



**MONTEREY PENINSULA WATER SUPPLY PROJECT
GOVERNANCE COMMITTEE**

CAL-AM NOTIFICATION # 7

TO: Jason Burnett, Chair, MPWSP Governance Committee
FROM: Ian Crooks, Engineering Manager, California American Water
DATE: June 23, 2015
**RE: Cal-Am Notification # 7 – Draft Request for Proposals – MPWSP
Desalination Conveyance Facilities**

This Cal-Am Notification is submitted to you pursuant to, and in compliance with, Section V.B. of the Amended and Restated Agreement to Form the Monterey Peninsula Water Supply Project Governance Committee (the “Agreement”), as revised November 5, 2013, entered into by and among the Monterey Peninsula Regional Water Authority (“MPRWA”), the Monterey Peninsula Water Management District (“MPWMD”), the County of Monterey (“County”), and the California-American Water Company (“Cal-Am”). Capitalized terms used but not defined herein shall have the meaning set forth in the Agreement.

Cal-Am intends to issue a request for proposals (“RFP”) for the procurement of one or more Contracts, valued in excess of \$1 million, relating to the construction of the Raw Water Pipeline, Product Water Pipeline, Terminal Reservoir Infrastructure, Brine Discharge Infrastructure (Pipeline Only), and ASR Infrastructure (Pipeline Only). Pursuant to Section V.D., Category B.1., of the Agreement, the Governance Committee may recommend qualifications and selection criteria for such Contract(s).

Cal-Am has determined this matter is ripe for presentation to, and recommendation by, the Governance Committee. It is Cal-Am’s current intent to issue the RFP described above on or about July 15, 2015. The Governance Committee may review and make recommendations relating to the qualifications and selection criteria to be included in the RFP.

Pursuant to Section V.B. of the Agreement, the Governance Committee shall issue its recommendations, if any, to Cal-Am no later than July 6, 2015. The recommendations should be in writing and sent to Ian Crooks of Cal-Am at Ian.Crooks@amwater.com.

**MONTEREY PENINSULA WATER
SUPPLY PROJECT**

REQUEST FOR PROPOSALS

FOR THE

CONSTRUCTION OF CONVEYANCE FACILITIES

Issue Date: July XX, 2015

Due Date: September 1, 2015



**CALIFORNIA
AMERICAN WATER**

Pacific Grove, California

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A. PROPOSAL FORMS

Proposal Form 1	Transmittal Letter
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Proposal Form 3	Disclaimer Statement
Proposal Form 4	Key Personnel
Proposal Form 5	Verification of Statement of Qualifications Information
Proposal Form 6	Financial Capacity Data
Proposal Form 7	Surety Letter of Intent to Issue a Performance Bond
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Proposal Form 9	Insurance Company Letter of Intent
Proposal Form 10	Preliminary Project Schedule, Scheduled Construction Date, and Scheduled Acceptance Date
Proposal Form 11	Acceptance of the Contract
Proposal Form 12	Form of Proposal Bond

B. DRAFT CONSTRUCTION CONTRACT

[TO BE ADDED BY ADDENDUM]

Appendix 1. Bid Schedules

SECTION 1

INTRODUCTION

1.1. EXECUTIVE SUMMARY

California-American Water Company (“CAW”) through this Request for Proposals (“RFP”) is soliciting sealed Proposals from pre-qualified respondents (“Proposers”) for a contract to construct certain conveyance facilities (“Project”) associated with the Monterey Peninsula Water Supply Project (the “MPWSP”). The solicitation of Proposals is the second step in a two-step procurement process being implemented by CAW for the Project. In the first step CAW issued a Request for Qualifications (“RFQ”) for the Project on May 28, 2015. Statements of Qualifications (“SOQs”) were received from respondents on July 2, 2015. CAW evaluated XX SOQs in accordance with the RFQ and has pre-qualified the following XX respondents to the RFQ as eligible to submit proposals in response to this RFP (“Proposals”):

[INSERT]

This Project is a central component of the MPWSP. The purpose of the MPWSP is to replace a significant portion of the existing water supply from the Carmel River, as directed by the State Water Resources Control Board (“SWRCB”). CAW is proposing a three-pronged approach to replace the water supply reductions ordered by the SWRCB. The three prongs consist of: (1) desalination, (2) groundwater replenishment (“GWR”), and (3) aquifer storage and recovery (“ASR”). This RFP is being issued to procure Conveyance Facilities related to the desalination portion of the MPWSP.

The Project will consist of several components including pipelines, storage reservoirs, and pump stations as described in Section 2. The Project will not include the source water slant wells and desalination plant which are also described in Section 2.

CAW, the Monterey Peninsula Regional Water Authority, the Monterey Peninsula Water Management District, and the County of Monterey have formed an oversight committee (the “Governance Committee”) to ensure efficient and effective public input into the development and operation of the MPSWP. The Governance Committee was formed pursuant to an agreement of the Governance Committee members dated March 8, 2013 (the “Governance Committee Agreement”).

Additional information concerning the Project history, the Project Site conditions, background technical and environmental documents, the Governance Committee Agreement, and public outreach are available on the project website at www.watersupplyproject.org (the “Project Website”).

CAW expects to enter into one or more contracts for the Project (the “Contract(s)”) with the Proposer(s) that submit(s) the most advantageous Proposal(s) as determined by CAW with input from the Governance Committee.

This RFP provides background information for the Project, a description of the overall procurement process, the Proposal submission requirements, and the evaluation criteria that will be used to select a firm to perform the Contract. A draft Contract will be added to this RFP by addendum. Unless otherwise defined in this RFP, all capitalized words, abbreviations and terms used herein shall have the meanings that will be set forth in the draft Contract.

1.2. PROPOSAL

IN ORDER TO BE CONSIDERED RESPONSIVE TO THIS RFP, PROPOSERS SHALL PROVIDE ALL REQUESTED INFORMATION IN ACCORDANCE WITH THE REQUIREMENTS OF THIS RFP.

CAW is soliciting a detailed Proposal with specific forms and textual requirements from the Proposers. Proposals shall comply with the submittal requirements for Proposals outlined in Section 4 of this RFP. Proposers shall provide adequate information with respect to its proposed construction management and construction methods in order to demonstrate that: (1) the Project can be completed within the Project schedule; (2) the Project will be constructed in accordance with the Contract; and (3) the completed Project will meet the standards for acceptance in accordance with the draft Contract.

1.3. PROPOSAL SUBMITTAL

Proposals shall be submitted and received by CAW, pursuant to Section 4 of this RFP, **NO LATER THAN 3:00 P.M., PACIFIC STANDARD TIME (“PST”), ON SEPTEMBER 1, 2015.** All Proposals shall be submitted in sealed packages and in accordance with the requirements of Section 4 of this RFP.

By submitting a Proposal, Proposers acknowledge and agree to the following conditions:

- All Proposals submitted in response to this RFP will become the property of CAW and will be subject to disclosure as and to the extent provided in Section 3 of this RFP.
- CAW’s selection of a Proposal shall not waive or limit any assumptions of risk, provision of indemnity, or other obligations of the Contractor under the Contract, as may be executed between a Proposer and CAW.
- Proposers shall comply with the communications protocol set forth in Section 3 of this RFP with respect to all communications concerning this RFP.
- Proposals shall comply with all requirements of Section 4 of this RFP. Failure to comply with Section 4 of this RFP may result in a Proposer being deemed unresponsive by CAW.

- The qualification of the Proposers to receive this RFP and provide a Proposal does not waive or abridge CAW's right to find that any Proposer or Proposal is non-responsive to the requirements of this RFP or to find that a Proposer is less qualified than another Proposer and have their evaluation scoring reflect such finding.
- After selection of a Proposal, the selected Proposer shall be required to execute the Contract following the conclusion of successful negotiations with the selected Proposer.

SECTION 2

GENERAL INFORMATION

2.1. PURPOSE OF SOLICITATION

CAW is soliciting Proposals from the Proposers identified in Section 1.1 of this RFP to perform the construction work for the Project as required by the draft Contract. The services described in this paragraph are referred to herein as the “Contract Services.”

CAW intends to select one or more qualified Proposer(s) that provides CAW the benefits discussed below and that best meets CAW’s objectives set forth in Section 2.2 of this RFP. CAW will select the most advantageous Proposal(s) by applying the evaluation criteria contained in Section 5 of this RFP to the Proposals.

CAW expects to contract with one or more firms that is efficient, displays that its construction management and construction methods are cost-effective, have an optimal Project schedule, clear assignment of responsibilities through a single contracting entity (for each component of work), and optimal life cycle costs for the components of this Project.

2.2. MPWSP BACKGROUND AND OBJECTIVES

CAW has served the Monterey Peninsula since it acquired properties from California Water & Telephone Company in 1966. CAW’s Monterey service area is located in the semi-arid central California coastal area that is currently entirely dependent on local rainfall for its water supply; imported water is not an available option. By reason of its geography and rainfall patterns, the area is prone to severe droughts. Wells located along the Carmel River that draw water from the Carmel River Aquifer are the primary source of water for CAW. An additional source of water for CAW is a network of eight wells located in the Seaside Basin, which CAW shares with a number of users and purveyors.

The CAW Monterey service area, also known as the Monterey County District, includes six incorporated cities, the Monterey Airport District, the unincorporated areas of Carmel Highlands, Carmel Valley, and Pebble Beach, and other unincorporated areas in Monterey County. The City of Marina, unincorporated Castroville, and other areas of unincorporated Monterey County lie north of the CAW service area. The MPWSP is needed to replace existing supplies that are constrained by recent legal decisions affecting the Carmel River and Seaside Groundwater Basin water resources: SWRCB Order No. WR 95-10 (“Order 95-10”) and the Monterey County Superior Court adjudication of water rights in the Seaside Groundwater Basin. Both rulings reduce CAW’s use of its two primary sources of supply for the Monterey County District and provide the most immediate impetus for the MPWSP. In addition, in October 2009, the SWRCB issued a Cease and Desist Order (“CDO”) claiming that CAW had not complied with Order 95-10, requiring CAW to terminate unauthorized diversions from the Carmel River, and that these diversions constitute a trespass of water. The CDO imposed a deadline of December 31, 2016, for CAW to reduce its diversion of water from the Carmel River by approximately 70%.

The MPWSP is the result of a multi-year planning effort that has considered several different proposed projects and various related documents. Since 1989, several options have been

proposed that proponents have hoped would meet the water supply needs of the Monterey Peninsula and address the impacts on the Carmel River underlying Order 95-10, as well as the Seaside Basin adjudication. The objectives that were considered during development of the MPWSP projects are as follows:

- Satisfy CAW's obligations to meet the requirements of Order 95-10;
- Diversify and create a reliable drought-proof water supply;
- Protect the Seaside Groundwater Basin for long-term reliability;
- Protect the local economy from the effects of an uncertain water supply;
- Minimize water rate increases by creating a diversified water supply portfolio;
- Minimize energy requirements and greenhouse gas emissions per unit of water delivered to the extent possible;
- Provide facilities that can accommodate sea level changes;
- Explore opportunities for regional partnerships; and
- Provide flexibility to incorporate alternative water supply sources, such as GWR.

CAW submitted an application to the CPUC for the MPWSP in April 2012. As part of this application, an Environmental Impact Report ("EIR") will be prepared by the California Public Utilities Commission ("CPUC") pursuant to the California Environmental Quality Act ("CEQA"). The EIR will analyze and assess the potential environmental impacts of the MPWSP. The MPWSP consists of several distinct components: a source water intake system consisting of slant wells; a 9.6 mgd desalination plant; a brine discharge system; water conveyance pipelines and storage facilities; and an ASR system. In addition, the Monterey Regional Water Pollution Control Agency ("PCA") is pursuing a 3,500 acre foot per year GWR project that if implemented will reduce the size of the MPWSP's desalination plant from 9.6 mgd to 6.4 mgd.

The CPUC, as the Lead Agency under CEQA, is actively working on the EIR and issued the Draft EIR ("DEIR") in April 2015, and expects to issue the Final EIR ("FEIR") in October 2015. A final decision by the CPUC certifying the FEIR and approving the entire MPWSP is expected in February 2016. Following approval by CPUC, CAW expects to obtain coastal development permits by Q3/Q4 2016. With the permitting approvals progressing and the CDO date approaching, CAW would like to have the Contractor for the Project in place so as to begin the due diligence, construction planning, long lead procurement, community outreach and permitting of the Project as soon as possible.

