

ALASKA WATER AND SEWER CHALLENGE
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

PRE-PROPOSAL CONFERENCE

October 16, 2013

Anchorage, Alaska

Present:

- Chris Allard
- Tim Allen
- Don Antroims
- David Cooper
- Aaron Dotson
- Tom Embley
- Glenn Foust
- Michael Gerace
- Bill Griffith
- Sonja Love-Hestnes
- Tim Hoffman
- Meghan Holtan
- Mike Hyland
- Brittani Jacobsen
- Kate Johnson
- Matt Kaye
- Jan Keizer
- Bob Klein
- Chase Nelson
- Deb Pock
- David Prusak
- Sarah Rygih
- Jacqueline Shirley
- Jeff Stanley
- Anthony Theodorou
- Bob Tsigonis
- Tom Varney
- Dennis Wagner

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Bob Watson
Dave Wilson
Lynn Zender

P R O C E E D I N G S

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(On record at 9:07 a.m.)

MS. LOVE-HESTNES: Good morning. Welcome everyone to the pre-proposal conference number two for the Alaska Water and Sewer Challenge.

I'm Sonja Love-Hestnes the procurement officer for the RFP. Deb Pock, the program manager for DEC. We have Tim Hoffman, program coordinator, VSW. And Bill Griffith, the facilities manager, VSW, and the project director for the Alaska Water and Sewer Challenge. We have our -- Natalie in the corner and Kevin.

As a courtesy, please silence all your phones. The facilities are right outside the back door. Egress route is also that same direction. We're having some phone technical issues due to the transfer last weekend of all state phones so we have no phone line.

If you've not signed in, please do so and please make sure it's accurate and complete and legible. I try to be a mind reader but it doesn't work.

This is a public meeting. And we will be transcribing and posting that online. And we estimate between seven and 10 days, not as long as last time. We'll have some finalized questions and answers compiled to date as well. We anticipate to answer some questions today, some we'll not be able to answer properly without further research. If you leave today with a question

1 unanswered, please email no later than close of business
2 tomorrow Thursday, October 17th. All questions and answers and
3 the transcription will be available as soon as possible.

4 For those not aware, addendum number two has been posted
5 on the Alaska On-Line Public Notices, which contains questions,
6 and answers received, the transcript, and the sign in list from
7 pre-proposal conference number one. I highly emphasize to
8 register for the RFP so I have accurate information for any
9 notifications of amendments or addendums.

10 Also for clarification, the Division of Water's hyperlinks
11 that are on the body of notice do not provide updates to the
12 RFP. We do need to do a role call. If we can start, Tim, with
13 the microphone.

14 MR. HOFFMAN: Tim Hoffman, DEC, Division of Water Public
15 Outreach coordinator.

16 MR. GRIFFITH: Bill Griffith, facility programs manager
17 with DEC.

18 MS. LOVE-HESTNES: Go ahead.

19 MS. POCK: Deborah Pock, DEC Procurement Program manager.

20 MS. LOVE-HESTNES: Okay. You want to take the mic around?

21 MR. THEODOROU: Anthony Theodorou with Arctic Engineering
22 supply.

23 MR. ALLEN: Tim Allen with Cowater Alaska.

24 MR. STANLEY: Jeff Stanley with CRW Engineering.

25 MS. SHIRLEY: Jacqueline Shirley with Zender

1 Environmental.

2 MS. ZENDER: Lynn Zender, Zender Environmental.

3 MR. KAYE: Matt Kaye, Better Waters.

4 MS. JOHNSON: Kate Johnson with ERM.

5 MR. HYLAND: Mike Hyland with CDM Smith.

6 MR. NELSON: Chase Nelson with DOWL HKM.

7 MR. FOUST: Glenn Foust, Larsen Consulting Group.

8 MR. COOPER: David Cooper, Summit Consulting Services.

9 MR. HOLTAN: Meghan Holtan, Agnew Beck Consulting.

10 MR. ALLARD: Chris Allard, Summit Consulting.

11 MR. PRUSAK: David Prusak, MWH.

12 MR. TSIGONIS: Bob Tsigonis, Lifewater Engineering

13 Company.

14 MR. KELIN: Bob Klein, Fresh Rain.

15 MR. EMBLEY: Tom Embley, Circle Plumbing.

16 MR. VARNEY: Tom Varney, Anchorage Tank.

17 MS. JACOBSEN: Brittani Jacobsen, Golder.

18 MR. WILSON: Dave Wilson, Oceanic.

19 MR. WATSON: Bob Watson, Oceanic.

20 MS. KEISOR: Jan Kaiser, ILF Consultants, Inc.

21 MR. DOTSON: Aaron Dotson, University of Alaska Anchorage.

22 MR. WAGNER: Dennis Wagner, EPA.

23 MS. LOVE-HESTNES: Is that everyone? Just as an FYI, we
24 are having a notice on the -- online public notice as we speak
25 as far as for technical difficulties. Otherwise, I'll hand it

1 over to Bill.

2 MR. GRIFFITH: Good morning, I apologize about the
3 problems we're having with the phone. We weren't able to check
4 it ourselves until right before the meeting. So we may try to
5 gauge whether there's interest in doing a follow-up
6 teleconference with people who weren't able to be here in person
7 today and see if we can get that scheduled. This morning, I
8 just want to make a couple of points. I won't get into as much
9 overview as I did at the first pre-proposal conference. I just
10 want to make a couple of points and answer a couple of questions
11 that we've gotten in writing. We'll be providing written
12 responses as well, but I thought these might be worth mentioning
13 this morning.

14 One reminder, I guess it just can't be emphasized enough,
15 that during this first phase of the project, we're requesting
16 the formation of teams only. During phase two, after we select
17 the highest scoring teams, we'll be asking those teams to
18 develop proposals. And that'll be something that happens during
19 the first half of next year or so. So, just want to remind
20 people this first phase is the formation of teams. Second phase
21 is proposal development. Third phase is actually the prototype
22 development. Fourth phase is really the first point at which
23 any work would be taking place in the field, that's called the
24 field system development. And fifth phase is kind of further
25 system development and refinements.

