

CITY OF SANTA PAULA

Request for Proposal

Water Recycling Facility

October 2007

Table of Contents – Volume 1

1.0	INTRODUCTION	1
1.1	Background	1
1.2	Defined Terms	2
2.0	PROJECT BACKGROUND AND DESCRIPTION	8
2.1	Reason for Project	8
2.2	Project Location	8
2.3	Project Facility Objectives	8
2.4	Project Water Supply and Quality Objectives	10
2.5	Regulatory Requirements and Objectives	10
3.0	SERVICE PROGRAM DEFINITION	11
3.1	Design Build Procurement Process Description	11
3.2	Management and Operational Objectives	11
3.3	Ownership Objectives	11
3.4	Financial Objectives	12
3.5	Quality Control/Quality Assurance Risk Management and Loss Prevention Plan	12
3.6	Prevailing Wage	14
3.7	Staffing	14
3.8	Repair and Replacement	14
3.9	Exit Test	14
3.10	Residuals Management	15
3.11	Site Maintenance	15
3.12	Scheduled Construction Date	15
3.13	Scheduled Acceptance Date	16
3.14	Governmental Approvals	16
3.15	Geotechnical Investigations	17
3.16	Development Period	17
3.17	Affirmative Action	17
4.0	PROPOSAL FORMAT AND CONTENT	18
4.1	Format and Content Summary	18
4.2	Cover Letter	18
4.3	Table of Contents	18
4.4	Executive Summary	18
4.5	Technical Approach	19
4.6	Financial Approach	25
4.7	Project Team	25
4.8	Legal Arrangements	29
4.9	Proposal Bond	29
4.10	Implementation Schedule	29
5.0	EVALUATION PROCESS AND SELECTION CRITERIA	30
5.1	Evaluation Process and Negotiations Process	30
5.2	Proposal Evaluation Criteria	30
5.3	Financial Information	31
5.4	Business Contractual Terms	32
5.5	Guarantor Acknowledgment	32
5.6	Performance and Payment Bonds	32
5.7	Price Proposal and Proposal Security	32
5.8	Responsiveness to RFP Requirements	33

5.9	Price Proposal Criteria	37
5.10	Business Proposal Criteria	37
6.0	GENERAL INFORMATION TO COMPANY	38
6.1	Proposal Submission Requirements	38
6.2	Schedule	38
6.3	Clarification, Changes, Amendments or Additions	38
6.4	Right to Cancel	39
6.5	Information Requests and Questions Concerning this RFP	40
6.6	No Contact with City Officials or Employees	40
6.7	Addenda or Amendments to this RFP	40
6.8	Site Access and Investigation	40
6.9	Inspection of Proposals	40
6.10	No City Liability	41
6.11	City Responsibilities to Maintain Confidentiality	41
6.12	Modification of Proposals	41
6.13	Information	41
6.14	Oral Presentations	41
6.15	Termination of Negotiations	42
6.16	Withdrawal from Procurement Process	42
7.0	PROPOSAL FORMS	42
7.1	Proposal Forms	42
7.2	Business Proposal Forms	43
7.3	Price Proposal Forms	45

EXHIBIT A

Business Proposal Forms
Price Proposal Forms

APPENDICES:

Appendix A – DBOF Agreement

Appendix B – Performance Specifications

Appendix C - Regional Water Quality Control Board Waste Discharge Requirements

- Time Schedule Order
- Final Consent Judgment
- Environmental Impact Report
- Department of Fish and Game Permit
- US Army Corps of Engineers Draft Permit
- Regional Water Quality Control Board 401 Certification Permit
- Site Plan
- 30% Preliminary Design Report
- 60% Design Plans
- Geotechnical Report
- Schiff and Associates Corrosion Study
- Existing Influent Characteristics
- Existing ECO Resources Contract

1.0 INTRODUCTION

1.1 Background

The City of Santa Paula is requesting proposals for a Water Recycling Facility (WRF) that meets the Regional Water Quality Control Board (RWQCB) Waste Discharge Requirement (WDR's) and has the least impact on the City's ratepayers. The plant should utilize the Membrane Bioreactor (MBR) technology as the primary treatment process, and should be designed utilizing creativity, innovation, and energy efficiency to minimize costs. The plant architecture should be attractive and the plant should be designed to blend into the neighborhood, and minimize the impacts to the neighbors while maximizing operational efficiency.

This document is a Request for Proposals ("RFP") for the City of Santa Paula, California (the "City") Water Recycling Facility Design, Build, Operate and Finance Project ("Project").

This RFP is the second phase of a two-phase procurement process being conducted in accordance with the provisions of Government Code §§ 5956, et seq. The first phase of the procurement process consisted of the issuance of the RFQ, the receipt of SOQ's, and the identification of the Company receiving a RFP.

By utilizing a design-build-operate-finance ("DBOF") project delivery approach, the City expects to secure substantial benefits for its customers. These expected benefits include timely, efficient and cost-effective scheduling, balanced risk allocation, competitive design selection, clear assignment of performance responsibilities to a single contracting entity, long-term facility operations and maintenance guarantees and efficiencies, and cost savings and predictability. Other expected benefits include the full integration of key design, construction, operations, finance, and quality assurance personnel in all aspects of the Project development.

This RFP invites Company to submit proposals to the City describing in detail the technical, business and financial aspects of the plan by which each proposes to meet the requirements of the Project.

Through this RFP, the City is soliciting competitive, sealed Proposals from Company to: 1) design, permit, construct, startup and test a 3.4 million gallons per day (MGD) Membrane Bioreactor (MBR) facility, readily expandable to 4.2 MGD (as described more specifically in Section 2.4), that will treat wastewater, including, without limitation, an on-site influent pump station, conveyance piping treatment, process and disinfection systems and on-site effluent conveyance system (the "WRF") 2) design and build the percolation ponds and levee system; 3) design and build offsite improvements for the facility; 4) process sludge, and transport and dispose of biosolids and other residuals (the "Contract Services"); 5) operate, maintain, repair and replace the WRF as needed, 6) finance the construction of the WRF.

The City intends to retain responsibility for the maintenance, repair and necessary replacement of the City's collection system and off-site influent conveyance and effluent conveyance systems (future recycled water) and design, construction, repair and replacement of the effluent (recycled water) disposal systems, the setting of rates and charges for services to its customers, and the billing and collection of such rates and charges.

The City intends to enter into a service contract with the team that is found to have provided the most advantageous proposal (the "Selected Company") for a term between 20 and 30 years (the "Service Contract"). The City also reserves the right to buy the plant back after 5 years.

The procurement process, Proposal selection, contract negotiations and award will be conducted by the City in accordance with the requirements of applicable law. Company should carefully review this document, which constitutes the formal RFP for the Project sought by the City, to ensure a clear understanding of the City's needs, objectives, and scope of services requested herein.

1.2 Defined Terms

"Acceptance" means demonstration by the Company in accordance with the Service Contract that the Company have successfully performed the Acceptance Tests for the Facility.

"Acceptance Date" means the date on which Acceptance must occur.

"Acceptance Tests and Standards" means those tests and standards, based on this RFP and the Company response to this RFP, for the Facility which the Company will meet in order to achieve Acceptance, as set forth in Appendix A.

"ADDWF" means Average Day Dry Weather Flow.

"Annual Service Fee" means the annual fee payable to the Company and comprising a Base Fee and Extraordinary Items.

"Appendix" means any of the Appendices to the Draft DBOF Contract included in Appendix A

"Applicable Law" means: any applicable law, regulation, ordinance, rule, order or determination of any federal, state, county, or municipal authority (including, without limitation, the Consent Judgment, any applicable Time Schedule Order issued by the Regional Board or the executive officer thereof [including Time Schedule Order No. R4-2006-0090], and Regional Board Order No. 97-41 which serves as National Pollutant Discharge Elimination System Permit No. CA0054224 for the SPWRF).

"Authorized Contact Person" has the meaning set forth in Section 6.6 of the RFP.

"Base Fee" is comprised of a Fixed Component, a Loadings Adjustment Element and a Flow Adjustment Element each of which is designed to recover a distinct portion of the costs associated with the operation and maintenance costs of the Facility.

"BOD5" or "Biochemical Oxygen Demand" means the five-day measure of the amount of oxygen required for the stabilization of decomposable carbonaceous organic matter and the biooxidation of nitrogenous material under aerobic conditions, the analysis of which must conform to 40 CFR 136, "Guidelines Establishing Test Procedures for the Analysis of Pollutants", unless other test procedures have been specified in the NPDES or WDR Permit.

"Change in Law" means: any of the occurrences set forth in Section 12.5 of this Agreement, which shall occur after the Contract Date.

It is specifically understood, however, that none of the following must constitute a "Change in Law":

- (i) a change in the nature or severity of the actions typically taken by a Governmental Body to enforce compliance with Applicable Law which was effective as of the Contract Date; or
- (ii) acts, events and circumstances with respect to which the Company have assumed the permitting risk relating to the Facility.

"City" means the City of Santa Paula, California.

"City Council" means the legislative body of the City of Santa Paula, California.

"City Fault" means any breach (including untruth or breach of any City representation or warranty set forth in the Service Contract), failure, nonperformance or noncompliance by the City with respect to its obligations under the DBOF Contract to the extent not directly attributable to any Uncontrollable Circumstance or Company Fault, and which materially and adversely affects the Company rights, obligations or ability or costs to perform under the Service Contract.

"Collection System" means the City's wastewater collection system, including pump stations, as the same must be acquired, installed, constructed or reconstructed from time to time.

"Company" means the entity executing the DBOF Contract with the City to provide the Contract Services, whether such entity is the Company or another entity used or created by the Company to provide such services.

"Company Fault" means any breach, failure, non-performance or noncompliance by the Company with respect to its obligations hereunder or under the Service Contract to the extent not directly attributable to an Uncontrollable Circumstance or City Fault, which materially or adversely affects the Company rights, obligations or ability to perform under the Service Contract.

"Consent Judgment" means the final order entered by the Ventura County Superior Court on September 24, 2007 which, among other things, establishes a construction and operations schedule for the WRF.

"Consent Decree" has the meaning set forth in Section 2.1 of this RFP.

"Consumer Price Index" or "CPI" means the formal non-seasonably adjusted Consumer Price Index as reported by the U.S. Department of Labor, Bureau of Labor Statistics, for All Urban Consumers, for the Los Angeles, California area.

"Construction Commencement" means the date upon which the city issues a notice to proceed with construction.

"Construction Period" means the period from and including the Construction Commencement Date to the Acceptance Date.

"Contract Date" means the date the DBOF Contract is executed and delivered by the parties thereto.

"Contract Services" means all the services for which the City is seeking Proposals as

described in this RFP.

"Contract Year" means the year commencing on January 1 in any year and ending on December 31 of the same year; provided, however, that the first Contract Year must commence on the Commencement Date and must end on the following December 31, and the last Contract Year must commence on January 1 prior to the date this Service Contract expires or is terminated, whichever is appropriate, and must end on the last day of the Term of this Service Contract or the effective date of any termination, whichever is appropriate. Any computation made on the basis of a Contract Year must be adjusted on a pro rata basis to take into account any Contract Year of less than 365/366 days.

"CPI Adjustment Factor" has the meaning set forth in **Section _____** of the RFP.

"DBOF Contract" means the contract for the design, construction, acceptance testing, operation, maintenance, repair and replacement (including major repair and replacement) and management of the Facility, to be executed by the City and the selected proposer

"Design/Build Date" means the date upon which written authorization is issued by the City to the Company requiring the Company to commence the design and construction of the WRF.

"Design/Build Work" means the employment and furnishing of all labor, materials, equipment, supplies, tools, scaffolding, transportation, Utilities, insurance, temporary facilities and other things and services of every kind whatsoever necessary for the full performance and completion of the Company design, engineering, permitting, plan preparation, procurement, construction, start-up, Acceptance Testing, obtaining Governmental Approvals and related obligations with respect to the construction of the Facility.

"Development Period" has the meaning set forth in **Section _____** of this RFP.

"Draft DBOF Contract" means a draft version of the City of Santa Paula, California Water Recycling Facility Design, Build, Operate and Finance Contract and Appendices attached.

"Effluent" means wastewater discharged from the WRF.

"Evaluation Committee" means the committee appointed by the City, which is responsible for the evaluation of the responses to this RFP.

"Existing O&M Agreement" means the agreement between the City and ECO Resources to operate, maintain and manage the Existing WWTP.

"Existing WWTP" means the City of Santa Paula wastewater treatment plant consisting of buildings, structures and equipment, and the roads, grounds and fences that currently exist on the site.

"Exit Standards and Conditions" means has the meaning set forth in **Section _____**.

"Extraordinary Items" has the meaning set forth in **Section _____**.

"Facility" means the Water Recycling Facility to be located at the site shown on the site plan in the Appendix.

"Fixed Design/Build Price" means the fixed price for the financing, design, construction, and Acceptance of the Facility including the costs related to the Company performance of its Development Period responsibilities, as proposed on Price Proposal Form P-1.

"GAAP" means Generally Accepted Accounting Principles.

"GPCD" means gallons per capita per day.

"Good Engineering and Construction Practice" means those methods, techniques, standards and practices which, at the time they are to be employed and in light of the circumstances known or reasonably believed to exist at such time, are generally recognized and accepted as good design, engineering, equipping, installation, construction and commissioning practices for the design, construction and improvement of capital assets in the municipal wastewater treatment industry as followed in the southwestern region of the United States.

"Good Industry Practice" means those methods, techniques, standards and practices which, at the time they are to be employed and in light of the circumstances known or reasonably believed to exist at such time, are generally recognized and accepted as good operation, maintenance, repair, replacement and management practices in the municipal wastewater treatment industry as followed in the southwestern region of the United States.

"Governmental Approvals" means all orders of approval, permits, licenses, authorizations, consents, certifications, exemptions, registrations, rulings, entitlements and approvals of whatever kind and however described which are required under Applicable Law to be obtained or maintained by any person with respect to the Contract Services.

"Governmental Body" means any federal, State, regional or local legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any official thereof having jurisdiction.

"Guarantor" means the entity or entities that will guaranty the Company performance under the DBOF Contract pursuant to the terms of the Guaranty Agreement.

"Guaranty Agreement" means the Guaranty Agreement between the City and the Guarantor guarantying the performance by the Company of its obligations to the City under the DBOF Contract.

"Independent Engineer" means a recognized engineer or firm of engineers, having experience with respect to the design, construction, testing, operation and maintenance of wastewater treatment facilities and systems.

"Influent" means all flows reaching the Facility through the effluent collection system from all connected sources, including residential, commercial, municipal and industrial sources.

"Initial Term" means the term of the DBOF Contract, which commences on the Acceptance Date and ends on the anniversary date that is between twenty and thirty years after the date upon which the Company begins operating the Existing WWTP.

"IPP" or "Industrial Pretreatment Program" means the City's Industrial Pretreatment Program.

"IRS" means the Internal Revenue Service.

"Legal Proceedings" means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon the Service Contract, and all appeals therefrom.

"MGD" means million gallons per day.

"Notice to Proceed," means a notice issued by the City which authorizes the Company to commence the Design/Build Work.

"NPDES" means the National Pollutant Discharge Elimination System.

"Project" means everything required to be furnished and done for and relating to the Facility by the Company pursuant to the Service Contract during the Term thereof, including the employment and furnishing of all labor, materials, equipment, supplies, tools, storage, transportation, insurance, sales, delivery and other things and kinds of services whatsoever necessary for the full performance of the Company operation, maintenance, repair, replacement, management and related obligations under the DBOF Contract, and all of the Company administrative, accounting, recordkeeping, reporting, notification and similar responsibilities of every kind whatsoever under the DBOF Contract pertaining to such obligations.

"Project Advisors" means the individuals and firms appointed to assist the City in directing and reviewing the activities associated with this project.

"Proposer" means the firms, subconsultants, and subcontractors, that submitted Statements of Qualifications in response to the RFQ and were subsequently short-listed by the City.

"Proposal" means, as used in this RFP, a document submitted for evaluation in response to this RFP.

"Proposal Bond" means the bond to be posted by the Company and has the meaning set forth in Section 7.2.3 of the RFP.

"Proposal Form" means any one of the proposal forms identified and attached to this RFP, which must be submitted with the Proposal according to the instructions in this RFP.

"Residuals" means any semi-solid or solid material resulting from the treatment of Influent, which requires disposal as waste material.

"RWQCB" means the Los Angeles Regional Water Quality Review Board.

"SCADA" means, in the context of data gathering and telemetry systems, "Supervisory Control and Data Acquisition".

"SCAG" means the Southern California Association of Governments.

