register as a "lobbyist" with the City Clerk Office, 15th Floor, Phoenix City Hall, 200 West Washington Street, or by calling (602) 262-6811.

Respondents and Proposers are advised that no contacts permitted under this Section shall be made by telephone, other than to schedule a public meeting. In the event calls related to this Project are received by the Mayor, any City Council Member or their staff, they will be directed to Michael Gritzuk, P.E., Water Services Director for proper response. All requests for meetings permitted under this Section shall be made to the Project Manager via letter, facsimile, E-mail or other written method and shall be made available to the public, press and all other Respondents and Proposers.

If a Respondent or Proposer, including any of its representatives, violates this Communication Protocol with elected officials with respect to the Project, after the City's announcement for the submittal of qualification statements, the City reserves the right to reject the Respondent or Proposer.

5. CONTACT WITH THE CITY MANAGER'S OFFICE

In the event calls related to this Project are received by the City Manager's office or their staff, they will be directed to Michael Gritzuk, P.E., Water Services Director for proper response.

6. PROJECT INFORMATION ACCESSIBILITY

In order to ensure a fair and equitable distribution of information and foster a professional competitive environment for the Project, the City will develop and issue solicitation documents and other materials. These documents will provide interested parties with the information necessary to prepare responsive and responsible statement of qualifications or proposals. The City provides the following guidelines for firms wishing to acquire information on the Project.

6.1 Written Background Documentation

Written Project background documentation relating to the Project will be made available to any interested party as such information becomes available. Thereafter, listings of available materials will be provided in procurement documents and can also be located at the Project Internet web site (see below).

6.2 DBO Solicitation Related Materials

The City intends to issue the following formal procurement documents for use by Respondents and Proposers:

- Request for Qualifications (RFQ); and
- Request for Proposals (RFP).

Only the Proposers will receive a RFP. State legislation limits the number of firms short-listed to three firms. The procedures for providing comments and requesting clarification will be addressed in the RFQ and RFP.

In addition, the City may provide some preliminary information on the anticipated overall Project schedule and milestones in advance of issuing formal procurement documents. Public notification of the availability of these materials will be posted on the Project Internet web site and/or in the *Arizona Business Gazette*.

6.3 Workshops and Meetings

Due to the complex nature of these solicitation documents, the City anticipates hosting one or more conferences during the RFQ and RFP procurement phases. The City may also conduct information sessions and workshops in advance of commencing the procurement process. Formal announcements and meeting notes about these sessions and conferences during the RFQ and RFP procurement phases will be posted and updated on the Project Internet web site and the *Arizona Business Gazette*.

6.4 Internet Web Site

The City has established a Project Internet web site, which statements will not be binding and will provide the following:

- Project Overview
- Schedule
- Photo Gallery
- Notes
- Contact
- Reports
 - Executive Summary of the Alternative Delivery Method Investigation for the Lake Pleasant Water Treatment Plant Project
 - Field Investigation Reports
- Other Links

The address for the web site is www.LakePleasantWTP.com

Attachment C

CITY OF PHOENIX
Phoenix, Arizona

Lake Pleasant Water Treatment Plant Project
Project No. WS85350004

**FORM OF STATUTORY PROPOSAL BOND
PURSUANT TO TITLE 34, CHAPTER 6, ARTICLE 1
OF THE ARIZONA REVISED STATUTES**

KNOW ALL MEN BY THESE PRESENTS:

That, _____ (hereinafter called the "Principal"), as Principal, and _____, a corporation organized and existing under the laws of the State of _____, with its principal office in the City of _____ (hereinafter called the "Surety"), as Surety, are held and firmly bound unto the City of Phoenix, Arizona, a Municipal Corporation organized and existing under and by virtue of the laws of the State of Arizona (hereinafter called the "Obligee"), in the amount of Eighteen Million Eight Hundred Dollars (\$18,800,000), for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a Proposal in response to the Obligee's Request for Proposals for the Lake Pleasant Water Treatment Plant DBO Project (Project Number WS85350004) to design, construct, acceptance test, operate and maintain (including all repair and replacement) and obtain Governmental Approvals for an Intake on the Waddell Canal, the Raw Water Pumping Station, its Raw Water Transmission Line, and the Plant located in Maricopa County.

NOW, THEREFORE, if the Obligee accepts the Proposal of the Principal and the Principal enters into the Service Agreement with the Obligee in accordance with the terms of the Proposal and gives the bonds, certificates of insurance and other security as specified in the RFP with good and sufficient surety for the faithful performance of the Service Agreement and for the prompt payment of labor and materials furnished in the prosecution of the Service Agreement, or in the event of the failure of the Principal to enter into the Service Agreement and give the bonds, certificates of insurance or other security, if the Principal pays to the Obligee the difference not to exceed the penalty of the bond between the amount specified in the Proposal and any larger amount for which the Obligee may contract in good faith with another party to perform the work covered by the Proposal, this obligation is void. Otherwise it remains in full force and effect. Provided, however, that this bond is executed pursuant to the provisions of Section 34-606, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of the section to the extent as if it were copied at length in this agreement.

Witness our hands this _____ day of _____, 2002.

PRINCIPAL

SURETY

Principal's Name and Corporate Seal (Seal)

Surety's Name and Corporate Seal (Seal)

By: _____
Signature and Title

By: _____
Signature and Title
(Attach Power of Attorney)

Attest: _____
Signature and Title

Attest: _____
Signature and Title

OPTIONAL PROPOSAL FORM 1

SUGGESTED CHANGES TO THE SERVICE AGREEMENT (OPTIONAL)

*To be submitted with the Preliminary Technical Proposal Only.
Copy and complete this form as necessary.*

Each item shall be numbered and shall include the following information.

Service Agreement Article(s) and Section(s) or Appendix Section: _____

Page Number: _____

Suggested Alternate Concept and Language:

Rationale and Benefits to the City (including relative percentage cost savings or increase)*:

* In no event shall a Proposer include any price information on this form.

OPTIONAL PROPOSAL FORM 2
ADDITIONAL PROJECT COMMITMENTS

This Proposal Form shall include Project commitments that are either unspecified or more stringent than those required by the Service Agreement and not included on other Proposal Forms or Drawings. Such commitments shall be identifiable and measurable. The Proposer shall list each commitment individually. The City, at its sole discretion, shall be the right to accept or reject any or all of the commitments.

Preliminary DB Quality Management Plan

- Commitment 1
- Commitment 2
- Commitment (n)

Project Management and Leadership

- Commitment 1
- Commitment 2
- Commitment (n)

Preliminary Operations Protocol

- Commitment 1
- Commitment 2
- Commitment (n)

Preliminary Maintenance, Repair and Replacement Plan

- Commitment 1
- Commitment 2
- Commitment (n)

Other

- Commitment 1
- Commitment 2
- Commitment (n)

PROPOSAL FORM 1
PROPOSAL TRANSMITTAL LETTER

(To be typed on Proposer's Letterhead)

[Date]

Madeline Goddard, Project Manager
Water Services Department
Phoenix City Hall
200 West Washington Street, 8th Floor
Phoenix, Arizona 85003

Re: Proposal for Lake Pleasant Water Treatment Plant DBO Project
Project No. WS85350004

_____ (the Proposer) hereby submits its Proposal in response to the Request for Proposals for the Lake Pleasant Water Treatment Plant DBO Project (RFP) issued by the City of Phoenix (the City) on September 5, 2001, as amended.

As a duly authorized representative of the Proposer, I hereby certify, represent, and warrant as follows in connection with the Proposal:

1. The Proposer acknowledges receipt of the RFP and the following addenda:

<u>No.</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____

2. The submittal of the Proposal has been duly authorized by, and in all respects is binding upon, the Proposer. Attachment 1 to this Proposal Form is a Certificate of Authorization which evidences my authority to submit the Proposal and bind the Proposer.

3. All Project Team Members identified to date are identified in Attachment 2 to this Proposal Form.

4. A list of required contractor's and specialty licenses held by Project Team members is included as Attachment 3 to this Proposal Form.

5. The Proposer's Affirmative Action Compliance number is _____.

6. The M/WBE information contained in Proposal Form 11 is a true reflection of the proposed subcontracts, expressed as a percentage of the Fixed Design/Build Price relating to the construction of the Facilities.

