

**Request for Competitive Sealed Proposals (RFCSP P-11-003-DS)  
Questions & Answers – Phase II**

1. Section 2.0 Ownership, Control of Water contains a section on Water Quality, which states: “*Analytical study results indicating the quality of water must be provided.*” Are there specific microbiological water quality data that SAWS requires as part of the proposal? For example, *Cryptosporidium* and *Giardia* concentration data for surface water sources or enteric virus / coliphage data for proposed groundwater sources, etc.?

Answer 1: Microbiological sampling data should be consistent with TCEQ Public Water Supply Sampling requirements for the appropriate source, (ie; surface water, ground water, ground water under the influence (GUI))

2. After July 22, 2011, can SAWS negotiate a contract with anyone for delivery of water, other than respondents to P-11-003-DS?

Answer 2: SAWS continuously evaluates and updates its future supply and demand projections. The current projections and needs are reflected in the 2009 Water Management Plan Update, which can be found on the SAWS website ([www.saws.org](http://www.saws.org)). If a future update to the plan should determine that additional supplies are needed before 2020, SAWS will determine how that water would be secured.

3. After July 22, 2011, can SAWS elect to contract with any respondent, or any non-respondent, for delivery of water prior to 2020?

Answer 3: See Answer 2.

4. If SAWS, prior to 2020, determines that SAWS needs additional water supplies will SAWS issue a new RFCSP for that water, or negotiate the modification of the terms of a proposal submitted under this RFCSP?

Answer 4: See Answer 2.

5. Why is SAWS requiring the Project Capital Cost detail and the Financial Model and Capability under Section 4 on page 6 of the RFCSP when SAWS is only buying a commodity (water) and has no preference as to the delivery method?

Answer 5: It is in the interest of SAWS and its’ ratepayers the party proposing to deliver water is technically and financially capable of developing a water source and building infrastructure to deliver the water as required, in a timely manner. SAWS must be assured that the proposed water source is a reliable, firm supply, comparable and compatible in quality with water already in the SAWS distribution system.

6. In the answer to Question No. 17, SAWS unequivocally states, “SAWS is buying a commodity (water) at a specified point of delivery. As such, SAWS has no preference as to how the water is delivered to that location as long as it is legal in the State of Texas.” If SAWS is only buying a delivered commodity and has no preference as to the delivery method, why is SAWS requiring that “Proposers must furnish detailed project costs.” (Page two of RFCSP, last sentence of paragraph 3 under Functional Requirements.)

Answer 6: See Answer 5. Additionally, SAWS must be assured that the proposer has indeed provided a qualified proposal.

7. Why is SAWS requiring, in Section 3.0 Project Solution on page 5 of the RFCSP, all the detailed information and rationale for the providers submitted proposal when all these items are specifically encompassed under the General Project Requirements #9 on Page 3 of the RFCSP assigning all risk to the provider? Why is SAWS requiring all this information when SAWS is simply contracting to buy a commodity (water)?

Answer 7: See Answer 5

8. The second bullet point in the 3.0 Project Solution on page 5 of the RFCSP states “Discuss in detail the approach for accomplishing the permitting processes, partnership opportunities, financial modeling, climate change impacts analysis, alternative energy sources, etc.”

Why is this required when, according to General Project Requirements #9 on Page 3 of the RFCSP - “All risk associated with permitting, production and transportation of the water to the designated delivery point would be the responsibility of the water provider.”

Answer 8: See Answer 5

9. Will SAWS consider, as part of any Competitive Sealed Proposal, the pumping and/or transporting of any SAWS currently owned or leased water in the Edwards BFZ? If so, will SAWS provide that information, upon request, to any proposer?

As stated in the RFCSP on page 6, Project Information, Scope of Services, General Requirements:

“2. The water (provided) **cannot** be Edwards Aquifer Authority (EAA) groundwater withdrawal permits that would or could be sold or leased to SAWS with the intent of the water being pumped through/from SAWS existing infrastructure rather than delivered to SAWS infrastructure.”

Currently, SAWS does not hold any Edwards water outside the jurisdiction of the EAA. SAWS will not consider having SAWS leased or owned water that is already capable of being pumped in San Antonio provided to a proposer under the RFCSP so that they can, in turn, pump this water to San Antonio.