"Schedule" means any of the Schedules to this RFP included in Volume I of this RFP.

"Scheduled Acceptance Date" means the day, which is [Number of Days Proposed on Business Proposal Form 12] consecutive calendar days following the Contract Date by which Acceptance must occur.

"Scheduled Construction Date" means the day which is [Number of Days Proposed on Business Proposal Form 12] consecutive calendar days following the Contract Date by

which construction of the WRF is to begin.

"Selected Proposer," means the Proposer selected to enter into negotiations with the City and awarded the DBOF Contract.

"Selected Proposal" means the Proposal made by the selected proposer.

"Side Streams" means materials such as scum, grease, and grit and screenings from the Facility, or liquid by-products and waste streams from intermediate treatment processing, which require additional treatment or handling.

"Site" means the real property upon which the Facility must be constructed.

"Sludge" or "Biosolids" means any solid, semi-solid or liquid residue or sludge removed during the treatment of Influent by the Facility.

"State" means the State of California.

"Term" means the period of time during which the company will design, build, operate, and finance the facility pursuant to the DBOF contract.

"Time Schedule Order" means the order issued by the RWQCB establishing interim discharge limits for the City's existing WWTP.

"Total Suspended Solids" or "TSS" means the solids that either float on the surface of, or are in suspension in wastewater, the analysis of which must conform to 40 CRF 136, "Guidelines Establishing Test Procedures for the Analysis of Pollutants".

"Transaction Agreement Form" means any of the Transaction Agreement Forms appended to the DBOF Contract.

"Uncontrollable Circumstances" means any act, event or condition that is beyond the reasonable control of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under the DBOF Contract, and that materially interferes with or materially increases the cost of performing its obligations hereunder (other than payment obligations), to the extent that such act, event or condition is not the result of the willful or negligent act, error or omission, failure to exercise reasonable diligence, or breach of this DBOF Contract on the part of such party.

"USEPA" means United States Environmental Protection Agency.

"Utilities" means any and all utility services and installations whatsoever (including gas, water, electricity, telephone, and telecommunications), and all piping, wiring, conduits, and other fixtures of every kind whatsoever related thereto or used in connection therewith.

"WDR" means Waste Discharge Requirements approved by the RWQCB for the treated wastewater discharged from the Facility.

"WRF" has the meaning set forth in Section 1.1

2.0 PROJECT BACKGROUND AND DESCRIPTION

2.1 Reason for Project

Wastewater generated within the City flows to the existing WWTP, which was constructed in 1938 and improved in a series of upgrades. The technology at the existing WWTP, however, cannot meet requirements set forth in the City's existing NPDES permit or new regulations being implemented by the Regional Water Quality Control Board, Los Angeles division ("RWQCB"). Many components of the existing WWTP are antiquated and past the end of their useful life. The WWTP is currently operating in accordance with a Time Schedule Order ("TSO") (R4-2006-0090) issued by the RWQCB (Appendix C). The City has agreed, pursuant to the terms of a Consent Judgment with the RWQCB, to construct the WRF.

In late 2005, the City embarked a traditional design, bid, build procurement process to design and build the new WRF. The design was completed to 60 percent. In 2007, the City elected to change course and proceed with a DBOF procurement process. (A copy of the 60 percent design plans are included within appendix C.)

The City must complete construction of the new WRF by September 15, 2010 with full operations required by December 15, 2010 in accordance with a Consent Decree entered into with the RWQCB, which is included in Appendix C. A new WDR permit (No. R4-2007-0028) was issued by the RWQCB in May 2007 and is included in Appendix C. In accordance with the WDR and the City's Consent Judgment, the WRF cannot directly discharge into the Santa Clara River. Instead, the WRF must dispose of effluent via percolation methods and/or surface or subsurface reuse.

2.2 Project Location

The proposed WRF project is located at the southwest corner of the City of Santa Paula. The existing WWTP is located at 903 Corporation Street and the proposed facility is southwest of that. The Santa Clara River is located south of the property and active agricultural uses surround the property on 3 sides. Residential homes are located less than 1000 feet from the project site. The existing property is in agricultural uses. The City has acquired or will have acquired, all property needed to construct the WRF by the time construction commences. The project has a certified Final Environmental Impact Report (FEIR). The WRF property is within the City of Santa Paula limits and is governed by the City. The map in Appendix C shows the project location.

2.3 Project WRF Objectives

The City's objectives for this Project are to provide reliable wastewater service to City customers and to improve the water quality in the region. The following goals aided the project planning process:

- Provide wastewater treatment and effluent management capacity adequate to meet both the short and long term needs of the City residents;
- Design, construct, operate and finance a wastewater treatment plant that is capable of producing treated effluent at least in compliance with all regulatory requirements;
- Design, construct, operate and finance a plant that will have no discharge to the surface waters of the Santa Clara River rather discharge solely to the proposed percolation ponds and/or future recycled water system;

- Maintain an efficient, cost-effective and high quality water recycling facility for the City;
- Design, construct and operate a plant that will have no detectable odors at the property lines of the plant;
- Minimize environmental impacts associated with the construction and operation of the WRF;
- Protect and improve the region's water resources—surface water and groundwater;
- Minimize the short-term and long-term costs to the City through innovative and cost-effective design and operation of the facility.

The City's reasons for utilizing the design, build, operate and finance delivery process include:

1. **Schedule.** The City seeks to receive a delivered project in an overall schedule equal to or less than would normally be required for a design-bid-build project and, in any event, a schedule which will have the plant on-line and acceptance achieved by the Consent Decree deadline.
2. **Cost.** The City expects that the design-build-operate-finance process will deliver a completed project life-cycle cost that will be lower than would be possible under a typical design-bid-build process.
3. **Ingenuity.** The City expects to implement this procurement in a manner that encourages ingenuity in the design, construction and operation (including efficient energy utilization) elements of the project. Areas where the City hopes to benefit from Company' ingenuity and innovation including, without limitation, facility layout; energy efficiency; and design features resulting in operations and maintenance cost efficiencies and superior performance above the minimum requirements specified in the RFP.
4. **Qualified Company.** The City wishes to engage reputable, experienced, knowledgeable and capable Company to design, construct and operate the WRF and deliver a Project that meets the City's needs.
5. **Quality.** Developing a high-quality WRF that incorporates sound engineering and design, high-quality materials and equipment, and high-quality workmanship is an important consideration for the City. The City's concept of quality also encompasses durability, ease and cost of operation and maintenance, and efficiency with an emphasis on life cycle costs.
6. **Single Point of Responsibility.** The DBOF Contract will require a single point of responsibility between the City and the Company, which will provide certain risk insulation for the City as well as ease of contract administration. Consistent with this approach, the City expects the Company to assume certain risks including demonstration through acceptance tests and standards that the plant meets certain performance requirements.

2.4 Project Water Supply and Quality Objectives

The City currently provides wastewater collection, transmission, and treatment services for residential, commercial and industrial customers located in the City. Wastewater currently is sent to the existing WWTP, which is an existing 68-year old wastewater treatment facility, which is owned by the City and currently operated by ECO Resources ("ECO") under contract with the City. Currently, the existing WWTP treats an average daily flow of 2.2 MGD of wastewater. As a result of the Consent Decree, and the projected population growth, the existing WWTP will not be able to meet future needs. The new WRF must treat wastewater to a standard suitable for reuse. The reuse of the plant effluent for recycled water irrigation applications is not a component of this Project. The existing collection and transmission system will continue to meet City needs with proper maintenance and repair.

The wastewater treated at the existing WWTP is a combination of domestic, commercial, public, industrial and I/I sources. Since the City treats predominantly domestic and commercial wastewater, a relationship can be made between the flow and population in terms of gallons per capita per day ("GPCD"). The City's Wastewater Master Plan (Boyle, 2005) calculated a flow rate of 85 GPCD for the City based on population and plant influent flows.

The City of Santa Paula has an older collection system and does experience inflow during rain events. The groundwater is on average 20 feet below ground surface so infiltration is not typically experienced. The flow rates outlined in the 60% design drawings are as follows:

	2008	2025
Average Dry Weather Flow	2.8 MGD	4.2 MGD
Peak Hour Flow	14.2 MGD	17 MGD
Wet Weather Flow	3.8 MGD	3.8 MGD
Maximum Daily Flow	6.6 MGD	8 MGD

2.5 Regulatory Requirements and Objectives

The RWQCB establishes treatment levels based on the ultimate disposal of wastewater at the City. Since the City currently discharges to the Santa Clara River, it is operating in accordance with a 1997 NPDES permit with temporary limits established in accordance with a Time Schedule Order (TSO). However, the future discharge associated with the future percolation ponds must meet the discharge requirements as defined in the Waste Discharge Requirements (WDR). The WDR's for the future are included in Appendix C. The TSO for the existing WWTP is also in Appendix C.

The water quality requirements for NPDES permits and the WDR are based primarily on the following documents:

- Federal Clean Water Act
- Water Quality Control Plan – Los Angeles Region (4) – 1994 as amended on January 27, 1997 (Basin Plan)

- California Toxics Rule
- Title 22 of the California Code of Regulations

3.0 SERVICE PROGRAM DEFINITION

3.1. Design Build Process Description

It is the City's objective to enter into an agreement with a successful Company, to perform the necessary services for this Project under the Design, Build, Operate, Finance (DBOF) delivery method in order to improve cost-effectiveness and reliability of the Project. The Company will be responsible for all activities related to the design, construction, financing, and operation and maintenance of the WRF. It is the intent of the City not to hinder the progress of the Company activities related to the design/build process, but be kept informed of activities and progress of the Project. To that end, the City requires that monthly progress meetings be held with the Company during design and construction to review the Company progress and provide input where required.

The City anticipates that the Company will lease the facility for twenty (20) or thirty (30) years after full operation of the Facility commences, and charge the City as provided in the DBOF contract. The Project must comply with all requirements set forth in this RFP, the attached Service Agreement (Appendix A), the attached Performance Specifications (Appendix B), and the City's WDR permit.

3.2. Management and Operational Objectives

The Company must provide continuous and effective treatment of wastewater, in compliance with the federal and State Standards. The Company must manage, operate, and maintain all Facility processes and components for the term of the DBOF Contract, including capital improvements as necessary.

The Company are solely responsible for operating and maintaining the WRF. The Company must perform all operations, make all repairs, and provide all monitoring and testing necessary to ensure the City's wastewater meets all federal and state regulations.

It is the Company responsibility to inform the City of any conditions that would impact the operation of the WRF.

The Company solely responsible to pay for all fines levied by the RWQCB and other regulatory authorities resulting from actions, failures or errors by the company without seeking reimbursement from the City.

The Company shall hold monthly coordination meetings with the City during construction and throughout the term of the DBOF Contract.

3.3 Ownership Objectives

The Company must own the Facility and all constructed improvements to the site for the term of the DBOF contract, and must enter into a ground lease with the City for the same term.

All wastewater treatment components on the Site will be owned or leased, operated, maintained, and managed solely by the Company. The City must have unlimited access to the Site to inspect and observe the construction and operation of the WRF.

3.4. Financial Objectives

The Company must provide a financial structure for the City that is sound and comprehensive, demonstrating that all sources of capital for construction, operation, maintenance and capital improvements are available and forthcoming. The Company must ensure that capital resources are available for a build out facility expansion, if such an expansion is required and directed by the City. The proposed financing structure cannot utilize or impact the City's borrowing capacity or ratings.

3.5. Quality Control/Quality Assurance, Risk Management and Loss Prevention Plan

The Company must submit a comprehensive quality control / quality assurance, risk management and loss prevention program for the design, construction, and operation of the Facility. The program must address the responsibility matrix below and as well as any other potential risks identified by the Company. The plan will outline the scope of activities and level of resources needed for the City to inspect and review all design, construction, and operation activities performed by the Company

**Table 1-4
Responsibility Matrix**

Description	City	Company
Operation of existing plant	City is responsible until December 15, 2010	Company is responsible for reimbursing the City for all operational costs for the existing plant after Dec. 15, 2010.
Existing collection system	City responsible for maintenance, repairs, video, inspections, cleaning, rooting	
IPP Industrial pretreatment permit	City is responsible for issuing and enforcing permits	Company is responsible for testing to assist with enforcement
WRF Operations		Company is responsible for 20 to 30 years of operations, maintenance, repairs and replacements
Chemicals		Company is responsible for chemicals required to operate plant
Geotechnical	City provided technical report dated July 2007.	Company is responsible for review of data and all additional Geotechnical investigation and engineering required completing the Project.
Influent flow		Company is responsible for capacity and treatment of "Design Influent"
Utilities		Company is responsible for all coordination.
Electricity	City to reimburse up to contractual utilization limit	Company is responsible for payment, efficiency standards & efficiency

Gas		Company is responsible for payment and usage
Description	City	Company
Telephone		Company is responsible for payment and usage
Potable Water		Company is responsible for payment and usage
Cable		Company is responsible for payment and usage
Land Acquisition	City to purchase	
Zoning	City responsible for zoning	Company is responsible for adherence to zoning regulations
Survey	City responsible for initial site survey and placement of property monuments	Company is responsible for any additional design and construction required surveys
Design	City to provide minimum design requirements and conceptual drawings in RFP	Company is responsible for design & construction documents
Construction		Company are responsible for construction based on design documents included in the contract
Construction/ Commissioning	City typically monitors construction and tests to determine compliance with DBOF Agreement and applicable law.	Company is required to perform the WRF construction/commissioning to meet DBOF contract requirements.
Construction Period		DBOF Contract specifies guaranteed Construction Period after Notice to Proceed is issued.
CEQA Documentation and Compliance	City is responsible for preparing all CEQA documentation, as required for the project.	Company is required to adhere to CEQA requirements and Mitigation Monitoring and Repairing Program
Permitting		Company is responsible for obtaining and complying with all applicable permits.
Financing		Company is responsible for financing the Project as described in the DBOF Agreement. Company will recover it's investment and a reasonable return on that investment from payments made to company after commencement of WRF operations
Natural Disaster		Company is solely responsible.

3.6 Prevailing Wage

The Company must pay prevailing wages for all construction work.

- A. Pursuant to Labor Code § 1720, and as specified in 8 California Code of Regulations § 16000, Company must pay its workers prevailing wages. It is Company responsibility to interpret and implement any prevailing wage requirements and Company agree to pay any penalty or civil damages resulting from a violation of the prevailing wage laws.
- B. In accordance with Labor Code § 1773.2, copies of the prevailing rate of per diem wages are available upon request from the website for State of California Prevailing wage determination at <http://www.dir.ca.gov/DLSR/PWD>. Company must post a copy of the prevailing rate of per diem wages at the job site.
- C. The City directs Company attention to Labor Code §§ 1777.5, 1777.6 and 3098 concerning the employment of apprentices by Company or any subcontractor.
- D. Labor Code § 1777.5 requires Company or subcontractors employing tradesmen in any apprenticeship occupation to comply with requirements concerning apprenticeship. The responsibility for compliance with this section for all apprentice-able occupations shall rest with the company.
- E. Company and its subcontractors must keep an accurate certified payroll records showing the name, occupation, and the actual per diem wages paid to each worker employed in connection with the DBOF contract. The record will be kept open at all reasonable hours to the inspection of the city awarding the contract and to the Division of Labor Law Enforcement. If requested by the City, Company must provide copies of the records at its cost.

3.7 Staffing

The WRF must be staffed in accordance with the more stringent of 1) the Minimum Staffing Plan as proposed by the Selected Company, 2) Good Industry Practice and 3) Applicable Law. If the WRF is not staffed on a 24 hour, 7 day a week basis, the Company must employ an acceptable method for monitoring the WRF and responding as necessary in accordance with Good Industry Practice and Applicable Law or regulations established by the RWQCB and DHS. Said monitoring plan must be completely and clearly defined and set forth in the Company' Proposal.

3.8 Repair and Replacement

The Company is responsible for all repairs and replacements of equipment, systems and structures, which make up the WRF during the Term. Repairs and replacements of the existing WWTP during the Company short operating term will be undertaken in accordance with the requirements of the existing O&M agreement as set forth in the Appendix.

3.9 Exit Test

Three months before the end of the Term, the Company must deliver a report to the City evidencing that all Exit Standards and Conditions have been achieved. Achievement of Exit Standards and Conditions must include 1) concurrence that all necessary WRF maintenance, repairs and replacements have been undertaken as required pursuant to

the Service Contract, 2) successful passage of Exit Performance Tests, if required by the City and 3) achievement of all other standards and conditions contained in the Exit Standards and Conditions of the DBOF Contract.