7. The Proposal contains the requisite Proposal security for assuring that the Proposer will enter into the Service Agreement if determined to be the Selected Proposer. The Proposer has reviewed and understands the requirements of the RFP and all addenda thereto and, if determined to be the Selected Proposer, agrees to execute the Service Agreement.

8. The Proposer's obligations under the Service Agreement will be guaranteed absolutely and unconditionally by _____, as evidenced by the Guarantor Acknowledgment certificate

submitted as Proposal Form 7. Attachment 1 to Proposal Form 7 is a Certificate of Authorization, which evidences the signer's authority to submit the Guarantor Acknowledgment certificate and enter into a Guaranty Agreement with the City.

9. The Performance Bond issued on behalf of _____ as the Construction Subcontractor of the Proposer assuring that the Construction Subcontractor will perform its duties in accordance with the terms of the Service Agreement, will be provided by _____.
10. The Payment Bond issued on behalf of _____ as the Construction Subcontractor of the Proposer assuring that the Construction Subcontractor will perform its duties in accordance with the terms of the Service Agreement, will be provided by _____.
11. The Design/Build Period Letter of Credit, as required by the City as security for its Design/Build Period obligations under the Service Agreement, will be provided by _____ (or another banking institution approved by the City), as evidenced by such banking institution's letter of intent submitted as Proposal Form 8.
12. An Operations Period Letter of Credit, as required by the City as security for its Operation Period obligations under the Service Agreement, will be provided by _____ (or another banking institution approved by the City), as evidenced by such banking institution's letter of intent submitted as Proposal Form 9.
13. The Required Design/Build Period Insurance required by the Service Agreement will be provided or brokered by _____.
14. The Required Operation Period Insurance required by the Service Agreement will be provided or brokered by _____.
15. All information and statements contained in the Proposal are current, correct and complete, and are made with full knowledge that the City will rely on such information and statements in selecting the Selected Proposer and executing the Service Agreement.
16. The Proposal has been prepared and is submitted without collusion, fraud or any other action taken in restraint of free and open competition for the services contemplated by the RFP.
17. Neither the Proposer, the Guarantor nor any Project Team Member is currently suspended or debarred from doing business with any governmental entity.
18. The Proposer has reviewed all of the engagements and pending engagements of the Proposer and the Guarantor, and no potential exists for any conflict of interest or unfair advantage.
19. No person or selling agency has been employed or retained to solicit the award of the Service Agreement under an arrangement for a commission, percentage, brokerage or contingency fee or on any other success fee basis, except bona fide employees of the Proposer or the Guarantor.
20. The principal contact person who will serve as the interface between the City and the Proposer for all communications is:

NAME: _____
TITLE: _____
ADDRESS: _____

PHONE _____
FAX: _____
E-MAIL: _____

21. The key technical and legal representatives available to provide timely response to written inquiries submitted, and to attend meetings requested by the City are:

Technical Representative:

NAME: _____
TITLE: _____
ADDRESS: _____

PHONE _____
FAX: _____
E-MAIL: _____

Legal Representative:

NAME: _____
TITLE: _____
ADDRESS: _____

PHONE _____
FAX: _____
E-MAIL: _____

22. The Proposer has carefully examined all documents constituting the RFP and the addenda thereto and, being familiar with the work and the conditions affecting the work contemplated by the RFP and such addenda, offers to furnish all plant, labor, materials, supplies, equipment, facilities and services which are necessary, proper or incidental to carry out such work as required by and in strict accordance with the RFP and the Proposal, all for the prices set forth in the Proposal Forms.

Name of Proposer

Name of Designated Signatory

Signature

Title

(Notary Public)

State of _____
County of _____

On this _____ day of _____, 2002, before me appeared _____
_____, personally known to me to be the person described in and who executed this _____
_____ and acknowledged that (she/he) signed the same freely and voluntarily for the uses and purposes therein
described.

In witness thereof, I have hereunto set my hand and affixed by official seal the day and year last written above.

(seal)

Notary Public in and for the State of _____

(Name printed)

Residing at _____

My commission expires _____

Attachment 1

CERTIFICATE OF AUTHORIZATION*

I, _____, a resident of _____ in the State of _____, DO HEREBY CERTIFY that I am the Clerk/Secretary of _____, a corporation duly organized and existing under and by virtue of the laws of _____; that I have custody of the records of the corporation; and that as of the date of this certification, _____ holds the title of _____ of the corporation, and is authorized to execute and deliver in the name and on behalf of the corporation the Proposal submitted by the corporation in response to the Request for Proposals for the Lake Pleasant Water Treatment Plant DBO Project, Project No. WS8535004, issued by the City of Phoenix, Arizona on September 5, 2001, as amended; and all documents, letters, certificates and other instruments which have been executed by such officer on behalf of the corporation in connection therewith.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the corporation this _____ day of _____ 2002.

(Affix Seal Here)

Clerk/Secretary

** Note: Separate certifications shall be submitted if more than one corporate officer has executed documents as part of the Proposal. Proposers shall make appropriate conforming modifications to this Certificate in the event that the signatory's address is outside of the United States.*

Attachment 2

PROJECT TEAM MEMBER LIST

Name of Project team (if any): _____

Names and roles of Proposer, Guarantor, Significant Subcontractors and all other Project team members identified to date:

<u>NAME</u>	<u>ROLE</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Attachment 3

PROJECT TEAM LICENSE LIST

Attach corresponding copies of (a) any privilege license issued to the Project Team, and (b) identifications cards issued by Arizona Register of Contractors, the City or the political subdivision with jurisdiction over the Design/Build Work.

License No.	Classification	Name of Licensee (1)	Renewal Date	Active (Yes/No)

Note:
1. Include information for Design Firm.

PROPOSAL FORM 2

ADDITIONAL KEY PROJECT STAFF

*(Provide the information requested on this form for each **new** key project staff member who was not listed in the SOQ Submittal Form #1. Provide any **changes** to information on key project staff members listed in the SOQ Submittal Form #1. Attach additional pages if necessary)*

General Information

Name: _____

Firm: _____

Title: _____

Years employed by firm: _____ years

Total Professional Experience _____ years

Professional Registration and Licenses (type/state/year/license number): _____

Lake Pleasant Water Treatment Plant DBO Project-specific information

Title/Assignment _____

Description of Role/Responsibilities:

Commitment: ⁽¹⁾	Permitting	_____ %	Design	_____ %
	Construction:	_____ %	Startup and Testing:	_____ %
	Operation	_____ %		

Relevant Project Experience: ⁽²⁾

Project: _____

Location: _____

Current Status: _____

Date of Involvement: from _____ through _____

Description of Specific Roles and Responsibilities:

Respondent's Client Contact Person

Name _____

Title: _____

Address: _____

Phone: _____

Fax: _____

Notes:

1. Commitment indicates the amount of time (in percent) that the staff person would be available to work on the Project during the permitting, design, construction, startup and testing, and operations phases of the Project. Indicate by "N/A" where the individual is not proposed to be involved in a particular phase of the Project. For example, if a person would be available 20 hours a week out of a 40-hour work week, reply 50%.
2. Provide this information for as many projects as are applicable.

PROPOSAL FORM 3

ADDITIONAL RELEVANT PROJECT EXPERIENCE

Provide any **new** information as requested in Sections 4 and 5 in a format similar to that shown below. Refer to the Proposer's SOQ if such information has not materially changed since SOQ submittal. This form may be duplicated for additional reference projects. Supplemental sheets may be attached with reference project number and category identified.