1 As Sonja mentioned, please be sure that you've registered
2 if you're interested in this project. We're currently
3 considering some amendments to the RFP. And if you're
4 registered, it will assure that you receive notification of any
5 amendments in the most timely manner. In particular, we are
6 considering an extension of the proposal due date. We haven't
7 made a decision yet, but registered parties will be the first to
8 be notified. And, of course, that will show up on the website
9 as well.

10 I want to make a final point about performance targets.
11 And again, we're looking at some clarification in the RFP on
12 this. Those are targets only. They're not performance
13 requirements. So, I guess, I just want to emphasize something
14 that we say on the RFP, which is that we've set those targets
15 high as far as trying to achieve a certain level of service for
16 a certain cost, but it's not required that those targets be met.
17 We'd like to see what teams can do, but if there are sort of
18 sacrifices that have to be made in terms of either the level of
19 service or the cost, then we understand that too. It's not a
20 requirement. It's a target.

21 So, you know, we make the selection of the teams based on
22 primarily people's experience and qualifications, then we ask
23 those teams to see what they can do in terms of a proposal in
24 the second phase. And then we'll see how successful they are at
25 meeting those targets, really when get to the prototype phase

1 and the field-testing phase. So, I just kind of want to make
2 that point, make sure people have that in mind. A lot of
3 questions we get are about that general concept and how this
4 project is expected to work.

5 I want to address a couple of questions we've gotten in
6 writing at this time and then we'll respond to the rest in
7 writing.

8 We got a question about whether individuals that are
9 associated with public entities and non-profits are eligible to
10 participate. I want to just clarify that the answer is yes.
11 Anyone can provide a statement of qualifications or proposal.
12 Individuals that are associated with public entities and non-
13 profits are not excluded.

14 Another question I want to bring up is whether or not
15 these proposal -- participation or attendance at pre-proposal
16 conferences if mandatory. And the answer is no. These pre-
17 proposal conferences are just meant to provide an opportunity to
18 ask questions, but participation is not mandatory.

19 I had a question about sort of the timing of the challenge
20 in relation to winter and the fact that -- you know, what would
21 be the expected time frame for a pilot project in a home. So,
22 that kind of goes back to understanding the phases. There
23 wouldn't actually be anything installed in any home, at least
24 until the field-testing phase, which is phase four. So that's a
25 ways off. It doesn't have anything to do with this winter.

1 This winter, the only thing we think will be going on is that
2 teams, at some point this winter, would be -- we would contract
3 with several teams to develop proposals. I don't expect any
4 work to be going on in homes. Some teams may want to go out
5 during proposal development and talk to rural residents. And
6 we're hoping to provide some contacts of people who would be
7 willing to talk with teams and provide some input on the
8 development of proposals. But I don't expect anything would be
9 happening as far as construction or work inside of rural homes.
10 So I just want to clarify that.

11 A couple more things. Is previous experience in Alaska a
12 requirement? The answer is no. You can refer to the RFP.
13 We're looking for experience in what we call remote and austere
14 environments, which certainly would include Alaska, but it could
15 include other environments as well.

16 Do team members need to be full-time employees of the lead
17 company? The answer is no.

18 And we've got one more question. Can a consortium of
19 companies headed by a lead company be used? And the answer is
20 yes. So just a few points I thought might be worth bringing up
21 today. The rest of the questions we've gotten in writing, plus
22 any questions we get in writing.....

23 MS. LOVE-HESTNES: Today and tomorrow.

24 MR. GRIFFITH:today and tomorrow, we'll include in
25 the next.....

1 MS. LOVE-HESTNES: Addendum.

2 MR. GRIFFITH:addendum. And we're going to be
3 trying to turn that around a little bit quicker this time in
4 conjunction with the minutes -- the transcript from this
5 meeting. So be looking for that here in the next week to 10
6 days.

7 So that's really what I wanted to do in the way of kind of
8 opening up this meeting. I thought we'd get on to some
9 questions here then.

10 MR. HOFFMAN: And speaking of transcripts, if you guys
11 could just wait to use the microphone to ask your questions so
12 she can hear your questions well on the recorded message. And
13 also when you ask a question, if you could just say your name.
14 And the first time you ask a question, if you could spell your
15 last name, too. So first question?

16 MS. SHIRLEY: Jacqueline Shirley, S-H-I-R-L-E-Y. On the
17 pre -- on the proposal development you're talking about, you
18 know, asking questions with some rural residents. So travel
19 costs, when -- if you're selected to go into phase two, would
20 travel costs be an allowable line item for prop -- you know,
21 developing your proposal, being able to go out there and do
22 visual -- you know, do a visual on some of the households and
23 interviewing some of the households? You know, because travel
24 costs is always, you know, no travel allowed in this grant or --
25 so would travel costs be allowable expense basically what I'm

1 asking for the proposal development?

2 MR. GRIFFITH: Well we're going to be negotiating the
3 contract costs with each of the teams that are selected at the
4 end of phase one. And so I don't know exactly what that cost
5 structure is going to look like yet. But, you know, so it's not
6 as if we're going to be reimbursing cost. It's not going to be
7 that kind of contract. But certainly we would expect that most
8 of the teams are going to want to do some traveling and that
9 cost is probably going to be part of what they want to be paid
10 for. So I would expect each of the teams to build into their
11 cost proposal some travel cost. So certainly that's -- it's
12 allowable. I don't -- I can't say exactly what that cost
13 structure is going to look like. But I guess the short answer
14 is yes.

15 MS. KEISER: Hi. Jan Keiser, K-E-I-S-E-R, ILF Consultants.
16 Last time we asked if you had done any work to compile lessons
17 learned from past efforts to provide the services to the
18 village. And you indicated that a collection of this kind of
19 stuff was being done, a compendium or something. How is that
20 going?

21 MR. GRIFFITH: Thanks for the question. We are working
22 with some folks primarily at the Arctic Research Commission who
23 have agreed to kind of help us out with this. And they have a
24 draft. That draft's being finalized. And I'm hoping it'll get
25 published here soon. I expect in the next probably couple of

1 three weeks, at least to have that available and for everybody
2 to take a look at it. I'd hoped it'd be a little sooner, but
3 it's getting close, I guess, is the answer.