The Company will be required to return the WRF to the City at the end of the Term (or sooner at termination) in a condition, as described below. To ensure the WRF is properly maintained throughout the Term, the Company and the City will be required to perform a valuation of the WRF equipment before, or immediately after, the Acceptance Date. The valuation will consist of the compilation of a registry of equipment and a determination of the estimated useful life for each piece of equipment and the dollar value of each piece of equipment. The Company will be required to maintain, repair and replace such equipment so that the weighted average useful life of the WRF equipment (not structures) at termination of the Service Contract is at least 5 years.

The parties must review the condition of the equipment at the end of the Term set to determine whether or not the weighted average useful life of the WRF equipment is at least 5 years. If the parties cannot agree on the remaining weighted average useful life of the equipment, they must hire (and equally share the cost of) an independent evaluator who must make the final determination. In the event that the WRF equipment is returned with a remaining useful life of less than 5 years, the Company is responsible for necessary repairs or payment to the City for such repairs and achieve the 5-year useful life requirement.

3.10 Residuals Management

The Company is responsible for Residuals handling and final disposition throughout the Term and is required to produce Class B Biosolids dewatered to 15%. The Company must also propose an option for producing Class A Biosolids within the first five years after the Contract date. The Company may adopt one of two general approaches for meeting this objective, as described below.

- Off-Site Disposal. The Company may use any type of off-site disposal subject to constraints described in the DBOF Contract regarding hauling routes, handling practices, and notification requirements.
- On-Site Processing. The Company may utilize a portion of the Site to develop an on-site processing facility. The Company may choose any sludge processing option with the exception of incineration on-site. The Company will be entitled to retain the revenues associated with the sale of any processed sludge products, and will be responsible for the disposal of all processed sludge and any process Residuals. The Company is not permitted to accept additional sludge for processing other than sludge generated by the WRF.

The DBOF Contract will include a mechanism to reflect material increases in the cost of sludge transportation and disposal during the Term. In the event of a substantial increase in the cost of sludge transportation and disposal, the City will retain the right to terminate the Company sludge disposal obligations, require the Company to meet certain sludge quality guarantees and reduce the service fee by the amount of the sludge hauling and disposal costs proposed on Price Proposal Form P-2 (as adjusted).

3.11 Site Maintenance

The Company is responsible for all Site maintenance.

3.12 Scheduled Construction Date

The Company must complete all of its development period responsibilities necessary to commence construction within the number of days set forth on Business Proposal Form 12 (the "Scheduled Construction Date") as measured from the contract date.

3.13 Scheduled Acceptance Date

The Company must achieve Acceptance within the number of days proposed on Business Proposal Form 12 (the "Scheduled Acceptance Date") from the construction commencement date. Failure to achieve acceptance by such date, if not excused due to the occurrence of an Uncontrollable Circumstance or City fault, subjects the Company to pay liquidated damages.

3.14 Governmental Approvals

The Company is responsible for identifying, preparing applications for, and obtaining all necessary Governmental Approvals, certifications, variances, and permits for the construction and operation of the WRF in accordance with the requirements of the DBOF Contract except for items identified as the City's responsibility in Section 2.8 of this RFP. The Company is responsible for complying with the requirements of the Final Environmental Impact Report for the WRF; provided, however, if any incremental reporting, testing, hearing or other requirements are necessary as a result of the Company proposed or actual operations of the Facility, the costs associated with such incremental requirements is Company full responsibility. The City will pay the actual fees for Title 22, Fish and Game, Ventura County Watershed Protection District, WDR, and biosolids permits.

3.14.1 Permitting

- 1) Company are responsible for applying for, obtaining, and complying with all permits.
- 2) The Company must prepare and submit application forms, provide plans, specifications and drawings to each regulatory approval agency in sufficient detail necessary to satisfy the requirements of each permit application for which it is responsible. At a minimum, this may include engineering plans, specifications, renderings, engineering calculations, narratives and professional engineer certification in the State. The Company must respond to any and all requests from the approving agencies and provide the information requested as necessary to obtain the permit.
- 3) Application scheduling, critical path assessments, response to comments, application fees and other costs for all permits and approvals except for those which are the responsibility of the City's are the Company responsibility.
- 4) The Company is encouraged to arrange pre-application meetings with all regulating agencies before application development.
- 5) The City has obtained a Streambed Alteration Agreement from the Department of Fish and Game. Applications have been submitted for the RWQCB 401 certification and ACOE 404 permit. Both agencies have indicated the permits are forthcoming. Company shall be responsible for any changes and all additional information needed to obtain the permits.

3.14.2 WDR's and Other Permits

Company should review the effluent discharge limitations, monitoring requirements, and other relevant information set forth in the RFP Appendices.

3.14.3 Operation

During the term, the Company must prepare all submittals and reports required for compliance with all Governmental Approvals, regardless of whether the Company or the City is responsible for submittal of the subject document, and provide copies of any and all such documents to the City.

3.14.4 Contact with Regulatory Agencies

Company may contact the regulatory agencies directly with respect to any matters relating to the Governmental Approvals that may be required for the Project and their Proposals.

3.15 Geotechnical Investigations

Geotechnical investigations were performed for the Site. Soil borings were performed in 2004 and 2005. A copy of the Geotechnical Report is provided in Appendix C. If Company determines that more detailed geotechnical information is required, the Company must perform additional investigations at its own cost. Actual subsurface conditions which vary materially from the raw data set forth in Appendix C shall not be considered an Uncontrollable Circumstance and addressing the subsurface condition shall be the responsibility of the Company.

3.16 Development Period

The Development Period is the period between the Contract Date and the Design/Build Date. During such period, the City and the Company are required to satisfy certain conditions and fulfill certain responsibilities. The Company responsibilities include, without limitation, obtaining all required insurances (that are not otherwise required on the Contract Date), obtaining all security instruments (that are not otherwise required on the Contract Date), and obtaining any necessary construction-related permits, which are not the responsibility of the City and are necessary to commence construction. City responsibilities are obtaining ownership of the Site and obtaining the permits identified in Section 3.14 for which it is responsible and which are necessary to commence construction. Each party will work in good faith to successfully complete such tasks and fulfill their responsibilities.

3.17 Affirmative Action

Company is required to comply with Title VII of the Civil Rights Act of 1964, Executive Order 11246 and Section 503 of the Rehabilitation Act of 1973, if applicable, the California Fair Employment and Housing Act, and the City of Santa Paula Affirmative Action Compliance policy for contractors pertaining to non-discrimination in employment by contractors, subcontractors, and suppliers. Company will be required to execute the City of Santa Paula Affirmative Action Compliance policy for contractors to confirm its understanding and intention to comply with such policy.

4.0 PROPOSAL FORMAT AND CONTENT

4.1. Format and Content Summary

Company must provide the information requested in this RFP in accordance with the format and content requirements outlined below. Failure of a company to provide all of the requested information and to provide it in the requested format may result in the City, at its sole discretion, rejecting the proposal.

The suggested format for Proposals is as follows:

- Cover Letter
- Table of Contents
- Executive Summary
- Technical Approach
- Financial Approach
- Project Team
- Quality Control/Quality Assurance, Risk Management and Loss Prevention Plan
- Legal Arrangements
- Proposal Bond
- Implementation Schedule

4.2. Cover Letter

The cover letter must include at a minimum, a commitment by the Company, if selected, to enter into good faith negotiations with the City for the DBOF Agreement. The letter must be signed by an officer or principal of the Company team who is empowered to sign such material and to commit the Company to the obligations contained in the Proposal. The Certificate of Authorization (Business Proposal Form 2) attesting to such authorization must also be submitted with the Proposal. If the Company is a partnership, one or more of the general partners must sign the proposal. If the Company is a corporation, an authorized officer or officers must sign his, her or their name(s) and indicate the appropriate Company title beneath the full corporate name. Anyone signing the Proposal as agent must file with it legal evidence of his or her authority to execute such Proposal. All forms that require the signature of the Company must be signed by the designated signatory.

4.3. Table of Contents

The Table of Contents must list all sections and subsections of the Proposal, and identify all tables, figures, and appendices.

4.4 Executive Summary

The Executive Summary must be presented as a separate document. It must summarize, in clear and concise language, the information contained in the Proposal.

The Executive Summary must also summarize the information contained in the Proposal Forms. This must include, for each firm that may be part of a Team, the form of business organization, ownership and firm description; proposed role in the transaction; and information as to criminal convictions, regulatory violations, bankruptcies, lawsuits and contract disputes.

In addition, the Executive Summary is limited to 25 pages, plus any renderings, tables, drawings and graphs. The Executive Summary must also include the Proposal Transmittal Letter and Certificate of Authorization.

4.5. Technical Approach

The Technical Approach must provide detailed descriptions and drawings of work proposed. The level of effort should be sufficient to convey the concepts of all Facility components including, without limitation to the following:

4.5.1 Design/Build Plan

The Company must clearly describe the specifics of the WRF. All major components of the WRF must be described, including the key process steps and other support steps, buildings and areas. The following subsections outline the technical elements that must be included in order to demonstrate compliance with the performance guarantees and minimum design requirements.

4.5.2 Treatment Process and Equipment Selection

This section must explain the treatment process, equipment selection and the design of the WRF. Detailed design criteria and specifications must be provided on the appropriate Proposal Forms. Sufficient technical information must be provided for the City to review and understand the design being provided.

Within this Proposal section, Company must also:

- Company are required to identify reference installations where MBR 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. Company should emphasize installations of similar size to the WRF or installations with treatment modules of similar size to those proposed for the WRF.
- Provide the anticipated useful life of the proposed systems.
- Provide an explanation of and a basis for the Company judgment that the proposed combination of unit processes and system configurations will be approved by the Department of Health Services ("DHS"). Provide an example of a plant with similar components that meet DHS requirements.
- Describe the WRF odor control capabilities.
- Describe how the treatment processes proposed will be capable of continuously treating wastewater meeting all of the performance guarantees.
- Explain the WRF's hydraulics and describe any pumping within the WRF.

4.5.3 Odor Control

This section must explain the odor control process, equipment selection and the design of the odor control system. Detailed design criteria and equipment data must be provided on the appropriate Proposal Forms. Sufficient information for the City to review and understand the design must be provided. Company should reference drawings and diagrams as appropriate. No odors shall leave the plant site.

4.5.4 Civil/Site Work

The Company must describe its approach for development of the site, including the layout of the site, staging construction lay down areas, earth movement (cut and fill), excavation, clearing and grading, groundwater control and dewatering including water disposal, undisturbed areas, drainage, storm water management and treatment, roadways and traffic management, parking, levee construction, site security, utilities, etc. Company must show this information on the drawing to the extent possible. Company must also provide a detailed description of the information and assumptions it is making with respect to the data in the geotechnical reports supplied by the City on which the Company is relying. Company must include disposal information for any earth, rock, trees, or shrubs and all other necessary refuse to be removed from Site. Disposal information must include Company name, telephone number, and contact person. The Company must provide a detailed landscaping plan.

4.5.5 Power Supply

The City anticipates that the Contract Services will require negotiations and planning with the local power company and that the Company design be compatible and efficiently address the power company rate structure. The Company must describe in detail how electricity will be provided to the WRF. The Company must address the planning process necessary to satisfy this requirement. The Proposal must discuss how electricity usage will be managed efficiently based upon time-of-use rates, and must discuss any on-site generation facilities capable of curtailing electrical demand during peak capacity events and the cost effectiveness of the proposed approach. The Company must describe its proposed distribution system including allowance for future facility expansion. 100 percent back-up on-site generation will be required and the Proposal must confirm the requirements.

4.5.6 Electrical Equipment

The Proposal must describe all major electrical equipment on the appropriate Proposal Forms. For each major component, the Proposal must include, at a minimum, the number of units, location, horsepower, voltage rating, motor classification, and rate of power usage including that for utility and control system power and Site lighting (normal and emergency).

4.5.7 Instrumentation and Controls

The Company must describe and show its instrumentation and controls on the appropriate Proposal Form and a Process and Instrumentation Diagram ("P&ID"), respectively. In addition, the Company must supplement the Proposal Forms and P&ID with a detailed description of the process instrumentation and

control systems; their utilization to achieve the Company operational philosophy and their compatibility and potential interconnection with the City's SCADA system for monitoring and control of wastewater treatment. The control interface must be fully described, and logic diagrams provided. The Company must describe how the proposed automation of the WRF will impact staffing levels at the WRF (normal and emergency operation). The Company must describe its plan for system upgrades as technology advances.

4.5.8 Auxiliary Facilities

On the appropriate Proposal Form, the Company must provide a description and layout of the facilities, including, as appropriate the on-site laboratory, chemical storage, maintenance shop, etc. Off-site usage, if any, of laboratories must also be described. The function, size, and purpose of each auxiliary facility must be described, including how each facility will be equipped.

4.5.9 Buildings

The Company must provide a layout of the facilities, including, as appropriate, the operations center, laboratory, offices, employee locker rooms, rest rooms, multipurpose room, and conference room. The description should reference the architecture and aesthetics provided in the proposal forms and the 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 must also be described for other critical buildings (e.g., maintenance center, process building) as applicable.

4.5.10 Reliability and Redundancy

Elsewhere in the Proposal, the Company must define its design of the WRF. In this section, the Company must describe the rationale behind its design decisions, including its use of redundant structures and equipment. The Proposal must 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, without limitation:

- Alternative flow routing and overflow requirements under all expected operational, maintenance, and emergency circumstances.
- Redundant power supply
- Alternate power sources, ranging from on-site generation to alternative energy options to alternative or supplemental off-site guaranteed capacity, which reduce the future risks of increased electricity costs and potentially reduce reliability.
- Preventive and predictive maintenance programs specifically with regard to improving the reliability of the WRF and equipment. Training and staffing to ensure that the reliability and redundancy programs are successfully implemented.
- Provisions for future expansion must be discussed and, if not, provide a statement to that effect.

4.5.11 Flexibility for Future Expansion, UV Installation, and Class A Biosolids Production

The Company must describe how its design of buildings will minimize the expense of future expansions. The Company must also describe how its design minimizes the impacts of future changes in building classifications, which may

result from future expansions to the WRF, and changes in disinfection (to UV) and sludge treatment (to produce a Class A product).

4.5.12 Site Master Planning

The Company must describe its master plan for the site to allow for easy future expansion of the WRF, while maintaining full treatment capacity. This section must describe the layouts of the Site included with the drawings. Narrative descriptions must be provided for the construction procedures required to expand the WRF from 3.4 MGD (with instantaneous peak flow of 14.2 MGD) to 4.2 MGD (with instantaneous peak flow of 17 MGD) while maintaining full treatment operations at design capacity. Clearly describe any difference in design assumptions for the initial 3.4 MGD module and future modules and the rationale for any difference.

4.5.13 Architecture, Aesthetics, and Landscaping

The Company must describe its architectural design approach, which must relate directly to the surroundings at the Site. It is clearly understood that the WRF will have a visual impact on the surroundings. The design approach must proactively set an aesthetic standard that is consistent with the future expansion of the WRF. The design approach must describe the useful life of the proposed architectural concepts and must be consistent with the project final environmental impact reports requirements and commitments. The Company must include a site analysis, which examines and displays the relationship of the proposed architectural design to the existing and anticipated characteristics of the site. The Company must demonstrate the Company knowledge of the Site and provide the basis for the Company architectural concept and design. On the appropriate Proposal Form, the Company must provide a description of the architecture and landscaping for the Facility, which must be consistent with the final environmental impact report requirements.

4.5.14 Construction and Operational Safety

The Company must provide the planning and safety measures to be used on the site and a description of how this will be communicated to all individuals near or on the site during the construction period and operation. The Company must also describe its approach to minimizing the likelihood of construction-related accidents and compliance with safety measures required by Applicable Law. This section must, 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 site

4.5.15 Preliminary Operating Protocol

This section of the Proposal must consist of the Company preliminary operating protocol.

4.5.16 Chemicals and Materials Management

The Company must provide plan for how fuel, chemicals, and other toxic or hazardous materials will be handled on the site. The approach to the handling of toxic or hazardous materials must demonstrate how the design of the WRF and the proposed operating strategies will minimize the risk of related hazards, including combustion, noxious or harmful fumes, and spills.

4.5.17 O&M Staffing Plan

The Company must provide a staffing plan that includes an organization chart with, at a minimum: 1) number of positions; 2) job classifications and descriptions; and 3) resumes of key management and supervisory personnel. The organization chart must show the number of employees, their reporting relationship, and their titles. This text should describe their individual responsibilities and the rationale for the organization.

The staffing plan must indicate the number of personnel required, their job titles and the necessary experience and certifications to meet Federal and State regulatory requirements. It must also clearly define the times at which the WRF will be attended by which personnel and, if the system is to be left unattended, how call-outs and emergency coverage will be handled, including response time.