2.3. PROJECT DESCRIPTION

2.3.1 Generally

The Contractor will be asked to provide all necessary construction, commissioning, start-up and testing services to bring the Project described in this section of this RFP on-line. Permits that relate to the entire MPWSP, such as the Coastal Development Permit, will not be the responsibility of the Contractor; however, certain information from the Contractor will be required to assist CAW in obtaining other permits necessary to begin construction of the Project. The permits that the Contractor will be responsible for obtaining are identified in the draft Contract.

2.3.2 Conveyance Facilities

The Project components are to be constructed at the respective Project Site locations, as described below and in the draft Contract. The pipeline diameters and sizing provided in this section are to identify unit costs for proposal bid schedules.

Structures and facilities that are components of this Project are expected to consist of the following: 1) transmission mains; 2) terminal reservoirs; and 3) booster pump stations. The following subsections describe in concept each of these facilities:

Transmission Mains

CAW is proposing to construct approximately twenty (20) miles of primarily 36" ductile iron and 42" HDPE transmission main with secondary supporting mains of 3" to 16". The 36" transmission mains will run from the desalination plant south through the cities of Marina, Seaside, Monterey and terminating in Pacific Grove. The 42" HDPE transmission mains will run from the source water wells located in the City of Marina along the coast line to the desalination plant. The anticipated pipeline segments along with the anticipated pipe diameters include:

Item	Component	Length (LF)	Diameter
1A	Feedwater - Cemex	11,527'	42"
	Cemex Return Line	11,527'	8"
2A	Brine Discharge	3,762'	36"
	Salinas Valley Return to PCA	5,679'	12"
3	Transfer Pipeline	49,517'	36"
4	ASR Extension	5,100'	36"
	(3) ASR Extension	4,300' (ea)	16"
5	Monterey Pipeline	34,199'	36"

The feedwater pipeline is needed to convey raw water to the desalination plant from the source wells located at the CEMEX property in Marina. Proposers are responsible only for the portion of the pipeline that is shown on the drawings included as part of the draft Contract.

The brine discharge pipeline is needed to convey brine or concentrate from the desalination plant to the headworks of the PCA's outfall, where it will mix with effluent from the PCA's regional treatment plant and be discharged to the ocean through the existing outfall diffusers. For this Project, Proposers are responsible for the portion of the pipeline that is shown on the drawings included as part of the draft Contract.

The Salinas Valley return pipeline is needed to convey desalinated water to the Salinas Valley Groundwater Basin. For this Project, Proposers are responsible for the portion of the pipeline that is shown on the drawings included as part of the draft Contract.

The transfer pipeline, ASR extension pipelines, and Monterey pipeline are required to deliver desalinated (product) water from the pumps at the desalination plant into a 36-inch diameter product water pipeline and to deliver water to and from the ASR facilities. For this Project, Proposers are responsible for the portion of the pipelines outside the fence line of the desalination plant.

Terminal Reservoirs:

CAW is proposing to construct a terminal reservoir consisting of two (2) storage reservoirs, three (3) million gallon (MG) each for a total storage volume of six (6) MG. The terminal reservoir is located on the former Ft. Ord site. The project components include the following major elements:

Item	Component	Dimensions	Diameter
6	Terminal Reservoir - 2 tanks and related civil work and electrical work	3 MG (ea)	130'
	Inlet/Outlet Pipelines	1,711' (ea)	16"
	Drain Pipeline	879'	30"

Booster Pump Stations:

The Booster Pump Stations component of the Project includes two (2) facilities: the Monterey Pump Station and the Valley Greens Pump Station. These facilities include the following major elements:

Item	Component	Capacity (GPM)
7A	Monterey Pump Station and related civil work, electrical, and piping work	6,300
7B	Valley Greens Pump Station and related civil work, electrical, and piping work	2,500

2.3.3 Other Non-Project MPWSP Components

Simultaneously with the implementation of the Project, CAW will separately implement significant desalination infrastructure that is necessary for the MPWSP to operate commercially. These improvements include development of the source water slant intake wells and construction of the desalination plant. CAW anticipates that construction of these improvements and the Project will commence at the same time when all permits are issued. The Project components

are required to be completed prior to the time that the plant will be ready for acceptance testing. An anticipated schedule for implementation of the MPWSP components is provided below:

	<u>Start</u>	<u>Finish</u>
MPWSP PROJECT	4/23/2012	4/30/2019
File with CPUC	4/23/2012	3/31/2016
Permitting	4/23/2012	Q3-Q4 2016
Design	3/25/2013	Q4 2015 – Q1 2016
CPUC Approval	4/23/2012	February 2016
Coastal Commission Approval	4/23/2012	Q3-Q4 2016
Feedwater Test Slant Well	4/23/2012	Complete
Desalination Plant Procurement	2012	Complete
Conveyance Facilities Procurement	2015	Q4 2015
Slant Well Driller Procurement	Q3 2015	Q4 2015
Construction / Startup / Operation	Q4 2016	Q4 2017 – Q4 2018

2.4. AVAILABLE REPORTS AND MATERIALS

Certain Project, Project Site-related, and relevant background information are available for review by the Proposers at the MPWSP Website. The following documents are (or will be) available for review on the MPWSP Website:

- Geotechnical Baseline Report
- Governance Committee Agreement
- MPWSP DEIR, April 2015
- Project Procurement documents, drawings, specifications, and other material

2.5. ACCURACY OF RFP AND RELATED DOCUMENTS; RELIANCE ON ORAL COMMENTS

Except as specifically set forth in the draft Contract, CAW neither makes any representation or warranty with respect to nor assumes any responsibility for the appropriateness, completeness or the accuracy of this RFP or any of the related documents, addenda or information provided in connection with this RFP, including the available reports and materials provided on the MPWSP Website. Under no circumstances shall a Proposer to this RFP rely on oral statements made on behalf of CAW or any of their respective agents, employees, contractors, advisors or consultants. To the best of its ability, CAW has tried to provide timely and up-to-date information; however, CAW cannot guarantee the accuracy or completeness of all data provided. Thus, Proposers are cautioned to use their best judgment in determining how to use the data and information provided, and whether or not further independent research and due diligence is required for the

preparation of their Proposals and the subsequent delivery of the construction work under the Contract. Except as specifically provided in the Contract, no information derived from any part of the foregoing documents, this RFP or from CAW or any of their respective agents, employees, contractors, advisors or consultants shall relieve the Contractor from any risk or from fulfilling all terms of the Contract.

2.6. PROJECT SITE

2.6.1 Project Site Description

The Project Site consists of multiple locations which are shown on the design drawings. Refer to the MPWSP website and the draft Contract for additional details and information about the Project Site locations.

2.6.2 Project Site Preparation

CAW does not intend to perform any Project Site preparation work prior to entering into the Contract with the Contractor.

2.6.3 Project Site Access during the Proposal Period

CAW will provide appropriate opportunities to each Proposer, at its own cost and expense, to visit the Project Site locations. Proposers may only access the Project Site locations that are situated on private property after obtaining written authorization from CAW or the private property owner and may be required to enter into a site access agreement with CAW or the private property owner as a condition of such authorization.

2.6.4 Geotechnical Testing

CAW has undertaken geotechnical testing at certain Project Site locations that is set forth in the Geotechnical Baseline Report which is available for review on the MPWSP website. Proposers shall assume subsurface geotechnical conditions at the Project Site locations as reflected in the Geotechnical Baseline Report.

2.7. SCOPE OF WORK

The required scope of work is set forth in detail in the draft Contract and is summarized below.

2.7.1 Construction Requirements

The required scope of work is set forth in the technical specifications and drawings included in the draft Contract.

Bid packages for the Project are included in Appendix 1 of this RFP. For purposes of the bid packages, the Project has been divided into seven components.

2.7.2 Basic Performance Requirements

The Contract will require the Contractor to provide a quality assurance and quality control program during the construction of the Project. In performing the construction work, the Contractor shall comply with the Contract, which includes all requirements of applicable law.

2.7.3 Environmental Compliance

The Contractor will be required to conduct its construction activities consistent with the FEIR and such that no action or inaction on the part of the Contractor will result in non-compliance with any mitigation requirements, environmental and cultural constraints and stipulations included in permits, easements and other grants of access to property owned by federal and state governments and by private concerns. The Contractor will be required to prepare and implement strategies to mitigate unavoidable impacts and otherwise comply with all applicable mitigation requirements. The DEIR was issued in April 2015 and the FEIR for the MPWSP is expected in October 2015 with certification of the FEIR by February 2016. For purposes of preparing their Proposals, Proposers will be required to review the mitigations in the DEIR and submit proposals based on the applicable environmental mitigation measures set forth in the DEIR. The environmental mitigation measures contained in the FEIR for the MPWSP will, if needed, be incorporated into the Contract as a Change Order following issuance of the FEIR.

2.7.4 Construction

The Contractor will have full responsibility for construction of the Project, including safety of the Project Site and the construction work and all means and methods of construction. All construction work will be required to conform to the requirements set forth in the draft Contract. The Contractor will be required to perform all Work in compliance with the Contract, including all environmental and other stipulations, conditions and mitigation requirements set forth in the various requirements and permits, approvals and grants of rights to CAW property access and use. The Contractor will be required to provide for the observation of its construction work by CAW and regulatory agencies.

2.7.5 Acceptance Testing

The Contractor will be required to successfully complete acceptance testing of the Project as set forth in the draft Contract.

2.7.6 Quality Management

To help ensure that a comprehensive and effective construction quality management plan is implemented by the Contractor to achieve CAW objectives and that the contractual requirements pertaining to quality are met, certain minimum requirements for the construction quality management plan are set forth in of the draft Contract. Proposers must include a construction quality management plan meeting the minimum requirements of the draft Contract as part of their Proposals. The selected Proposer's plan, as revised following successful negotiation between CAW and the selected Proposer, will be incorporated into the draft Contract.

2.7.7 Operation and Maintenance Training

The Contractor will be required to train CAW employees prior to substantial completion, as more fully described in of the draft Contract.

2.7.8 Purpose and Scope

The scope of work described in this section is reflected in the draft Contract included with this RFP. The draft Contract shall serve as the intended form of the contract between CAW and the Contractor. Specific information from the selected Proposal will be incorporated into the final Contract including, but not limited to, pricing, and the Contract Times.

The Contract will contain the entire agreement between the parties with respect to the construction work.

2.7.9 Proposed Changes to the Draft Contract

Proposers may request changes to the terms and conditions of the draft Contract (excluding technical specifications and drawings) included with this RFP in writing during the Proposal process. Proposers are encouraged to submit any such requests in advance of the pre-Proposal meeting as described in Section 3.1.1. Following the pre-Proposal meeting, CAW may issue an addendum which reflects any changes to the draft Contract that CAW is willing to accommodate.

CAW requests Proposers to base their Proposals on the terms and conditions set forth in the draft Contract as amended by any addendum. Acceptance of the terms and conditions of the draft Contract will be a factor in the evaluation of Proposals, as detailed under Section 5 of this RFP. CAW recognizes, however, that Proposals may be conditioned on the mutual resolution of particular issues.

To the extent that a Proposer intends to condition its Proposal on particular changes to the draft Contract, such changes shall be identified through submission of a markup version of the draft Contract in a Microsoft Word document using track changes. Proposers are cautioned that significant deviations from the terms and conditions set forth in the draft Contract may result in fewer or no points being awarded to the Proposer under the business terms and conditions evaluation criterion. In addition, to the extent that proposed changes to the terms and conditions substantially change the nature of the transaction or the scope of Work, CAW may reject the Proposal in its sole discretion as non-responsive to the requirements of this RFP.

In evaluating proposed terms and conditions, CAW will assume that the Proposer's markup includes all suggested changes and that the Proposer accepts all terms and conditions that are not specifically addressed in the tracked changes draft. Except with respect to changes in law occurring between the Proposal date and the Effective Date of the Contract, CAW does not intend to discuss or negotiate any issue, term or condition that is not specifically identified in the Proposer's markup. If the Proposer selected for negotiations raises any such issue, term or condition, CAW reserves the right to suspend or terminate negotiations with the selected Proposer and to commence negotiations with the next highest ranked Proposer. The process for the negotiation of the Contract is further described in Section 3.11 of this RFP.