4 MS. JOHNSON: Kate Johnson, J-O-H-N-S-O-N. The RFP states
5 that subcontractors are required to have an Alaska business
6 license. Does this also apply to non-profit organizations or
7 organizations outside of Alaska or academic institutions? It's
8 Section 6.08E.

9 MS. LOVE-HESTNES: It's the legal entity that is required
10 to have the Alaska business license. It's that entity that is
11 to -- it's their responsibility to assure that the
12 subcontractors abide by the licensing requirements of the state.
13 As far as government agencies, per the Department of Commerce,
14 Community and Economic Development, the Division of Corporation,
15 Business and Professional Licensing, governmental entities are
16 not required to obtain a state business license, regardless of
17 the business activity. If you have any questions concerning
18 licensing, I would recommend the Department of Commerce,
19 Community and Economic Development.

20 MR. KAYE: Matt Kaye, Better Waters, K-A-Y-E. One
21 question on page 14 of the RFP certification foreign
22 contracting. If the offerer cannot certify that all work is
23 being performed in the United States -- can you clarify that? I
24 mean, what's the -- what's the definition of work in this sense
25 particularly as applies to phase one, the application that we're

1 currently in and -- well, maybe you can explain further and
2 we'll see of that results?

3 MS. LOVE-HESTNES: It's right here.

4 MR. GRIFFITH: It's that second paragraph.

5 MS. LOVE-HESTNES: Right.

6 MS. POCK: (Indiscernible -- whispered conversation.)

7 MS. LOVE-HESTNES: I would send that question, if you
8 would please, in writing to me. DOT required a waiver for any
9 foreign work that's being done. So, it's on an individual
10 basis.

11 MR. KAYE: I think, I mean, for me anyway, the questions
12 turns on definition of work in this sense. I mean, maybe I can
13 ask you, is it relevant in phase one? Since, extensively, there
14 won't be any actual work done. Is it a moot point currently?
15 Do we.....

16 MS. LOVE-HESTNES: Correct.

17 MR. GRIFFITH: It is a moot point.

18 MR. KAYE: Okay.

19 MR. GRIFFITH: Technically, the development of the team --
20 the teams is not work performed under the.....

21 MR. KAYE: Okay. Understood.

22 MR. GRIFFITH:project until there's a contract.....

23 MR. KAYE: We can let that go for now?

24 MR. GRIFFITH: We can let it go for now.

25 MR. KAYE: Okay.

1 MR. GRIFFITH: And just -- my understanding is that I know
2 it's a little confusing, because the first paragraph says that
3 all work has to be performed in the United States and the second
4 paragraph says that you can get a waiver for that.

5 MR. KAYE: Right.

6 MR. GRIFFITH: And so -- and we haven't been through this,
7 but my understanding is that, you know, those waivers can be
8 granted. It's just what the rules say as.....

9 MR. KAYE: Okay.

10 MR. GRIFFITH:you have to request for work to be
11 performed outside the U.S. and that has to be approved.

12 MR. KAYE: But this would only apply to any of the
13 selected teams after this point?

14 MR. GRIFFITH: That's correct. And it says that those --
15 that request for a waiver has to be 10 days prior to proposal
16 deadline, which would be phase two.

17 MR. KAYE: Got you. Okay. Thank you.

18 MR. WATSON: Good morning. Bob Watson, W-A-T-S-O-N,
19 Oceanic. Question 10, I'm just looking for a little
20 verification. It said that when considering the many different
21 site conditions encountered between villages, and even with some
22 villages, it is unlikely that one waste treatment or STP design
23 will handle all site conditions. What if a team develops more
24 than one water treatment or sewage treatment proposal in phase
25 two, would the multiple proposed system be considered? And you

1 guys say no. Teams selected in phase one will be funded to
2 prepare a proposal for a single system. Some systems may be
3 more adaptable to different conditions than others. And these
4 features should be highlighted in the phase two proposal. Now
5 when I look at the overall problem out there, it's -- there's a
6 multitude of problems that have to be fixed in different --
7 different ways. So are you looking for our best foot forward?
8 Is that -- I'm trying to -- I mean, because one fix isn't going
9 to do it. I mean there's a handful of fixes. So -- so when you
10 come to the table, you want to fix the whole problem. I mean,
11 that's what your mindset is for so.

12 MR. GRIFFITH: Yes. The answer is yes. We're looking for
13 your best foot forward. And it's possible that some teams may
14 want to put together a proposal with the idea that they've got
15 an idea they think will work across different environments.
16 Other ones may want to target a specific environment, because
17 they think it might work particularly well. And so, you know,
18 either approach is perfectly legitimate, but we're looking for
19 your best -- your best shot.

20 MR. WATSON: So it would -- it would behoove of you to
21 make sure that you put down all your ideas, but the first one,
22 you'd want that front and foremost?

23 MR. GRIFFITH: I think at the proposal stage, we're really
24 just looking for each team to come up with a proposed system. I
25 don't know that it would behoove you to add additional ideas

1 that you have, because we'll just be evaluating one system.

2 MR. WILSON: Dave Wilson, Oceanic, W-I-L-S-O-N. There was
3 a fair amount of discussion last week about -- or last time we
4 met, about different levels of filtration, different levels of
5 treatment, and these are not necessarily going to come from one
6 form of technology. And so if we only bring one -- our best
7 foot forward, you're going to possibly miss out on some of the
8 other solutions.

9 MR. GRIFFITH: Yes. I guess we're looking for a system.
10 Now if a system -- if a household -- if decentralized system has
11 components that can be easily modified to accommodate different
12 conditions, say in water quality or other aspects of the
13 environment, that's worth bringing up. But if you get into the
14 -- if you get to the point where, you know, significant parts of
15 the system have to be modified or changed out, I think it
16 becomes impractical to think that that's still what we would
17 consider a single system. So, I guess, to a point you might
18 have, like, you know, we can put in a different filter, you
19 could put in a different control or something easily to adapt a
20 system to a different village, that could still be considered
21 the same system. But, you know, if you're saying well let's --
22 let's take out an entire treatment process and put in different
23 treatment process or -- then I don't know that we could still
24 consider that a system proposal. Does that makes sense? I
25 mean, it's a little bit grey, I understand. But we're looking

1 for each team, ultimately at the conclusion of phase two, to
2 propose a system that will address the problem. So I think it
3 comes down to the definition of, you know, what's a systems and
4 how adaptable can a single system be?