10. Is the 'depreciated fair market value,' noted in #5 under General Project Requirements on Page 2 of the RFCSP, to be determined by an independent appraisal of the assets, or by referring to the Proposer's audited statements at the end of the primary term?

Answer 10: If SAWS elects to pursue the option to buy the system, SAWS would use an independent third party appraiser to determine the transfer cost for the project's assets. The transfer cost would be based on the total capital cost of the project less all principal payments made by SAWS as part of the fixed payments (monthly or yearly).

11. In Section II of the RFCSP, ten criteria (A-J) are listed at the beginning of the section as criteria that may be evaluated in addition to the other criteria set forth in Texas Local Government Code 252.043.

Answer 11a: This statement is correct.

11b. Further in the section (under item II), 5 numerical scoring criteria are identified for only the criteria specified in criteria "J." How will criteria "A -I," in addition to "other criteria set forth in Texas Local Government Code 252.043," be scored and factored into the evaluation?

Answer 11b: There are 6 SAWS scoring categories, not 5. There is no reference stating that the 5 SAWS scoring categories only apply to the state criteria "J".

As indicated in the RFCSP, SAWS evaluation of proposals will be scored based on the 6 categories listed below:

- o Ownership and Control of Water - 30 Points*
- o Proposed Solution - 25 Points*
- o Price - 20 Points*
- o Financial Strength - 10 Points*
- o Project Management - 10 Points*
- o Quality Assurance/Control - 5 Points*

Scoring of these categories will be based on evaluation of the bulleted criteria listed under "Project Components", which starts on page 3 of the RFCSP.

12. In Section I. a. of the RFCSP, criteria 6 is, "the impact on the ability of the municipality to comply with laws and rules relating to contracting with historically

*underutilized businesses and nonprofit organizations employing persons with disabilities.”* How will this specific criteria (*sic*) be evaluated and scored?

Answer 12: This verbiage is a citation from the local government code which governs the use of the RFCSP by municipalities, and is not a criterion that will be scored. The criteria to be scored are listed under “Project Components,” which begins on page 3 of the RFCSP.

13. In the RFCSP, and in the responses to questions issued on March 18, 2011, SAWS references and attempts to define “real” dollars. Would not a “Present Worth Analysis” provide a more conventional method of cost determination for evaluation purposes? If so, SAWS should specify the inflation rate to be used in the calculations.

Answer 13: The concept of “real dollars” and “present worth” are one and the same. If project costs are given in “real dollars,” no inflation rate is required.

14. The RFCSP specifies an initial term of contract of 30 years, beginning in 2020. At the end of the 30 year term, the purveyor would be supplying 65,000 acre-feet per year. Yet, in response to Question 1 in the responses SAWS issued on March 18, 2011, an example identifies 80,000 acre-feet as the ultimate capacity in 2060. What will be the ultimate capacity of the system the purveyor will be required to construct?

Answer 14: The ultimate capacity of the system will depend on the actual size of the prospect. In the case above, there are several options that could be considered, including initially designing the project to deliver the ultimate capacity, or it could be built in phases. The reference to 30-years for a contract term is not to limit the ultimate life of the proposers project or the ultimate capability of the delivery system.

15. Through the initial 30 year term of the contract, a successful purveyor will be required to provide an initial supply of 30 percent (20,000 acre-feet) of the ultimate supply (65,000 acre feet) and then increase the supply by less than 3 percent per year for 30 years. Does SAWS seriously believe that an economically viable infrastructure system can be constructed and operated in this manner and be cost-effective for SAWS ratepayers? Can SAWS identify any infrastructure project it, or anyone it is aware of, has constructed and operated using this model?

Answer 15: For comparable models, explore the Schertz-Seguin Local Government Corporation and the City of Hutto provider model.

16. Did SAWS obtain third party assistance in putting together this proposal, and if so, would SAWS make the unprivileged communications between the outside party or parties and SAWS, regarding this proposal available for inspection by Grass Valley?

Answer 16: The RFCSP was developed by SAWS staff. SAWS did not retain outside consulting services in producing this document.