Project Name:			Reference Project No.:
Type of Project:	Design	Construction	Operation
	Design/Build	Design/Build/Operate	Other _____
Proposer Role on Project*:	Design _____	Construction _____	Operation _____
	Construction Management _____	Owner _____	Other _____
Description of Proposer Role:			
A. Applicability and relevance of referenced project to the Facilities:			
B. Proposal submittal team participants (personnel and/or firms):			
C. Other key participants (firms):			
D. Customer and owner:			
E. Location of project:			
F. Current status of project (design, construction, or operations phase) and number of years of operation:			
G. Description of systems and processes, including size and capacity:			
H. Number of people employed and job categories for operating the facilities:			
I. Original construction contract amount:			
J. Percent change orders through construction and cause:			
K. Capital and operating costs:			
L. Sources of funding:			
M. History of operations, including start-up date and years of service:			
N. Operations contract renewal history:			
N. Key project contact of Proposer (Name, address, telephone, fax, e-mail):			
O. Key project contact of Customer (Name, address, telephone, fax, e-mail):			
P. Proposer's key personnel:			
Q. History of compliance with permit conditions and performance guarantees (if any):			

* Indicate in the space provided the percentage of work performed by Proposer.

PROPOSAL FORM 4
STATEMENT OF OWNERSHIP

The Proposer shall set forth the names and addresses of all stockholders in the corporation who own 10 percent or more of its stock of any class, or all partners in the partnership who own 10 percent or greater interest therein; if none, the Proposer must state "none". If one or more such stockholder or partner is itself a corporation or partnership, the stockholders owning 10 percent or more of that corporation's stock, or the individual partners owning 10 percent or greater interest in that partnership shall also be listed; if none, the Proposer must state "none". This disclosure shall be continued until names and addresses of every individual stockholder, and individual partner exceeding the 10 percent ownership criteria of each corporation or partnership listed has been identified.

NAME

ADDRESS

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Signature of Proposer

Date

Name of Proposer (Print or Type)

Title

**PROPOSAL FORM 5
 FINANCIAL RESOURCES DATA**

Provide information requested for the Proposer, Guarantor and each Significant Subcontractor.
 This form may be duplicated if necessary.

Name of Company _____

Please indicate if Company is the Proposer,
 Guarantor or Significant Subcontractor _____

----- Financial Data Summary -----

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	Average
A. Operating Revenues						
B. Operating Expense (not incl. Depr. & Amort.)						
C. Depreciation and Amortization						
D. Operating Income (A-B-C)						
E. Net Income						
F. Total Assets						
G. Current Assets						
H. Total Liabilities						
I. Current Liabilities						
J. Net Worth (Equity) (F-H)						
K. Market Price per Share (as of Dec. 31)						
L. Number of Outstanding Shares (as of Dec. 31)						

Financial Ratios	FY 1998	FY 1999	FY 2000	FY 2001	Average
------------------	---------	---------	---------	---------	---------

Profitability and Growth

Return on Revenue (E/A)					
Return on Assets (E/F)					
Return on Net Worth (E/J)					
Revenue Growth Percentage					

Solvency

Liquidity Ratio (G/I)					
Current Liabilities to Net Worth (I/J)					
Leverage (H/J)					
Total Net Worth (J)					
Current Liability Coverage ((D+C)/I)					

Efficiency

Total Assets to Revenue (F/A)					
Revenue to Net Working Capital (A/(G-I))					

Market Strength

Price to Earnings Ratio (K/(E/L))					
Market-to-Book Ratio (K/(J/L))					

----- Bond and Credit Rating Summary -----

Bond Ratings (please list all bond issues within the last five years with issue date and ratings)	Issue/ Rating Date	Moody's	Standard & Poor's	Dun & Bradstreet	Value Line
---	-----------------------	---------	----------------------	---------------------	------------

1					
2					
3					
4					
5					
6					
7					
8					

Credit and Other Ratings (please list all credit and/or other ratings within the last two years along with date of rating)

1					
2					
3					
4					
5					
6					
7					
8					

PROPOSAL FORM 6

BANK CREDIT REFERENCE

Please provide the following information for the Proposer and Guarantor. Also, sign and date the form. Supplemental sheets may be attached as necessary.

Bank Reference for _____ (the Firm)

Name of banking organization _____

Address _____

Contact Individual _____

Phone _____ Fax _____

Please answer the following questions:

1. Has your organization extended credit to the Firm in the past five years?
2. Has the Firm ever defaulted on a loan with your institution?
3. Has the Firm's credit history included any instances of delinquent payments?
4. To your knowledge, has the Firm ever filed for bankruptcy or been involved in any bankruptcy proceedings?
5. To your knowledge, have any of the corporate officers of the Firm ever been in default on a loan?
6. To your knowledge, has any creditor ever filed any criminal charges against the Firm?
7. Please discuss any other questions or issues that may have come out in any financial due diligence evaluation or credit check performed by your institution.
8. Overall, how would you rank the financial stability or credit worthiness of the Firm (e.g. excellent, good, satisfactory, poor)?

(Please attach additional sheets as necessary.)

Signature

Date

PROPOSAL FORM 7

GUARANTOR ACKNOWLEDGMENT *

(to be typed on Guarantor's Letterhead)

_____ (the Proposer) has submitted herewith a Proposal in response to the City of Phoenix, Arizona's September 5, 2001 Request for Proposals for the Lake Pleasant Water Treatment Plant DBO Project, Project No. WS8535004, as amended (the RFP). The RFP requires the Selected Proposer to enter into a Service Agreement to design, construct, acceptance test, operate and maintain (including all repair and replacement), obtain Governmental Approvals for an Intake on the Waddell Canal, a Raw Water Pumping Station, its Raw Water Transmission Line and the Plant located in Maricopa County, and to perform the other related and ancillary services described in the RFP if the Selected Proposer is approved by the City for execution of the Service Agreement.

The Guarantor has reviewed the Proposer's Proposal which will form the basis of the Service Agreement. The Project Guarantor hereby certifies that it will irrevocably, absolutely and unconditionally guarantee the performance of all of the obligations of the Proposer set forth in the Proposal in the event the Proposer is selected by the City for execution of the Service Agreement, and that it will execute a separate Guaranty Agreement in the form presented as Transaction Form A to the Service Agreement.

The Project Guarantor further acknowledges that there will be no stated maximum dollar limitation or cap on the liability of the Project Guarantor under the Guaranty Agreement to pay any damages or other amounts that may be due the City on account of any nonperformance by the Company under the Service Agreement, and that any Proposal which attempts to limit the liability of the Guarantor will be rejected by the City as being nonresponsive.

Name of Guarantor

Name of Authorized Signatory

Signature

Title

** If more than one Guarantor is proposed, each firm shall be jointly and severally obligated and shall independently provide an executed copy of this Guarantor Acknowledgment. If a Guarantor is a joint venture, each firm in the joint venture shall be jointly and severally obligated and shall independently provide an executed copy of this Guarantor Acknowledgment.*

Attachment 1

GUARANTOR CERTIFICATE OF AUTHORIZATION*

I, _____, a resident of _____ in the State of _____, DO HEREBY CERTIFY that I am the Clerk/Secretary of _____, a corporation duly organized and existing under and by virtue of the laws of the State of _____; that I have custody of the records of the corporation; and that as of the date of this certification, _____ holds the title of _____ of the corporation, and is authorized to execute and deliver in the name and on behalf of the corporation the Guarantor Acknowledgment submitted by the corporation as part of _____ (the Proposer's) response to the Request for Proposal for the Lake Pleasant Water Treatment Plant DBO Project, Project No. WS8535004, issued by the City of Phoenix, Arizona on September 5, 2001, as amended; and all documents, letters, certificates and other instruments which have been executed by such officer on behalf of the corporation in connection therewith.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the corporation this _____ day of _____, 2002.

(Affix Seal Here)

(Clerk/Secretary)

**Note: Separate certifications shall be submitted if more than one corporate officer has executed the Guarantor Acknowledgment as part of the Proposal. Proposers shall make appropriate conforming modifications to this Certificate in the event the signatory's address is outside of the United States.*

PROPOSAL FORM 8

**DESIGN/BUILD PERIOD LETTER OF CREDIT
LETTER OF INTENT**

(to be typed on Bank's Letterhead)

City of Phoenix
Water Services Department, 8th floor
200 West Washington Street
Phoenix, Arizona 85003

Attention: Madeline Goddard, Project Manager

Re: Proposal for Lake Pleasant Water Treatment Plant DBO Project
Project No. WS85350004

_____ (the Proposer) has submitted herewith a Proposal in response to the City of Phoenix, Arizona's September 5, 2001 Request for Proposals for the Lake Pleasant Water Treatment Plant DBO Project, as amended (the RFP). The RFP requires the Selected Proposer to enter into a Service Agreement to design, construct, acceptance test, operate and maintain (including all repair and replacement) and obtain Governmental Approvals for an Intake on the Waddell Canal, a Raw Water Pumping Station, its Raw Water Transmission Line and the Plant located in Maricopa County, and to perform the other related and ancillary services described in the RFP, if the Proposer is determined to be the Selected Proposer and is approved by the City for execution of the Service Agreement.