5 MR. DOTSON: Aaron Dotson, University of Alaska Anchorage,
6 D-O-T-S-O-N. So I want to make it just -- and maybe you've
7 clarified this, but I want to echo it here. The statement of
8 qualifications, we are not proposing a technology at this point.
9 Is that correct?

10 MR. GRIFFITH: That's correct. You're talking about phase
11 one? That's.....

12 MR. DOTSON: What is due in November?

13 MR. GRIFFITH: Correct. You're not proposing a technology
14 or a system at that time.

15 MR. KAYE: Well if I -- I just want to follow up on that
16 point, because that's -- Matt Kaye, Better Waters -- an
17 essential component.....

18 MR. GRIFFITH: Absolutely.

19 MR. KAYE:of the RFP.

20 MR. GRIFFITH: Yeah, let's spend whatever time we need
21 to.....

22 MR. KAYE: Okay. Perfect.

23 MR. GRIFFITH:on this question.

24 MR. KAYE: Yeah, I have few questions on that too. So if
25 -- if a team has in mind a solution or a concept or different

1 directions, it seems as if all of that knowledge is effectively
2 moot at the time of phase one, so that it becomes incumbent upon
3 every team to sort of flush out the personnel by being able
4 prove the capability without referencing what would solve the
5 problem. I mean, to my mind, it's a little bit like, you know,
6 the banks say we lend the people. We don't really care what
7 you're proposing, whether you have something that could really
8 take off in mind. We just want to know who you are, what your
9 track record is. And, you know, there seems to be, I might say,
10 some kind of almost bias in that. That you're more interested
11 in knowing who the players are, and can they substantiate that
12 they have a shot at solving this problem with you, than if
13 people without that track record may actually have in mind a
14 good solution. But they wouldn't be able to get through phase
15 one, because they didn't have the -- historically that kind of
16 documentation. So I just wonder if you could elaborate? And, I
17 mean, there are moments in the RFP where it seems as if you're
18 referencing technologies. For example, where you state -- and I
19 know -- I read the Q and A from a month ago, and I know this
20 came up. But you referenced the idea if you're proposing a
21 solution that has not been accepted in the past, why do you
22 think it would succeed in the future? You know, good point, but
23 that suggests that the solution itself is part of this phase
24 one. So anyway, if you might elaborate? Thanks.

25 MR. GRIFFITH: Sure. Essentially what you've outlined is

1 correct. We're not looking for solutions in phase one. We're
2 not looking for proposed systems in phase one. We're simply
3 going to be evaluating the team that gets put together, and
4 their qualifications, their experience. There are some other
5 elements of the submittal for phase one that you want to pay
6 attention to. We're looking to understand how that team is
7 going to function together. You know, what their plan is. You
8 know, how they intend to put their propose -- what their process
9 will be to put their proposal together. How they're going to
10 work together if they're going to be located in different
11 places. So I don't want to say that all we need is a resume,
12 there's a bit more, so pay attention to the different parts of
13 that phase one submittal. But you're correct. And so, yes,
14 that's -- I guess that's the risk we run that we might have a
15 team that may not be as well qualified, but they could have good
16 ideas. We may miss out on that. But the way we've structured
17 this is to look at the qualifications of the team and their
18 project -- their project plan without getting into what their
19 proposal is for phase one. I'm sorry, you had a sort of an add-
20 on there with relation to the RFP or did I answer your question?

21 MR. KAYE: No, I think you are. I think you're answering
22 that question. So -- well let me ask you, though, this. I mean
23 on an elective basis, if one has some technologies in mind,
24 would be contraindicated to reference them in this first
25 response to the RFP?

1 MR. GRIFFITH: I would say no. We're not looking for that
2 reference or that information. And I think your question was,
3 well, you know, why do we have all that information in there
4 about sort of, you know, what the proposal should and shouldn't
5 include in phase two? We wanted to include that information
6 now, although it's subject to change when we get to phase two.
7 We wanted to give people an idea of, you know, what we're going
8 to be looking for in the proposal when we get there. I mean, it
9 didn't make sense to say put together a team and we'll tell you
10 why later on. We wanted to kind of get all that out there as
11 thoroughly as we could at this point just so people know, you
12 know, what can they expect the team to have to do if they're
13 selected for phase two.

14 MS. KEISER: Jan Keiser. You indicated you might be
15 thinking about an extension. Why would you do that?

16 MR. GRIFFITH: Well one reason that we're thinking about
17 doing it is that we're beginning to see some questions come in
18 that seem to be from some potentially -- people who are
19 interested internationally. And we have the sense that it just
20 may be taking a while to get the word out. We -- we'd hoped for
21 a little more of a push press-wise, but, you know, we don't
22 control what the press wants to cover and what they don't. So
23 without kind of the big push that we'd hoped for, again we're
24 just maybe looking for a little bit more time to kind of
25 permeate potential parties that may be interested in responding.

1 And in -- then in -- I guess as a final note, we're looking to
2 pick up another staff person on the state side to kind of help
3 to coordinate this project and give ourselves a little bit more
4 time to be fully staffed up. So multiple reasons, we're
5 considering not a very long extension, but we're taking a look
6 at it so.

7 MS. KEISER: I'm sorry, a follow-up to that. Jan Keiser.
8 Do you know when you might come to this decision? We're
9 starting to sort of putting together our submittals and earnest,
10 and we can slack off a little or take a more mindful look at it
11 if we knew we had an extra month.

12 MR. GRIFFITH: Right, absolutely. Within the next week.

13 MR. KAYE: I have a bunch of questions, but I don't want
14 to hog the mic. In the Alaska offerer preference, 100 points,
15 can you elaborate on that? And again is that applicable to
16 phase one? I think I'm looking on page -- is it 27, I believe,
17 paragraph F.