4.5.18 Operations and Maintenance Plan

The Company should be aware that the City wants to encourage efficient operation of the WRF over the term of the service contract in a manner that is consistent with the City's objective of maintaining the WRF to a high standard of care that includes: 1) ongoing maintenance and repair; 2) uninterrupted wastewater treatment; 3) prudent renewal and replacement of major equipment; and 4) continuous good housekeeping to preserve aesthetics and protect against deterioration.

The Company must provide an Operations and Maintenance Plan that includes the items listed below.

- Briefly describe the Company overall approach to performing the operations and maintenance responsibilities for the WRF as set forth in this RFP. The description must include the management philosophy of the Company and any management procedures or policies that will be followed.
- Explain the Company technical approach to performing such operation and maintenance responsibilities, including system operational improvements, training and inspection procedures, monitoring measures and routine, preventative, corrective and predictive maintenance programs.
- Describe the laboratory procedures to be undertaken by the Company, including compliance sampling and analysis.
- Describe, generally, the manner by which the Company will produce all reports required in the DBOF Contract or otherwise required.
- Describe the proposed procedures for reviewing with the City on a

monthly basis operations, reports, ongoing cost information, and key upcoming projects and/or operations that may impact any Contract Services.

- Discuss what quality assurance and quality control procedures will be used to monitor all aspects of the operations and maintenance.
- Detail how all maintenance records will be kept up to date, including labor and material costs for each piece of equipment, work performed, root cause analysis and replacement dates.
- Discuss in detail the proposed planned maintenance program (i.e., preventative and predictive maintenance.)
- Identify and describe in detail the proposed Computer Maintenance Management System ("CMMS") that will be used by the Company in accordance with the requirements of this RFP. The Company must include sample output sheets or detailed output descriptions produced by the CMMS. The Company must describe in detail past experience with the CMMS, including uses of its various features.
- Identify and describe in detail the proposed approach to generate, maintain, and update the computerized Operation and Maintenance Manual that will be created and used by the Company in accordance with the requirements of this RFP. Provide examples, including all features, of similar computerized Operation and Maintenance Manuals developed or used by Company.
- Describe how the Company will maintain the WRF in a neat, clean and litter free manner at all times, ensuring the operation of the WRF does not create impermissible litter, noise, fugitive dust, odors, vector or other adverse environmental effects.
- Describe how the Company will manage emergencies that may arise at the WRF and interact with the applicable municipal fire, police, public works and emergency management personnel during such emergency.
- Briefly describe the Company general safety program, including staff training, preventative maintenance, and safety procedures for OSHA compliance program requirements. Essential elements of such a program must include regularly scheduled safety training sessions for all personnel, standard operating procedures for chemical storage and handling, confined space entry and emergency response, lockout/tag out, right to know, and the care and use of proper safety equipment. An outline of a complete safety-training program must also be included.
- Identify the names and experience of the Company personnel that will administer such a program.
- Describe the Company approach to maintaining the Site easement areas and complying with all the conditions of the Site easements.
- Describe the Company approach to the site maintenance tasks with regard to the maintenance of the grounds, walkways and roadways on the site, including the clean up of litter, mowing of grass, trimming of grass, fertilizing of grass, seeding of grass areas, trimming of hedges, maintenance of flower beds, cutting of brush, and the sweeping of such areas.

K. Licenses, Permits, and Approvals

The Company must describe the approach to obtaining each license, permit, approval, or other authorization needed to construct the WRF and operate the WRF. The Proposal must indicate where coordination or assistance from the City in obtaining such approvals is required. The Proposal must identify the name of the applicable license, permit, or approval, the estimated time required to obtain, and any other parties that must assist in obtaining the permit. The Proposal must identify any permits listed in Appendix C, that

the Company believes are not required and must identify any permits not listed in Appendix C that may be required due to the specific nature of the Project.

4.6 Financial Approach

The Company must provide its finance structuring for the Project. The Company must describe their financing structure, financial source(s) for this Project, terms and conditions, and details of the price proposal, including a detailed pricing list showing materials, labor, design costs, overhead and profit. The costs must distinguish all capital costs from operational and maintenance costs.

4.7 Project Team

Provide an organizational chart that illustrates the role of each primary project team member, with emphasis on the overall Project Manager, Construction Manager, Design Manager, and Primary Treatment Plant Operator. Provide a description of the specific experience and capabilities of key personnel related to the requirements of this Project, including a description of similar projects designed, constructed, and/or operated within the past five (5) years, as well as resumes describing the qualifications of each project team member. Include a summary of current and projected workloads of the key project team members to indicate the ability of the Company to meet the required Scheduled Acceptance Date. Key personnel assigned to the Project must not be reassigned without the prior written approval of the City.

In compiling the project team, Company should also list answers to:

- Design: How will the builder and O&M firm and financial team be involved in the design phase?
- Build: How will the designer and O&M firm and financial team be involved in the construction phase?
- Operate: How will the designer, builder and finance team be involved in the operation phase?
- Explain the Company approach to integrating labor and subcontractor members into the collaborative team environment.
- Describe the allocation of the construction work among the general contractors and subcontractors. The City will view self-performance of work by the general contractor in a favorable light.
- Finance: How will the builder, O&M Firm and designer is involved in the financial aspects of the project?

4.7.1 Technical Qualifications

The Company must demonstrate its ability to perform the Contract Services by providing the technical experience and qualifications of the Company, its subcontractors, any additional team members with key experience related to the performance of the Contract Services, and key individual team members related to the Project. Emphasis must be on experience with projects in the United States and within California and the local permitting agencies in efforts similar to the WRF.

The City reserves the right to conduct an investigation of the Company and its subcontractors' and other team members' (including key individuals) technical qualifications by contacting project references or accessing public information. Additional information may be requested during the technical qualifications review. At a minimum, the Company and its subcontractors and any other key team members must provide the following information to demonstrate their

technical qualifications:

1. History — A clear, definitive statement of the number of years the Company and each of its subcontractors and any other key team members have been in the business of providing (a) design services, (b) construction services, and (c) operations and maintenance services for wastewater treatment plants, and (d) financing of major public works facilities.
2. Design Experience — The Company must provide its engineering and design experience for the development and implementation of wastewater facilities serving the public and incorporating capacity treatment and processes similar to those contemplated for the WRF, especially that related to water reuse and treating wastewater to near drinking water standards. The information submitted should demonstrate experience with plant design and construction engineering as reflected on completed, currently operating projects; familiarity with wastewater treatment unit processes; evaluation and design of wastewater plants; and understanding of the interrelationship between design, construction, and operation of wastewater treatment facilities. The Company must identify the team member responsible for key aspects of the design (i.e., architectural, structural, mechanical, process, instrumentation, QA/QC, etc.) and indicate current licenses and registrations. A description must also be provided of experience in the use of instrumentation and control facilities to improve labor and other operating efficiencies, and to enhance reliability by use of real time data and alarm functions. Additionally, the Company must describe its design experience with 1) designing odor control systems and 2) designing aesthetically pleasing facilities.
3. Regulatory Compliance and Permitting Experience — The Company must describe its experience and record of compliance with permits, licenses, approvals, consent decrees and other regulatory actions applicable to wastewater plants. The Company must also describe its experience in obtaining the permits and approvals or types of permits and approvals listed in Appendix C. If the Company experience in obtaining these permits and approvals is not local (i.e., not issued by the same agency as would issue the permit for the WRF), the Company must describe in detail how it would approach obtaining the permits and approvals. The Company must describe, at a minimum, its experience with the following:
 - State regulatory agencies that the Company has worked with regarding regulation of public wastewater treatment plants, and duration and record of regulatory dealings. The Company should explain the comparability of regulatory issues handled to those related to the WRF.
 - Permitting new wastewater treatment plants.
 - Record keeping of compliance with permits, licenses, approvals, consent decrees and agreements, and other regulatory actions applicable to wastewater plants and plants under management generally (including regulatory compliance).
 - For operation of United States wastewater treatment facilities, a table summarizing violations of wastewater standards and contract requirements at each facility over the past five years. Provide a description of any public notices and the speed and

efficiency of corrective actions taken, and the amount of regulatory fines that were assessed. For operation of United States wastewater plants, a table summarizing violations cited by state or federal occupational safety and hazard associations and any fines that were assessed.

- Experience with facilities treating wastewater to a level acceptable for reuse.

4. **Construction Experience** — The Company must provide its experience with construction management, construction, quality control of construction, and the startup and acceptance testing of public wastewater facilities with a treatment capacity similar to that of the WRF. Describe the record of budget and schedule performance and the number and amount of change orders. Describe philosophy and experience with preparation and implementation of quality control plans and procedures. The Company may also provide descriptions of relevant experience related to publicly owned treatment works. Types of construction experience must be identified with each project presented, (e.g., construction only, or design-build, or design-build-operate).
5. **Operation and Maintenance Experience** — The Company must provide its experience with operating and maintaining wastewater treatment facilities serving the public and other environmental management facilities especially such experiences that relate to water reuse and treating wastewater to near drinking water standards. Information must include staffing approaches, operations and maintenance and preventive maintenance programs, repair and replacement programs, permit and contract compliance, facility upkeep, length of time operating the plant, and overall performance. Company must emphasize operation and maintenance experience related to wastewater treatment facilities capable of achieving the performance guarantees presented in the draft DBOF Contract, and facilities where they have ten or more years experience operating the same plant. For each operations and maintenance contract the operator has had in the last ten years indicate start date, duration of contract, whether the contract came up for renewal and whether the contract renewed. Describe experience with computerized maintenance management systems (CMMS), computerized operations and maintenance manuals and philosophy on information technology. Describe record of budget performance. Describe philosophy and experience with preparation and implementation of quality control plans and procedures. Include a description of any experience of working relationships, as a private operator of a publicly owned facility working directly with the public owner's other publicly operated facilities. Also, describe ability and experience in dealing with public relations and community involvement programs (include nature and type).
5. **DB, DBO and DBOF Experience** — The Company must provide its individual member and collective experience in Design-Build, Design-Build-Operate and Design-Build-Operate-Finance project delivery methods, and other alternative project delivery methods, including wastewater treatment facilities serving the public and other environmental management and processing facilities. The Company must provide a list of all municipal, institutional, commercial and industrial wastewater facility projects that the Company and each significant subcontractor worked on to supplement the information

required in No. 2 – No. 5 above. The list must include the name, location, and size of each facility, types of wastewater treatment processes, residual disposal method, wastewater treatment standards, duration of contract, as well as name, address and phone number of contact person.

4.7.2 Relevant Project Experience

In addition to providing the technical qualifications and experience described above the Company must provide a detailed description of not less than five nor more than ten directly relevant projects completed within the past ten years that the Company has been involved with as a designer, builder, or operator ("Reference Projects"). A brief description of each project must be provided, including the history of operation, current status, and a description of the Company specific involvement in these projects. Although these projects may be located in the U.S. or abroad, emphasis must be on experience in the United States. These projects will be used as references.

For each of the Reference Projects identified, provide the following information, as applicable:

- The name and location;
- The owner of the plant or system;
- A description of the services performed;
- Applicability and relevance of the Reference Project to the Contract Services;
- Description of systems and processes, including design, size and capacity of the facilities;
- History of operations, including start-up date and years of service;
- If the Company is or was a single-source guarantor of the contract or if other arrangements were made to provide the project guarantees;
- A description of experience with providing operation and maintenance services;
- A description of experience with odor control;
- A description of experience with collection systems, pump stations and combined sewer overflow management systems;
- A description of experience with providing sludge management services;
- A description of experience providing repair and replacement services, including major repair and replacement services;
- A description of any service provided for the planning, design and construction of any new facilities;
- A description of any services provided for the planning, design and construction of capital improvements;
- The cost of capital improvements made and the method of financing such costs;
- Original and current (or final) contract value;
- Name of the division or legally affiliated Company which is responsible for the project if different from the Company;
- A summary of significant accomplishments (e.g., cost savings results, corrective actions taken to ensure NPDES compliance, financing, design, and construction of capital improvements);
- The names, titles, telephone, fax numbers and e-mail addresses (all verified to be current) of key managerial-level contact persons of the owner for each reference project identified; and

In the Reference Projects presented, the Company must demonstrate qualifications and experience consistent with the performance of the Contract

Services and including treatment processes demonstrated to be capable of meeting the performance standards as presented in Appendix B.

4.8 Legal Arrangements

The contractual proposal for this Project must fully meet the legal and contractual requirements of:

A. California Government Code §§ 5956 through 5956.10;

Proposals, which cannot fulfill the combined requirements of these references, will not be considered. In particular, the Company attention is directed to:

B. Government Code §§ 5956.6 which prohibits a term in excess of 35 years and requires that there be no charge upon reversion of the Facility to the City at the conclusion of the Term.

4.9 Proposal Bond

Each Company must provide a Proposal security in the form of a surety bond, in the amount of one million dollars (\$1,000,000), payable to the City, upon submittal of its Proposal. Such Proposal Bond must serve as a guaranty that the Company, if determined to be the most advantageous Proposal, must negotiate and enter into the DBOF Contract with the City. The City will return the surety bond to each Company whose Proposal is not accepted, and to the Selected Company on the execution of the DBOF Contract. Noncompliance with the Proposal security requirements may result in the disqualification of the Company.

The Proposal Bond must be valid for a period of at least 365 days from the date of submission to the city of the proposal. The form of the Proposal Bond, which must be submitted, is included in Business Proposal Form 3.

4.10 Implementation Schedule

The Company must include project schedules that present the major activities necessary to implement the Project. The project schedules should commence with the Contract Date and extend to the time that the WRF has initiated full-scale operation. The proposed project schedules must include all major activities and identify all milestones necessary to successfully complete construction of the Project. The scheduled acceptance date must be provided in this section. Company must also identify suggested City design review periods.

5.0 EVALUATION PROCESS AND SELECTION CRITERIA

5.1. Evaluation Process and Competitive Negotiation Process

Proposals will be evaluated by City Staff and Legal Staff, utilizing the evaluation criteria set forth in Paragraph 5.2. The result of the evaluation will be a comparative ranking and staff will then put forth a recommendation to the City Council for final approval.

No city employee will participate in the selection process if that employee has a relationship with a person or business entity seeking the DBOF Contract that would subject the employee to the prohibition of any applicable law concerning conflicts of interest including, without limitation, the California Political Reform Act, Government Code Section 1090, or the City's conflict of interest code.

Following evaluation of Proposals, interviews and competitive negotiation will be conducted with each Company to determine which Company will be recommended as the Company to the City Council. This process will culminate in further negotiations with the recommended Company to finalize the DBOF Agreement. The Company selected for final negotiations will be determined at the sole discretion of the Selection Committee, consistent with the selection process. If and when negotiations are successfully completed with the recommended Company, a DBOF Agreement will be submitted to the City Council for approval. The City Council will consider the selection committee's recommendation of the recommended Company and make the final determination of which Proposal, if any, will be selected. A DBOF Agreement will thereafter be executed as appropriate.

5.2. Proposal Evaluation Criteria

The primary selection criteria shall be demonstrated competence and qualifications for the design, development, financing, construction, maintenance, repair and operation of the Facility. To implement this criteria, the Proposals will be evaluated based upon four categories of criteria: 1) Qualifications and Experience; 2) Technical Merit; 3) Cost; and 4) Business Financial Merit. For the purpose of evaluating Proposals, these evaluation criteria will be given the following weights:

Qualifications and Experience	20%
Technical Merit	30%
Cost	30%
Business Financial Merit	20%

Price Proposals will be evaluated quantitatively on a net present value basis for various potential operational and financial scenarios.

A. Technical Approach

The City will evaluate the technical viability of the proposed wastewater treatment system with respect to the following factors:

1. The ability of the proposed processes to efficiently and effectively meet all specified performance standards.
2. Capacity of the proposed WRF to accommodate wastewater treatment requirements set forth in Appendix C.
3. The flexibility of the proposed design to operate under initial conditions while

including provisions for future expansion, such as adequately sized piping and valving, and space allocation for future process and storage equipment.

In addition, the City will also consider the proposed design criteria, quality of materials, the type and quality of equipment proposed, the inclusion of adequate redundancy features, Operations and Maintenance Plan and the program set forth in the Company renewal and replacement plan.

B. Architectural Design

The proposed building architectural design will be evaluated based upon its functionality for the proposed uses, conformance to the architectural section of the performance specification, innovation, aesthetic appearance, and proposed cost.