The Bank has reviewed the Proposer's Proposal which will form the basis of the Service Agreement. The Bank hereby certifies that it intends to issue on behalf of the Proposer, as additional security for its Development Period and Construction Period obligations under the Service Agreement, a \$20,000,000 direct payment letter of credit in the form presented in the Service Agreement for the benefit of the City in the event the Proposer is determined to be the Selected Proposer and is approved by the City for execution of the Service Agreement.

Name of Bank

Name of Authorized Signatory

Signature

Title

Acknowledged:

[Company]

By _____

Printed Name:

Title:

Acknowledged:

[Guarantor]

By _____

Printed Name:

Title:

PROPOSAL FORM 9
OPERATION PERIOD LETTER OF CREDIT
LETTER OF INTENT

(to be typed on Bank's Letterhead)

City of Phoenix
Water Services Department
200 West Washington Street, 8th floor
Phoenix, Arizona 85003
Attention: Madeline Goddard, Project Manager

_____ (the Proposer) has submitted herewith a Proposal in response to the City of Phoenix, Arizona's September 5, 2001 Request for Proposals for the Lake Pleasant Water Treatment Plant DBO Project, as amended (the RFP). The RFP requires the Selected Proposer to enter into a Service Agreement to design, construct, acceptance test, operate and maintain (including all repair and replacement) and obtain Governmental Approvals for an Intake on the Waddell Canal, a Raw Water Pumping Station, its Raw Water Transmission Line and the Plant located in Maricopa County, and to perform the other related and ancillary services described in the RFP, if the Proposer is determined to be the Selected Proposer and is approved by the City for execution of the Service Agreement.

The Bank has reviewed the Proposer's Proposal which will form the basis of the Service Agreement. The Bank hereby certifies that it intends to issue on behalf of the Proposer, as additional security for its Operation Period obligations under the Service Agreement, a \$ 5,000,000 direct payment letter of credit for the benefit of the City in the event the Proposer is determined to be the Selected Proposer and is approved by the City for execution of the Service Agreement.

Name of Bank

Name of Authorized Signatory

Signature

Title

Acknowledged:

[Company]

By _____

Printed Name:

Title:

Acknowledged:

[Guarantor]

By _____

Printed Name:

Title:

PROPOSAL FORM 10

CERTIFICATE OF ACCEPTANCE/WAIVER OF HONORARIUM

I, _____, hereby certify that I am the (title) _____ and duly authorized representative of the Proposer, and that with respect to the Proposal submitted by the Proposer in response to the Request for Proposals for the Lake Pleasant Water Treatment Plant DBO Project, Project No. WS85350004, issued by the City of Phoenix, Arizona on September 5, 2001, as amended (the RFP), I hereby further certify that the Proposer:

[insert "X" next to the applicable certification]

_____ if determined by the City to be a responsive, but unsuccessful Proposer to the RFP, accepts the honorarium to be provided by the City pursuant to Section 3.6 of the RFP, and that in accepting such honorarium, the Proposer has read and agrees, without exception, to the terms and conditions of such acceptance as set forth in such Section 3.6.

_____ if determined by the City to be a responsive, but unsuccessful Proposer to the RFP, waives its right to receive the honorarium to be provided by the City pursuant to Section 3.6 of the RFP, and that in waiving its rights to such honorarium, the Proposer has read and agrees, without exception, to the terms and conditions of such waiver as set forth in such Section 3.6.

Name of Proposer

Name of Designated Signatory

Signature

Title

Date

PROPOSAL FORM 11

MBE/WBE UTILIZATION¹

PARTICIPATING ENTERPRISE	PHASE OF THE CONSTRUCTION	SUPPLIER (May not satisfy more than 25% of the goal)		PERCENT PARTICIPATION ²
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
M B E		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
The Proposer's total proposed MBE percentage should equal or exceed the total required MBE percentage.		7% Required MBE %		Total Proposed MBE Percentage

PARTICIPATING ENTERPRISE	PHASE OF THE CONSTRUCTION	SUPPLIER (May not satisfy more than 25% of the goal)		PERCENT PARTICIPATION ²
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
W B E		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
The Proposer's total proposed WBE percentage should equal or exceed the total required WBE percentage.		3% Required WBE %		Total Proposed WBE Percentage

1. This Proposal Form may be duplicated as necessary. The City encourages the use of MBE and WBE firms in the Design work although it is not an evaluative factor.
2. Percent of the Fixed Design/Build Price relating to the construction of the Facilities.
3. **In no event shall any Fixed Design/Build Price information be submitted herewith.**

PROPOSAL FORM 12

INTAKE, RAW WATER PUMPING STATION AND RAW WATER TRANSMISSION LINE

Provide a description of the Intake, Raw Water Pumping Station and Raw Water Transmission Line. Include a system description, an operations description, and specific information for the equipment proposed as part of the Intake, Raw Water Pumping Station and Raw Water Transmission Line.

A sample listing of specific information typical to raw water pumping system equipment is provided below. The system components listed are not intended to represent the City's preferred design. The Proposer should provide information specific to its proposed design in a level of detail similar to that requested below. Unless otherwise specified, values should be provided for the design Plant Finished Water production rate of 80 mgd.

System Description

Operations Description

Intake (Based on ultimate Plant Finished Water production capacity of 320 mgd)

Hydraulic capacity (mgd):

Maximum distance between top of Intake and ground level (ft):

Screen size/spacing:

Description of cleaning/maintenance procedures:

Raw Water Flow Meter (CAP)

Location:

Type:

Size:

Manufacturer:

Accuracy at 20 mgd:

Accuracy at 80 mgd:

Range:

Raw Water Flow Meter (City)

Location:

Type:

Size:

Manufacturer:

Accuracy at 20 mgd:

Accuracy at 80 mgd:

Range:

Raw Water Pumps

No. of units:

Type:

Manufacturer:

Hydraulic capacity (each, mgd):

Minimum pumping rate with smallest pump off line (mgd):

Maximum pumping rate with largest pump off line (mgd):

Description of incremental hydraulic capacity operation (mgd, No. of pumps, etc.):

Horsepower:

Type of drive (variable or constant speed):

Maximum elevation at top of Raw Water Pumping Station (ft):

Description of noise attenuation system:

RPM:

Efficiency:

Pump Control/Discharge Check Valves on Raw Water Pump Discharge

Type:

Size:

Manufacturer:

Valves on Raw Water Transmission Line

Purpose:

Type:

Size:

Location:

Manufacturer:

Raw Water Pump Station Structure *(Based on future Plant Finished Water production capacity of 160 mgd)*

General Description:

Dimensions, length x width x height (ft):

Materials of construction:

Transmission Line

Inside Diameter (in):

Materials of construction:

Description of surge control system (locations, tanks sizes, valves, etc.):

Description of maintenance access/procedures:

Other

PROPOSAL FORM 13

CHEMICAL SYSTEMS

Provide the following information for each chemical to be used in the treatment process, including disinfection chemicals. Unless otherwise specified, values should be provided for the Plant Finished Water production rate of 80 mgd.

Chemical _____
(Copy this section for each chemical)

Feed location(s):

Purpose of chemical:

Maximum dose (each location, mg/L):

Average dose (each location, mg/L):

For each feed location, describe how the chemical feed rate will be adjusted and controlled during variations in Plant flow rate and Raw Water quality:

Form of chemical delivered to Plant:

Form of chemical at application point:

No. of days of storage at average dose:

No. of storage units:

Type of storage units:

Description of storage unit (materials and features):

Makeup/mixing system description:

Day tank (describe):

Pipe and valve materials:

Chemical safety equipment/features description:

Type of secondary containment (bulk storage and day tanks), as applicable:

Metering Pumps

Type of metering pumps:

Manufacturer/model:

Quantity (total):

No. of installed spare pumps:

PROPOSAL FORM 14

PRIMARY AND SECONDARY DISINFECTION

Provide a description of the disinfection process including method of primary disinfection, how CT will be achieved, and form of residual disinfectant. Include a system description, an operations description, and specific information for the equipment proposed as part of the Proposer's design.

