



**RETURN OF THIS ADDENDUM #3 PAGE WITH YOUR PROPOSAL IS NOT REQUIRED.**

**ISSUING OFFICE:**

Department of Environmental Conservation  
Division of Administrative Services  
Attn: Sonja Love-Hestnes  
555 Cordova Street  
Anchorage, Alaska 99501

**RFP 2013-1800-1654**

**DATE ADDENDUM #3 ISSUED: November 1, 2013**

**RFP TITLE:  
ALASKA WATER AND SEWER CHALLENGE**

**STATEMENT OF QUALIFICATIONS DUE December 16, 2013; 1:30 p.m. Alaska Time**

Offerors are not required to return this form.

The purpose of Addendum #3:

- To provide response to questions in conjunction with Pre-Proposal Conference #2
- To provide transcript from Pre-Proposal Conference #2, which includes attendees list (see attachment in Body of Notice)

**Question #1:**

*Please confirm the eligibility of applicants forming teams. I understand the minimum qualifications that must be accomplished, however, was wondering if the entities that applicants are associated with must only be private or for-profit organizations? Are individuals associated with public entities or nonprofits also eligible to participate?*

Yes, anyone can provide a statement of qualifications or proposal. Individuals that are associated with public entities and nonprofits are not excluded.

**Question #2:**

*Please confirm whether or not attending at least one of the pre-proposal conferences is mandatory prior to submitting an application to Phase 1 in response to the RFP.*

The pre-proposal conferences are not mandatory.

### **Question #3:**

*How much is budgeted for an individual home setup?*

No work will be performed in individual homes during Phases I, II or III. The budget for installing proposed systems in homes during Phase IV, Field System Development and Testing, has not yet been established and will be negotiated with each team individually.

### **Question #4:**

*Does this budget include maintenance costs?*

Operational costs associated with Phase IV, Field System Development and Testing, will be negotiated with individual teams at the beginning of that phase of the project.

### **Question #5:**

*How will the "device" be transported to the homes, are there size restrictions?*

No devices will be installed in homes until Phase IV, Field System Development and Testing. During that phase, a limited number of systems will be installed in housing units. The mode of transportation will depend on where the units are being installed.

Transportation modes vary and include roads, barges and planes

### **Question #6:**

*Given that this challenge is being started before the winter hits, what is the expected time frame for a pilot project in a home?*

No work will be performed in homes during Phases I, II or III. Phase IV, Field System Development and Testing will include some limited work in homes but this phase is not expected to begin until at least 2015.

### **Question #7:**

*What is the time frame for completion of all 2,557 homes?*

Installing new systems in homes that currently lack running water and sewer is not expected to begin until the project has reached conclusion, which is currently projected to be sometime in 2017 or later. The process of providing service to these unserved homes is expected to take several years, at least, depending on the success of this project and available funding.

### **Question #8:**

*Would you prefer the manufacturing of the "devices" to be here in Alaska?*

Very little manufacturing takes place in Alaska, and we do not expect that most components will be manufactured here. It is possible that final assembly of different components could take place in Alaska, and that approach might be cost effective in the long run.

### **Questions #9:**

*When did this plight first become apparent to you? And how long have these conditions been going on? I can only assume that this is how it has been since the villages started.*

As this question suggests, people have been living without running water and sewer in their homes since village settlements were originally established. Over much of the past half century, there was an expectation that there was enough state and federal funding available to construct and operate centralized water and sewer systems in every village. We now know that this isn't the case, and a different approach is called for.

### **Question #10:**

*Section 6.08 (e) of the RFP infers that subcontractors must be able to provide a valid Alaska business license. Does this requirement apply to non-profit organizations, for profit organizations located outside of Alaska, and academic institutions?*

Yes, this applies to non-profits, for profit organizations and private academic institutions located outside of Alaska. Government operated academic institutions would not be required to obtain a state business license according to DCCED Policy and Procedures below.

Per the Department of Commerce, Community and Economic Development, Division of Corporations, Business & Professional Licensing -

“Per DCCED Policy & Procedures, BL-1, Business License Exemptions for Governmental Agencies/Federal Installation: **Governmental entities are not required to obtain a state business license**, regardless of the business activity.”