2.8. UTILIZATION OF WOMEN, MINORITY, AND DISABLED VETERAN OWNED BUSINESS ENTERPRISES

CAW acknowledges the contributions of women, minority and disabled veteran business enterprises (“WMDVBE”) to California’s economy, in part, through CPUC General Order 156. In accordance with CPUC General Order 156, CAW is committed to promote and facilitate full participation in these programs.

CAW has established a combined WMDVBE participation goal for the Project of twenty-five percent (25%) of the Contract Price.

Proposers must prepare and submit a WMDVBE subcontracting commitment utilization and reporting plan (“WMDVBE Utilization Plan”) as part of its response to this RFP. The WMDVBE Utilization Plan is a written commitment to contract with WMDVBES that have been certified through the CPUC’s Supplier Clearinghouse, as part of the Project.

CAW will require that the Contractor monitor and report the continued implementation of the WMDVBE program goals, as stated in the WMDVBE Utilization Plan, throughout performance of the Contract.

2.9. UTILIZATION OF LOCAL CONTRACTORS AND SUPPLIERS

CAW acknowledges the benefit that the local community receives through utilization of local contractors, laborers, and suppliers.

Proposers must prepare and submit a local resources utilization and reporting plan (“Local Resources Utilization Plan”) as part of its response to this RFP. The Local Resources Utilization Plan is a written commitment to contract with local contractors, subcontractors, sub-consultants, vendors, suppliers, and labor forces. The Contractor will be required to make a good faith effort to employ qualified individuals who are, and have been for at least one year out of the three years prior to the opening of Proposals, residents of Monterey County, San Benito County, or Santa Cruz County in sufficient numbers so that no less than fifty percent (50%) of the Contractor’s total construction work force, including any Subcontractor work force (with exception of specialty subcontractor items), measured in labor work hours, is comprised of residents of such counties.

CAW will require that the Contractor monitor and report the continued implementation of the Local Resources Utilization Plan throughout performance of the contract.

2.10. LABOR COMPLIANCE AND PREVAILING WAGE

Proposers must comply with all applicable requirements of the California Labor Code, the Department of Fair Employment and Housing regulations set forth in CCR, title 2, sections 8101 *et seq.* Proposer Nondiscrimination and Compliance (2 CCR §§ *et seq.*), and with all applicable federal labor requirements.

CAW has the responsibility for financing the Project. CAW anticipates that a portion of the funding will come from the State's revolving loan program. Prevailing wages must be paid on projects receiving such funding. Proposers, therefore, will be required to pay prevailing wages.

Pursuant to Section 1773 of the California Labor Code, the general prevailing wage rates in the county in which the construction is to be performed is determined by the Director of the California Department of Industrial Relations ("DIR"). The general prevailing wage rates for this Project are available from the DIR's website at <http://www.dir.ca.gov>, copies of which are on file at the offices of CAW and are available to any interested party upon request. Future effective general prevailing wage rates, which have been predetermined and are on file with the DIR, are referenced but not printed in the general prevailing wage rates.

The Project may be subject to a statutory requirement to adopt and enforce a labor compliance program for the monitoring and enforcement of prevailing wage requirements.

2.11. EQUAL EMPLOYMENT OPPORTUNITY

Proposers shall not, in connection with the RFP, the Proposal or the Contract, discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status or disability. Proposers shall take affirmative action to ensure that neither employees nor applicants for employment are discriminated against on the basis of race, color, religion, sex, national origin, age, marital status, ethnic group identification, sexual orientation, residence or disability. The areas requiring such affirmative action shall include, but not be limited to, the following: layoffs or terminations; pay rates or any other form of compensation; employment; job assignments; promotions; demotions; transfers; recruitment or recruitment advertising; and selection for training, including apprenticeships, pre-apprenticeships and on-the-job training.

2.12. LICENSING REQUIREMENTS

Proposers, including all major participants of a Proposer's team, shall possess all licenses applicable to the Project at the time of Proposal submittal. No Proposer may propose on work of a kind for which Proposer is not properly licensed, and any such proposal received will be rejected. The Proposal shall contain evidence that the Proposer, including all major participants, is properly licensed in accordance with the laws of the State of California. Members of the Proposer's team that are not major participants must be licensed no later than the time of execution of a subcontract with the Contractor. All joint ventures must have a joint venture license in compliance with Sections 7029 and 7029.1 of the California Business and Professions Code prior to execution of the Contract.

2.13. EXAMINATION OF CONTRACT DOCUMENTS AND PROJECT SITE

2.13.1 Proposer's Responsibilities

It is the responsibility of each Proposer before submitting a Proposal to:

1. Examine, with appropriate care and diligence, the RFP (including any addenda), and material posted on the MPWSP website and inform itself with respect to any

and all conditions that may in any way affect the amount or nature of its Proposal or the performance of the Work, if Proposer enters into the Contract with CAW. The Transmittal Letter (Proposal Form 1) includes an acknowledgment that Proposer has received and reviewed all materials posted thereon. Any failure of Proposer to so examine and inform itself shall be at Proposer's sole risk, and CAW will provide no relief for any error or omission thereto;

2. Become familiar with the Project Site and the general, local or other conditions that may affect cost, progress, performance or furnishing of the Work;
3. Become familiar with and satisfy all applicable law that may affect cost, progress, performance or furnishing of the Work; and
4. Promptly notify CAW of all conflicts, errors, ambiguities, or discrepancies that Proposer has discovered in the RFP.

2.13.2 Site Visits

CAW will make an optional escorted visit to the key Project Site locations (reservoirs) available to Proposers as set forth in Section 2.6.3. The duration of the Project Site visit will be between four (4) and eight (8) hours, at the discretion of CAW. CAW will provide written notification of the meeting location and other logistical information following a request for a visit.

During Project Site visits, Proposers may ask questions limited to those regarding the Project Site, and CAW may provide responses. All questions shall be recorded by CAW personnel, and written responses will be issued in an addendum to all Proposers. Only official addenda issued by CAW are binding.

2.14. CHANGES IN PROPOSER'S ORGANIZATION

For any Proposer to remain qualified to submit a Proposal after it has been qualified, the Proposer's organization as represented in its SOQ must remain intact for the duration of this procurement, unless otherwise approved in writing by CAW. Each Proposal shall include a completed Proposal Form 6, Verification of Statement of Qualifications Information.

If a Proposer wishes to change the organization represented in its SOQ (by adding, removing, or substituting an equity ownership interest, major participant or Key Personnel identified in its SOQ, or by changing the role of one of these entities or individuals), Proposer must submit to CAW a written request to change its organization.

CAW is under no obligation to approve such requests and may approve or disapprove in writing a portion of the request or the entire request at its sole discretion.

2.15. SECURITY FOR PERFORMANCE

The Contractor will be required to provide the following security for performance in connection with the Project: Payment and performance bonds in an amount equal to the Contract Price.

2.16. PROPOSAL BOND

Each Proposal shall include a cashier's check, certified check, or a bond (the "Proposal Bond") made payable to the "California-American Water Company," in an amount equal to at least twenty percent (20%) of the proposed Contract Price. CAW will not consider any Proposal unless one of the forms of Proposer's security is enclosed therewith. If Proposer's security is a Proposal Bond, it must be executed using Proposal Form 22.

Each Proposal Bond will be retained until the Contract has been fully executed, after which the Proposal Bond for each unsuccessful Proposer, except those Proposal Bonds which have been forfeited, will be returned to the respective Proposers. The Proposal Bond for the successful Proposer shall be returned at such time as Proposer has satisfied all conditions of execution set forth in the Contract.

The Proposal Bond shall be executed as surety by a corporation authorized to issue surety bonds in the State of California, with a rating of A- or better and a Financial Size Category of VIII or better by A.M. Best Company.

Proposer understands and agrees that CAW shall have the right to draw on the Proposal Bond in its entirety if the Proposer:

1. withdraws, repudiates or otherwise indicates in writing that it will not meet all or any part of its commitments made in its Proposal;
2. is selected for negotiation of the Contract, but fails to negotiate in good faith, or otherwise fails to meet the conditions of award and execution as set forth in this RFP; or
3. the occurrence of any other forfeiture event or condition set forth in the Proposal Bond.

Each Proposer, by submittal of its Proposal, shall be deemed to have agreed to the foregoing.

SECTION 3

DESCRIPTION OF PROCUREMENT PROCESS

3.1. PROCUREMENT PROCESS SCHEDULE

A summary schedule of the major activities associated with this procurement process is presented below. This procurement schedule is based on CAW's intent to execute a Contract to be effective by October 31, 2015. The deadline is based on CAW's objective to initiate operation of the Project by, or as close to, September 31, 2016 as possible.

RFP Process	Approximate Date
RFP and draft Contract issued to Pre-qualified Respondents	July 9, 2015
Mandatory RFP Pre-Proposal meeting	August 4, 2015
Written questions and comments on RFP and draft Contract due	August 7, 2015
CAW issues addendum to RFP, and draft Contract if any, and distributes answers to written questions	August 14, 2015
Project Proposals due	September 1, 2015
Final draft Contract and all Proposals to Governance Committee for recommendation	September 16, 2015
Selection of preferred Proposer	September 30, 2015
Contract Execution	October 31, 2015

Proposers are encouraged, but not required, to submit written questions or comments on the RFP or draft Contract in advance of the pre-Proposal meeting with CAW in order to facilitate discussion. Where written comments or submittals are required, all such documents shall be submitted no later than 3:00 p.m. PDT on the day specified. CAW reserves the right to modify any or all of the above dates at its sole discretion at any time during this procurement process.

3.1.1 Pre-Proposal Meeting

As set forth in the schedule included in Section 3.1 above, CAW will hold a pre-Proposal meeting with all qualified Proposers. This meeting is intended to, among other things, allow Proposers to raise questions or comments on the RFP or draft Contract. Following the meeting, CAW will (i) inform all Proposers if any changes which were discussed at the meeting will be entertained and (ii) issue an addendum to reflect changes to the draft Contract. Proposers are encouraged to submit information regarding any proposed changes at least three business days in advance of the meeting in order to maximize the value of the discussions at the meeting.

3.2. SELECTION COMMITTEE

The Selection Committee, which is comprised of individuals selected by CAW, will review and evaluate the Proposals submitted and select the most advantageous Proposer(s) based upon the criteria detailed in Section 5 of this RFP.

3.3. CAW RIGHTS AND OPTIONS

This RFP constitutes an invitation to the Pre-qualified Respondents to submit Proposals to CAW. CAW reserves, holds without limitation and may exercise, in its sole discretion, the rights as set forth below. Such rights are in addition to and shall not serve to limit any of the specific rights and conditions set forth in this RFP. By responding to this RFP, Proposers acknowledge and consent to the following CAW rights:

1. CAW reserves the right to waive any defect, technicality or any other minor informality or irregularity in any Proposal.
2. CAW reserves the right to eliminate any Proposer that submits an incomplete or inadequate response, or is not responsive to the requirements of this RFP, or is otherwise deemed to be unqualified during any stage of the procurement process.
3. CAW reserves the right to prepare and issue such amendments and addenda to this RFP prior to the deadline for receipt of all Proposals, including any amendments or addenda that may expand or cancel any portion or all of the work described in this RFP.
4. CAW reserves the right to receive questions concerning this RFP from Proposers and to provide such questions, and CAW's responses, if any, to all Proposers.
5. CAW reserves the right to request clarifications of information submitted in the Proposals.
6. CAW reserves the right to modify or terminate the procurement process by written notice to the Proposers for any reason whatsoever.
7. CAW reserves the right to change or alter the schedule for any events associated with this procurement process upon notice to the Proposers, including, without limitation, the date for receipt of Proposals or any other deadlines and dates set forth in this RFP.
8. CAW reserves the right to issue subsequent RFPs.
9. CAW reserves the right to conduct investigations with respect to the experience of any team member included in a Proposal and to request additional evidence to support any such information.
10. CAW reserves the right to visit and examine any of the facilities referenced in the Proposals or SOQs and to observe and investigate the operations of such facilities.