18 MS. LOVE-HESTNES: It's not applicable to phase one.

19 MR. KAYE: Okay. So that's a clean answer. Thanks.

20 UNIDENTIFIED MALE: Are you sure?

21 MR. GRIFFITH: Yes, I think it is.

22 UNIDENTIFIED MALE: (Indiscernible - away from microphone)
23scoring system.

24 MS. LOVE-HESTNES: I'm sorry. I'm sorry.

25 MR. GRIFFITH: That's phase one scoring.

1 MS. LOVE-HESTNES: Okay, could repeat your question? I'm
2 sorry.

3 MR. KAYE: This is on the paragraph F in the evaluation,
4 criteria and scoring. And you referenced 100 points for the
5 Alaska offerer preference. And can you elaborate on how that
6 impacts the -- the phase one application?

7 MS. LOVE-HESTNES: Okay. I'll put that in writing in the
8 questions and answers. It's a little more complicated than just
9 a quick answer. But if you look on page 39 of the RFP, it does
10 have the Alaska offerer preference and the -- how the points are
11 determined. And that's Section 6.33.

12 MR. KAYE: Right. I think I do recall that I did read
13 that. I think there's some question, though, is there a
14 timeframe in which one could qualify? So, I mean, you
15 referenced earlier the Alaska business license. And I assume
16 that's a requirement even for phase one, right? Every team
17 should secure that business license prior to the application?

18 MS. LOVE-HESTNES: That's correct.

19 MR. KAYE: Okay.

20 MS. LOVE-HESTNES: But I'll put those in writing, because
21 it's a little more complicated than.....

22 MR. KAYE: Okay.

23 MS. LOVE-HESTNES:Alaska business license, the
24 Alaska bidder's preference and Alaska offerer's preference,
25 there's often times some clarification that's needed there.

1 MR. KAYE: Okay, good. Thank you.

2 MS. SHIRLEY: Jacqueline Shirley. Bill, this is Juneau
3 question. Which -- what House Bill is this grant connected to?

4 MR. GRIFFITH: It's -- the connection to any legislative
5 action is only in a state appropriation for -- which helped to
6 provide funding for the project. There's not other legislation
7 related to the project at this point, except, of course, it
8 falls under the work that's done by Village Safe Water. But
9 there's not specific legislative action. There was no --
10 nothing other than the appropriation made under the capital
11 budget.....

12 MS. SHIRLEY: Okay.

13 MR. GRIFFITH:for Village Safe Water. Okay.

14 MS. SHIRLEY: Thank you.

15 MR. ALLEN: Tim Allen, A-L-L-E-N. Bill, will the phase
16 one rankings be made public with the announcement of the six
17 teams selected? And will that be open with challenge?

18 MR. GRIFFITH: I'm going to let the procurement folks take
19 that one.

20 MS. LOVE-HESTNES: Is that (indiscernible -- away from
21 microphone).

22 MS. POCK: We have to get back on that because I don't
23 think so (indiscernible -- away from microphone).

24 MS. LOVE-HESTNES: Yeah, I'll have to get back with you on
25 that one. We'll answer that in writing.

1 MS. KEISER: Regarding the Alaska offerer of preference, I
2 ask that you check to see if there is any leeway in how you can
3 interpret that requirement. You're specifically looking for
4 international participation and yet penalize international
5 offerers.

6 MS. POCK: (Indiscernible - away from microphone.) We
7 have to follow statute that.....

8 MS. LOVE-HESTNES: It's in statutes. We have to follow
9 the statutes.

10 MR. GRIFFITH: But we'll take a look at it. At least we
11 can provide clarification.

12 MR. STANLEY: This is Jeff Stanley, S-T-A-N-L-E-Y. I'd
13 say given the confusion in this room, and having been through
14 this many times on many contracts in the past, it would really
15 be to your benefit, especially if you decide to extend this, to
16 make that all those preferences very clear and what they apply
17 to. Because I can tell you from hands on experience, if you
18 call down to Juneau and talk to licensing, and then you hang up
19 and talk to someone different, and hang up and talk to someone
20 different, you'll get about three different answers. And they
21 won't be very clear. And it really -- it gets tricky when it
22 comes to licensing and any firms that operate outside the state
23 of Alaska. So particularly in regard to the next question, if
24 anyone can challenge it, that's going to your biggest point of
25 challenge. Because it's happened many times where teams from

1 outside have come together, someone challenges it, part of the
2 team goes away, and the whole team is disqualified.

3 MR. GRIFFITH: Thanks. I agree.

4 MR. KAYE: Thanks. Can you clarify regarding
5 subcontractors? I'm looking now at 6.08 subcontractors, I think
6 it's page 31. What's your sense of a subcontractor? In other
7 words, at least -- maybe I'm wrong here. My -- the way I
8 envision the team is that everybody on the team is, to some
9 extent, a participant. That wouldn't be subcontractor. So you
10 may have something more specific in mind that I'm not clear on.
11 I wonder if you can elaborate? Thank you.

12 MR. GRIFFITH: I guess we're trying to provide maximum
13 flexibility here. It's -- we've thought about how these teams
14 might be put together. It's possible, in some cases, that every
15 team member could be an employee of a single firm. Another
16 situation we thought might occur is that you might have a lead
17 firm that might setup a subcontracting arrangement with other
18 firms to be able to come up with additional -- with the required
19 team members. It's possible that a joint venture could be
20 formed between several companies. So we want to be able to
21 consider all those approaches. And that's why that section is
22 in there basically saying that subcontractors may be used, but
23 it may not be the approach that everyone wants to take.

24 MR. KAYE: And in latter case, the joint venture case, it
25 would embrace more than one company. Let's say that. Would the

1 companies so embraced.....

2 MS. LOVE-HESTNES: Could you repeat that question?

3 MR. KAYE: I'm sorry. Just picking up on the last concept
4 of joint venture and that could take any number of forms. So if
5 there's more than one company in the joint venture, those
6 participants would not be considered subcontractors, I assume,
7 unless, in the RFP, the lead member of the group, let's say, so
8 defined. Let's say there were some -- some -- I mean it sounds
9 as if that the concept of subcontractor is a little subjective.
10 And if the team is more comfortable defining it as such then
11 you're okay with that? Is that the intent?

12 MR. GRIFFITH: That's the intent.

13 MR. KAYE: Okay. Okay.

14 MR. GRIFFITH: Yeah. I mean we're not looking to dictate
15 what -- you know, exactly how the team gets put together and
16 what their relationship is. We want to leave that up to the
17 teams.

