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*Santa Clara Valley Water District*  
*Notification of this Addendum is transmitted via email to all current plan holders.*  
*This Addendum is posted on the Valley Water website at*  
<https://www.valleywater.org/construction>

May 26, 2021

**ADDENDUM NO. 1**  
**TO REQUEST FOR QUALIFICATION FOR THE**  
**PUBLIC-PRIVATE-PARTNERSHIP FOR THE DESIGN, CONSTRUCTION, FINANCING, OPERATION, AND MAINTENANCE OF THE**  
**PURIFIED WATER PROJECT**  
**Project No. 91304001 Contract No. C0674**

Notice is hereby given to Prospective Bidder that the Request for Qualification Document is modified as hereinafter set forth.

**REQUEST FOR QUALIFICATION**

**APPENDICES**

**APPENDIX A: SUBMITTAL REQUIREMENTS**  
**VOLUME 1 – PART 3 – TECHNICAL EXPERIENCE, CAPABILITIES AND PROJECT UNDERSTANDING**

1. **REPLACE** the section numbering under the Submittal Requirement table, Project Understanding and Technical Approach, on Page 52 of 68, from 3.8 to 3.9.

**GENERAL QUESTIONS AND RESPONSES**

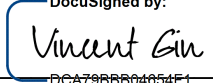
| No. | RFQ Reference  | Question  | Clarification  |
|-----|--|---|--|
| 1.  | Appendix A<br>Section 4.2<br>(attachment to form G1) | Please clarify if an SOQ with less than five P3 or project finance projects would be deemed non-responsive (i.e. would fail the responsiveness review)?<br>If an SOQ with less than five P3 or project finance projects would be deemed responsive, can Valley Water please describe how having less than five projects would affect the score assigned to the Respondent's Financial Qualifications and Capability (maximum of 30 points)? More specifically, is the score impacted more by the number of projects or is the score impacted more by the relevance of the projects? | No, a submission with less than 5 project finance reference projects would not be disqualified; however, in accordance with RFQ Section 5.2.2.4.1, the failure to provide the requested number of past performance examples could potentially impact the scoring of the Equity Member's level of experience with investing equity and/or structuring financing sources to obtain firm financing commitments for project finance and achieving financial close on under similar transaction structures. As indicated in the RFQ, both the level of experience, as well as its relevance to this Project are considered in the evaluation. |
| 2.  | Section 2.1.1<br>(Background)                        | The RFQ references two Board Resolutions: 20-0468 (6/16/20) & 20-0736 (9/8/20). Please confirm that Valley Water will make these resolutions available in the virtual data room.  | The referenced Board Resolutions are available in the virtual data room link:<br><a href="https://fta.valleywater.org/fl/VATjEaVzLz">https://fta.valleywater.org/fl/VATjEaVzLz</a>   |
| 3.  | Section 2.1.5<br>(Virtual Data Room)                 | Please clarify that the Virtual Data Room is the same folder as the link already provided (C0674-RFQ Public Private Partnerships (P3) Purified Water Project) or if there another folder that Respondents should access?  | In addition to the Valley Water's website at: <a href="http://www.valleywater.org/Construction">http://www.valleywater.org/Construction</a> , there is a FTA link (indicated under item 2 above) to access the "Virtual Data Room" to all RFQ Holders. The Virtual Data Room will include the latest RFQ application document, addenda and pertinent documents.  |
| 4.  | Section 2.2.1<br>(Project Agreement)                 | Section 2.2.1 states that the "term of the Project Agreement is anticipated to allow for an operating period of no more than 30 years". What is the minimum operating period that would be anticipated?   | Additional details will be provided in the RFP, but as currently envisioned, the term of the operating period is expected to be 30 years.  |