11. CAW reserves the right to interview one or more of the Proposers, in CAW's sole discretion, in order to obtain clarification of information provided by the Proposer.
12. CAW reserves the right to amend the Work described in the draft Contract, at any time, to omit Work therein or to include Work not currently contemplated therein.
13. CAW reserves the right to determine the selected Proposer with whom to negotiate the Contract.
14. CAW reserves the right to discontinue negotiations with the selected Proposer and commence negotiations with the next ranked Proposer.
15. CAW reserves the right to enter into, or decline to enter into, the Contract with the selected Proposer following negotiations.
16. CAW reserves the right, for any reason, to decide not to award a Contract as a result of this procurement process.
17. CAW reserves the right to decide on the most appropriate method for Project implementation, which may include discontinuation of this procurement process and development of the Project via another process elected by CAW.

3.4. EXPENSE OF PROPOSAL PREPARATION

CAW accepts no liability for the costs and expenses incurred by the Proposers in responding to this RFP, responding to clarification requests and attending discussion meetings, preparing any re-submittals, attending potential interviews and negotiations, and any other activities included as part of this procurement process. Each Proposer that enters into the procurement process shall prepare the required materials and submittals at its own expense and with the express understanding that it cannot make any claims whatsoever for reimbursement from CAW or from any of its employees, advisors or representatives for the costs and expenses associated with the process, including, but not limited to, costs of preparation of the Proposal, loss of anticipated profits, loss of opportunity or for any other loss, cost or expense.

3.5. ADDENDA TO RFP

During the period provided for the preparation of Proposals, CAW may issue addenda clarifying or modifying this RFP. Such addenda will be numbered consecutively and will be distributed to Proposers. All RFP addenda will be issued by, or on behalf of, CAW and will constitute a part of this RFP. A list of addenda will be kept on the MPWSP Website. CAW recommends that prior to submitting its Proposal, a Proposer should contact the Procurement Contact (defined below) to verify the number and subject of the addenda that have been issued. The Proposer shall be responsible for obtaining all addenda prior to submitting a Proposal.

3.6. COMMUNICATIONS PROTOCOL

To ensure fairness during the procurement process, until the Contract is executed or all Proposals are rejected, Proposers and their employees, representatives and agents shall not contact any

CAW employee (other than the Procurement Contact); any ineligible firm identified in the RFQ; any County of Monterey official, representative or staff member; any Monterey Peninsula Regional Water Authority official, representative, technical advisory committee member or staff member; or any Monterey Peninsula Water Management District official, representative or staff member on any matter relating to the Project, the MPWSP or this procurement process. Proposers, however, may contact, discuss with, or inquire of any permitting agency, including those identified above, about the Project or the MPWSP but only for the limited purpose and within the limited scope of obtaining information relating to the permitting requirements for the Project. Failure to adhere to these requirements may result in disqualification from the procurement process.

All formal questions regarding interpretations or clarification of the meaning of any part of this RFP or other documents provided by CAW shall be made in writing or by email to Lori Girard and Ian Crooks (the "Procurement Contact") at the following address:

CALIFORNIA AMERICAN WATER
511 FOREST LODGE ROAD, SUITE 100
PACIFIC GROVE, CA 93950
Attn: Lori Girard, Corporate Counsel; Ian Crooks, Engineering Manager
lori.girard@amwater.com; ian.crooks@amwater.com

The Proposers shall submit questions and requests for clarifications no later than 5:00 p.m. PDT on the date indicated in Section 3.1 of this RFP. All questions and clarification requests shall be in writing, and Proposers are encouraged to submit such questions and clarification requests in advance of the above deadline. Only answers issued by formal written addenda or as posted on the MPWSP Website shall be binding upon CAW. Oral and other interpretations or clarifications shall not be binding and Proposers shall not rely on any such responses.

3.7. USE OF TECHNICAL INFORMATION

By submitting a Proposal, Proposers agree that regardless of whether CAW awards the Contract, CAW shall have the right to use (or permit the use of) all information submitted pursuant to this RFP, including the data, information, concepts and ideas contained therein, without any requirement of providing compensation to the Proposer, for all purposes associated with the continued development, implementation, operation or expansion of the Project. Notwithstanding the foregoing, other than the use of data, information, concepts and ideas contained in the selected Proposer's Proposal for the Project, CAW agrees that any such use of Proposals by CAW without the applicable Proposer's consent shall be at the sole risk of CAW.

3.8. INFORMATION DISCLOSURE TO THIRD PARTIES

Per section V(D) of the Governance Committee Agreement, at the appropriate time CAW will provide the Governance Committee a copy of all responsive SOQs and Proposals received, except for any proprietary information provided by Proposers submitting responsive SOQs and Proposals. If a Proposer identifies proprietary information in its Proposal, CAW will use reasonable efforts to hold in confidence such proprietary information. Notwithstanding the foregoing, CAW will not be responsible or liable in any way for any losses that the Proposer may

suffer from the disclosure of information or materials to third parties. Any proposed pricing shall not be considered proprietary information.

CAW will notify the Proposer of any requests under applicable law to disclose any information identified by a Proposer as proprietary. However, it is the responsibility of the Proposer, as the real party in interest, to defend its basis for exemption from disclosure of such information in accordance with applicable law.

3.9. CAW RIGHT TO EXAMINE REFERENCE FACILITIES

CAW may examine any of the facilities referenced in the Proposals or in the SOQs. CAW strongly desires not to travel outside of the United States in order to examine a facility. Proposers should therefore identify creative ways for CAW to view facilities (e.g., by means of a video conference, video tape, etc.). The intent of such an examination would be, among other things, to observe and investigate the facility's ongoing quality with respect to operations and maintenance, to observe the quality of construction, to obtain the owner's perspective of how well the Proposer team worked with the owner throughout the project, to evaluate specific equipment or processes used in that project, and to determine whether there were problems encountered during start-up and acceptance of the selected facility.

3.10. EVALUATION AND RANKING OF PROPOSALS

The Selection Committee will evaluate the Proposals in the manner set forth in Section 5 of this RFP. The results of the evaluation will be a selection of the most advantageous Proposer.

The Selection Committee will: (i) review the Proposals; and (ii) rank the Proposals using the criteria detailed in Section 5 of this RFP.

The evaluation of the technical and financial qualifications shall be based on the Proposals received in compliance with this RFP (including previously submitted SOQs) and an analysis of other publicly available information with respect to the Proposers. CAW may conduct such investigations, interviews, and site visits as it deems necessary to assist in the evaluation of any Proposal, and to establish to CAW's satisfaction with the responsibility, qualifications, and financial ability of any Proposer.

3.11. NEGOTIATION OF CONTRACT

The Proposer selected for negotiations shall be determined based upon the evaluation and ranking of the Proposals by the Selection Committee consistent with the requirements set forth in this RFP.

Proposers are reminded that, pursuant to Section 3.3 of this RFP, acceptance of any suggestions included in the Proposer's mark-up of the draft Contract submitted by the Proposer is at CAW's sole discretion and that CAW does not intend to discuss or negotiate any issue, term or condition that is not specifically identified therein. At any time during the negotiation process, CAW may decide that it is in CAW's best interests to terminate negotiations with the selected Proposer. In such event, CAW may elect to commence negotiations with the next highest ranked Proposer, to terminate this procurement, or to re-solicit proposals under this, or a different, RFP. As shown

on the schedule set forth in Section 3.1, CAW does not intend to have an extended period of negotiation.

Following the negotiation of the Contract and review of the Contract by the Governance Committee pursuant to the Governance Committee Agreement, CAW intends to execute the Contract.

SECTION 4

PROPOSAL REQUIREMENTS

4.1. OVERVIEW OF SUBMISSION REQUIREMENTS AND CRITERIA FOR PROPOSALS

Proposers shall submit a fully developed Proposal in accordance with the instructions provided in this Section.

Proposals shall meet or exceed the construction requirements provided in the Contract.

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

4.2. PROPOSAL FORMAT

Each Proposal shall be spiral bound (or similar) and shall consist of four sections in accordance with the format outlined below. Narrative pages shall be 8-1/2 inches by 11 inches, printed on one side only and typed with a minimum 11-point font (unless otherwise stated). All descriptive text on diagrams and figures must be easily readable. Proposers shall incorporate graphics (*e.g.*, process flow diagrams and drawings) as necessary to clearly present their Proposals. A clear and concise presentation of information is encouraged within the size limitations established for the Proposal. Proposals shall be in the English language.

Failure of the Proposer to organize the information as required by this Section of this RFP may result in rejection of the Proposal by CAW, in its sole discretion, deeming the Proposal unresponsive to the requirements of the RFP. Proposers may reduce the repetition of identical information within the several sections of Proposals by making the appropriate cross-references to other sections of their Proposals and Proposal Forms.

The complete Proposal format requirements are outlined as follows:

Section 1.0 Executive Summary

- A. Proposal Form 1: Transmittal Letter
- B. Executive Summary
- C. Proposal Form 2: Non-Collusion Affidavit
- D. Proposal Form 3: Disclaimer Statement

Section 2.0 Project Team Information

- A. General Project Team Information

- B.** Proposal Form 4: Key Personnel
- C.** WMDVBE Utilization Plan
- D.** Local Resources Utilization Plan
- E.** Proposal Form 5: Verification of SOQ Information
- F.** Proposal Form 6: Financial Capacity Data
- G.** Proposal Form 7: Surety Letter of Intent to Issue a Performance Bond
- H.** Proposal Form 8: Surety Letter of Intent to Issue a Payment Bond
- I.** Proposal Form 9: Insurance Company Letter of Intent
- J.** Additional Financial Information

Section 3.0 Technical Proposal

- A.** Proposal Form 10: Preliminary Project Construction Schedule, Scheduled Construction Milestone Dates, and Scheduled Acceptance Date
- B.** Plan for Acceptance Testing

Section 4.0 Business and Price Proposal

- A.** Summary of Business Proposal
- B.** Bid Packages
- C.** Proposal Form 11: Acceptance of Contract
- D.** Proposal Form 12: Form of Proposal Bond

4.3. PROPOSAL SUBMISSION

4.3.1 Proposal Deadline

All Proposals, including all attachments, shall be delivered in a sealed package addressed to:

CALIFORNIA AMERICAN WATER
511 FOREST LODGE ROAD, SUITE 100
PACIFIC GROVE, CALIFORNIA 93950
Attn: Lori Girard, Corporate Counsel

The Proposal shall include the following information on the outside of the envelope(s) or box(es): (1) Name of Proposer and (2) "Proposal for Conveyance Facilities of the Monterey Peninsula Water Supply Project". Proposals will not be opened publicly.

The Proposals, including applicable Proposal Forms, shall be signed and acknowledged by the Proposer in accordance with the instructions herein. Proposals shall be delivered to and be received by CAW at the above address **on or before 3:00 pm PDT on September 1, 2015**. Any Proposal received after that time may be returned unopened to the Proposer.

4.3.2 Number of Copies

One original, five (5) hard copies, and two (2) CD-ROMs or two (2) thumb drives of each Proposal shall be submitted. All Proposals shall be complete, with all requested information, data and attachments. One copy of the Proposal must be clearly marked as the original and must contain the original signature forms and other original documents. The remaining copies of the Proposal may be reproductions and Proposers shall number each hard copy in sequential order on the upper right corner of each cover. The original shall be accompanied by electronic version thereof with all files in Microsoft Word® or Portable Document Format (“PDF”), as appropriate, with any drawings and diagrams presented in PDF. The typed, hardbound Proposals shall take precedence over the electronic version in the event of any inconsistencies between the two formats.

4.4. PROPOSAL CONTENTS

The Proposer shall provide the appropriate information in accordance with the content and format requirements set forth in each of the following submission subsections.

Proposers are advised that, if selected, as part of the Contract negotiation phase, portions of the information contained in its Proposal will be included or integrated into the Contract, as negotiated by the parties based on the RFP and Proposal.