A sample listing of specific information typical to disinfection system equipment is provided below. The system components listed are not intended to represent the City's preferred design. The Proposer should provide information specific to its proposed design in a level of detail similar to that requested below. Unless otherwise specified, values should be provided for the design Plant Finished Water production rate of 80 mgd.

System Description

Operations Description

For chemical primary disinfection:

Contact Chamber

No. of units:

Materials of construction:

Description of baffling:

Dimension, length x width x height (ft):

Water Depth (ft):

Volume (gal):

Detention time (min):

Detention time with one unit out of service (min):

Mixing speed:

Leak monitoring and containment/scrubbing system:

For UV primary disinfection:

No. of parallel reactors:

Materials of construction:

Capacity per reactor (mgd):

Total capacity (firm, mgd):

Reactor diameter (in):

Type of UV lamp:

No. of lamps per reactor:

UV dosage (mJ/cm²):

Power required per lamp (kW):

Description of power source and ballasts:

Type of cleaning mechanism:

No. of Redundant Units:

Secondary Disinfection Description:

PROPOSAL FORM 15

CLARIFICATION AND FILTRATION SYSTEM

Provide a description of the clarification and filtration system. Include a system description, an operations description, and specific information for the equipment proposed as part of the Proposer's design.

A sample listing of specific information typical to conventional rapid mix, flocculation, sedimentation and filtration equipment is provided below. The system components listed are not intended to represent the City's preferred design. The Proposer should provide information specific to its proposed design in a level of detail similar to that requested below. Unless otherwise specified, values should be provided for the design Plant Finished Water production rate of 80 mgd.

System Description

Operations Description

Rapid Mix

Type:

No. of units (parallel):

No. of Rapid Mix Stages (in series) and speed:

Hydraulic capacity (each, mgd):

Range of Velocity gradient (L/sec):

Dimension, length x width x height (ft) for mechanical mixer and diameter (ft) for static mixer:

Manufacturer:

Volume per unit (MG):

Detention time (sec):

Flocculation Basins

No. of units (parallel):

No. of stages per unit:

Hydraulic capacity (each, mgd):

Type:

Dimensions (each), length x width or diameter x height (ft):

Side water depth (ft):

Volume (each, MG):

Total volume (MG):

Flocculation detention time (min):

Flocculators

Number/basin:

Total number:

Type:

Average velocity gradient (Stage I, 1/sec):

Average velocity gradient (Stage II, 1/sec):

Average velocity gradient (Stage III, 1/sec):

Manufacturer:

Sedimentation Basins

No. of units (parallel):

Hydraulic capacity (each, mgd):

Type:

Dimensions (each), length x width or diameter x height (ft):

Side water depth (ft):

Volume (each, MG):

Total volume (MG):

Detention time (min):

Horizontal flow velocity (ft/min):

Overflow rate (gpd/sf):

Weir length (each, ft):

Total weir length (ft):

Weir loading rate (gpm/ft):

Sludge removal mechanisms:

Filters

No. of filters (parallel):

Hydraulic capacity (each, mgd):

Type:

Filtration mode:

Cells/filter:

Filter area (each):

Design filtration rate (gpm/sf):

Filtration rate with one filter off-line for backwashing (gpm/sf):

Filtration rate with one filter off-line for backwashing and one filter off-line for maintenance (gpm/sf):

Media description (type, depth, and media size):

Backwash rate (gpm/sf):

Percent expansion of media during backwash:

Backwash water supply system description:

Air scour rate:

Filter underdrain design description:

Filter to waste volume (gal/sf):

Backwash and filter-to-waste storage and treatment description:

PROPOSAL FORM 16

TASTE AND ODOR AND ORGANICS REMOVAL

Provide a description of the taste and odor removal and organics removal system. Include a system description, an operations description, and specific information for the equipment proposed as part of the Proposer's design.

A sample listing of specific information typical to a granular activated carbon taste and odor removal and organics removal system equipment is provided below. The system components listed are not intended to represent the City's preferred design. The Proposer should provide information specific to its proposed design in a level of detail similar to that requested below. Unless otherwise specified, values should be provided for the design Plant Finished Water production rate of 80 mgd.

System Description

Operations Description

GAC Contactor

No. of units:

Type:

Materials of construction:

Capacity (each, mgd):

Total capacity (firm, mgd):

GAC media mesh size:

EBCT (min) at design flow:

EBCT (min) at average flow:

GAC bed depth (ft):

Surface loading rate (firm, gpm/sf):

Surface area per unit (sf):

Dimension, length x width x height (ft):

Mass GAC per unit (lb):

Total mass GAC (lb):

Ave. design influent TOC concentration (mg/L):

Max. design influent TOC concentration (mg/L):

Ave. design total daily TOC load (lb/day):

Target contactor effluent TOC concentration (mg/L):

Reactivation interval (days):

Average carbon usage rate (lb/MG):

Maximum carbon usage rate (lb/MG):

Underdrain description:

GAC Transfer System

Minimum pipe diameter (in):

Piping materials:

Pump type:

Maximum rotative speed of pumps (rpm):

GAC Storage System

No. of units:

Type:

Capacity (each, lb):

Volume (each, ft³):

No. of feed points (each):

Cone bottom angle (degrees):

Tank material:

Form of carbon in storage:

GAC Multiple Hearth Furnace

No. of units:

Diameter (each, ft):

Capacity (each, lb/day):

Hearths per unit:

GAC loading rate (lb/sf/day):

Quench tank material:

Scrubber system blowdown (gpm):

Power source/fuel supply:

PROPOSAL FORM 17

BACKWASH AND FILTER-TO-WASTE RECOVERY SYSTEM

Provide a description of the backwash and filter-to-waste recovery system, including a description of the flow equalization, thickening, decanting and effluent recovery processes. Include a system description, an operations description, and specific information for the equipment proposed as part of the Proposer's design.

A sample listing of specific information typical to backwash and filter-to-waste system equipment is provided below. The system components listed are not intended to represent the City's preferred design. The Proposer should provide information specific to its proposed design in a level of detail similar to that requested below. Unless otherwise specified, values should be provided for the design Plant Finished Water production rate of 80 mgd.

System Description

Operations Description

Holding/Equalization Tanks *(copy this section for each type of tank provided)*

No. of units:

No. of spare tanks:

Tank description (materials, features, etc.):

Dimensions (each), length x width or diameter x height (ft):

Maximum water depth (ft):

Volume (each, gal):

Total volume (gal):

Number of consecutive filters that can be backwashed:

Volume of water used per filter backwashed:

Decanting System

Type:

Number of pumps (per tank):

No. of spare pumps installed (per tank):

Type of pump:

Manufacture:

Capacity (each, gpm):

Decanted water recycle location:

Sludge Removal System

Number of pumps (per tank):

No. of spare pumps installed (per tank):

Type:

Manufacture:

Capacity (each, gpm):

PROPOSAL FORM 18

FINISHED WATER RESERVOIRS AND PUMPING STATION(S)

Provide a description of the Finished Water Reservoirs and Finished Water Pumping Station(s) including the pumps, storage structure, pump station structure, flow meters, transmission lines and valves. Include a system description, an operations description, and specific information for the equipment proposed as part of the Proposer's design.

A sample listing of specific information typical to finished water storage and pumping station equipment is provided below. The system components listed are not intended to represent the City's preferred design. The Proposer should provide information specific to its proposed design in a level of detail similar to that requested below. Unless otherwise specified, values should be provided for the design Plant Finished Water production rate of 80 mgd.