| No. | RFQ Reference   | Question  | Clarification   |
|-----|---|---|---|
| 5.  | Section 2.2.2.1 (Advanced Water Purification Facility)  | Section 2.2.2.1 states that the AWPf will be required to “produce purified water meeting all current and future state and federal regulations”. Future state and federal regulations can be difficult to predict and plan for. In order to avoid over-designing the AWPf, are there specific future state and federal regulations that Valley Water is aware of that may be implemented in the near future that should be considered when designing the AWPf? | The Technical Requirements, which will be defined in the RFP and Project Agreement, will specify design standards. The Project Agreement will also set forth the allocation of risks, rights and responsibilities with regard to future regulatory requirements.  |
| 6.  | Section 2.2.2.1 (Advanced Water Purification Facility)  | Section 2.2.2.1 states that the “AWPF shall include all associated and ancillary facilities” and lists “power” as an example. Will power for the AWPf be supplied from the existing power grid or will the AWPf and Purified Water Pump Station need to find some other means of obtaining power for operation of the facilities?   | Additional details regarding ancillary facilities, including power, will be set out in the RFP.   |
| 7.  | 1.5 (Definitions), Section                              | The RFQ consistently references the “Design-Build Member”. Is it the intent of Valley Water to force potential engineering and construction firm respondents into a form of JV before contract execution to be able to respond to this RFQ?   | No, there is no requirement to form a JV, however, this is allowable. As clearly defined in Section 1.5, the Lead Design-Builder means the “entity (whether a single incorporated entity or an incorporated or unincorporated joint venture) with primary responsibility for the performance of design, engineering and construction work for the Project (...)”. Consequently, the RFQ defines the Lead Design-Build Member as “each member or joint venturer in the Design-Builder”, in the event that the Lead Design-Builder is an incorporated or unincorporated joint venture |
| 8.  | 2.2.9 (Performance Security, Insurance and Indemnity)   | Section 2.2.9 it states that “in some instances a Major Partner... (b) to indemnify, defend and Is it the intent of Valley Water to force potential engineering firm respondents to undertake to defend?  | As expressly set forth in section 2.2.9, specific requirements relating to indemnification will be set forth in the RFP and the Project Agreement.  |
| 9.  | Section 3.8 of Volume 1 – Part 3 (Technical Experience) | The Volume 1, Part 3 table has two Section 3.8. Please confirm that ‘3.8 Project Understanding & Technical Approach’ is Section 3.9.  | Confirmed. The numbering error will be corrected in the amended RFQ.  |

| No. | RFQ Reference   | Question   | Clarification  |
|-----|---|--|--|
| 10. | Volume II – Financial Information Section 5.4 (Surety Letter and/or Letter of Credit) | <p>Notes to Section 5.4 state that the requirement to provide information confirming Respondent team is capable of obtaining a performance bond for an amount of at least \$600m and that this is solely for the purposes of evaluating the Respondent’s financial qualifications &amp; should not be construed as an indication of the ultimate security requirements for the Project. However, the \$600m is the estimated value of the project as stated by Valley Water staff during Industry Day. Please clarify the following:</p> <ul style="list-style-type: none"> <li>i) That the Respondent team is only to finance the scope of works to be detailed in the RFP and will not be expected to reimburse Valley Water for any works thus far completed, or works planned to be completed, by Valley Water related to its development and execution of the project;</li> <li>ii) Confirm if the winning Respondent team’s project SPV will be expected to provide a performance bond.</li> </ul> | <p>As part of the RFQ, Valley Water is evaluating the capacity of the Respondent to provide surety and bonding in the amounts stipulated in the RFQ; nevertheless, the specific coverages will be defined in the RFP and Project Agreement. Bonding and sureties serve to guarantee performance and have nothing to do with any potential payments to be made by the Private Partner to Valley Water for completed works (which is not currently envisioned as part of the Project). The RFP and Project Agreement will define the bonding and surety requirements for both the design and construction period, as well as the operations period</p> |
| 11. | Section 2.2.3 (Financing Scope)   | <p>Section 2.2.3 indicates that the RFP is contemplated to require fully committed financing when proposals are submitted. In an effort to deliver low-cost financing in support of the Project, respondents could be exploring tax-exempt Private Activity Bonds (PABs) (and potentially taxable municipal bonds) and tax-exempt bonds issued under a 501(c)(3) not-for-profit structure. Unlike the U.S. debt private placement market, PABs and other municipal bonds are not typically issued on a committed financing basis (particularly when publicly offered) and therefore the fully committed financing requirement would be unusual for these types of bonds. Is it Valley Water’s intent to exclude these potential sources of financing?</p>  | <p>Additional details regarding the financing requirements will be set forth in the RFP and Project Agreement.</p>   |

| No. | RFQ Reference | Question   | Clarification  |
|-----|---------------|--|--|
| 12. |               | We would appreciate if Valley Water considered electronic submissions only. With the ongoing pandemic, challenges continue to remain due to travel restrictions, CDC guidelines, and internal company travel policies which hinder the ability for our team to congregate together to effectively execute hardcopy printing/production to submit the RFQ response. Our experience over the past year has been that agencies accept electronic submissions, so please advise if Valley Water is amenable to the same. | Electronic submission is not allowed. Application submittal shall be as specified under Section IV, Submission Requirements. |

THIS ADDENDUM NO. 1, WHICH CONTAINS 5 PAGES, IS ATTACHED TO AND IS A PART OF THE REQUEST FOR QUALIFICATION DOCUMENT FOR THIS PROJECT.

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 Vincent Gin  
 Deputy Operating Officer  
 Water Supply Division

Date: 5/26/2021