C. Qualifications of Key Project Team Members

Under this criterion, Company will be evaluated based upon the key Project Team Members' experience and qualifications for this type of project. Key Project Team Members include the overall Project Manager, Construction Manager, Design Manager, and Primary Treatment Plant Operator. The evaluation includes an assessment of the number of similar projects designed, constructed, and operated by the key Project Team Members.

The team members experience will be assessed based on information submitted in the Proposal. The information previously provided in the Statements of Qualifications (SOQ) related to staff and specific project experience will not be considered. The Company experience will be considered together with the commitment of key project team members to remain with the Project. Company commitments of key staff must remain firm subject only to unavoidable personal circumstances affecting the key staff members. This criterion also includes an assessment of current and projected work loads of the key project team members to evaluate the ability of the Company to meet the Scheduled Acceptance Date.

D. Financing Approach and Project Cost

The Selection Committee will evaluate the Company financial approach based upon the Company demonstrated financial commitment to the project, financial capacity of the Company, Company payment terms and adjustment methodology, overall Project cost effectiveness, Company history in financing self-supporting infrastructure projects, and special conditions that may be set forth by each Company in its Financial Proposal.

5.3 Financial Information

Submit the following information in this section of the Proposal:

Annual audited financial reports (if not previously provided in the Company SOQ) for a) the Company (the most recent year), b) the Guarantor (each of the past three years), c) any significant subcontractor(s) (the most recent year), prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), and all relevant notes.

The most recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission ("SEC") (if not previously provided in the Company SOQ) by a) the Company, 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 (if not previously provided in the Company SOQ). This quarterly financial report may be prepared internally, but must be approved and signed by an officer of the Company.

Any credit reports, credit bulletins, or other published statements by recognized rating agencies (Standard & Poor's Rating Services, Moody's Investor Services, Dunn & Bradstreet, Fitch, and Value Line) that have been issued or published within the past five years for the a) Company, b) Guarantor, and c) significant subcontractor(s) (if not previously provided in the Company SOQ).

Guarantor and Company history for the last five years related to obtaining performance bonds and/or payment bonds. Indicate any instances when Guarantor or Company was unable to obtain requested a performance or payment bond.

Any additional information regarding the Company and Guarantor that is believed to be appropriate in fully reflecting the financial strength of the Company or its Guarantor. For example, the prospectus or offering statement for the Guarantor's or Company latest debt can be provided.

5.4 Business and Contractual Terms

The Company must indicate its willingness to enter into the DBOF Contract. The Company must indicate, on Business Proposal Form 9, its willingness to accept the DBOF Contract (including Appendices and Transaction Agreement Forms) as stated, or indicate specific provisions to which the Company takes exception and offer alternative contract language which the Company would accept in the form of a neatly hand-written mark-up or a "tracked changes" electronic mark-up. In the event of a conflict between the DBOF Contract and other sections of the RFP, the DBOF Contract must govern.

5.5 Guarantor Acknowledgment

The Guarantor will be required to sign a Guaranty Agreement with the City generally in the form set forth in Appendix II to the DBOF Contract, in which it will irrevocably, absolutely, and unconditionally guarantee the performance of all obligations of the Company under the Service Contract as agreed to by the parties. The Guarantor must submit Business Proposal Form 4 (Guarantor Acknowledgment) signed by an officer of its parent or third-party Guarantor, as applicable, demonstrating its willingness to execute the Guaranty Agreement.

5.6 Performance and Payment Bonds

The Company will be required to furnish the Performance Bond and the Payment Bond each in the form to be set forth as an attachment to the DBOF Contract, and each in an amount equal to 150% of the Fixed Design/Build Price. The City has requested the pricing of a dual obligee bond from the Company construction subcontractor on the Price Proposal Form 1, which it may elect to receive instead of a direct Performance Bond from the Company.

The Performance Bond and the Payment Bond must be issued by a surety or sureties having ratings of "A", "VIII" or better per current A.M. Best Company ratings and listed in the United States Treasury Departments Circular 570. Such surety must be properly registered and licensed to conduct business in the State.

5.7 Price Proposal and Proposal Security

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 Company proposed fixed design build price and service fee to perform the contract services. In evaluating the Price Proposal, the evaluation committee will apply the price evaluation criteria and evaluation method set forth in this section.

5.7.1 Price Proposal Forms

5.7.1.1 Fixed Design/Build Price

The Company must provide their proposed Fixed Design/Build Price for the performance of the Design/Build Work by completing Price Proposal Form P-1.

5.7.1.2 Service Contract, Annual Service Fee

The Company must provide their proposed Annual Service Fee for the performance of the Operation Services for the WRF by completing Price Proposal Form P-2.

5.7.1.3 Interim Operations of the Existing WWTP

The Company must provide their proposed monthly Service Fee for the operation of the Existing WWTF during the six-month period before the operations at the WRF on Price Proposal Form P-3.

5.7.1.4 Loading and Flow Adjustments of Service Fee

The Company must provide the Loading and Flow Adjustments for their proposed Annual Service Fee for the performance of the Operation Services by completing Price Proposal Form P-4.

5.7.1.5 Guaranteed Maximum Utility Usage

The Company must provide their proposed Guaranteed Maximum Utility usage for electricity during the WRF operating period on Price Proposal Form P-5.

5.8 Responsiveness to RFP Requirements

Proposals will be evaluated based upon the Company ability to successfully meet the City's desired schedule. It includes an assessment of the Company' schedule. Evaluation includes an assessment of the Company schedule and approach for obtaining permits, designing and constructing the Facilities.

5.8.1 Qualifications Criteria

These criteria evaluate the Company ability to successfully and seamlessly undertake the Project by reviewing the experience of the contracting party, Company team members, principal subcontractors, and key individuals with respect to the specific scope that each will perform. Specific items, which may be considered under this criterion include, but are not limited to:

- Team and individuals' relevant Design/Build-Operate experience;
- Team and individuals' experience with and capability of operating, maintaining, repairing, replacing and managing wastewater treatment

plants generally; and wastewater treatment plants comparable to the proposed facility. The number, size, and comparability of the facilities managed by the team or individuals may be considered as well as length of time these facilities were or have been under the team's or individual's control;

- Relevant financing experience for large public facilities
- Relevant design experience;
- Relevant construction experience;
- Startup, testing, O&M manual preparation, and training experience;
- Staff turnover rate for operations personnel;
- Relevant permitting experience; and
- Relevant sludge processing and residuals disposal experience.

5.8.2 Experience Criteria

Criteria that will be applied to evaluate each team's experience will include, without limitation:

- What is the team's history of performance?
- What is the team's health and safety record?
- How extensive and relevant are the past experiences of the team, as an organization, and the individuals identified as part of its Proposal?
- How extensive and relevant are the qualifications and capabilities of the subcontractors who would play a role in implementing the Proposal?
- Has the Company completed projects on time and on budget?
- How did the Company references characterize the performance of the Company?
- How extensive is the Company history of claims and change orders?
- What is the operator's environmental and contract compliance history?

5.8.3 Technical Approach Criteria

Criteria to be applied to evaluate the technical approach will include, without limitation:

5.8.3.1 General

- Does each aspect of the technical Proposal comply with the technical requirements of this RFP? Are there any deficiencies, enhancements or other deviation from the technical requirements?

5.8.3.2 Treatment Process and Equipment Selection

- Does the wastewater system proposed by the Company comply with the City's regulatory obligations including, without limitation, the WDR permit?
- Will the wastewater treatment system proposed by the Company offer a high level of performance, reliability and capacity?
- Will the wastewater treatment system proposed by the Company have adequate and appropriate instrumentation and control?
- Will the wastewater treatment system described by the Company offer flexibility, maintainability, longevity and reliability?
- How well does the proposed design address low flow conditions?
- How well does the system address odor control?
- How well does the system address noise control?

- How well does the system shift electric load off of the peak hours?

5.8.3.3 Non-Process Design

- What is the soundness and appropriateness of those components not directly related to wastewater treatment including: civil/site work, structural integrity, building services, instrumentation and control, power supply and electrical systems, and communications systems?

5.8.3.4 Expandability and Upgradeability of WRF

- Does the Company design include a sound and effective strategy to accommodate future changes in technology?
- To what extent does the proposed design minimize disturbance of WRF operations and the Site during an expansion?
- To what extent does the layout conserve space on the Site to allow for future expansion and other uses?

5.8.3.5 Architecture, Aesthetics and Landscaping

- Is the design aesthetically pleasing, including the structural features and architectural profile and presentation?

5.8.3.6 Construction

- Will the Company approach to coordination ensure that schedules are met and that the work progresses in a timely manner?
- Has the Company adequately created measures for planning, implementing and maintaining construction safety for all persons and ensuring that a safe construction site is maintained at all times?
- Has the Company provided a comprehensive start-up and Acceptance Testing plan?
- What percentage of the construction work will be self-performed by the general contractor?

5.8.3.7 Preliminary Operating Protocol

- Did the Company adequately describe the Operation and Maintenance Plan in sufficient detail?
- How flexible is the Company operations plan to accommodate the City's needs?
- Did the Company adequately describe and indicate if it will provide sufficient staffing to properly operate and maintain the WRF?
- Does the Company offer an appropriate approach to immediate notification of appropriate parties in the event of an incident that may threaten the safety, health or welfare of the environment and WRF neighbors?
- Does the Company provide a clear and comprehensive plan to address wastewater quality control, reporting requirements, record keeping and how this information will be conveyed? What

- is its experience at other locations?
- Is the Site security plan acceptable?
- Is the Emergency Response Plan acceptable?

5.8.3.8 Maintenance, Repair, and Replacement

- Has the Company provided an adequate and appropriate Preliminary Maintenance, Repair and Replacement Plan?
- Has the Company provided an appropriate degree and frequency of anticipated maintenance requirements?
- Does the Company provide for ease of maintenance, including worker safety, ease of access to components requiring maintenance, and avoidance of interruption of system operation during maintenance?
- Does the Company provide a clear and comprehensive approach to repair and replacement?

5.8.3.9 Preliminary DB Quality Management Plan

- Does the Company Preliminary DB Quality Management Plan proactively monitor and assure quality of the Design/Build Work and tracking of proper action based on QA/QC input?
- How clear and comprehensive are the permitting and design QA/QC procedures?
- How clear and comprehensive are the construction QA/QC procedures and staffing?
- How will the observations and comments on the design by the City be handled?

5.8.3.10 Compliance with the Project Schedule Requirements

- Does the Company Project CPM Schedule offer any advantage to the City compared to the other Proposals?

5.8.3.11 Project Management

- How well does the proposed project management and staffing plan support the Project objectives?
- Does the Company Proposal communicate clearly how key personnel will have the authority, accountability, and means to accomplish the Contract Services goals and objectives?
- How will the Company integrate the design organization 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?
- Does the Company propose additional project commitments that are identifiable, measurable, of value to the City, and included in the Proposal as commitments to the City?

5.8.3.12 Approach to Obtaining Governmental Approvals

- Does the Company offer a reasonable and clear schedule and approach for obtaining Governmental Approvals?
- Does the Company have a strong understanding of the regulatory and permitting process of all Governmental Entities

- having jurisdiction?
- Does the Company have a strong understanding of regulatory uncertainty and potential permit program changes?
- Does the Company have the ability to minimize the risk of delays during the approval process?
- What is the likelihood of the Company obtaining the requisite Governmental Approvals for its proposed design in a timely manner?

5.8.3.13 Company Partnership Environment

- Does the Proposal demonstrate the Company understanding of a team partnership environment in all phases of the Project?
- Does the Proposal consider the City's involvement throughout the Project?
- How many of the key projects management personnel will be assigned to the Project on a full-time basis?

5.8.3.14 Transition Plans

- Does the Company provide comprehensive and reasonable transition plans, which include minimum disruption to ongoing operations?

5.9 Price Proposal Criteria

In addition to evaluating the relative financial benefits of each Price Proposal to the City, the criteria used to evaluate the Price Proposals will include, without limitation:

The Price Proposals will be evaluated using a number of different growth, escalation and other assumptions. The Evaluation Committee will make both net present value and annual cost comparisons. In performing the Price Proposal evaluation, the City will assume the cost of electricity to the City will be 100% of the proposed Guaranteed Maximum Electricity Usage as proposed on Price Proposal Form P-5.

The Price Proposals will also be evaluated to ensure that the facilities are operated at fair and reasonable prices to the user of the facilities.

5.10 Business Proposal Criteria

The following criteria will be applied to evaluate and rank Business Proposals and will include, without limitation:

- What issues, if any, did the Company raise regarding the Draft DBOF Contract? What are the advantages and disadvantages to the City of these issues?
- Did the Company identify matters in the DBOF Contract that could significantly reduce it's the obligations?
- Did the Company identify issues in the DBOF Contract, which, if changed, shifts risks to the City?
- The City will also evaluate the financial strength of the Company and its Guarantor(s). The financial capacity assessment will consider the adequacy of the Company and the Guarantor to assure the full and timely performance of the Company obligations under the DBOF Contract and the overall financial stability of the Company and the Guarantor.

6.0 GENERAL INFORMATION TO COMPANY

6.1 Proposal Submission Requirements

Proposals must be submitted to the City in accordance with the instructions set out herein. Proposals are due at 4:00 p.m. on January 11, 2008. The time will be determined by the City's "Bid Clock" which is located at City Hall outside the Council Chambers. All Proposals received after 4:00 p.m. P.S.T. may not be evaluated and may be returned unopened.

Each Company is requested to deliver a total of twelve (12) copies of its Proposal and one (1) electronic copy (PDF) of the proposal on or before the submission closing date to:

City Clerk
970 Ventura Street
P.O. Box 569
Santa Paula, CA 93060

Any proprietary or confidential material must be provided simultaneously and marked as such.

The Proposals submitted are irrevocable by the Company submitting it and will remain in effect and open for acceptance by the City for a period of 180 days.

6.2. Schedule

The following dates are tentative and subject to change without penalty to the City, provided that all Company receive written notice of the change:

Pre-Proposal Conference	November 20, 2007
Last Day for Submissions of Questions	December 14, 2007
Proposals Due	January 11, 2008
Interviews and Competitive Negotiation	Week of January 28, 2007
City Council Approval of Selection	February 4, 2008
DBOF Contract Final Negotiations	Feb. 19 – March 7, 2008
City Council Adoption of DBOF Contract	March 17, 2008
Notice-to-Proceed	March 18, 2008
Approve Design	May 15, 2008
Begin Construction	July 15, 2008
Begin Start-up of WRF	September 15, 2010
Full-Scale Operation of WRF	December 15, 2010

6.3 Reservation of Rights

This RFP constitutes an invitation to Company to submit Proposals to the City. By responding to this RFP, each Company acknowledges and consents to the following conditions. Without limitation, the City reserves and holds, at its sole discretion, the following rights and options:

1. To require additional information from one or more Company to supplement or clarify the Proposals submitted.
2. To conduct investigations with respect to the qualifications and experience of the Company.
3. To visit and examine any of the facilities referenced in the Proposal and others owned, operated, and/or built by the Company to observe and inspect the

operations at such facilities.

4. To waive any defect in any Proposal received.
5. To eliminate any Company that submits a Proposal that is deemed inadequate.
6. To prepare and issue such amendments and/or addenda to this RFP before the date of submission of the Proposals, including the postponement or change of the date for receipt of Proposals or any other deadlines and dates specified in the RFP.
7. To receive questions concerning this RFP from Company and to provide such questions, and the City's responses, to all Company.
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 the extent deemed appropriate by the City, the City may select and enter into discussions and to conduct competitive negotiations with one or more of the Company submitting Proposals.
11. To select and enter into a DBOF Contract with Company submitting a Proposal, which is determined to be the most favorable Proposal to the City.
12. To take any action affecting the RFP process, that is deemed to be in the best interest of the City.
13. To request best and final offers from the Company.

6.4 Expense of Proposal Preparation

Each Proposal and preparation of all information required pursuant to this RFP must be prepared at the sole cost and expense (including engineering and legal costs) of the Company. In addition, the Company are solely responsible for all costs (including engineering and legal costs) incurred by them in connection with the evaluation and selection process undertaken in connection with this procurement and any negotiations entered into in connection with developing a DBOF Contract. There shall be no claims whatsoever against the City, its staff, or its consultants or agents for reimbursement of the costs or expenses (including engineering and legal costs) incurred during the preparation of the Proposal or other information required by this RFP or proposal process or in connection with the selection process, competitive negotiations, or contract negotiations. Company that enter into the selection process must prepare the required materials and submittals at their 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.

6.5 Information Requests and Questions Concerning this RFP

Following issuance of this RFP, the Company may submit written questions to the City to assist the Company in the preparation of their Proposals. The City may, but is not obligated to, respond to such questions. All responses to these questions and requests

for additional information to which the City responds will be issued to all Company in the form of addenda to this RFP. The last day for submission of written questions will be 20 days before proposals are due.