18 MR. KAYE: Okay.

19 MR. GRIFFITH: We do want to understand that relationship
20 and that's part of what would be submitted when -- in response
21 to phase one. But we're not looking to dictate how that should
22 work.

23 MR. KAYE: So, thus, the team organization, whatever
24 documentation binds them, is something that you'll want to take
25 a close look at, I guess?

1 MR. GRIFFITH: Yes. Yes. Right. I want to say one more
2 thing about the subcontractors as well. It's possible, too,
3 that during the course of particularly the proposal development,
4 phase two, or in subsequent phases that there may be people
5 involved that aren't actually prime team members. You may want
6 to use the services of someone else in working on the proposal
7 or the prototype. And it may not actually be team members, but
8 we don't want to preclude the use of subcontracts, even outside
9 the primary team structure. If that makes sense? You know,
10 there may be minor work that needs to get done by someone other
11 than a team member. We're not excluding that kind of approach,
12 either. But we're -- so, you know, they may use subcontracts
13 for something other than just getting a team member on board.
14 That's allowed.

15 MR. KAYE: Just to follow up then on that. What about the
16 concept of adding or replacing team members down the road? Is
17 that something that you allow for? Should we be explaining how
18 we would handle such a contingency?

19 MR. GRIFFITH: We'd certainly be interested in that. That
20 would probably be good information that's not required. But
21 that's a question that came up at the first pre-proposal
22 conference. There's nothing we can do practically to say that,
23 you know, no team member can ever be replaced. I mean things
24 happen. We don't -- we're not -- we don't want to see that. If
25 it did occur, essentially we're going to reserve the right to

1 take a look at who's being replaced and, you know, and -- and
2 how often is it happening, how much is it happening. If it
3 becomes a problem, obviously, it could be a problem for
4 continuing with that team. So, you know, we're looking for
5 consistency, but we can't -- we can't prohibit the replacement
6 of team members as the project goes along. Things happen. But
7 we'll be looking for the reasons why it happened and who's
8 coming in, in their place, and do they have the same kind of
9 experience and qualifications.

10 MR. THEODOROU: Hi. Anthony Theodorou, THEODOROU, Arctic
11 Engineering. My question is related to the design thinking
12 approach. In the past, if you've done public acceptance and
13 receptivity and user solicitation, as you'd mentioned in the
14 RFP, do you have any structure that you thought of in place for
15 how you're going to evaluate that for the project? Are you
16 going to do community workshops or -- how are you -- do you have
17 any ideas on how you're going to implement that kind of -- that
18 kind of design methodology?

19 MR. GRIFFITH: Well that's what we're looking to each of
20 the teams to be able to come up with for their own strategy.
21 How are they going to incorporate user input receptivity into
22 their approach. And that's part of the -- one of the things
23 that we ask you to include in the phase one submittal. So, you
24 know, we're looking to understand that you have expertise on
25 your team that has experience with that. And then we want to

1 know, you know, your general approach to how you would do that.
2 We're not looking to tell the teams how to do it. We're looking
3 for the teams to tell us how they want to do it. And that's
4 part of what we'll be evaluating.

5 MR. THEODOROU: I mean are there -- are there clubs or
6 structures or things in place in the rural communities that
7 would be used? I mean, in the past, that's what we've done in
8 the (indiscernible).

9 MR. GRIFFITH: Yeah. I don't know that there's a lot of
10 structure for that in rural Alaska. But there obviously are some
11 organizations that work with multiple communities that you might
12 want to reach out to and consider working with. But, you know,
13 I don't know that there's anything specifically around the idea
14 of design thinking that's been established for working with
15 rural Alaska. Not that I'm aware of.

16 MR. TSIGONIS: Yeah. Bob Tsigonis, Lifewater Engineering
17 Company, T-S-I-G-O-N-I-S. I know this is not part of this phase
18 one submittal, but I'm thinking down the line to phase two.
19 Just to clarify, the -- what you're looking for, in my
20 understanding, is the water and wastewater treatment systems,
21 onsite systems of one sort or another. But does -- it sounds
22 like you want -- you want us to include the costs of, say, water
23 heating in that -- in the operating costs. Is that -- am I
24 correct or not correct on that? And then the fixtures, like
25 the sinks, the toilets, the showers, the whatever, laundry, is

1 any of that to be included in what we're doing?

2 MR. GRIFFITH: I don't want to be -- I don't want to say
3 something that's contrary to the RFP. I thought we addressed
4 that issue of the water heating in here. Hold on just a second.

5 MR. STANLEY: It's on the bottom of page 16.

6 MR. GRIFFITH: Yeah. Water heating is not considered part
7 of the overall cost of the system. If there is any cost
8 associated with the treatment process which utilizes heat then
9 that would be considered cost of operating the system. But the
10 cost of heating water for household use is outside of the system
11 cost. And then the second part of your question had to do with
12 the fixtures. Standard fixtures in the homes, sinks, tubs,
13 toilets, that's not part of the system cost either. So I just
14 want to clarify that. I think that was the other part of your
15 question.

16 MR. WILSON: At the pre-proposal conference number one --
17 sorry, this is Dave Wilson. At the pre-proposal conference
18 number one there was a target figure over \$160,000 per unit that
19 was thrown around. That was also listed in the RFP. But
20 question number 63 says that the DEC anticipates funding of
21 upward to \$24 million over the next 10 years to complete the
22 work requested in this proposal. It states that \$1 million is
23 currently available. Is \$1 million presumed to be the funding
24 described in Section 103 as funding for the first two phases?
25 Anyway, your answer was correct. One million, which is

1 currently available, will be provided funding for phases one and
2 two formation of team and proposal development. The \$24 million
3 is considered the most that might be possibly be provided for
4 the project over a 10-year period. but it is not the most
5 realistic estimate. And we're projecting that up to \$3 million
6 might be required to fund phase three, prototype development.
7 And then another \$3 million to be needed for phase four, field
8 development. Well if you take out the \$1 million for phase one
9 and two, and an additional \$3 for -- that leaves \$17 million.
10 That's \$2,800 per unit, which is a little different than
11 \$160,000.