4.4.1 Section 1.0: Executive Summary

A. Proposal Form 1: Transmittal Letter

Each Proposal must include one fully executed and notarized Transmittal Letter from the Proposer acknowledging, among other things, that the Proposer has completely reviewed and understands and agrees to be bound by the requirements of this RFP and has received all addenda. Such letter commits the Proposer, if selected, to carry out the provisions of the Proposal. The Transmittal Letter shall be submitted on the Proposer’s letterhead in the form of Proposal Form 1 and signed by a representative of the Proposer who is empowered to sign such material and to commit the Proposer to the obligations contained in the Proposal (the “Designated Signatory”). The Certificate of Authorization (Attachment 1 to the Transmittal Letter) attesting to such authorization must also be submitted with the Transmittal Letter. If the Proposer is a partnership, the Proposal shall be signed by one or more of the general partners. If the Proposer is a corporation, an authorized officer shall sign his or her name and indicate his or her title beneath the full corporate name. If the Proposer is a joint venture, each firm in the joint venture shall sign the Transmittal Letter. If the Proposer is a limited partnership or a limited liability company, the Proposal shall be executed by the managing partner(s) or managing member thereof. Anyone signing the Proposal or any Proposal Form as agent must file with it legal evidence of his or her authority to execute such Proposal or Proposal Form. The Designated Signatory shall sign all forms that require the signature of the Proposer. The

Transmittal Letter must also contain a listing of all firms that are part of the Proposer's Project team (Attachment 2 to the Transmittal Letter) and a listing of all applicable licenses (Attachment 3 to the Transmittal Letter). A summary of the role for each member of the Proposer's Project team shall be included.

B. Executive Summary

The Proposer shall submit an executive summary detailing the key aspects of the Proposal. The executive summary should include a clear statement of the Proposer's understanding of the RFP, identify the Proposer's key team members and their respective roles with respect to the proposed Project, briefly describe the proposed processes, and summarize the other significant aspects of the Proposal noting how the Proposer meets the requirements of the RFP and the Contract. The executive summary shall include the following charts and diagrams:

- Project Team (8½" x 11", 1 page)
- Staging Plan (11" x 17", 1 page)

C. Proposal Form 2: Non-Collusion Affidavit

Proposers shall complete and sign Proposal Form 2, which acknowledges that the Proposal has been made and submitted in good faith and without collusion or fraud.

D. Proposal Form 3: Disclaimer Statement

Proposers shall be responsible for independently verifying the accuracy of all the information contained in the RFP. Proposers shall complete and sign Proposal Form 3 which releases CAW and CAW Representatives (as defined therein) from any and all claims arising from any information contained in or otherwise provided in connection with this RFP, except as otherwise specifically provided in the Contract.

4.4.2 Section 2.0: Project Team Information

A. General Project Team Information

The Proposal shall include a description of the Proposer, *i.e.*, the form of business structure (corporation, partnership, joint venture, etc.) that is proposed to serve as the contracting party. A Project organization chart is required which shall include a full-page diagram of the legal relationships between all parties of the Proposer's Project team and a clear description of the ownership structure of all Project team members. If the Proposer is a partnership or a joint venture, all members of the Proposer shall be listed. Proposers may not materially modify their ownership structure, as presented in their SOQ.

The Proposal shall identify the portions of the Project that will be undertaken directly by the Proposer and what portions of the Project will be subcontracted and to which firms (collectively, "Significant Subcontractors"). The Project organization chart shall also show all Key Personnel (identified on Proposal Form 5, below) and lines of authority.

The Proposer shall also identify any other entity, including, without limitation, any corporation, partnership, firm, joint venture, or individual to which the Proposer intends to assign material responsibilities under the Contract. At a minimum, the Proposal shall identify the parties that will undertake the various roles required to perform the Work.

The proposed contractual relationships between the Proposer and all major partners and Significant Subcontractors relative to the various phases of the Project (*e.g.* construction, commissioning) shall be outlined in the Proposal. CAW reserves the right to request copies of such contracts as part of the Proposal review process.

In addition, Proposers shall indicate the current workload of the key Project team members and shall provide a description of how the Project team will manage the workload in a manner that will assure the timely, cost-effective delivery of the Work.

B. Proposal Form 4: Key Personnel

The Proposer shall complete Proposal Form 4 for all Key Personnel, which shall include the following individual team members (as applicable):

1. Executive and Program Leadership;
2. Overall Project Manager;
3. Construction Superintendent;
4. Safety Manager;
5. QA/QC Manager;
6. Commissioning Manager.

Additional forms may be provided for other Key Personnel critical to completion of the Project. Where one individual or team member performs several functions, information shall be provided on immediate subordinates. The Proposers shall demonstrate that the Key Personnel include the appropriate mix of skills and disciplines, that there shall be assurance of continuity throughout performance of the Work, and that there is definitive authority vested in the appropriate individuals to fully execute the Project. The Proposer shall submit a statement attesting to the Proposer's commitment to keep the individuals so identified for the duration of the intended role in the Project for each individual. This commitment is to last as long as each individual remains in the employ of the Proposer, subject only to unavoidable personal circumstances affecting the Key Personnel. The Proposal shall identify where Key Personnel will be located during the execution of the Project.

Each Proposer shall recognize that its Key Personnel, along with the Significant Subcontractors and their key employees included in the previously submitted SOQ, were used as a basis for determining short-listed firms for eligibility to submit responses to this RFP. Therefore, any changes to the Proposer's proposed Project team from that presented in the SOQ, shall include a description of the proposed change and how the change makes the Proposer equally qualified or

better qualified than indicated by the previously submitted qualifications. Such changes may, at the sole discretion of CAW, result in disqualification of the Proposer if CAW determines that any such changes have adversely affected the Proposer's qualifications from those set forth in the previously submitted SOQ.

D. WMDVBE Utilization Plan

As described in Section 2.8 of this RFP, Proposers must prepare and submit a WMDVBE Utilization Plan as part of its Proposal. The WMDVBE Utilization Plan is a written commitment to contract with WMDVBES that have been certified through the CPUC's Supplier Clearinghouse, as part of the Project. CAW has established a combined WMDVBE participation goal for the Project of twenty-five percent (25%) of the Contract Price. CAW will require that the Contractor monitor and report the continued implementation of the WMDVBE program goals, as stated in the WMDVBE Utilization Plan, throughout performance of the Contract.

E. Local Resources Utilization Plan

As described in Section 2.9 of this RFP, Proposers must prepare and submit a Local Resources Utilization Plan as part of its Proposal. The Local Resources Utilization Plan shall include that the Contractor will make a good faith effort to employ qualified individuals who are, and have been for at least one year out of the three years prior to the opening of Proposals, residents of Monterey County, San Benito County, or Santa Cruz County in sufficient numbers so that no less than fifty percent (50%) of the Contractor's total construction work force, including any Subcontractor work force (with exception of specialty subcontractor items), measured in labor work hours, is comprised of residents of such counties. CAW will require that the Contractor monitor and report the continued implementation of the Local Resources Utilization Plan throughout performance of the Contract.

F. Proposal Form 5: Verification of SOQ Information

The information previously provided in the Proposer's SOQ shall be evaluated based upon the criteria identified in Section 5 of this RFP on a relative basis among the Proposers. Accordingly, each Proposer must update and reaffirm all aspects of its SOQ; or, if making changes, identify the changes and describe how such changes make the Proposer's qualifications equal or better than its previously submitted qualifications in its SOQ through completion and submission of Proposal Form 6. Any such changes must be consented to by CAW, in its sole determination, and CAW's decision as to whether or not such changes enhance or adversely affect the Proposer's qualifications shall be final.

In connection with Proposal Form 5, a Proposer may update the description of the reference facilities identified in its SOQ or may add additional reference facilities, as necessary to show that the Proposer has the experience necessary to perform the Construction Work. CAW may choose as part of the RFP process to visit any of the reference facilities identified in a Proposer's SOQ or any new reference facilities identified by the Proposer in its Proposal. If new reference facilities are added, a brief description of each added reference facility shall be provided, including a description of the Proposer's specific involvement. For each reference facility added, the Proposer shall provide at least the following information, as applicable:

1. the name and location;
2. the name, address, and telephone number of client contact;
3. the owner of the facility or system;
4. if regulated, the name, address, and telephone number of the regulator;
5. a description of the services performed;
6. the applicability and relevance of the reference facility to the Work;
7. a description of systems and processes, including design, size and capacity;
8. the history of operations, including start-up date and years of service; and
9. key contact information.

G. Proposal Form 6: Financial Capacity Data

Proposers shall complete and provide Proposal Form 6 in order to provide CAW with updated financial information from that submitted with the SOQ. Proposal Form 6 shall be completed separately by the Proposer and signed by an authorized official of the Proposer. The Proposer shall attach any additional financial information requested in Proposal Form 6, including audited financial statements and associated footnotes. If any information requested on Proposal Form 6 is not available, Proposers shall provide an explanation as to the absence of such information. As required in Proposal Form 6, the Proposer shall provide independently audited financial statements for the preceding three fiscal years and their most recently available quarterly financial statements and may request such financial information be treated confidentially in accordance with Section 3.7 of this RFP. If the Proposer provided the financial statements as part of its SOQ, the Proposer should only submit updates to those statements. Audited financial statements shall be presented in U.S. dollars and shall include the auditor's report, income statements, balance sheets, cash flow statements, accompanying footnotes and any required supplementary information. These statements shall be presented in U.S. dollars and shall be prepared in accordance with GAAP, including all relevant notes. CAW will accept statements prepared in accordance with a different financial standard (*e.g.*, IAS or European GAAP). However, such statements shall be presented in U.S. dollars, shall include all relevant notes in English and shall be accompanied by a general description of the differences between the principles under which the reports have been prepared and GAAP. If the Proposer does not file financial statements separately from its parent company, CAW will accept financial statements prepared for internal reporting purposes along with the parent's financial statements. If the Proposer is a special purpose ("SPE") or if the Proposer intends to utilize a SPE, then the Proposer shall provide at least three years of financial statements of the shareholders or partners of the SPE and, as applicable, the articles of incorporation, deed of partnership or articles of organization of the SPE.

If the Proposer is required to make periodic filings with the Securities and Exchange Commission ("SEC"), the Proposer shall submit any additional filings it has made since its

submission of the SOQ. This would include filings on Form 10-K and supporting documents, all quarterly reports filed with the SEC on Form 10-Q since the last 10-K was filed, and all reports filed with the SEC on Form 8-K since the last 10-K or 10-Q was filed, whichever is later.

H. Proposal Form 7: Surety Letter of Intent to Issue a Performance Bond

Proposal Form 8 shall be duplicated and provided on the official letterhead of the Proposer's surety company. The Proposer must provide a surety company that complies with the requirements set forth in Article 5 of the draft Contract. Proposal Form 8 acknowledges, among other things, that the Proposer's surety company has reviewed and understands the requirements of this RFP and the draft Contract and intends to issue a Performance Bond in favor of CAW as security for the performance of the Contractor's Work obligations under the Contract, as negotiated between the parties based on the RFP and Proposal.

The Performance Bond shall be issued by a surety company who is admitted to transact surety insurance in the State of California. Should an objection as to the sufficiency of an admitted surety on the Performance Bond be made, or if the Performance Bond is required to be approved, California Code of Civil Procedure paragraph 995.660 shall apply. The Performance Bond shall be in an amount equal to the Construction Price. Additional details regarding the Performance Bond requirements are provided in the draft Contract. CAW has determined that a dual obligee bonding arrangement is not appropriate for this Project.

I. Proposal Form 8: Surety Letter of Intent to Issue a Payment Bond

Proposal Form 9 shall be duplicated and provided on the official letterhead of the Proposer's surety company. The Proposer must provide a surety company that complies with the requirements set forth in Article 5 of the draft Contract. Proposal Form 8 acknowledges, among other things, that the Proposer's surety company has reviewed and understands the requirements of this RFP and the draft Contract and intends to issue a Payment Bond in favor of CAW as security for the performance of the Contractor's payment obligations in connection with the performance of the Work under the Contract, as negotiated between the parties based on the RFP and Proposal.

The Payment Bond shall be issued by a surety company who is admitted to transact surety insurance in the State of California. Should an objection as to the sufficiency of an admitted surety on the Payment Bond be made, or if the Payment Bond is required to be approved, California Code of Civil Procedure paragraph 995.660 shall apply. The Performance Bond shall be in an amount equal to the Contract Price. Additional details regarding the Payment Bond requirements are provided in Article 5 of the draft Contract.

J. Proposal Form 9: Insurance Company Letter of Intent

Proposal Form 11 shall be duplicated and provided on the official letterhead of the Proposer's insurance company. The Proposer must provide an insurance company that complies with the requirements set forth in Article 5 of the draft Contract. The Insurance Company Letter of Intent acknowledges, among other things, that the Proposer's insurance company has reviewed and

understands the requirements of this RFP and the draft Contract and that the insurance company intends to furnish the required insurance set forth in Article 5 and Exhibit L of the Contract, as negotiated between the parties based on the RFP and Proposal.