### **Question #11:**

*Section 6.27 of the RFP states that “in order to receive the Alaska Bidder Preference, an offeror shall have a valid Alaska business license prior to the deadline for receipt of proposal.” Does the requirement to hold an Alaska business license apply to all sub-contractors and teaming partners?*

The requirement to hold an Alaska Business license applies to the entity submitting a proposal. For this to apply to the “teaming partners” depends on the legal arrangement.

The Alaska Bidder's Preference refers to the entity submitting a proposal. Please refer to the Preferences – RFP & Informal Proposal hyperlink below.

<http://doa.alaska.gov/dgs/pdf/pref1.pdf>

“ALASKA BIDDER PREFERENCE

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**FOUND IN:** AS 36.30.321(a)  
AS 36.30.990(25)

**AMOUNT:** 5%

#### **REQUIREMENTS:**

*The bidder must:*

- *Hold a current Alaska business license and submit a bid under the name on their business license.*
- *Have maintained a place of business within the state staffed by the bidder or an employee of the bidder for at least six months immediately preceding the date of the bid.*

AND, if the bidder is a:

- CORPORATION, is incorporated in Alaska or are otherwise qualified to do business under the laws of the state.
- SOLE PROPRIETORSHIP, the proprietor must be a resident of the state.
- LIMITED LIABILITY COMPANY organized under AS 10.50, all members must be residents of the state.
- PARTNERSHIP under AS 32.05, 32.06, or 32.11, all partners must be residents of the state.

*Bidders must claim a preference in order for it to be applied. The Procurement Officer cannot apply a preference that is not claimed, even if the Procurement Officer knows the vendor would qualify for it. “*

### **Question #12:**

*Is there a State database to find previous attempts at water/sewer solutions?*

An overview of previous attempts at water/sewer solutions is being prepared. We are hoping to make the overview available soon.

### **Question #13:**

*Is there a list of environmental Laboratory test requirements for the project?*

Not at this time. These requirements will be needed for Phase III, Prototype Development and Testing and we intend to make them available during Phase II.

### **Question #14:**

*Are there benchmarks associated with the project's improved health criteria?*

No – recent health studies suggest that the health of rural Alaska households improves when the volume of water used in the home increases. For instance, we know that residents in homes without running water and flush toilets have a significantly higher incidence of acute respiratory infections and severe skin infections than persons with in-home running water. A 2010 study found higher rates of invasive pneumococcal disease (IPD) among Alaskan children who did not have access to piped water. IPD is a very serious bacterial infection that can affect the brain, blood or and lungs. Residents of Southwest Alaska suffer rates of IPD that are among the highest in the world. Running water provides the ability to wash hands frequently, which reduces the incidence of disease by interrupting person-to-person spread of the germs that cause these illnesses.

However, we are not aware of studies or other sources that provide a direct link between water use and specific health related benchmarks.

### **Question #15:**

*Are there particular technical solutions that are absolutely not allowed?*

No – we have not made any such determination.

### **Question #16:**

*Is there a typical heating and power system to be taken for the households?*

Heating is typically provided by a diesel fueled, single-unit heater, such a Toyo. Power is delivered from a local electrical grid, typically operated by an electrical co-op or the local government. Power for the local grid is usually produced by diesel fueled electrical generators. The quality and reliability of electrical power in many villages is poor.

### **Question #17:**

*Is there a typical structural type (layout, materials) to be taken for the households?*

All foundations are above ground and typically do not include slab-on-grade or below grade foundations.

Housing is constructed in a variety of ways, including locally framed, contractor framed and pre-fabrication. There is wide variety of layouts, materials and construction methods and the quality of construction is also variable.

### **Question #18:**

*Are there State statistics available for energy usage (kW/h) for a rural AK home?*

Yes – this information can be obtained from state agencies and on the internet.