12 MR. GRIFFITH: I think there's a little confusion going
13 on. These numbers aren't related to units or homes served or
14 anything like that. This is the -- the money that we're talking
15 -- the money -- the numbers that you've been referencing, the \$1
16 million, the \$3 million, the \$24 million, that has to do with
17 just funding this research and development project overall. The
18 \$160,000 is what we are asking would be the absolute maximum
19 cost down the road of installing a system in a rural home. So
20 it's two different things. One -- the first set of numbers is
21 the cost of this research and development project. The \$160,000
22 references kind of the long-term cost of a potential system in a
23 rural home. So two different things there.

24 MR. WILSON: Okay. So the \$24 million is funding for the
25 RFP for the development.....

1 MR. GRIFFITH: Yeah, well.....

2 MR. WILSON:research development -- the R&W?

3 MR. GRIFFITH: Yeah. Absolute maximum kind of pie in the
4 sky.

5 MR. WILSON: Okay.

6 MR. GRIFFITH: And we had to do that for the sake of the
7 overall procurement action. They wanted to know, you know, if
8 this thing turns into a real long-term effort where you're into
9 it over a period of many years what's the absolute maximum you
10 could ever spend. And the reason that procurement folks want us
11 to be able to identify that absolute maximum is that, you know,
12 we don't want to have to be out and re-procuring services
13 halfway through a project. And so we want to make sure we're
14 not going over some number. So we have to identify that sort of
15 high number so we can avoid having to re-procure services when
16 we exceed some lower number. So, you know, that's a very high
17 number. We absolutely don't expect to exceed that number or
18 even reach that number, because we don't want to have to re-
19 procure halfway through this project.

20 MR. WILSON: It just looked like we're down to \$8 to fix a
21 problem rather than, you know, \$160,000 so.

22 MR. GRIFFITH: Yeah. No that's a different number for a
23 different question.

24 MR. WILSON: Okay. Now there was a question that was
25 brought up at the last meeting that I didn't see addressed in

1 the addendum number two. And that is product liability,
2 liability for services. If we're putting out a system that we
3 have no control over after it's in the field what about the
4 liability of that product?

5 MR. GRIFFITH: I don't know if I can fully answer that
6 question at this point.

7 MR. WILSON: It was brought up at the last meeting. I
8 just thought maybe it was going to be addressed in the addendum
9 and I didn't see it.

10 MR. GRIFFITH: I guess we haven't. I'll take a -- we'll
11 try to provide some additional response to that. I don't -- I
12 don't know that I can definitively answer, you know, down the
13 road product liability. Obviously, like any -- any system
14 that's currently put into a community today, you know, it's
15 designed to be operated in a certain manner. There could
16 obviously be problems when it's not operated in that manner that
17 may not be the fault of the designer or the installer. But I
18 don't know. I guess I don't know how to answer a question
19 about, you know, who is responsible for problems with a product
20 that may occur after installation. Do you have a specific
21 question?

22 MR. WILSON: Yeah, let me back up just a little tiny bit.

23 MR. GRIFFITH: Okay.

24 MR. WILSON: The issues facing Kipnuk and Chefornak, for
25 instances, are entirely different than the issues facing Anvik

1 and Grayling. Topographically, they are different -- different
2 water issues completely, but you want one solution. Do you hear
3 where I'm going?

4 MR. GRIFFITH: I'd like -- I'd like there to be one, but
5 as we've said, there may not be one.

6 MR. WILSON: So you want a fix-all for -- I mean, they are
7 completely different. The challenges are completely different.
8 You know, Atmautluak and Kasigluk, they have got water
9 everywhere, non-flowing, it just sits. And you're dumping raw
10 sewage into a hole. Whereas Anvik and Grayling and a lot of the
11 village on the north shore to the Yukon have got tremendous
12 water runoff. And so my initial question earlier, this is about
13 phases two, is you want a technology that solves the problem,
14 problems. And yet we're limited to one submission, and -- but
15 we can't answer the question about product liability. Do you
16 see where I'm going?

17 MR. GRIFFITH: I see it. I don't know -- I still don't
18 know if I can answer it. I want to point out that not all --
19 not all systems, not all proposed solutions, are going to
20 utilize local raw water sources. Some systems may elect to
21 utilize water from a community watering point which is already
22 treated. So some of that variability may be addressed by taking
23 that approach. Other ones may attempt to utilize local surface
24 water as the source of water for the systems. So, you know, I
25 just want to point that out that not every system is going to

1 try to utilize whatever local surface water sources there are.
2 Some may and some may not. But I agree with you, there's a lot
3 of variability out there. And whether you elect to try to come
4 up with a system that will incorporate all that variability or
5 not is the choice of the team. And as far as project -- product
6 liability, I'll take a look at some of the questions we've
7 gotten and see if we can provide some clarification. But I
8 guess any specificity that you might be able to provide, either
9 now or in writing, in the next day or so will help us to address
10 questions about product liability.

11 MR. ALLEN: Bill, it's unfortunate that you're not better
12 at predicting what may or may not happen in the future. It's
13 kind of a disappointment to us.

14 MR. GRIFFITH: Well I wish -- I wish I was.

15 MR. ALLEN: We've always regarded you as clairvoyant. But
16 with regards to the issue of liability, if we -- if we don't do
17 anything, nothing will happen. In other words, if we're frozen
18 in our tracks by fear of legal repercussions that may or may not
19 take place in the future, we won't do anything. We'll just sit
20 here and lawyer up. So, you know, I would maintain that anybody
21 that has great concern about future liability not participate.

22 MR. GRIFFITH: Good advice.

23 MS. LOVE-HESTNES: Section 7.06 for phases three, four, and
24 five, per risk management, the additional coverage is
25 professional and general liability coverage of \$5 million,

1 marine or transportation insurance sufficient to cover shipping
2 of the commodity per the location for replacement costs, and
3 then product and completed operation insurance coverage for the
4 expected life of the product.