K. Additional Financial Information

In order to demonstrate the financial capacity to perform the Work, each Proposer shall update the financial information submitted with its SOQ for itself with respect to the Proposer’s near-term financial prospects as discussed below. In this section of the Proposal, discuss any recent, current, or anticipated changes in the Proposer’s method of conducting business, including mergers and acquisitions, take-over or divestitures. Proposers shall state whether there are or may possibly be any events or changes that might significantly alter the financial condition of the Proposer. This could include any material lawsuits or litigation, significant permit exceedances, and material contract disputes for other projects developed or operated by the Proposer or any Significant Subcontractor. Note, responses under this section of the RFP that are subject to knowledge qualifiers should reflect the knowledge of the Proposer and any Significant Subcontractor. Additionally, discuss any material financial disclosures, contingent liabilities (including operating performance guarantees for other entities) adjustments, and extraordinary expense items that have been disclosed over the past three-year period. For purposes of this paragraph and this RFP, “material” refers to any litigation or contract dispute determined to be material by the entities’ external auditors for financial statement disclosure or financial statement adjustment. Proposers shall include all such material information requested in this paragraph in this section of its Proposal.

In addition, in this section of the Proposal, Proposers may provide any other information of the Proposer that would assist CAW in evaluating the Proposer’s financial capabilities and long-term financial strength in accordance with Section 5 of this RFP.

4.4.3 Section 3.0: Technical Proposal

This section of the Proposal shall present the technical aspects of the Proposer’s plan to provide the Work. Each Proposer shall provide a description of the proposed Project and the information necessary to convey a clear understanding of the proposed systems and equipment, as well as a description of the approach to the performance of the Work in accordance with the requirements set forth in this Section. The Proposer’s technical submission shall be in sufficient detail so that CAW can ascertain the Proposer’s ability to comply with the performance and quality level requirements set forth in the Contract. The organization of the technical information submitted shall be in a format that can be easily incorporated into the Appendices for the finalization of the Contract.

A. Proposal Form 10: Preliminary Project Construction Schedule, Scheduled Construction Milestone Dates, and Scheduled Acceptance Date

The Proposer shall provide a list of proposed major milestones, durations and completion dates for major activities important to procurement, permitting, construction, and commissioning activities in Proposal Form 12. The list shall start with the Contract Date and end upon Final Completion and shall clearly indicate the extent to which the Proposer has included float in the

schedule. These major milestones, activity durations, and completion dates will comprise the Preliminary Project Schedule. The Proposer shall provide copies of this Preliminary Project Schedule in both written and electronic formats with the Proposal. The level of detail shall be summary level for major procurement, construction, commissioning and acceptance testing activities in accordance with the requirements specified in Proposal Form 10. The Proposer shall also guarantee the scheduled construction date and the scheduled acceptance date.

B. Contractor Plan for Transition and Acceptance Testing

The Proposal shall describe the Proposer's approach for making the transition from the construction Work to the Warranty Period under the Contract. The Proposer shall provide an overview of its approach for the transition in its Proposal as such transition plans may not be finalized. Requirements for commissioning and for training of CAW's staff are in Appendix 4 of the draft Contract.

4.4.4 Section 4.0: Business and Price Proposal

This section of the Proposal shall present the business and pricing aspects of the Proposal. While CAW anticipates entering into the Contract with the selected Proposer in accordance with the schedule set forth in Section 3 of this RFP, it is possible that the execution of the Contract will be delayed due to unforeseen circumstances. Final negotiations on price will be concluded after a Value Engineering team to include the selected contractor has been completed. The following subsections outline the information that shall be included in the Proposer's business and price submission.

A. Summary of Business and Price Proposal

Proposers shall provide a summary of the key aspects of its business and price proposal with reference to the applicable Proposal Forms, including the price Proposal Forms discussed below and the Proposal Forms required above with respect to the financial capacity of the proposed Project team.

B. Appendix 1: Bid Schedules

The Proposer shall complete the bid schedules provided in Appendix 1. The items listed on Appendix 1 are not intended to represent a complete listing of all equipment, systems, and infrastructure requirements to construct the Project. Proposers shall include additional items and remove inapplicable items, as appropriate, to add clarification of their Proposals.

The Bid Schedule prices shall include all costs for performing the construction work. The Bid Schedule Prices shall also include the costs associated with the Required Insurance, Performance Bond and Payment Bond, as well as any other costs associated with the construction work necessary to achieve Final Completion. Proposers shall propose their Bid Schedule Prices with the understanding that there is no intention on the part of CAW to request further "best and final offers" and that this proposed Contract Price (subject to adjustment as set forth in this subsection and the Contract) will be included in the Contract without further negotiation.

The total Contract Price and each line item price shall be inclusive of all applicable taxes (including California sales taxes on purchases of materials at the applicable tax rate). The Contractor will be responsible for paying all such taxes in accordance with applicable law.

The proposed Contract Price shall be subject to adjustment solely in accordance with the draft Contract.

C. Proposal Form 11: Acceptance of Contract

The Proposer shall complete Proposal Form 11 by agreeing to all of the terms and conditions of the draft Contract except for those suggested changes submitted as an attachment to Proposal Form 11. As indicated in Section 2.8.2 of this RFP, while CAW requests Proposers to base their Proposals on the terms and conditions set forth in the draft Contract included with this RFP, CAW recognizes that Proposals may be conditioned on the mutual resolution of specific issues identified in Proposal Form 13. Any requested changes that are conditions of the Proposal must be clearly identified as such. Please refer to Sections 2.7, 11 and 3.11 of this RFP for a discussion concerning CAW's expectations concerning the Contract and the negotiation process.

D. Proposal Form 12: Form of Proposal Bond

Proposal Form 12 shall be duplicated and provided on the official letterhead of the Proposer's surety company. The Proposer must submit an executed Proposal Bond in an amount equal to 20% of the proposed Contract Price and that complies with the requirements of Section 2.20.

4.5. PROPOSAL FORMS GENERALLY

To be deemed responsive to this RFP, Proposers shall provide all the requested information and complete all details provided in the Proposal Forms attached to this RFP. All Proposal Forms shall be completed in ink or typewritten and submitted in accordance with the instructions set forth in this Section 4 of this RFP.

The Proposal Forms require Proposer-specific information to be inserted in order to be properly completed. Once the Proposer is selected, certain Proposal-specific information submitted in their Proposal and the Proposal Forms may be included as part of the Contract, as appropriate.

Electronic versions of the Proposal Forms in Microsoft Word® format have been provided to Proposers on the MPWSP Website.

SECTION 5

EVALUATION OF PROPOSALS

5.1. EVALUATION OF PROPOSALS

Proposals will be evaluated by the Selection Committee based on the Proposer's ability to meet the performance requirements of this RFP and the Contract in a cost-effective manner. All Proposals must be complete and in conformance with the submission requirements established in this RFP.

Proposals will first be individually evaluated for completeness and for conformance with the requirements set forth in this RFP. Any Proposal that the Selection Committee determines is incomplete or otherwise not in conformance with the submission requirements of this RFP may be deemed non-responsive and thereby rejected in its entirety by the Selection Committee. Alternatively, in its discretion, CAW may request that a Proposer submit any information necessary to make its Proposal complete and/or in conformance with requirements. Proposals deemed responsive and in conformance with the submission requirements of this RFP will be evaluated by the Selection Committee through the application of the evaluation criteria to the Proposal, as described in Section 5.2 of this RFP.

5.2. EVALUATION CRITERIA

The specific criteria to be used by the Selection Committee in the evaluation of the Proposals include both technical criteria and business/financial criteria. Technical criteria are allotted a total of 40 points (out of 100) and include: (1) Project Delivery, (2) Safety, (3) Construction Management, (4) Quality Control, and (5) Schedule each as further detailed below. Business and Financial criteria are allotted a total of 60 points (out of 100) and include (1) Cost Effectiveness (*i.e.*, price), (2) Financial Qualifications (including but not limited to information provided in the Proposer's previously submitted SOQ), and (3) Business Terms and Conditions, as further detailed below. In addition, the Evaluation Team and the Selection Committee will evaluate each Proposer based on the interviews to be conducted with each Proposer.

5.2.1 Weighting of Evaluation Criteria

The specific weighting for each evaluation criterion is as follows:

Technical Criteria

40 points

Project Delivery (including the WMDVBE Utilization Plan and the Local Resources Utilization Plan)
Safety
Construction Management
Quality Control
Schedule

Business and Financial Criteria **60 points**

Cost Effectiveness of Proposal
Business Terms and Conditions
Proposer Financial Qualifications

Total 100 points

5.2.2 Technical Criteria

Proposers shall be evaluated based upon the Proposer's ability to successfully implement the proposed construction work and to meet CAW's desired schedule for the implementation of the Project. The Selection Committee will conduct an assessment of the Proposer's schedule and approach for construction management.

Proposer's approach to project planning, purchasing, coordination of subcontractors, sequencing and managing the construction activities to meet the schedule will be evaluated, as well as the expertise and management capability to integrate the required expertise of the Project team members for the overall benefit of the Project. Particular attention will also be given to the Proposer's understanding and inclusion in the schedule of the requirements necessary to test equipment, commission the Project and conduct the Acceptance Test. Proposers will also be evaluated on their WMDVBE Utilization Plan and their Local Resources Utilization Plan. CAW will evaluate the Proposer's approach to avoiding adverse environmental impacts, protecting natural resources, and mitigating environmental impacts. Evaluating the Proposal with respect to Project delivery also includes an assessment of current and projected workloads of the Proposer, the proposed Construction Quality Management Plan and the Proposer's ability to meet the construction schedule for the proposed Project. The Proposer's approach managing, and scheduling the construction, commissioning, start-up and acceptance test activities will also be evaluated.

Safety experience rates for the last three years shall also be considered in this evaluation.

5.2.3 The Proposals shall be evaluated based on the proposed Construction Prices Business and Financial Criteria

Terms and Conditions

CAW will evaluate the extent to which the Proposer accepts the terms and conditions set forth in the draft Contract included with this RFP or otherwise proposes terms and conditions that are more favorable to CAW than the terms and conditions set forth in the draft Contract. Suggested changes, including, particularly, changes that are indicated to be conditions of the Proposal, will be carefully considered and evaluated to determine whether the suggested changes, taken as a whole, would result in a less favorable Contract to CAW. Proposers are reminded that proposed changes to the terms and conditions that are conditions of the Proposal and that substantially change the nature of the transaction or the scope of work may result in the rejection of a Proposal

as non-responsive to the requirements of this RFP, notwithstanding the relative weight assigned to the proposed business terms and conditions in this RFP.

Financial Qualifications

CAW will evaluate the financial strength and qualifications of the Proposer based on the financial information provided in the SOQ and any changes and updates from the SOQ and any other financial information required by this RFP. Only changes that make the Proposer equal or better than as set forth in the Proposer's SOQ shall be acceptable to CAW. CAW, in its sole discretion, shall determine if any such changes enhance or adversely affect the financial qualifications of the Proposer.

The overall relative financial strength of the Proposer shall be assessed based on the criteria referenced above. This evaluation shall include a careful consideration of the adequacy of the Proposer's financial resources backing the performance of all of the Proposer's obligations under the Contract. Accordingly, this evaluation shall focus on the following key factors:

- The financial capacity of the Proposer to assure the full and timely performance of the Contractor's obligations under the Contract;
- The clarity of the roles, responsibilities and risk allocation among the Proposer's team;
- The Proposer's ability to provide a Performance Bond and Payment Bond in accordance with the draft Contract;
- Support for liability assumption by the Proposer as set forth in the draft Contract;
- The trailing financial performance of the Proposer, with specific consideration of company size, tangible net worth, liquidity, leverage, profitability, and cash flow; and
- The presence or absence of material changes in the financial condition of the Proposer, which, in the opinion of CAW, could affect the Proposer's ability to meet the obligations of the Contract over the Term.