The following 2011 report from the Alaska Energy Authority indicates that rural Alaska homes typically use around 290 kWh per month:

<http://www.akenergyauthority.org/PDF%20files/FY11PCEreport.pdf>

### **Question #19:**

*Can new solutions be presented that are not currently stipulated in Alaska code?*

Yes – we believe it may be necessary to address code issues with innovative solutions that are developed through this project.

### **Question #20:**

*Does the definition of remote and austere environments only include cold climates?*

No – experience in other remote and austere environments can also qualify.

### **Question #21:**

*Do team members' foreign credentials and degrees need to be evaluated?*

We will evaluate foreign credentials and degrees based on documentation provided. In some cases, we may request additional information and documentation in order to complete the evaluation.

**Question #22:**

*Is the definition of “successfully developed solution” related only to realized projects?*

Successfully developed solutions are projects that were fully implemented in a public setting (housing, schools, etc.), and not just pilot tested in a laboratory.

**Question #23:**

*Are self-reports of perceived public acceptance and receptivity acceptable proof?  
Are self-reports of end user solicitation and input acceptable proof of its past use?*

No – self-reporting alone is not sufficient. References are also required to be provided in order to demonstrate past experience.

**Question #24:**

*Although not stipulated in the RFP, is similar previous experience in Alaska required?*

No – Alaska experience is not required, only engineering experience working in remote and austere environments.

**Question #25:**

*Can the state evaluate team member references who do not speak English?*

We intend to make this possible by providing our reference questions in writing, in English. Answers should be provided back to us in writing, in English, but the use of a translator will not be prohibited.

**Question #26:**

*Do all team members need to be full-time employees of the Lead Company?*

No – all team members do not need to be employed by the Lead Company.

**Question #27:**

*Can a Consortium of companies, headed by a Lead Company be used?*

Yes – a consortium of companies can be used. However, please note that individual team members will be evaluated – not companies.

**Question #28:**

*Can some numerical data from past projects be presented in its original language?*

No – data from past projects should be translated to English if it is included in the response to this solicitation.

**Question #29:**

*Do all components of a Joint Venture need to meet State insurance requirements?*

This will depend on the legal arrangements of the Joint Venture

**Question #30:**

*Are insurances, in conformity with EU law for European team members acceptable?*

The insurance companies must be recognized in the U.S. Large carriers such as Lloyds and the reinsurers such as Munich Re or Swiss RE can operate in both.

**Question / Comment #31: October 16, 2013**

*I listened carefully this morning to the explanation of how the teams were going to be evaluated based on the individual participants. This seems to be very unworkable from an actual implementation aspect. The team will most certainly be composed of companies with teams of people performing their specialized functions and the companies will oversee and bear the responsibility for these employees or principals and be the one who possess the Alaska business license required by the RFP. The individuals will not have the business license. Further in the meeting, the discussion of product liability came up. Again, the companies, not the individuals, will have liability insurance and be responsible for the team organization and the work performed. I cannot see how you could effectively evaluate an individual as part of this RFP. The team of companies will maintain its integrity while the individuals may come and go from the team due to illness, change in job description and other common reasons for people changing jobs. These changes do not mean that the team is any less effective or viable, only that you are still depending on the companies' reputation and experience in Alaska. This contract could go on, by your own estimates, for ten years. To expect a select team to not change during a ten year period is not realistic. Please review your concept of evaluating individuals and clarify what your expectations are.*

We recognize these challenges and appreciate the comment. As stated in the RFP, we will be evaluating the qualifications of individuals, not companies. Teams that plan to utilize various resources and individuals within a company should make that clear in their response to this solicitation. However, individuals that will act as leads and fulfill the minimum qualifications should be clearly identified. We do not see a problem with the business license and insurance being held by the company.

Individuals are allowed to be replaced, and we expect that to happen. When it does, the change should be proposed and approved by the State during the course of the project.

**Question #30:**

*Is ADEC expecting that teams will include a member from a process manufacturer/vendor?*

No – this is not a requirement.

Contact the ADEC Procurement Officer if any questions:

Email: [sonja.love-hestnes@alaska.gov](mailto:sonja.love-hestnes@alaska.gov)

Phone: (907) 269-3090 Fax: 269-3061  
TDD Relay Service: (800) 770-8973 or 711