No oral interpretation, instruction, or information concerning this RFP given by any agent, employee, advisor, or consultant of the City shall be binding on the City. The City will not be responsible for any explanation or interpretation of this RFP, unless such explanation or interpretation of this RFP is given in the form of an addendum to this RFP.

6.6 No Contact with City Officials or Employees

To ensure fairness during the procurement process, from the date the RFP is released to the Company until the DBOF Contract is executed or all Proposals are rejected, Company and their employees, representatives, and agents must not contact members of the City Council, or any employee or representative of the City or any consultant of the City involved with this procurement process other than Cliff Finley ("Authorized Contact Person") or his/her designated representative. The foregoing relates only to discussions, issues, comments and other communications related to the Proposal process, and is not intended to limit unrelated contact with members of City Council or any employee or representative of the City or any consultant of the City involved with this process.

If a Respondent or its employees, representatives, or agents contact any City Council Member, City employee, representative or consultant other than the Authorized Contact Person or his designated representative in relation to this proposal, then such Respondent risks being excluded by the City from the balance of this proposal process. This requirement is designed to prohibit practices that may result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration.

6.7 Addenda or Amendments to this RFP

During the period provided for preparation of Proposals, the City may issue addenda to this RFP. These addenda will be numbered consecutively and will be distributed to all who are registered with the City as having received a copy of this RFP. These addenda will be issued by, or on behalf of, the City and will constitute a part of this RFP. The Company 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 Business Proposal Form 1 to this RFP. All responses to this RFP must be prepared with full consideration of the addenda issued before the Proposal Submission Date.

6.8 Site Access and Investigation

The City recognizes that Company may need access to the Site during the Proposal preparation period. Company may schedule an individual visit to the Site by contacting the Authorized Contact Person identified in Section 6.6.

6.9 Inspection of Proposals

The Proposals will not be made available for public inspection until the DBOF Contract has been executed.

6.10 No City Liability

Neither the City, its staff, its representatives, nor any of its consultants will be liable for any claims or damages resulting from the solicitation, collection, review or evaluation of responses to this RFP.

6.10 City Intent to Maintain Confidentiality

All proposals and related materials received from Company in response to the procurement documents will become the property of the City and will not be returned. To the extent permitted by law, the City is committed to maintaining the confidentiality of the Company' submittals made as part of this proposal process until the City Council consideration of a DBOF Contract. Until that time, only the name of each Company and its list of Project team members will be made available to the public. In addition to the extent permitted by law, the City will delay any review of the Proposals by anyone other than the Evaluation Committee, the City's Project team, and its Project Advisors until after the Proposals have been made public. To the extent a Company designates and the City concurs, and in accordance with statutes governing release of information, the City will make every reasonable effort to protect trade secrets and other proprietary data contained in a Proposal and identified as indicated in the next paragraph.

If a Proposer believes that portions of its Proposal are exempt from disclosure under the California Public Records Act, the Proposer must 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 Proposal as confidential may result in the rejection of the Proposal by the City as inappropriate.

The City will notify the relevant company of any requests under the California Public Records Act ("CPRA") to disclose information marked as confidential. However, it is the responsibility of the Company, as the real party in interest, to defend any action brought under the CPRA for information identified as confidential. By submitting their Proposals, each company expressly acknowledges and agrees that the City will not be responsible or liable in any way for any losses that the Company may suffer from disclosure of information or materials to third parties and the Company agrees to defend, indemnify, and hold harmless the City from all costs (including reasonable attorneys fees) arising from or related to any action under the CPRA.

6.12 Modification of Proposals

Company may correct or modify the Proposal by written notice received in the office designated in Section 6.1 before the time and date specified in Section 6.1 for receipt of Proposals. Any such corrections or modifications must be submitted to the City pursuant to the submittal requirements set forth in Section 6.4.

6.13 Information

The City considers any information which it may have released either orally or in writing before the issuance of this RFP to be preliminary in nature and the City is not be bound by such information.

6.14 Oral Presentations

After the Proposal Submission Date, the City may request Company or their representatives to make oral presentations to or attend interviews with representatives of the City.

6.15 Termination of Negotiations

The City in its sole discretion may, at any time, exclude a Company from further participation in the competitive negotiation process if it determines that a Company are

failing to progress in the negotiations or if the terms of its Proposal provide less value than those of another Proposal.

The City will give written notice of its decision to the Company, which will be sent in writing and signed by an authorized representative of the City.

A Company, which fails to negotiate a DBOF Contract in good faith with the City, forfeits its Proposal Bond to the City. The Proposal Bond requirements are set forth in Section 5.7.

6.16 Withdrawal From Procurement Process

A Company may withdraw a Proposal before the date and time set for the opening of the Proposals provided that a written request to withdraw the Proposal is hand delivered to the Authorized Contact Person, by or on behalf of an authorized representative of the Company, or the request is delivered by certified mail.

7.0 PROPOSAL FORMS

7.1 Introduction

To be deemed responsive to this RFP, a completed set of Proposal Forms must be included in each Proposal, as specified in Section 5.7.1. Data from these forms will be used in the Proposal evaluation process and used, as appropriate, in the DBOF Contract.

The information contained in the Proposal Forms, including pricing, must remain in effect for twelve months after the Proposal Submission Date. During such time, and presumably well before the expiration of the twelve-month period, the City anticipates executing the DBOF Contract.

7.1.1 Instructions for Completing the Proposal Forms

Company must fill out all of the forms completely. Company must use "N/A" to specify any items set forth in the Proposal Forms, which are not applicable to the Company or to its technology. It should be noted, however, that the failure to fully complete all applicable Proposal Forms by incorrectly providing that certain Proposal Forms (or portions thereof) are not applicable to Company or to its technology may result in a determination by the City that the Proposal is not adequate. To provide additional information, the Company should use separate sheets of paper following the Proposal Form format. To the extent the Proposal Forms submitted as part of a Company Proposal have been altered or modified compared to the way they appear in this RFP, the Company must indicate where the Proposal Form has been altered or modified and include a "blacklined" copy of such Proposal Form in the Proposal.

The Proposal Forms must be signed by the Designated Signatory. All Proposal Forms are to be completed in ink or by typewriter, or word processor and are to be submitted in with the Proposal.

The required Proposal Forms are outlined as follows and are included in Exhibit A:

Business Proposal Forms

Business Proposal Form 1: Proposal Transmittal Letter

Business Proposal Form 2:	Certificate of Authorization
Business Proposal Form 3:	Form of Proposal Bond
Business Proposal Form 4:	Guarantor Acknowledgement
Business Proposal Form 5:	Surety Letter of Intent – Construction Performance Bond
Business Proposal Form 6:	Participating Firms
Business Proposal Form 7:	Participating Firm Background Information
Business Proposal Form 8:	Financial Information
Business Proposal Form 9:	Terms of the Service Contract
Business Proposal Form 10:	Certificate of Non-Collusion
Business Proposal Form 11:	Disclaimer Statement
Business Proposal Form 12:	Scheduled Construction and Acceptance Dates
Business Proposal Form 13:	List of Subcontractors and Off-Job Fabrications
Business Proposal Form 14:	City of Santa Paula Affirmative Action Policy

Price Proposal Forms

Price Proposal Form P-1:	Fixed Design/Build Price
Price Proposal Form P-2:	Fixed Component of Service Fee
Price Proposal Form P-3:	Interim Operations of Existing WWTP
Price Proposal Form P-4:	Loading and Flow Adjustments of Service Fee
Price Proposal Form P-5:	Guaranteed Maximum Utility Usage
Price Proposal Form P-6:	Schedule of Values
Price Proposal Form P-7:	Maximum Drawdown Schedule

7.2 Business Proposal Forms

The following paragraphs present an overview of each Business Proposal Form including the requirements the Company must adhere to in completing and including the Business Proposal Forms in the Proposal. All Business Proposal Forms, with the exception of the Proposal Transmittal Letter, must be submitted as part of the proposal package. The Proposal Transmittal Letter must be submitted with the Executive Summary. The original of each form must be submitted in a set of volumes labeled "Original".

7.2.1 Proposal Transmittal Letter

The Company must duplicate and complete the Proposal Transmittal Letter to warrant specified conditions, as indicated on Business Proposal Form 1. The

original signed Proposal Transmittal Letter, provided on the official letterhead of the Company, must be submitted in a Volume I, Executive Summary, labeled as "Original". The Transmittal Letter acknowledges, among other things, that the Company has completely reviewed and understands and agrees to be bound by the requirements of this RFP and received all addenda. Such letter commits Company, if selected, to carry out the provisions of the Proposal.

7.2.2 Certificate of Authorization

Business Proposal Form 2 certifies that the identified corporate officer has the authority to sign the proposal forms.

7.2.3 Form of Proposal Bond

The Company must complete Business Proposal Form 3, which provides that the Company will honor its Proposal and enter into good faith negotiations with the City if selected, and upon a failure to do so, the surety will furnish the full amount of the proposal bond.

7.2.4 Guarantor Acknowledgment

The Guarantor will be required to sign a Guaranty Agreement with the City, based upon the form of Guaranty set forth in the DBOF Contract, in which the Company obligations under the DBOF Contract (as modified by the Proposal) will be irrevocably, absolutely, and unconditionally guaranteed. The Guarantor must submit the Guarantor Acknowledgment form, Business Proposal Form 4, demonstrating its willingness to execute the Guaranty Agreement (set by the Proposal).

7.2.5 Surety Letter of Intent – Construction Performance Bond

Business Proposal Form 5 must be duplicated and provided on the official letterhead of the Company Surety Company. The Surety Letter of Intent acknowledges, among other things, that the Company Surety has reviewed and understands the requirements of this RFP and such letter evidences the intent of the Surety to issue a construction performance bond and a labor and materials payment bond as security for performance of the Company obligations under the DBOF Contract, with the City as obligee.

7.2.6 Participating Firms and Participating Firm's Background Information

Company must complete Business Proposal Form 6 and Business Proposal Form 7, which require the Company to disclose all firms that will be significant participants in providing the Contract Services, and to supply additional information about each participating firm, respectively. Business Proposal Form 7 must be completed separately for each Participating Firm and signed by an authorized official of the Participating Firm.

7.2.7 Financial Information

Business Proposal Form 8 must be completed by the entity that will execute the DBOF Contract and the entity that will execute the Guaranty Agreement.

7.2.8 Terms of the Service Contract

Company must complete Business Proposal Form 9, which acknowledges,

among other things, that the Company accepts the terms of the Draft DBOF Contract not modified by a written mark-up or track-changes mark-up reflecting the Company exceptions.

7.2.9 Certificate of Non-Collusion

Company must complete Business Proposal Form 10, which acknowledges that the Proposal has been made and submitted in good faith and without collusion or fraud.

7.2.10 Disclaimer Statement

Company must complete and submit Business Proposal Form 11, which releases the City from responsibility for the accuracy of information contained in this RFP.

7.2.11 Scheduled Construction and Acceptance Dates

The Company must commence construction and achieve Acceptance by the dates proposed on Business Proposal Form 12. Failure to achieve Acceptance by such date, if not excused due to the occurrence of an Uncontrollable Circumstance, will subject the Company to the payment of liquidated damages.

7.2.12 List of Subcontractors and Off-Job Fabricators

Company must complete Business Proposal Form 13 and provide the names and the locations of the place of business of each Subcontractor who will perform construction work or labor or render service to the Company in or about the construction of the work or improvement, or a Subcontractor licensed by the State of California who, under subcontract to the Company, specially fabricates and installs a portion of the work or improvement according to detailed drawings contained in the Contract Drawings and Specifications, in an amount in excess of five percent (5%) of the Fixed Design/Build Price.

7.2.13 City of Santa Paula Affirmative Action Policy

Company must complete Business Proposal Form 14 to acknowledge compliance with Title VII of the Civil Rights Act of 1964, Executive Order 11246 and Section 503 of the Rehabilitation Act of 1973, if applicable, the California Fair Employment and Housing Act, and the City of Santa Paula Affirmative Action Compliance Policy for contractors and Company pertaining to non-discrimination in employment by contractors, subcontractors, and suppliers. Company will be required to execute the City of Santa Paula Affirmative Action Compliance Policy for contractors and Company to confirm its understanding and intention to comply with such policy.

7.3 Price Proposal Forms

All Price Proposal Forms must be completed and a copy included in each Proposal.

7.3.1 Fixed Design/Build Price and Schedule

The Company must provide its proposed Fixed Design/Build Price for the performance of the Design/Build Work by completing Price Proposal Form P-1. The Fixed Design/Build Price must be broken down between the Fixed Construction Price and the Fixed Development Price. Such fixed costs must include all costs for obtaining permits, designing, constructing, start up,

acceptance testing, and operations transition. Costs for insurance and payment and performance bonds for construction activities must also be included in such fixed costs.

7.3.2 Annual Service Fee

The Company must set forth their proposed Fixed Component of the Annual Service Fee for each Influent Parameter Group by completing Price Proposal Form P-2. The Fixed Component will be comprised of 2 subcomponents: 1) all costs of operation except for electricity, which is a pass-through, and repair and replacement at the facility and 2) repair and replacement costs as proposed for each year of the Term.

The Annual Service Fee must cover all fixed costs for operation, management, repair and replacement as set forth in the Service Contract. Company are required to provide the percent of the CPI (up to 100 percent), in the form of a fraction, that the Annual Service Fee will escalate.

The Company must also provide its proposed Loadings Adjustment and Flow Adjustment Factors of the Annual Service Fee, for each of the Influent Parameters Groups on Price Proposal Form P-4. The Company must provide the price adjustment for actual wastewater treatment, averaged over a Contract Year, which is more than 10% above the baseline value.

7.3.3 Existing WWTF Interim Operations Service Fee

The Company must provide its proposed monthly Service Fee for the operation of the Existing WWTP during the six-month period before the utilization of the WRF on Price Proposal Form P-3.

7.3.4 Guaranteed Maximum Utility Usage

The Company must provide their proposed Guaranteed Maximum Utility Usage for electricity during the WRF operating period on Price Proposal Form P-5. Time-of-day usage proposed will be included in the evaluation and will be incorporated into the DBOF Contract. The WRF Guaranteed Maximum Utility Usage must take effect upon Acceptance.

BUSINESS PROPOSAL FORM 1

PROPOSAL TRANSMITTAL LETTER (To be typed on Company's Letterhead)

Dear _____:

_____ (the "Company") submits its proposal (the "Proposal") in response to the Request for Proposals to Design/Build-Operate and Finance a Water Recycling Facility issued by the City of Santa Paula, California (the "City").

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

The Company acknowledges receipt of the City's Request for Proposals to Design/ Build, Operate, and Finance a Water Recycling Facility, and the following addenda:

No.	Date
_____	_____
_____	_____
_____	_____
_____	_____

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

3. Business Proposal Form 3 is a proposal bond submitted by _____ as Surety for the Company assuring that the Company will conduct good faith negotiations with the City based on the RFP and the Proposal.

4. The Company's obligations under the DBOF Contract as negotiated based upon the Company's Proposal, will be guaranteed absolutely and unconditionally by _____, (the "Guarantor") as evidenced by the Guarantor Acknowledgment Certificate submitted as Business Proposal Form 4.

5. The construction performance bond issued on behalf of _____ assuring that the design and construction of the Water Recycling Facility will be performed in accordance with the terms of the DBOF Contract, will be provided by _____, as evidenced by such Surety's letter of intent submitted as Business Proposal Form 5.

6. All firms that will be significant participants in providing services under the Proposal (the "Participating Firms") are identified in Business Proposal Form 6.

7. The Company, the Guarantor and each other Participating Firm have submitted certain information required by the RFP by completing Business Proposal Form 7 and Business Proposal Form 8, when applicable. To the best knowledge of the Company all such information is correct and complete.

8. 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 most advantageous Company and executing the DBOF Contract.

9. The Company acknowledges, among other things, that the Company accepts the terms of the Draft DBOF Contract not modified by a written mark-up or track-changes mark-up reflecting the Company's exceptions by submitting Business Proposal Form 9.

10. The Proposal has been prepared and is submitted in accordance with the Certificate of Non-Collusion submitted as Business Proposal Form 10.

11. The Company releases the City from responsibility for the accuracy of information contained in this RFP by submitting Business Proposal Form 11.

12. The Company has proposed the dates on which it must commence construction and achieve Acceptance on Business Proposal Form 12. The Company acknowledges that failure to achieve Acceptance by such date, if not excused due to the occurrence of an Uncontrollable Circumstance, must subject the Company to the payment of liquidated damages.