CAW anticipates that each of the Proposers will have sufficient financial strength for the Project based on the information provided in connection with the prequalification process initiated prior to the issuance of this RFP. Accordingly, the evaluation of financial strength at this stage in the process is intended to evaluate the relative financial strength of each Proposer in relation to the other Proposers. However, Proposers are advised that information indicating inadequate financial strength for the Project or evidence of financial distress or potential financial distress may result in the rejection of a Proposal, notwithstanding the relative weight assigned to financial qualifications in this RFP.

PROPOSAL FORMS

PROPOSAL FORM 1
TRANSMITTAL LETTER

(to be typed on Proposer's Letterhead)

[Date]

[

_____]

Re: Monterey Peninsula Water Supply Project - Conveyance Facilities Project

Dear Sir/Madam:

_____ (the "Proposer") hereby submits its Proposal in response to the Request for Proposals for the Monterey Peninsula Water Supply Project Conveyance Facilities (the "RFP") issued by California-American Water Company ("CAW") on XXXX XX, 2015, as amended.

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

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

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

2. The submittal of the Proposal has been duly authorized by, and in all respects is binding upon, the Proposer. Attachment 1 to this Transmittal Letter is a Certificate of Authorization which evidences my authority to submit the Proposal and bind the Proposer.
3. All information and statements contained in the Proposal are current, correct and complete, and are made with full knowledge that CAW will rely on such information and statements in selecting the most advantageous Proposal to CAW and executing the Contract.
4. Attachment 2 to this Transmittal Letter sets forth the Proposer's Construction Team and identifies each team member's proposed role with respect to the Project. Attachment 3 to this Transmittal Letter provides licensing information for each Construction Team member.

5. Proposal Form 7 evidences the intent of _____, the Proposer's qualified surety company, to issue the Performance Bond as security for the performance of the Proposer's Work obligations under the Contract, as negotiated between the parties based upon the RFP and the Proposal.
6. Proposal Form 8 evidences the intent of _____, the Proposer's qualified surety company, to issue the Payment Bond as security for the performance of the Proposer's Work payment obligations under the Contract, as negotiated between the parties based upon the RFP and the Proposal.
7. Proposal Form 9 evidences the intent of _____, the Proposer's qualified insurer, to provide the Required Insurance under the Contract, as negotiated between the parties based upon the RFP and the Proposal.
8. Neither the Proposer nor any Project team member is currently suspended or debarred from doing business in the State of California;
9. There is no action, suit or proceeding, at law or in equity, before any court or similar governmental body, against the Proposer, wherein an unfavorable decision, ruling or finding would have a materially adverse affect on the ability of the Proposer to perform their respective obligations under the Contract or the other transactions contemplated hereby, or which, in any way, would have a materially adverse affect on the validity or enforceability of the obligations proposed to be undertaken by the Proposer, or any Contract or instrument entered into by the Proposer in connection with the transactions contemplated hereby.
10. No corporation, partnership, individual or association, officer, director, employee, manager, parent, subsidiary, affiliate or principal shareholder of the Proposer has been adjudicated to be in 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.
11. The Proposer and all Project team members have reviewed all of the engagements and pending engagements of the Proposer and all Project team members and no potential exists for any conflict of interest or unfair advantage.
12. No person or selling agency has been employed or retained to solicit the award of the 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 Proposer.
13. The principal contact person who will serve as the interface between CAW and the Proposer for all communications is:

NAME:

TITLE:

ADDRESS:

PHONE: _____
FAX: _____
EMAIL: _____

14. The key technical and legal representatives available to provide timely response to written inquiries submitted and to attend meetings requested by CAW are:

Technical Representative:

NAME: _____
TITLE: _____
ADDRESS: _____

PHONE: _____
FAX: _____
EMAIL: _____

Legal Representative:

NAME: _____
TITLE: _____
ADDRESS: _____

PHONE: _____
FAX: _____
EMAIL: _____

15. The Proposer has carefully examined all documents constituting the RFP and the addenda thereto.
16. The Contract in the form issued with this RFP is agreed to, except where changes have been requested in Proposal Form 11 and such changes have been indicated as conditions of the Proposal.
17. If selected, the Proposer agrees to negotiate in good faith to enter into a Contract that reflects the substantive terms and conditions of the RFP and the Proposal.
18. The Proposer has submitted all Proposal Forms and such Proposal Forms are a part of this Proposal.

Having carefully examined the RFP and all other documents bound therewith, together with all addenda thereto, all information made available by CAW, and being familiar with the Project (as described in the RFP and the Contract) and the various conditions affecting the work, the Proposer hereby offers to furnish all labor, materials, supplies, equipment, facilities and services which are necessary, proper or incidental to carry out such work as required by and in strict accordance with the RFP and the Proposal, all for the prices set forth in the Proposal Forms.

Name of Proposer

Name of Designated Signatory

Signature

Title

Note: If this Proposal is being submitted by a corporation, the Proposal shall be executed in the corporate name by the president or other corporate officer with authority to bind the corporation, and the corporate seal shall be affixed and attested to by the clerk. A certificate of the secretary of the corporation evidencing the officer's authority to execute the Proposal shall be attached.

If this Proposal is being submitted by a joint venture or general partnership, it shall be executed by all partners, and any partner that is a corporation shall follow the requirements for execution by a corporation, as set forth above.

If this Proposal is being submitted by a limited partnership or a limited liability company, it shall be executed by the managing partner(s) or managing member thereof, and such shall also submit proof of authority to so execute the Proposal, in a form satisfactory to CAW. Any partner or member that is a corporation shall follow the requirements for execution by a corporation, as set forth above.

(Use State-Appropriate form for Notary Public)

State of _____

County of _____

On this _____ day of _____, 2013, before me appeared [DESIGNATED SIGNATORY], who is [INSERT TITLE] of [INSERT PROPOSER], a [INSERT STATE AND

TYPE], personally known to me to be the person described in and who executed this Transmittal Letter 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.

Notary Public in and for the State of _____
(Seal)

(Name Printed)

Residing at _____

Commission Number _____

Attachment 1

CERTIFICATE OF AUTHORIZATION*

I, _____, a resident of [INSERT CITY] in the State of [INSERT STATE], DO HEREBY CERTIFY that I am the Clerk/Secretary of [INSERT PROPOSER NAME], a [corporation] duly organized and existing under and by virtue of the laws of [INSERT STATE]; that I have custody of the records of such [corporation]; and that as of the date of this certification, [INSERT DESIGNATED SIGNATORY NAME] holds the title of [INSERT TITLE] of the [corporation], and is authorized to execute and deliver in the name and on behalf of the [corporation] the Proposal submitted by the [corporation] in response to the Request for Proposals for Monterey Peninsula Water Supply Project Conveyance Facilities, issued by California-American Water Company on XXXX XX, 2015, as amended; and all documents, letters, certificates and other instruments which have been executed by such officer on behalf of the [corporation] in connection therewith.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the [corporate] seal of the [corporation] this _____ day of _____ 2015.

(Affix Seal Here)

Clerk/Secretary

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

Attachment 2

PROJECT TEAM MEMBER LIST

Name of Project team (if any): _____

Proposals shall identify the names and roles of the Proposer and any Significant Subcontractors and all other Project team members identified to date:

NAME:

ROLE:

Name of Proposer

Name of Designated Signatory

Signature

Title

State of _____

County of _____

On this _____ day of _____, 2015, before me appeared [DESIGNATED SIGNATORY], who is [INSERT TITLE] of [INSERT PROPOSER], a [INSERT STATE AND TYPE], personally known to me to be the person described in and who executed this Transmittal Letter 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.

Notary Public in and for the State of _____

(Seal)

(Name Printed)

Residing at _____

Commission Number _____

PROPOSAL FORM 3

DISCLAIMER STATEMENT

The information contained in or otherwise provided in connection with the Request for Proposals for the Monterey Peninsula Water Supply Project Conveyance Facilities (the "RFP") issued by California-American Water Company ("CAW") on XXXX XX, 2015, as amended, has been prepared by CAW and, while such information is believed to be accurate and reliable, except as otherwise expressly set forth in the RFP, CAW makes no representation as to such accuracy or reliability. In no way shall any such information constitute a representation or warranty by CAW or any of its officials, employees, agents, consultants, attorneys, representatives, contractors, or subcontractors (the "CAW Representatives"). The Proposer hereby releases and forever discharges CAW and the CAW Representatives from any and all claims which such Proposer has, had or may hereafter have arising out of any information contained in or otherwise provided in connection with the RFP. Any party who intends to submit a response to this RFP is specifically invited to independently verify the accuracy of the information contained herein.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 4

KEY PERSONNEL¹

(Copy and complete this form for Key Personnel. Attach additional pages along with organizational charts as needed)

General Information²

Name: _____

Firm: _____

Title: _____

Year employed by firm: _____ years

Total Professional Experience: _____ Years

Professional Registration and Licenses (type/number/state/year)³ _____

Project-Specific Information

Title/Assignment _____

Description of Role/Responsibilities: _____

Commitment⁴	Permitting _____ %	Construction _____ %
		Startup and Testing: _____ %

Footnotes:

¹ Proposers shall duplicate this form for all Key Personnel. Refer to subsection 4.4.2 of the RFP for a list of the minimum personnel for which this form shall be completed.

² Please indicate any staff that has changed from that provided in the Statement of Qualifications in accordance with subsection 4.4.2 of the RFP. Attach pages as necessary.

³ Where applicable, key construction personnel must provide either: (1) proof of current California licensure; or (2) if not currently licensed in California, a detailed plan to obtain a required California license no later than the Contract Date.

⁴ Commitment indicates the amount of time (in percent) that the individual would be available to work on the Project during the construction, start-up and testing phases of the Project. Indicate by "N/A" where the individual is not proposed to be involved in a particular phase of the Project.

PROPOSAL FORM 5

VERIFICATION OF STATEMENT OF QUALIFICATION INFORMATION

1. Check the appropriate box:

The Statement of Qualifications is reaffirmed in its totality.

The Statement of Qualifications is reaffirmed but subject to changes described on the attached pages.

2. If the Proposer attaches any pages with changes, it must (1) specifically identify the affected portion of its Statement of Qualifications and (2) describe how the change makes its Proposal qualifications equal or better than as submitted with the Statement of Qualifications.

3. Proposers shall disclose all changes with respect to its Statement of Qualifications regardless of whether or not the Proposer believes such changes enhance its qualifications from those previously submitted. CAW, in its sole discretion, will determine whether any such changes enhance or adversely affect the Proposer's qualifications from those initially submitted in its Statement of Qualifications. Changes that adversely affect the Proposer's qualifications, as determined by CAW and not consented to by CAW, may result in disqualification of the Proposer.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 6
FINANCIAL CAPACITY DATA

Provide information requested for the Proposer.
 This form may be duplicated if necessary.

Name of Company: _____

Section I Financial Data Summary

	<u>FY 2012</u>	<u>FY2013</u>	<u>FY2014</u>
Income Statement			
Operating Revenues,			
Operating Expenses			
Depreciation and Amortization			
Earnings Before Tax (EBT)			
Earnings Before Interest and Taxes (EBIT)			
Net Income			

Balance Sheet			
Current Assets			
Other Assets			
Intangible Assets			
Total Assets			
Current Liabilities			
Total Long-Term Debt			
Other Liabilities			
Total Liabilities			
Net Worth			
(Total Assets – Total Liabilities)			
Tangible Net Worth			
(Total Assets – Total Liabilities – Intangible Assets)			

Statement of Cash Flow			
Total Cash Flow			
Cash Flow from Operations			
Cash Flow from Financing Activities			
Cash Flow from Investing Activities			

Section II Financial Ratios

	<u>FY 2012</u>	<u>FY2013</u>	<u>FY2014</u>
Liquidity Measures			
Current Ratio (Current Assets/Current Liabilities)			
Quick Ratio (Current Assets-Inventory/Current Liabilities)			
Working Capital as a % of Revenue (Current Assets-Current Liabilities/Revenue)			
Leverage Measures			
Debt/Equity Ratio (Total Liabilities/Shareholder's Equity)			
Debt/Tangible Net Worth			
Debt/(Debt + Net Worth)			
Debt Service Coverage Measures			
Cash Flow from Operations/Debt Service			
EBT/Interest			
EBIT/Interest			
Profitability Measures			
Operating Profit Margin (Operating Income/Net Sales)			
EBIT/Revenue			
Return on Capital (EBIT/Total Assets)			

Section III Credit Rating Summary¹

Bond Ratings
 (please list all bond issues within the last three years with issue date and rating

	<u>Moody's</u>	<u>Standard & Poors'</u>	<u>Fitch</u>	<u>Dun & Bradstreet</u>	<u>Value Line</u>
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					

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

	<u>Rating Date</u>	<u>Name of Rating Agency</u>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		

Footnote:

¹ In the event that no credit rating is available for the Proposer from a nationally recognized rating agency, then the Proposer, as applicable, shall provide:

- (a) a current (30 days or less) Dun & Bradstreet report (or an independent report of similar quality and content) attached to this Proposal Form; and
- (b) a narrative discussion of the long-term credit strength of the Proposer.