System Description

Operations Description

Finished Water Reservoirs

No. of units:

Type:

Dimensions, length x width or diameter x height (ft):

Operated in parallel, series or flexibility to do either:

Max. depth of water (ft):

Min. depth of water (ft):

Usable volume (each, gal):

Reserve emergency Finished Water storage (each, gal):

High Pressure Finished Water Pumps

No. of units:

Type:

Manufacturer:

Hydraulic capacity (each, mgd):

Minimum pumping rate with smallest pump off line (mgd):

Maximum pumping rate with largest pump off line (mgd):

Description of incremental hydraulic capacity operation (mgd, No. of pumps, etc.):

Horsepower:

Type of drive (variable or constant speed):

Description of noise attenuation system:

RPM:

Efficiency:

Check Valves on High Pressure Finished Water Pump Discharge

Type:

Size:

Manufacturer:

Finished Water Flow Meter on High Pressure Pumps

Location:
Type:
Size:
Manufacturer:
Accuracy at 20 mgd:
Accuracy at 80 mgd:
Range:

High Pressure Pump Station Structure

General description:
Dimensions, length x width x height (ft):
Materials of construction:

High Pressure Finished Water Transmission Line (portion to be constructed by Company)

Inside diameter:
Materials of construction:
Description of surge control system (locations, tank sizes, valves, etc.):
Description of maintenance and access procedures:

Low Pressure Finished Water Pumps

No. of units:
Type:
Manufacturer:
Hydraulic capacity (each, mgd):
Minimum pumping rate with smallest pump off line (mgd):
Maximum pumping rate with largest pump off line (mgd):
Description of incremental hydraulic capacity operation (mgd, No. of pumps, etc.):
Horsepower:
Type of drive (variable or constant speed):
Description of noise attenuation system:
RPM:
Efficiency:

Check Valves on Low Pressure Finished Water Pump Discharge

Type:
Size:
Manufacturer:

Finished Water Flow Meter on Low Pressure Pumps

Location:
Type:
Size:
Manufacturer:
Accuracy at 20 mgd:
Accuracy at 80 mgd:
Range:

Low Pressure Pump Station Structure (Based on future delivery of 80 mgd to the Low Pressure Finished Water Transmission Line)

General description:
Dimensions, length x width x height (ft):
Materials of construction:

Low Pressure Finished Water Transmission Line (portion to be constructed by Company)

Inside diameter:

Materials of construction:

Description of surge control system (locations, tank sizes, valves, etc.):

Description of maintenance and access procedures:

PROPOSAL FORM 19

TREATMENT PROCESS MONITORING SYSTEM

Provide a description of the treatment process monitoring system. Include specific information for the equipment proposed as part of the Proposer's design for monitoring water quality, flow (flow meters on pipes larger than 6" in diameter), level, pressure, and other related parameters. If one type and manufacturer of instrument is being used throughout the Facilities for a type of measurement (e.g., pressure display), list the various locations or insert "All locations" for the process being monitored and location of monitoring instrument, and redundant instrumentation.

Location Being Monitored Automatically: _____
(Copy this section for each process)

Location of monitoring instrument:

Type of monitoring instrument:

Manufacturer:

Parameter(s) monitored:

Redundancy:

PROPOSAL FORM 20

SOLIDS HANDLING SYSTEM

Provide a description of the solids handling system, including sludge equalization, pumping, dewatering, solids disposal and effluent recovery processes. Include a system description, an operations description, and specific information for the equipment proposed as part of the Proposer's design.

A sample listing of specific information typical to solids handling equipment is provided below. The system components listed are not intended to represent the City's preferred design. The Proposer should provide information specific to its proposed design in a level of detail similar to that requested below. Unless otherwise specified, values should be provided for the design Plant Finished Water production rate of 80 mgd.

System Description

Operations Description

Sludge Equalization/Thickening System *(Copy for each type of tank)*

No. of tanks
No. of spare tanks provided:
Materials of construction:
Volume (each, gal):
Hydraulic loading rate (gpm/sf):
Solids loading (lb/d/sf):
No. sludge pumps (per tank):
No. spare pumps installed (per tank):
Type of pump:
Manufacturer:
Pump capacity:

Decanting System

Type:
No. of pumps (per tank):
No. spare pumps installed (per tank):
Type of pump:
Manufacturer:
Capacity (each):
Decanted water recycle location:

Sludge Dewatering System

Type:
Manufacturer:
No. of units:
No. of spare units installed:
Dimensions of each unit:
Mechanical equipment description (type, quantity, capacity and manufacturer of all equipment):
Building/enclosure description:
Describe dewatered sludge storage and disposal:
Describe recycled/waste water disposal/recycle:
Lbs/day of solids rating for each unit:
% solids of dewatered sludge:

lbs/day of dewatered sludge:

Odor Control System:

Units/system covered:

Units/system scrubbed:

Type of scrubbing system:

PROPOSAL FORM 21

OTHER MAJOR SYSTEMS AND AUXILIARY FACILITIES

Provide detailed technical information for major systems and auxiliary facilities which are part of the Facilities, but not included on other Technical Proposal forms.

System/Auxiliary Facility: _____
(Copy this section for each system or auxiliary facility)

Purpose:

Description:

Operations Description:

Proposers shall modify this form to provide information at a similar level of detail as provided on the other Technical Proposal Forms.

PROPOSAL FORM 22

FACILITIES MAJOR EQUIPMENT LIST ⁽¹⁾

Name/Description	Cross Reference ⁽²⁾	Quantity	Manufacturer	Model No.	Useful Life ⁽³⁾

Notes:

1. Proposer shall duplicate this form as necessary for all Major Equipment. Organize the Major Equipment by unit process moving from the Intake to the Finished Water Pumping Station(s).
2. If equipment is described on another Proposal Form, indicate Proposal Form number.
3. Indicate if useful life is based on hours of operation or years since originally placed into service.

PROPOSAL FORM 23
FIRM CAPACITIES

Provide the following information for all major systems and systems incorporating Major Equipment:

System Description	# Units	Capacity (each unit)	System Firm Capacity*

* System Firm Capacity is the System Capacity with the largest unit removed from service for maintenance. For example, the System Firm Capacity for a filtration system that routinely removes one filter from service at a time for backwashing would be the filtration system capacity with the two largest units off-line (one for maintenance and one for backwashing).

PROPOSAL FORM 24

BUILDING SERVICES

Provide a full description of all building services including, but not limited to, the items listed below.

Heating, ventilation, and air conditioning

Interior Lighting

Water supply (potable, fire, other)

Sanitary facilities

Fire protection

Site and Building Security Systems

Other building services and systems

PROPOSAL FORM 25

ELECTRICAL EQUIPMENT

Provide a full description of electrical equipment provided including, but not limited to, the items listed below.

Lightning protection system

Emergency backup power generation

Uninterruptible power supply systems

Site lighting

Security and Surveillance systems

Variable Speed Drivers

Standby Generation

Other major electrical equipment

PROPOSAL FORM 26

INSTRUMENTATION AND CONTROL SYSTEM

Describe the instrumentation and control system in detail, including system architecture, redundancy features, ultimate expansion capacity, operating controls and operator interfaces, report generation capabilities, historic data storage and analysis capabilities, self-diagnostic capabilities, alarm management features, maintenance support capabilities, power supplies, and alternate power sources (if applicable). The control system hardware and software shall be fully described, including control panels, remote terminal units, redundancy features, process failure alarms, alarm features, and provisions for automatic shutdown. Include a description of the distributed control system (DCS) and identify all locations containing remote monitoring equipment. Identify the DCS system software, type of network topology, and the type and manufacturer of all programmable logic controllers, workstations, hub/switch/routers, and other major DCS components. Include a description of the software and hardware equipment to interface with the City's wide area network.

System Description:

PROPOSAL FORM 27

CORROSION CONTROL PHILOSOPHY

Describe the Proposer's Corrosion Control Philosophy for the Facilities, including the approach to corrosion control and materials selection in buried, submerged, corrosive, exterior, and other locations susceptible to corrosion. Describe the types of locations where cathodic protection will be provided. Describe in detail the materials to be used for anchor bolts, categories of pipe and tanks, mixers, flocculators, launders, and other items that are submerged, in corrosive areas, or otherwise susceptible to corrosion. Provide sufficient detail to form the basis of the Corrosion Control Plan required in Appendix 5.