13. If selected, the Company agrees to negotiate in good faith to enter into the DBOF Contract which reflects the substantive terms and conditions of the RFP and the Proposal.

14. The Company has reviewed all of the engagements and pending engagements of the Company and the Guarantor, and no potential exists for any conflict of interest or unfair advantage.

15. No person or selling agency has been employed or retained to solicit the award of the Service Contract under an arrangement for a commission, percentage, brokerage or contingency fee or on any other success fee basis, except bona fide employees of the Company or the Guarantor.

16. The individuals who will be the Company's key technical and business negotiators are set forth below:

Name	Title	Address	Phone
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

17. The contact person who will serve as the interface between the City and the Company is:

NAME: _____

TITLE: _____

ADDRESS: _____

PHONE: _____

FAX: E-MAIL: _____

18. The Company has executed and submitted on Business Proposal Form 13 a list of the names and the locations of the place of business of each subcontractor who will perform construction work or labor or render service to the Company in or about the construction of the work or improvement, or a subcontractor licensed by the State of California who, under subcontract to the Company, specially fabricates and installs a portion of the work or improvement, in an amount in excess of five percent (5%) of the Company's total Fixed Design/ Build Price.

19. The Company has submitted Business Proposal Form 14 and acknowledges compliance with Title VII of the Civil Rights Act of 1964, Executive Order 11246 and Section 503 of the Rehabilitation Act of 1973, if applicable, the California Fair Employment and Housing Act, and the City of Santa Paula

Affirmative Action Compliance Policy for contractors and vendors pertaining to non-discrimination in employment by contractors, subcontractors, and suppliers.

20. The Company has carefully examined all documents constituting the RFP and the addenda thereto and has made all necessary personal investigation 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 price set forth in the Proposal Forms.

21. The DBOF Contract in the form issued with this RFP is agreed to, except where modifications have been made in the Proposal.

22. The Proposal is submitted pursuant to authorization by, and is in all respects binding upon, the Company.

23. The Company is duly organized and validly existing in good standing and is duly qualified to transact business in each and every jurisdiction where such qualification is required to enable the Company to perform its obligations under the DBOF Contract. The Company and any and all of its subcontractors have not been suspended or debarred from contracting in the State of California, under Applicable Laws. The performance of all obligations of the Company set forth in the Proposal has been authorized by all required action of the Company, including any action required by any charter, by-laws, and/or partnership agreement, as the case may be, and any Applicable Laws which regulate the conduct of the Company's affairs.

24. There is no action, suit or proceeding, at law or in equity, before or by any court or similar governmental body against the Company wherein an unfavorable decision, ruling or finding would materially adversely affect the performance by the Company of its obligations hereunder or the other transactions contemplated hereby, or which, in any way, would materially adversely affect the validity or enforceability of the obligations proposed to be undertaken by the Company, or any agreement or instrument entered into by the Company in connection with the transaction contemplated hereby.

25. No corporation, partnership, individual or association, officer, director, employee, manager, parent, subsidiary, affiliate or principal shareholder of the Company has been adjudicated to be in violation of any state or federal convicted of bribery, fraud, collusion, or any violation of any state or federal anti-trust or similar statute within the preceding five years, or previously adjudged in contempt of any court order enforcing such laws.

26. I certify that the Company, to my best knowledge and belief, has filed all California state tax returns and paid all California state taxes and all Ventura County taxes required by law.

Name of Company

Name of Designated Signatory

Signature

Title

(Notary Public)

State of _____

County of _____

On this _____ day of _____, 20____ 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 my 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 _____

BUSINESS PROPOSAL FORM 2

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 such Corporation; and that as of the date of this certification
_____ is an _____
**(Officer) ** (Title)

authorized to execute and deliver in the name and on behalf of the CORPORATION all documents,
letters, certificates and other instruments which have been executed by such Officer on behalf of the
Corporation in connection with the Corporation's Proposal delivered in response to the City's Request for
Proposals to Design/ Build, Operate, and Finance a Water Recycling Facility.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of such
Corporation this ____ day of _____ 20__.

(Affix
Seal
Here)

Clerk/Secretary

*Separate certifications must be submitted if more than one corporate officer has executed documents as
part of the Proposal.

**This must be the name of the person authorized in your by-laws to sign contracts.

***Since an officer cannot self-certify, this must be signed by someone other than the person signing the
contract.

BUSINESS PROPOSAL FORM 3

FORM OF PROPOSAL BOND

KNOW ALL MEN BY THESE PRESENT, that we [NAME OF COMPANY], as Principal (hereinafter the "Company") and [NAME OF SURETY], a [Corporation], [Partnership] duly organized under the laws of the State of _____, as Surety, are held and firmly bound unto the City of Santa Paula, California (the "City"), as Obligee, in the sum of One Million Dollars (\$1,000,000) lawful money of the United States of America to be paid to the City, its successors or assigns, for which payment, well and truly to be made, we bind ourselves, our successors and assigns, jointly and severally, firmly by these present; and

WHEREAS, the above-named Company has submitted or is about to submit to the City a Proposal to enter into an agreement to design, construct; acceptance test, operate, maintain, repair and replace and manage; and finance (the "Contract Services") a Water Recycling Facility (WRF); cause the WRF to meet certain Performance Guarantees and to comply with all applicable permits, licenses, approvals and other Applicable Law; and perform the other related and ancillary responsibilities set forth in the City's Request for Proposals to Design/ Build, Operate, and Finance a Water Recycling Facility, dated _____, 2007 (the "RFP"), issued by the City and covered by the Proposal submitted by the Company in response thereto, which Proposal is made a part hereof.

NOW, THEREFORE, the Surety hereby understands that if the above-referenced Company is selected by the City to engage in negotiations, then the Company will negotiate in good faith to enter into the DBOF Contract based on its Proposal and, following such negotiations, will enter into the DBOF Contract as negotiated and the Company must cause the Guarantor (as -set forth in the Proposal) to enter into the Guaranty of the DBOF Contract as agreed to by the parties. The Surety hereby agrees that if the Company shall fail to do so, Surety will pay to the City, the full amount of this Bond within 30 calendar days after receipt by the Company and the Surety of written notice of such failure from the City, which notice must be given with reasonable promptness, identifying this Bond and including a statement of the amount due. Upon execution of the DBOF Contract and delivery of the Guaranty, this Bond will thereafter become null and void, otherwise to remain in full force and effect unless terminated as hereinafter provided.

It is agreed that this Bond becomes effective on the date the Proposal is submitted and shall remain in effect (for an additional three hundred sixty five (365) days or until terminated as hereinafter provided.

If the Proposal is not accepted within such 365-day time period, or any extension thereof agreed to in writing by the City, then after written notice by the City of such non-acceptance, this Bond may be terminated by the Surety or Company upon written notice to each other and to the City by registered, certified, return-receipt requested mail at least 10 days before the termination date specified in such notice. Upon the giving of such notice, Surety is discharged from all liability under this Bond for any act or omission of the Company occurring after the date of the notice of non-acceptance.

Any suit or action under this Bond must be commenced only in a court of competent jurisdiction located in the State of California acting in Ventura County.

All capitalized terms used herein and not otherwise defined have the meaning set forth in the RFP.

IN WITNESS WHEREOF, Surety and Company, intending to be legally bound hereby, do each cause this Proposal Bond to be duly executed on its behalf by its authorized officers, agents or representatives.

Signed and sealed this _____ day of _____, 20__.

SURETY
[NAME OF SURETY]

COMPANY
[NAME OF COMPANY]

Name

Name

Name of Authorized Signatory

Name of Designated Signatory

Signature

Signature

Title

Title

BUSINESS PROPOSAL FORM 4

GUARANTOR ACKNOWLEDGMENT
(to be typed on Guarantor's Letterhead)

Dear _____:

_____ (the "Company") has submitted a Proposal in response to the Request for Proposals for Water Recycling Facility Design/ Build, Operate, and Finance issued by the City of Santa Paula, California (the "RFP"). The RFP requires the Company, if selected, to enter into an agreement in conformance with the Company's Proposal or as otherwise agreed to, to design, construct, acceptance test, operate, maintain, repair and replace (including major repair and replacement) and manage (the "Contract Services") a water recycling plant (WRF); cause the Facility to meet certain Performance Guarantees and to comply with all applicable permits, licenses, approvals and other Applicable Law; and perform the other related and ancillary responsibilities set forth in the RFP.

The Guarantor has reviewed the Company's Proposal, which will form the basis of the DBOF Contract. The Guarantor hereby certifies that it will unconditionally guarantee the performance of all of the obligations of the Company as set forth in the Proposal in the event the Company is awarded the DBOF and that it will execute a separate Guaranty Agreement in the form presented as an Appendix to the DBOF Contract, as such form may have been modified by the Proposal.

Name of Guarantor

Name of Authorized Signatory

Signature

Title

BUSINESS PROPOSAL FORM 5

**SURETY LETTER OF INTENT
CONSTRUCTION PERFORMANCE BOND
(to be typed on Surety's Letterhead)**

Dear _____:

_____ (the "Company") has submitted herewith a Proposal in response to the City of Santa Paula, California's (the "City") Request for Proposals to Design/ Build, Operate, and Finance a Water Recycling Facility (WRF). The RFP requires the Company, if selected, to enter into an agreement to design, construct, acceptance test, operate, maintain, repair and replace and manage (the "Contract Services") a Water Recycling Facility (WRF); cause the WRF to meet certain Performance Guarantees and to comply with all applicable permits, licenses, approvals and other Applicable Law; and perform the other related and ancillary responsibilities set forth in the RFP.

The Surety has reviewed the Company's Proposal, which will form the basis of the DBOF Contract. The Surety hereby certifies that, subject to its review of the final terms and conditions of the DBOF Contract, it intends to issue on behalf of the Company, as security for performance of construction under the DBOF Contract, a performance bond and a labor and materials payment bond for the benefit of the Company, with the City as beneficiary, in the event the Company is awarded the DBOF Contract.

Name of Surety

Name of Authorized Signatory

Signature

Title

BUSINESS PROPOSAL FORM 6

PARTICIPATING FIRMS

All firms that will be significant participants in providing the services set forth in the RFP (the "Participating Firms") are identified below. Such firms must include, as applicable, (1) the Company, (2) the Guarantor, (3) the new entity, if any, to be formed for the sole purpose of executing and performing the DBOF Contract, (4) the firm that will actually operate, maintain and manage the WRF, (5) the firm that will design the WRF, (6) the firm that will construct the WRF, (7) the firm that will finance the WRF, and (8) any other significant participant in the project.

- (1) _____
- (2) _____
- (3) _____
- (4) _____
- (5) _____
- (6) _____
- (7) _____
- (8) _____
- (9) _____

Included are summaries of the services and responsibilities of each Participating Firm, limited to one page or less in length for each firm.

Name of Company

Name of Designated Signatory

Signature

Title

BUSINESS PROPOSAL FORM 7

PARTICIPATING FIRM BACKGROUND INFORMATION

This Proposal Form must be completed separately for the Guarantor and each other Participating Firm.

1. Name in Full of Participating Firm:

Principal Business Address:

2. Principal Contact Person(s), and phone, fax and E-mail contact Information:

3. Form of Business Concern:
(Corporation, Partnership, Joint Venture, Other):

4. State in which organized, and date of organization:

5. If a partnership, give names of partners; if a corporation, give names of officers with authority to sign in name of corporation (or identify the location in any pre-printed materials submitted with the Proposal where such officers are identified):

Name

Title

Address

6. All information and statements contained in the Proposal made by or concerning the Participating Firm are current, correct and complete, and are made with full knowledge that the City will rely on such information and statements in selecting a Company and executing the DBOF Contract.
7. The Participating Firm is committed to performing the services and undertaking the responsibilities, which the Company has described as to be performed by the Participating Firm.
8. To the best knowledge of the Participating Firm, the Proposal has been prepared and is submitted without collusion, fraud or any other action taken in restraint of free and open competition for services contemplated by the RFP.
9. The Participating Firm is duly organized and validly existing in good standing and is duly qualified to transact business in each and every jurisdiction where such qualification is required to enable the Participating Firm to perform its obligations contemplated by the Proposal. The Participating

Firm has not been debarred from contracting in the State of California, under Applicable Laws. The performance of all obligations of the Participating Firm contemplated by the Proposal has been authorized by all required action of the Participating Firm, including any action required by any charter, by-laws, and partnership agreement, as the case may be, and any Applicable Laws which regulate the conduct of the Participating Firm's affairs. The performance of all obligations of the Participating Firm contemplated by the Proposal does not conflict with and does not constitute a breach of or event of default under any charter, by-laws or partnership agreement, as the case may be, of the Participating Firm or any agreement, indenture, mortgage, contract or instrument to which the Participating Firm is a party or by which it is bound.

10. The Participating Firm has reviewed all of its engagements and pending engagements, and no potential exists for any conflict of interest or unfair advantage.
11. To the best knowledge of the Participating Firm, no person or selling agency has been employed or retained to solicit the award of the DBOF Contract under an arrangement for a commission, percentage, brokerage or contingency fee or on any other success fee basis, except bona fide employees of the Company or the Guarantor.
12. The Participating Firm will supply evidence upon request by the City, that it is authorized to do business in the State of California.
13. I certify, under the penalties of perjury, that the Participating Firm, to my best knowledge and belief, has filed all California state tax returns and paid all California state taxes and all Ventura County taxes required by law.
14. There is no action, suit or proceeding, at law or in equity, before or by any court or similar governmental body against the Participating Firm wherein an unfavorable decision, ruling or finding would materially adversely affect the performance by the Participating Firm of its obligations hereunder or the other transactions contemplated by the Proposal, or which, in any way, would materially adversely affect the validity or enforceability of the obligations proposed to be undertaken by the Participating Firm, or any agreement or instrument entered into by the Participating Firm in connection with the transaction contemplated hereby.
15. No corporation, partnership, individual or association, officer, director, employee, manager, parent, subsidiary, affiliate or principal shareholder of the Participating Firm has been adjudicated to be in violation of any state or federal environmental law, or charged with or convicted of bribery, fraud, collusion, or any violation of any state or federal anti-trust or similar statute within the preceding five years, or previously adjudged in contempt of any court order enforcing such laws.
16. The Company acknowledges and agrees that neither the City nor any of its affiliates, employees, agents, consultants, attorneys, representatives or contractors makes any representation or warranty as to the accuracy or reliability of any information or statements contained in the RFP, and releases and discharges the City and each such person from any and all claims which it has or may have arising out of any such information or statements.

Name of Participating Firm

Name of Authorized Signatory

Signature

Title

BUSINESS PROPOSAL FORM 8**FINANCIAL INFORMATION**

This form must be completed by the entity, which will execute the DBOF Contract and the entity that will execute the Guaranty Agreement.

Name of Company

Name of Individual Completing Form

Signature

		2004	2005	2006
A	Operating Revenues			
B	Operating Expense (not including Depreciation and Amortization)			
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 12/31)			
L	No. of Outstanding Shares (as of 12/31)			

BUSINESS PROPOSAL FORM 9

TERMS OF THE SERVICE CONTRACT

The DBOF Contract to be entered into between the Company, if selected, and the City of Santa Paula, California will be the definitive statement of the responsibilities of the Company for performing the Contract Services. The Company agrees to all of the terms of the DBOF Contract not taken exception to in the mark-up attached hereto. The Company has provided a handwritten mark-up or a "track-changes" electronic mark-up of any exceptions or additions to the DBOF Contract.

Name of Company

Name of Authorized Signatory

Signature

Title

BUSINESS PROPOSAL FORM 10

CERTIFICATE OF NON-COLLUSION

By submission of this Proposal, each Company and each person signing this Proposal Form on behalf of any Company certifies, and in the case of a joint Proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief:

(1) The prices in this Proposal have been arrived at independently without collusion, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other Company or with any competitor;

(2) Unless otherwise required by law, the prices which have been quoted in this Proposal have not been knowingly disclosed by the Company and will not knowingly be disclosed by the Company prior to execution of the DBOF Contract, directly or indirectly, to any other Company or to any competitor; and

(3) No attempt has been made or will be made by the Company to induce any other person, partnership or corporation to submit or not to submit a Proposal for the purpose of restricting competition.

I, hereby affirm under the penalties of perjury that the foregoing statement is true.