Proposers shall also provide an explanation or state the reasons that no such credit rating from a nationally recognized credit rating agency is available.

Section IV Other Financial Information

Please provide the Proposer's audited financial statements for the past 3 fiscal years, including auditor's opinion, footnotes and other required supplementary information as well as the Proposer's most recently available quarterly statements pursuant to Section 4 of the RFP.

Note: All data is to be provided in U.S. Dollars and in English.

Name of Proposer

Name of Designated/Authorized Signatory

Signature

Title

PROPOSAL FORM 7

SURETY LETTER OF INTENT TO ISSUE A PERFORMANCE BOND

(to be typed on Surety's Letterhead)

[Date]

[

_____]

Re: Monterey Peninsula Water Supply Project Conveyance Facilities

_____ (the "Proposer") has submitted herewith a Proposal in response to the Request for Proposals for the Monterey Peninsula Water Supply Project Conveyance Facilities (the "RFP") issued by California-American Water Company ("CAW") on XXXX XX, 2015, as amended. The RFP requires the successful Proposer to enter into a Contract to: (1) provide all necessary construction, commissioning, start-up and testing services for the Project; (2) cause the Project to meet certain Performance Guarantees; and (3) perform the other related services described in the RFP, if the Proposer is approved by CAW for final negotiations and execution of the Contract.

The Surety has reviewed the Proposer's Proposal and the RFP, which together will form the basis of the Contract. The Surety hereby certifies that, subject to its review of the final terms and conditions of the Contract, it intends to issue on behalf of the Proposer, as security for the performance of the Proposer's obligations under the Contract, as negotiated between the parties based on the Proposal and the RFP, a Performance Bond meeting the requirements of the draft Contract in an amount equal to the Contract Price (plus a reasonable amount to be determined by the parties for any estimated Contract Price adjustments) for the benefit of CAW, in the event the Proposer is selected for final negotiations and execution of the Contract.

Name of Surety

Name of Authorized Signatory

Signature

Title

PROPOSAL FORM 8

SURETY LETTER OF INTENT TO ISSUE A PAYMENT BOND

(to be typed on Surety's Letterhead)

[Date]

[

_____]

Re: Monterey Peninsula Water Supply Project Conveyance Facilities

_____ (the "Proposer") has submitted herewith a Proposal in response to the Request for Proposals for the Monterey Peninsula Water Supply Conveyance Facilities (the "RFP") issued by California-American Water Company ("CAW") on XXXX XX, 2015, as amended. The RFP requires the successful Proposer to enter into a Contract to: (1) provide all necessary construction, commissioning, start-up and testing services for the Project; (2) cause the Project to meet certain Performance Guarantees; and (3) perform the other related services and described in the RFP, if the Proposer is approved by CAW for final negotiations and execution of the Contract.

The Surety has reviewed the Proposer's Proposal and the RFP, which together will form the basis of the Contract. The Surety hereby certifies that, subject to its review of the final terms and conditions of the Contract, it intends to issue on behalf of the Proposer as security for the performance of the Proposer's payment obligations in connection with its construction obligations under the Contract as negotiated between the parties based on the Proposal and the RFP, a Payment Bond meeting the requirements of the draft Contract in an amount equal to the Conveyance Facilities Price (plus a reasonable amount to be determined by the parties for any estimated Conveyance Facilities Price Adjustments) for the benefit of CAW in the event the Proposer is selected for final negotiations and execution of the Contract.

Name of Surety

Name of Authorized Signatory

Signature

Title

PROPOSAL FORM 9

INSURANCE LETTER OF INTENT

(to be typed on Insurance Company's Letterhead)

[Date]

Re: Monterey Peninsula Water Supply Project Conveyance Facilities

_____ (the "Proposer") has submitted herewith a Proposal in response to the Request for Proposals for the Monterey Peninsula Water Supply Project Conveyance Facilities (the "RFP") issued by California-American Water Company ("CAW") on June 17, 2015, as amended. The RFP requires the Selected Proposer to enter into a Contract to: (1) provide all necessary construction, commissioning, start-up and testing services for the Project; (2) cause the Project to meet certain Performance Guarantees; and (3) perform the other related services described in the RFP if the Proposer is approved by CAW for final negotiations and execution of the Contract.

The Insurance Company has reviewed both the Proposal and the RFP, which together will form the basis of the Contract. The Insurance Company hereby certifies that it intends to provide all Required Insurance set forth in the draft Contract, as negotiated between the parties based on the Proposal and the RFP, in the event the Proposer is

Name of Insurance Company

Name of Authorized Signatory

Signature

Title

PROPOSAL FORM 10

PRELIMINARY PROJECT SCHEDULE, SCHEDULED CONSTRUCTION DATE AND SCHEDULED ACCEPTANCE DATE

The Proposer shall submit a Preliminary Project Schedule with the Proposal that includes important construction activities and milestones from the Contract Date through Final Completion. This Preliminary Project Schedule shall be submitted in both written and electronic formats. The level of detail shall be in summary level for major procurement, and construction activities. Major milestones throughout the Construction Period shall be included. The Proposer shall also guarantee the Scheduled Construction Date and the Scheduled Acceptance Date.

The Preliminary Project Schedule shall consist of, but not be limited to, the following:

- (i) Important procurement activities and milestones
- (ii) Important construction activities and milestones
- (iii) Important Commissioning and Testing milestones
- (iv) It shall indicate the sequence of Construction Work and the time of starting and completing each part.

In addition, the Proposer shall summarize and provide a list of proposed major milestones and completion dates including, but not limited to:

- Contract Date
- Expected delivery of all materials and equipment
- Guaranteed Scheduled Construction Date
- Completion of major structures
- Commissioning and functional testing commencement
- Substantial Completion Date
- Acceptance Test
- Guaranteed Scheduled Acceptance Date
- Final Completion

The Proposer shall use the following format to provide this information:

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Conveyance Facilities**

TABLE 12-1 MAJOR ACTIVITIES AND MILESTONES¹		
ACTIVITY NUMBER	ACTIVITY/MILESTONE	DATE²

Name of Proposer

Name of Designated Signatory

Signature

Title

Footnotes:

¹ List each major activity and milestone separately.

² Indicate the end of activity or date milestone achieved.

PROPOSAL FORM 11

ACCEPTANCE OF THE CONTRACT

Proposer agrees to all of the provisions of the draft Contract except as expressly provided in the track changes version of the draft Contract that is attached to this Proposal Form.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 12

FORM OF PROPOSAL BOND

KNOW ALL PERSONS BY THESE PRESENTS, that the [INSERT NAME OF PROPOSER] _____, as the “Principal” and [INSERT NAME OF THE SURETY] _____, as (“Surety”), a corporation duly organized under the laws of the State of _____, having its principal place of business at _____, and authorized as a surety in the State of California, are hereby jointly and severally held and firmly bound unto California-American Water Company (the “Obligee”), in the penal sum of _____ [INSERT DOLLAR AMOUNT EQUAL TO TWENTY PERCENT OF THE PROPOSED FIXED CONTRACT PRICE] (the “Bonded Sum”), the payment of which we each bind ourselves, and our heirs, executors, administrators, representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal is herewith submitting a proposal (the “Proposal”) to provide construction, commissioning, start-up and testing services for Monterey Peninsula Water Supply Conveyance Facilities Project (the “Project”) through a Contract (the “Contract”), which Proposal is incorporated herein by this reference and has been submitted pursuant to the Project’s request for proposals dated as of [INSERT DATE] (as amended or supplemented, the “RFP”);

NOW, THEREFORE,

1. The condition of this Proposal Bond is such that it shall be null and void upon the occurrence of any of the following events:
 - (a) The Principal’s receipt of written notice from the Obligee that (i) the Obligee will not award the Contract pursuant to the RFP, or (ii) the Obligee has awarded and received the executed Contract and other required documents, and does not intend to award the Contract to the Principal;
 - (b) The Principal’s performance of all its obligations under the RFP in connection with award the Contract;
 - (c) The failure of the Obligee to award the Contract to the Principal within 180 after the Proposal Due Date; or
 - (d) The failure of the Obligee and the Principal to finalize a Contract that is satisfactory to the Obligee after attempting in good faith to do so.
2. If the Principal fails to satisfy the foregoing conditions for release set forth in paragraph 1 above, or if the Principle withdraws its Proposal in a manner that is not permitted by the RFP, or is awarded the Contract but fails to meet the requirements for finalizing or executing the Contract, then the Principal and the Surety hereby agree to pay to the Obligee the full Bonded Sum as liquidated damages, and not as a penalty, within 10 days after such failure. The Principal agrees and acknowledges that such liquidated damages are reasonable in order to compensate the Obligee for damages it will incur as a result of the Principal’s failure to satisfy the obligations under the RFP to which the Principal

agreed when submitting its Proposal. Such damages include potential harm to the credibility and reputation of the Obligee with policy makers and with the general public, delays to the Project and additional costs of administering this or a new procurement (including legal, accounting, overhead and other administrative costs). The Principal further acknowledges that these damages would be difficult and impracticable to measure and prove, are incapable of accurate measurement because of, among other things, the unique nature of the Project and the efforts required to receive and evaluate proposals for it, and the unavailability of a substitute for those efforts. The amounts of liquidated damages stated herein represent good faith estimates and evaluations as to the actual potential damages the Obligee would incur as a result of Principal's failure to satisfy the obligations under the RFP to which Principal agreed when submitting its Proposal, and do not constitute a penalty. Principal agrees to such liquidated damages in order to fix and limit Principal's costs and to avoid later disputes over what amounts of damages are properly chargeable to Principal.

3. The following terms and conditions shall apply with respect to this Proposal Bond:

- (a) If suit is brought on this Proposal Bond by the Obligee and judgment is recovered, the Principal and Surety shall pay all costs incurred by the Obligee in bringing such suit, including, without limitation, reasonable attorneys' fees and costs as determined by the court.
- (b) Any extensions of the time for award of the Contract that the Principal may grant in accordance with the RFP shall be subject to the reasonable approval of the Surety.
- (c) [Note: Use in case of multiple or co-sureties or, otherwise, delete.] The Co-Sureties agree to empower a single representative with authority to act on behalf of all of the Co-Sureties with respect to this Proposal Bond, so that the Obligee will have no obligation to deal with multiple sureties hereunder. All correspondence from the Obligee to the Co-Sureties and all claims under this Proposal Bond shall be sent to such designated representative. The Co-Sureties also agree to designate a single agent for service of process with respect to any actions on this Bond, which agent shall either be a natural person or a corporation qualified to act as an agent for service of process under California law. The designated representative and agent for service of process may be changed only by delivery of written notice (by personal delivery or by certified mail, return receipt requested) to the Obligee designating a single new representative and/or agent, signed by all of the Co-Sureties. The initial representative shall be:

SIGNED and SEALED this _____ day of _____, 20__

Principal

By:

Surety [or Co-Surety]

By:

Attorney in Fact

By:

Co-Surety

By:

Attorney in Fact

By:

Co-Surety

By:

Attorney in Fact

[ADD APPROPRIATE SURETY ACKNOWLEDGMENTS]

[NOTE: Use the following acknowledgement form for a California notary. For a notary from another state, use an acknowledgement form and follow the notary requirements that apply in that state.]

CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT

State of California

County of _____

On this ___ day of _____ in the year of _____ before me, _____, a notary public in and for the county and state aforesaid, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within the instrument and acknowledged to me that he/she executed the same in his/her authorized capacity(ies), and that by his/her signature(s) on the instrument, the person(s) or the _____ upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal:

(SEAL)

Signature of Notary Public