PROPOSAL FORM 28

ADDITIONAL ARCHITECTURAL FEATURES

The Proposer shall include on this form descriptions of any architectural features of its Proposal not included on other Proposal Forms, drawings or diagrams.

PROPOSAL FORM 29

INTERIOR ARCHITECTURAL MATERIALS

Provide the following architectural information for each structure.

Structure: _____
 (Copy this table for each structure on the Sites)

Room or Area	Interior Material and Finishes											
	Doors		Door Frames		Floor		Walls			Ceiling	Additional Information*	
	Material	Finish	Material	Finish	Material	Finish	Substrate Material	Material	Finish			
Wet Process Areas: Process rooms exposed to frequent moisture and or wash down												
Dry Process Areas: Process rooms not exposed to frequent moisture and or wash down												
High Noise Areas												
Control Rooms												
Process Area Corridors												
Conference and Multi-purpose Rooms												
Office Area Corridors and Lobbies												
Other (specify)												

* - Additional information shall include applicable sound transmission coefficients, fire ratings, and design intent of wainscot or multiple material surfaces.

PROPOSAL FORM 30

EXTERIOR ARCHITECTURAL MATERIALS

Provide the following descriptions of the exterior architectural materials for each structure on the Sites.

Structure	Exterior Architectural Materials and Finishes											
	Doors		Door Frames		Walls		Roof		Window		Additional Information*	
	Material	Finish	Material	Finish	Material	Finish	Material	Finish	Glass	Frame		

* - Additional information shall include applicable descriptions of color, texture, R Values, shading devices and multiple material surfaces.

PROPOSAL FORM 31A

ARCHITECTURAL EXPANSION CONSIDERATIONS

Provide the following information on structure expandability for each structure on the Sites. Designate which structures include planning for future additional functions within the proposed design, whether an addition to the building is required or whether a separate new building is required to house the anticipated expansion functions.

Structure	Architectural Expansion Considerations- 160 mgd Plant										
	Original Size (80 mgd Plant)		Expansion Requires (check one)			Construction Classification	Sprinklered (Y/N)	Maximum Code Limitations		Final Size of Structure	
	Area	Height	Space Already Included	Addition	New Bldg			Area	Height	Area	Height

PROPOSAL FORM 31B

ARCHITECTURAL EXPANSION CONSIDERATIONS

Provide the following information on structure expandability for each structure on the Sites. Designate which structures include planning for future additional functions within the proposed design, whether an addition to the building is required or whether a separate new building is required to house the anticipated expansion functions.

Structure	Architectural Expansion Considerations- 240 mgd Plant												
	Original Size (160 mgd Plant)		Expansion Requires (check one)			Construction Classification	Sprinklered (Y/N)	Maximum Code Limitations		Final Size of Structure			
	Area	Height	Space Already Included	Addition	New Bldg			Area	Height	Area	Height		

PROPOSAL FORM 31C

ARCHITECTURAL EXPANSION CONSIDERATIONS

Provide the following information on structure expandability for each structure on the Sites. Designate which structures include planning for future additional functions within the proposed design, whether an addition to the building is required or whether a separate new building is required to house the anticipated expansion functions.

Structure	Architectural Expansion Considerations- 320 mgd Plant										
	Original Size (240 mgd Plant)		Expansion Requires (check one)			Construction Classification	Sprinklered (Y/N)	Maximum Code Limitations		Final Size of Structure	
	Area	Height	Space Already Included	Addition	New Bldg			Area	Height	Area	Height

PROPOSAL FORM 32

REPAIR AND REPLACEMENT SCHEDULE ¹

Major Equipment To Be Rebuilt or Replaced	Operating Year																				
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10	Yr. 11	Yr. 12	Yr. 13	Yr. 14	Yr. 15	Yr. 16	Yr. 17	Yr. 18	Yr. 19	Yr. 20	
1. Influent Pump Station																					
2. Sedimentation																					
3. Flocculation																					
4. Filtration																					
5. Disinfection																					
7. Backwash and Washwater Recovery																					

Major Equipment To Be Rebuilt or Replaced	Operating Year																				
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10	Yr. 11	Yr. 12	Yr. 13	Yr. 14	Yr. 15	Yr. 16	Yr. 17	Yr. 18	Yr. 19	Yr. 20	
8. Solids Handling																					
9. Finished Water Storage and Pumping																					
10. Other																					

Notes:

- Proposers shall place a "B" in each year where a rebuild of equipment is proposed and an "R" in each year where a replacement is proposed. The above equipment categories are examples only. Proposers shall provide an itemized list for all rebuild and replacement activities during the Term and the Optional Extended Term for Major Equipment at the Facilities for each major category or system proposed. This list, in combination with the CMMS, Maintenance, Repair and Replacement Plan and related repair and replacement tracking and control functions, shall represent the Company's repair and replacement plans.

PROPOSAL FORMS 33A, 33B, 33C, AND 33D

GUARANTEED MAXIMUM ELECTRICITY UTILIZATION AND DEMAND

On Proposal Forms 33A, 33B, 33C, and 33D, the Company shall provide its Guaranteed Maximum Electricity Utilization (GMEU) and Guaranteed Maximum Electricity Demand (GMED) for four separate components of the Facilities: (1) Raw Water Pumping Station (RWPS), (2) Plant (without Finished Water pumping), (3) Finished Water pumping to the Low Pressure Finished Water Transmission Line (LPFWTL), and (4) Finished Water pumping to the High Pressure Finished Water Transmission Line (HPFWTL).

The GMEU represents the maximum amount of electricity in kilowatt-hours (kWh) that will be used by the particular component of the Facilities (i.e. RWPS, etc.) per million gallons (MG) of Finished Water delivered to the Water System at a specified annual average Finished Water delivery rate (e.g. 60 mgd, 70 mgd, etc.).

The GMED represents the maximum rate of electricity usage in kilowatts (kW) that will be used by the particular component of the Facilities at a specified peak City-requested Finished Water delivery rate measured in millions of gallons per day (MGD).

Although electric guarantees are provided separately for four components of the Facilities, there will be only two electric meters at the Sites: one at the Raw Water Pumping Station Site and one at the Plant Site (which will include the electrical service to the Plant and Finished Water Pumping Station(s)).

PROPOSAL FORM 33A

**GUARANTEED MAXIMUM ELECTRICITY
 UTILIZATION AND DEMAND**

RAW WATER PUMPING STATION (RWPS) GUARANTEED MAXIMUM ELECTRICITY UTILIZATION	
Annual Average Total Finished Water Delivered to Water System	Guaranteed Maximum Electricity Utilization (GMEU) ⁽¹⁾
• 40 MGD	_____ kWh/MG
• 50 MGD	_____ kWh/MG
• 60 MGD	_____ kWh/MG
• 70 MGD	_____ kWh/MG
GUARANTEED MAXIMUM ELECTRICITY DEMAND	
Peak City-Requested Total Finished Water Delivery Rate	Guaranteed Maximum Electricity Demand (GMED) ⁽²⁾
• 60 MGD	_____ kW
• 70 MGD	_____ kW
• 80 MGD	_____ kW

(1) GMEUs for annual average total Finished Water flows between 40 MGD and 70 MGD will be calculated by linear interpolation between the two nearest flow rates listed. GMEUs for annual average total Finished Water flows less than 40 MGD or greater than 70 MGD will be calculated by linear extrapolation from the two nearest flow rates listed.

(2) GMEDs for peak City-requested total Finished Water delivery rates between 60 MGD and 80 MGD will be calculated by linear interpolation between the two nearest flow rates listed. GMEDs for peak City-requested total Finished Water delivery rates less than 60 MGD will be equal to the GMED for 60 mgd.