Name of Company

Name of Authorized Signatory

Signature

Title

BUSINESS PROPOSAL FORM 11

DISCLAIMER STATEMENT

The information contained in the City of Santa Paula, California's (the "City") Request for Proposals to Design/ Build, Operate, and Finance a Water Recycling Facility has been prepared by the City and while such information is believed to be accurate and reliable, the City makes no representation as to such accuracy or reliability. In no way does any such information constitute a representation or warranty by the City or any of its officials, employees, agents, consultants, attorneys, representatives, contractors, and subcontractors (the "City Representatives"). The Company hereby releases and forever discharges the City and the City Representatives from any and all claims, which such Company has, had or may hereafter have arising out of any information contained in this RFP. Any party who intends to submit a response to this RFP is specifically invited to independently verify the accuracy of the information contained in the RFP.

Name of Company

Name of Authorized Signatory

Signature

Title

BUSINESS PROPOSAL FORM 12

SCHEDULED CONSTRUCTION AND ACCEPTANCE DATE

Scheduled Construction Date

The Company guarantees that the period of time between the Contract Date and the date on which all of its conditions for the commencement of construction will have been met is _____ days.

Scheduled Acceptance Date

The Company guarantees that the period of time between the date on which the Notice-to-Proceed with construction is issued and the date on which Acceptance will occur is _____ days (which date can not be before January 1, 2010).

The foregoing periods may be extended only due to Uncontrollable Circumstances, City-requested change orders, and City fault, to the extent set forth in this RFP.

Name of Company

Name of Authorized Signatory

Signature

Title

BUSINESS PROPOSAL FORM 13

LIST OF SUBCONTRACTORS AND OFF-JOB FABRICATORS

LIST OF SUBCONTRACTORS AND OFF-JOB FABRICATORS

1. _____
Business Name of Subcontractor
Or Off-Job Fabricator Business Address

City State Zip Phone No.

List Items of Work or Description of Work

2. _____
Business Name of Subcontractor
Or Off-Job Fabricator Business Address

City State Zip Phone No.

List Items of Work or Description of Work

3. _____
Business Name of Subcontractor
Or Off-Job Fabricator Business Address

City State Zip Phone No.

List Items of Work or Description of Work

(a) The name and the location of the place of business of each subcontractor who will perform work or labor or render service to the Company in or about the construction of the work or improvement, or a subcontractor licensed by the State of California who, under subcontract to the Company, specially fabricates and installs a portion of the work or improvement, in an amount in excess of five percent (5%) of the Company's total Fixed Construction Price.

BUSINESS PROPOSAL FORM 14

CITY OF SANTA PAULA AFFIRMATIVE ACTION POLICY

Name of Contractor

During the performance of this Contract, the undersigned Company agrees to adopt this policy to affirm its support of a program of equal employment opportunity and to assure compliance with Title VII of the Civil Rights Act of 1964, Executive Order 11246 and Section 503 of the Rehabilitation Act of 1973, if applicable, the California Fair Employment and Housing Act, and the Ventura County Affirmative Action Compliance Policy for contractors and vendors.

This Company agrees to assert leadership within the community and to put forth good faith efforts to achieve full employment and utilization of the capabilities and productivity of all our citizens without regard to race, age, color, sex, religion, ancestry, national origin, marital status or handicap.

This Company further recognizes that the effective application of a policy of equal employment opportunity involves more than just a policy statement and will, therefore, undertake affirmative action to make known that opportunities are available on the basis of individual merit, and to encourage advancement on this basis.

The following Affirmative Action Compliance Policy for contractors and vendors is hereby established as the policy and practice for our company:

1. Our company will recruit, employ and treat applicants and employees without regard to race, age, color, sex, religion, ancestry, national origin, marital status or handicap, without limitation, the areas of compensation and opportunities for advancement, including upgrading and promotion.
2. Our company will actively use recruitment sources such as employment agencies, unions and schools, which have a policy of referring applicants on a nondiscriminatory basis.
3. Our company will disseminate its affirmative action policy externally by informing and discussing it with all recruitment sources, by advertising in news media, specifically including minority news media, and by notifying and discussing the policy with minority groups, handicapped and women's organizations and subcontractors as appropriate. In addition, we must maintain records of each organization's response. The policy will also be posted in all places available and accessible to employees and applicants for employment.
4. Our company will maintain a file of the names and addresses of each minority, handicapped and female applicant referred to the company for hiring and if the applicant is not considered for employment or was not employed, the company's file must fully document the reason.
5. Our company will ensure that all employee specifications, selection requirements, tests, and other employee recruitment or evaluation procedures do not discriminate against any applicant or employee on the basis race, age, color, sex, religion, ancestry, national origin, marital status or handicap.
6. Our company will make sure that seniority practices, job classifications, rates of pay, and other forms or compensation, and other employee practices and classifications do not have an unlawfully discriminatory effect on any applicant or employee on the basis of race, age, color, sex, religion, ancestry, national origin, marital status or handicap.
7. Our company will make certain that all subcontractors are in compliance with the City of Santa Paula Affirmative Action Compliance Policy for contractors and vendors, and that all project subcontractors have an approved plan or policy statement.

8. Our company will solicit bids for subcontracts from qualified minority, handicapped and female subcontractors subject to availability.
9. Our company will continually monitor all personnel activities to ensure that the Ventura County Affirmative Action Policy for contractors and vendors is carried out.
10. Our company will make good faith efforts to meet this policy and acknowledges that violators will be reported to the City Council for appropriate action.

Our company hereby agrees to provide to the City of Santa Paula any access and information that they may request to assist in determining compliance with this policy

Executed at: City of Santa Paula
 State of California

Month/Day/Year

I declare under penalty of perjury, pursuant to the laws of the State of California, that the foregoing is true and correct to the best of my knowledge.

On behalf of Company

Name of Company

Name of Authorized Signatory

Title

PRICE PROPOSAL FORM P-1

FIXED DESIGN, BUILD, OPERATE, FINANCE PRICE

SUMMARY OF FIXED DESIGN/BUILD PRICE

COST

Fixed Development Price (period from Contract Date to Commencement of Construction), plus any additional design, engineering, and permitting following Commencement of Construction)

Permitting Activities

\$ _____

Engineering and Design

\$ _____

Project Management

\$ _____

Fixed Construction Price

Site Work:

Roads, Parking, Lighting, Utilities, Site Drainage, Fencing, Gates, Mass Grading & Excavation, etc.

\$ _____

Santa Clara River Levee

\$ _____

Wood Rail Fencing

\$ _____

Dewatering

\$ _____

Landscaping and Irrigation

\$ _____

Yard Piping

\$ _____

Site Drainage and Storm Drainage Treatment

\$ _____

Rock Removal

\$ _____

Other (Specify) _____

\$ _____

Other (Specify) _____

\$ _____

Other (Specify) _____

\$ _____

Other (Specify) _____

\$ _____

Other (Specify) _____

\$ _____

Subtotal \$ _____

Facility and Process:

Pump Station and Headworks

\$ _____

MBR Facility and Secondary Equalization

\$ _____

Disinfection

\$ _____

Effluent Storage and Pumping

\$ _____

Aerobic Digestion

\$ _____

Sludge Dewatering

\$ _____

Enclosures and Buildings

\$ _____

Electrical

\$ _____

Instrumentation (WRF, Effluent Conveyance, and

\$ _____

Effluent Disposal)

Odor Control

\$ _____

Emergency Generator

\$ _____

Environmental Mitigation

\$ _____

Miscellaneous Maintenance and Mobile Equipment

\$ _____

Spare Parts	\$	
Other (Specify)	\$	
Other (Specify)	\$	
Other (Specify)	\$	
Other (Specify)	\$	
Other (Specify)	\$	
Subtotal	\$	

Start-up & Acceptance Testing

Start-up Activities	\$	
Acceptance Testing Activities	\$	
Hydro-pneumatic Test of All Piping	\$	
Subtotal	\$	

Existing WWTP Demolition Demolition of Existing WWTP

Subtotal	\$	
----------	----	--

Other Direct & Indirect Costs

O&M Manuals	\$	
Mobilization (not to exceed 2% of the Fixed D/B Price)	\$	
Demobilization (25% of the Mobilization Price)	\$	
Material Testing		
Concrete		
Soils	\$	
Other	\$	
Administrative		
Shop Drawings	\$	
Record Documents	\$	
Other	\$	

Factory Testing		
Instrumentation and Controls	\$	
Major Equipment	\$	
Insurance (During Construction)	\$	
Performance Bond (direct from Company)	\$	
Performance Bond (Dual Obligatee Bond) (1)	\$	
Other (Specify)	\$	
Other (Specify)	\$	
Other (Specify)	\$	
Other (Specify)	\$	
Other (Specify)	\$	

Subtotal \$

FIXED DESIGN/RUILD PRICE ⁽²⁾

\$

Optional Price Adjustments ⁽³⁾.

Class "A" Sludge	\$
UV Disinfection	\$
Other (Specify) _____	\$
Other (Specify) _____	\$
Other (Specify) _____	\$
Other (Specify) _____	\$
Other (Specify) _____	\$

STEEL AND CEMENT QUANTITY AND COST DATA

The Fixed Design/Build Price provided above includes the following:

Eligible Reinforcing Steel

Baseline Amount* \$ _____

Baseline Raw Material Amount** (tons) _____

Eligible Steel Products other than Reinforcing Steel

Baseline Amount* \$ _____

Baseline Raw Material Amount** (tons) _____

Eligible Concrete

Baseline Amount* \$ _____

Baseline Raw Material Amount** (tons) _____

* This is a product of Baseline Raw Material Amount multiplied by the prevailing price of a particular raw material set forth herein, as prepared by the Company as of the Proposal Date (excluding all associated procurement costs, labor costs, and tax and freight charges).

** This is an amount the Company reasonably believes to be the anticipated amount of a particular raw material set forth herein required to complete the Project, as prepared by the Company as of the Proposal Date. The Fixed Design/Build Price Adjustment must be allowable for the purchases only up to 120 percent of the Baseline Raw Material Amounts provided for each raw material set forth herein, in accordance with the Service Contract.

Notes:

- (1) City will determine whether to require a direct Performance Bond or a dual obligee bond from the Company's construction contractor. Company should only include the price of the direct performance bond (not dual obligee bond) in the subtotal and total Fixed Design Build Price.
- (2) The Fixed Design/Build Price is the sum of the Fixed Construction Price and the Fixed Development Price and is binding and will be incorporated directly into the final Service Contract (subject to change as a result of negotiations).
- (3) Company to provide detailed descriptions

PRICE PROPOSAL FORM P-2

FIXED COMPONENT OF SERVICE FEE

SERVICE FEE FIXED COMPONENT ITEMS (1)	FIXED COMPONENT OF THE SERVICE FEE FOR THE INFLUENT PARAMETER GROUPS (identified on Form P-4)		
	One	Two	Three
Labor			
Materials & Supplies			
Chemicals			
Subcontracts			
Off-Site Sludge Hauling/Disposal			
On-Site Residuals Management			
Utilities (excluding electricity)			
Repair and Replacement Fund			
Operation and Maintenance of Effluent Storage, Conveyance, and Disposal Systems			
Other (specify)			
NON REPAIR AND REPLACEMENT FIXED COMPONENT TOTAL			
Adjustment for Class "A" Sludge			
Adjustment for UV Disinfection			
Other (Specify)			
Other (Specify)			
Other (Specify)			
Other (Specify)			
Other (Specify)			
CPI ADJUSTMENT FACTOR MODIFIER ⁽²⁾			
	_____ %		

REPAIR AND REPLACEMENT FIXED COMPONENT ⁽⁷⁾

<u>YEAR</u>	<u>YEARLY AMOUNTS</u> <u>FOR EACH INFLUENT PARAMETER GROUP</u> (identified on Form P-4)		
	<u>One</u>	<u>Two</u>	<u>Three</u>
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
1			
2	\$ _____	\$ _____	\$ _____
3	\$ _____	\$ _____	\$ _____
4	\$ _____	\$ _____	\$ _____
5	\$ _____	\$ _____	\$ _____
6	\$ _____	\$ _____	\$ _____
7	\$ _____	\$ _____	\$ _____
8	\$ _____	\$ _____	\$ _____
9	\$ _____	\$ _____	\$ _____
10	\$ _____	\$ _____	\$ _____
11	\$ _____	\$ _____	\$ _____
12	\$ _____	\$ _____	\$ _____
13	\$ _____	\$ _____	\$ _____
14	\$ _____	\$ _____	\$ _____
15	\$ _____	\$ _____	\$ _____
16	\$ _____	\$ _____	\$ _____
17	\$ _____	\$ _____	\$ _____
18	\$ _____	\$ _____	\$ _____
19	\$ _____	\$ _____	\$ _____
20	\$ _____	\$ _____	\$ _____

ENHANCED STANDARDS

<u>CONSTITUENT</u>	<u>ENHANCED STANDARDS</u>	<u>CAPITAL COSTS</u>	<u>ANNUAL OPERATING COSTS ⁽⁸⁾</u>
Biochemical Oxygen Demand (BOD5 20°C)	5 mg/L	\$ _____	\$ _____
Total Suspended Solids (TSS)	5 mg/L	\$ _____	\$ _____
Nitrate + Nitrite (NO3-N + NO2-N)	5 mg/L	\$ _____	\$ _____
Nitrite – Nitrogen (NO2-N)	0.5 mg/L	\$ _____	\$ _____
Turbidity	0.2 NTU	\$ _____	\$ _____
Total Nitrogen	5 mg/L	\$ _____	\$ _____

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 Company. The City expects to use such information for purposes of comparison of Proposals.
2. The Fixed Component of the Service Fee and certain other dollar amounts identified in the Service Contract 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 Company wishes to propose for purposes of calculating the Adjustment Factor and shall not be greater than 100%. For example, if the Company wishes to propose the full percentage change in the CPI for the Adjustment Factor, it should propose a modifier of 100%. If the Company wishes to propose 75% of the percentage change in the CPI for the Adjustment Factor, it should propose a modifier of 75%.
3. American Society of Civil Engineering mark-up curves are one example of acceptable mark-up percentages.
4. Percent must be based on the dollar value of the cost of repairs.
5. Not used
6. Based on: \$_____/1,000 ft. of PVC pipe
Based on: \$_____/1,000 ft. of other pipe
7. Prices should be provided in December 2007 dollars and will be escalated in accordance with the CPI Adjustment Factor.
8. Assumes that this will be required following construction of the facility.

PRICE PROPOSAL FORM P-3

EXISTING WWTF INTERIM OPERATIONS SERVICE FEE

	MONTHLY AMOUNT
INTERIM OPERATIONS SERVICE FEE	\$ _____

PRICE PROPOSAL FORM P-4

LOADING AND FLOW ADJUSTMENTS OF SERVICE FEE

ANNUAL SERVICE FEE LOADING AND FLOW ADJUSTMENTS	LOADING AND FLOW ADJUSTMENTS OF THE SERVICE FEE FOR THE FOLLOWING INFLUENT PARAMETER GROUPS		
	One	Two	Three
BOD5 (\$/mg /1)			
TSS (\$/mg /1)			
Flow (\$/MGD)			

Influent Parameters: Group 1

BOD5 Load (mg./1)	335
TSS Load (mg./1)	375
Flow (MGD)	1.3

Influent Parameters: Group 2

BOD5 Load (mg./1)	335
TSS Load (mg/1)	375
Flow (MGD)	1.8

Influent Parameters: Group 3

BOD5 Load (mg/1)	335
TSS Load (mg/1)	375
Flow (MGD)	2.4

Describe how the Company's flow and loadings adjustment would be reduced if the City were to sever the Company's Sludge hauling and disposal responsibilities.

In addition, describe how the flow and loadings adjustments would be affected if the City requested the production of Class A Sludge.

GUARANTEED MAXIMUM ELECTRICITY USAGE

[illegible]

PRICE PROPOSAL FORM P-6A

SCHEDULE OF VALUES
(for Payment of Fixed Construction Price)

[illegible]

[illegible]

All Spare Parts on Site	1.05 (min)
O&M Manual Complete	0.5%(min)
As-Built Drawings Complete	0.5%(min)
Final Acceptance	5.00%(min)
Total	100.00%

MILESTONE SCHEDULE
(for Payment of Fixed Development Price)

Note: Use as many sheets necessary.

PRICE PROPOSAL FORM P-7

MAXIMUM DRAWDOWN SCHEDULE

Month (a)	Maximum Cumulative Percentage of applicable Fixed Design/Build Price	Cumulative Drawdown (b)
0		
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
Total (b)	100%	

- (a) The final month should be the month of the Scheduled Acceptance Date.
- (b) Multiply maximum cumulative percentage by the Fixed Design/Build Price.
- (c) Total Cumulative Drawdown should equal the Fixed Design/Build Price.
- (d) A ten percent retention will be withheld each month.
- (e) The final Drawdown representing Acceptance shall equal at least 5% of the Fixed Design, Build Price.