PROPOSAL FORM 33B

**GUARANTEED MAXIMUM ELECTRICITY
 UTILIZATION AND DEMAND**

PLANT⁽¹⁾ GUARANTEED MAXIMUM ELECTRICITY UTILIZATION	
Annual Average Total Finished Water Delivered to Water System	Guaranteed Maximum Electricity Utilization (GMEU) ⁽²⁾
• 40 MGD	_____ kWh/MG
• 50 MGD	_____ kWh/MG
• 60 MGD	_____ kWh/MG
• 70 MGD	_____ kWh/MG
GUARANTEED MAXIMUM ELECTRICITY DEMAND	
Peak City-Requested Total Finished Water Delivery Rate	Guaranteed Maximum Electricity Demand (GMED)⁽³⁾
• 80 MGD	_____ kW

- (1) Excluding Finished Water Pumping Station(s).
- (2) GMEUs for annual average total Finished Water flows between 40 MGD and 70 MGD will be calculated by linear interpolation between the two nearest flow rates listed. GMEUs for annual average total Finished Water flows less than 40 MGD or greater than 70 MGD will be calculated by linear extrapolation from the two nearest flow rates listed.
- (3) GMEDs for peak City-requested total Finished Water delivery rates less than 80 MGD will be equal to the GMED for 80 mgd.

PROPOSAL FORM 33C

**GUARANTEED MAXIMUM ELECTRICITY
 UTILIZATION AND DEMAND**

FINISHED WATER PUMPING STATION – PUMPING TO LOW PRESSURE FINISHED WATER TRANSMISSION LINE (LPFWTL) GUARANTEED MAXIMUM ELECTRICITY UTILIZATION	
Annual Average Finished Water Delivered to the LPFWTL	Guaranteed Maximum Electricity Utilization (GMEU) ⁽¹⁾
10 MGD MONTHLY AVERAGE:	_____ kWh/MG
20 MGD MONTHLY AVERAGE:	_____ kWh/MG
30 MGD MONTHLY AVERAGE:	_____ kWh/MG
GUARANTEED MAXIMUM ELECTRICITY DEMAND	
Peak City-Requested Finished Water Delivery Rate to the LPFWTL	Guaranteed Maximum Electricity Demand (GMED)⁽²⁾
• 30 MGD	_____ kW

- (1) GMEUs for annual average total Finished Water flows between 10 MGD and 30 MGD will be calculated by linear interpolation between the two nearest flow rates listed. GMEUs for annual average total Finished Water flows less than 10 MGD or greater than 30 MGD will be calculated by linear extrapolation from the two nearest flow rates listed.
- (2) GMEDs for peak City-requested Finished Water delivery rates to the LPFWTL less than between 30 MGD will be equal to the GMED for 30 mgd.

PROPOSAL FORM 33D
GUARANTEED MAXIMUM ELECTRICITY
UTILIZATION AND DEMAND

FINISHED WATER PUMPING STATION – PUMPING TO HIGH PRESSURE FINISHED WATER TRANSMISSION LINE (HPFWTL) GUARANTEED MAXIMUM ELECTRICITY UTILIZATION	
Annual Average Finished Water Delivered to the HPFWTL	Guaranteed Maximum Electricity Utilization (GMEU) ⁽¹⁾
• 10 MGD	_____ kWh/MG
• 20 MGD	_____ kWh/MG
• 30 MGD	_____ kWh/MG
• 40 MGD	_____ kWh/MG
• 50 MGD	_____ kWh/MG
• 60 MGD	_____ kWh/MG
• 70 MGD	_____ kWh/MG
GUARANTEED MAXIMUM ELECTRICITY DEMAND	
Peak City-Requested Finished Water Delivery Rate to the HPFWTL	Guaranteed Maximum Electricity Demand (GMED) ⁽²⁾
• 40 MGD	_____ kW
• 50 MGD	_____ kW
• 60 MGD	_____ kW
• 70 MGD	_____ kW
• 80 MGD	_____ kW

- (1) GMEUs for annual average total Finished Water flows between 10 MGD and 70 MGD will be calculated by linear interpolation between the two nearest flow rates listed. GMEUs for annual average total Finished Water flows less than 10 MGD or greater than 70 MGD will be calculated by linear extrapolation from the two nearest flow rates listed.
- (2) GMEDs for peak City-requested Finished Water delivery rates to the HPFWTL between 40 MGD and 80 MGD will be calculated by linear interpolation between the two nearest flow rates listed. GMEDs for peak City-requested Finished Water delivery rates to the HPFWTL less than 40 MGD will be equal to the GMED for 40 mgd.

PROPOSAL FORM 34
FIXED DESIGN/BUILD PRICE

SUMMARY OF FIXED DESIGN/BUILD PRICE

COST

Development Period

Payment during Development Period (4% of Fixed D/B Price) \$ _____
Payment for Closing Development Period/Achieving Construction
Date (4% of the Fixed D/B Price) \$ _____

Construction Period

Site Work:

Roads, Parking, Lighting, Utilities, Site Drainage,
 Fencing, Gates, Mass Grading and Excavation, etc. \$ _____
Landscaping and Irrigation \$ _____
Raw Water Transmission Line \$ _____
Low Pressure Finished Water Transmission Line \$ _____
High Pressure Finished Water Transmission Line \$ _____
Yard Piping (excluding Raw Water and Finished
 Water Transmission Lines) \$ _____
Other (Specify) _____ \$ _____

Subtotal \$ _____

Intake and Raw Water Pumping Station:

Construction \$ _____

Plant and Process:

Water Treatment System ⁽¹⁾	\$ _____	
Chemical Storage and Feed Systems	\$ _____	
Residuals Handling System	\$ _____	
Finished Water Reservoirs	\$ _____	
Finished Water Pumping Station(s)	\$ _____	
Instrumentation, Control Communication, Security Systems, and Information Access System	\$ _____	
Electrical / Emergency Power Systems / Substation	\$ _____	
Operations Building		
Administration Offices	\$ _____	
Control Room	\$ _____	
Laboratory	\$ _____	
Other	\$ _____	
Maintenance Shop	\$ _____	
Material Storage Building	\$ _____	
Other (Specify) _____	\$ _____	
Subtotal		\$ _____

Start-up and Acceptance Testing

Start-up Activities	\$ _____	
Acceptance Testing Activities	\$ _____	
Subtotal		\$ _____

Other Direct and Indirect Costs

Mobilization (not to exceed 2% of the Fixed D/B Price)	\$ _____	
Demobilization (25% of the Mobilization Price)	\$ _____	
Material Testing	\$ _____	
Administrative		
Shop Drawings	\$ _____	
Record Documents	\$ _____	
Other	\$ _____	
Insurance (During Construction)	\$ _____	
Performance Bond (During Construction)	\$ _____	
Construction Period Letter of Credit	\$ _____	
Other (Specify) _____	\$ _____	
	Subtotal	\$ _____
FIXED DESIGN/BUILD PRICE⁽²⁾	\$	_____
		=====

Notes:

⁽¹⁾ Proposers shall break this down by major unit process.

⁽²⁾ The Fixed Design/Build Price is binding and will be incorporated directly into the final Service Agreement. The subtotals that comprise the Fixed Design/Build Price are for information purposes only.

PROPOSAL FORM 35

FIXED COMPONENT OF SERVICE FEE

SERVICE FEE FIXED COMPONENT ITEMS ⁽¹⁾	40 MGD	55 MGD	FIXED COMPONENT OF THE SERVICE FEE FOR THE FOLLOWING ANNUAL AVERAGE FINISHED WATER FLOW RESETS
Operations and Maintenance			70 MGD
Repair and Replacement			
Residuals Management			
Chemicals			
Utilities (excluding electricity)			
Other (specify)			
FIXED COMPONENT TOTAL			
CPI ADJUSTMENT FACTOR MODIFIER⁽²⁾	_____ %		

Notes:

1. The breakdown (subtotals) that comprise the Fixed Component of the Service Fee are for the City's informational use only and will not be binding on the Proposers. The City expects to use such information for purposes of comparison of Proposals with the Benchmark.
2. The Fixed Component of the Service Fee and certain other dollar amounts identified in the Service Agreement will be adjusted each Contract Year based on the Adjustment Factor. The modifier proposed in this Proposal Form is the fraction of the annual percentage change in the CPI that the Proposer wishes to propose for purposes of calculating the Adjustment Factor and shall not be greater than 1.0. For example, if the Proposer wishes to propose the full percentage change in the CPI for the Adjustment Factor, it should propose a modifier of 1.0. If the Proposer wishes to propose 75% of the percentage change in the CPI for the Adjustment Factor, it should propose a modifier of 0.75.