5 MR. DOTSON: I'd like -- Aaron Dotson. I'd like to kind
6 of clarify your discussion there. That liability that I -- the
7 way I perceive it in the proposal is the liability of the
8 proposing team and the products which the team is demonstrating
9 efficacy in the field. That who implements this product in the
10 future will, in the end, hold the liability of the product that
11 is implemented. In my opinion, it's unlikely that the research
12 and development team is that who's going to install and purvey
13 this into all 6,000 homes. So I think there's some disjointed
14 in view of liability. But I think that goes back into the state
15 has done a good job at identifying that product qualification
16 and certification will be required by the team, but installation
17 down the road by an installer, an entity that operates these, is
18 totally separate from that which is in the proposal. Am I
19 correct in my thinking?

20 MR. GRIFFITH: You're correct.

21 MS. KEISER: So I'm not -- I'm not advising you as a legal
22 counsel, but I am an attorney. And I just ask that you check
23 with your legal counsel and make sure that the insurance
24 requirements that you are specifying are actually available in
25 the public market. I've been part of many public procurements

1 where the owner asked for something that actually wasn't
2 available.

3 UNIDENTIFIED FEMALE: Thank you.

4 MR. GRIFFITH: Thanks.

5 MR. THEODOROU: Anthony Theodorou, Arctic Engineering. My
6 question is in regard to the benchmarks associated with the
7 project's improve health criteria. I guess.....

8 MR. GRIFFITH: Performance targets?

9 MR. THEODOROU: Benchmarks.

10 MR. GRIFFITH: Okay.

11 MR. THEODOROU: In other words, you know, what if certain
12 illnesses are prevalent because of this problem. Are there
13 certain thing that you're trying to irradiate? Is there a
14 goal, I mean a specific health goal?

15 MR. GRIFFITH: Health outcomes.

16 MR. THEODOROU: Exactly.

17 MR. GRIFFITH: I guess they haven't been spelled out
18 specifically. We do -- if you look on the project website, we do
19 have a couple of health studies that have been done that
20 identifies some specific health concerns that are associated
21 with households without adequate running water and sewer. And
22 those, for the most part, deal with respiratory infections and
23 skin infection. In Alaska, at this point, that's what the
24 health studies have shown are the primary risks associated with
25 lack of running water and sewer. So obviously that's the

1 primary intent of the project is to bring running water and
2 sewer to what we call un-served homes -- or underserved homes.
3 And then be able to improve overall health of those residents.
4 And again, the ones that we know from studies, the health risks
5 -- kind of -- kind of be detailed out in those studies. But,
6 you know, we don't have -- we don't have specific targets. It's
7 a little bit hard to do that. My discussions -- our discussions
8 with epidemiologists and other health professionals is that it
9 becomes very difficult to be able to demonstrate sort of direct
10 consequences of different improvements in communities and in
11 homes, because there's a lot of other factors involved in these
12 health risks. And so it gets very hard to be able to
13 demonstrate, you know, direct consequences. But in general, you
14 can take a look at those studies and get an idea of what the
15 risks are and what we're trying to improve.

16 UNIDENTIFIED MALE: (Indiscernible -- away from
17 microphone.)

18 MR. GRIFFITH: Yeah. I might also add that, you know,
19 these health risks, these -- these skin infections, respiratory
20 infections are often referred to as water wash diseases. So
21 that's kind of a primary focus is we're looking to get a
22 sufficient amount of water into the home, sufficient amounts of
23 waste disposal. It's not just a matter of having, you know, a
24 clean -- a safe place to get drinking water. We've had that
25 available in virtually all the communities for many years now.

1 There's a place people can go and get -- a place to get safe
2 water for drinking. But that doesn't provide sufficient
3 quantities in the home, at an affordable cost, to address some
4 of these water wash diseases. So we're really talking about
5 quantity as much as we are quality.

6 MS. ZENDER: Hi. Lynn Zender, Zender Environmental, Z-E-
7 N-D-E-R. And this just goes back to a previous question for
8 clarification. You said that the standard fixtures in the home
9 are not part of the capital costs.

10 MR. GRIFFITH: No.

11 MS. ZENDER: Now if the technology requires maybe a non-
12 standard fixture or something slightly different, it would still
13 perform the same function obviously, would that be considered
14 part of the capital cost of the project?

15 MR. GRIFFITH: Yeah, actually I -- since I said that, I've
16 been kind of rethinking that. And -- and actually that \$160,000
17 a unit, I think we're going to have to go back and take a look
18 at that. And so rather than me continuing to potentially
19 confuse the issue, I think we may be -- we're thinking about
20 that \$160,000 including fixtures. But we'll go back and take a
21 look at that and provide clarification here. But as you point
22 out, what if there's some fixtures involved in the system that
23 are non-standard, don't we want to include all fixtures? And
24 so we'll go back. I'll kind of touch base with the folks on the
25 Steering Committee and we'll provide written clarification here

1 in the next week or so. Thanks for bringing that back up,
2 actually.

3 MR. KAYE: Also following up on the question of team
4 stability. Aside from the possible necessity of replacing one
5 team member with another, what about the issue of if the team
6 generally decides that adding a member for some, let's say,
7 uncovered aspect of the project is indicated -- is desirable, I
8 assume that's -- that's allowable? I mean that doesn't
9 interfere with your concept of stability. And would you like to
10 see how that's addressed referenced in the initial submission?

11 MR. GRIFFITH: Yeah. I don't -- I think there's no
12 problem with that. Obviously, if the team can be strengthened
13 after phase one with the addition of some expertise or
14 experience that -- we don't preclude that. And sure, if you
15 contemplate that that could be a part of how the team may
16 operate that's something we'd like to have included in the
17 description. There's a place in the phase one submittal for
18 each team to describe how they're going to work and how they're
19 going to approach the problem so you can include it there.

20 MS. SHIRLEY: Jacqueline Shirley, Zender Environmental. I
21 have a question about -- let me see, how do I put this
22 correctly? Okay. So the selected teams are going out to the
23 communities, you know, to start research and developing protocol
24 -- I mean the -- I'm not an engineer, what was it called again -
25 - the system and doing everything. How much leveraging are we

1 going to be able to work with the partners that are already
2 doing water and sewer out there? How much can I -- as a part
3 of this grant will I be able to go knock on VSW's door or DHEE
4 door as sanitation solution providers, because we're all
5 providing a service -- or is it -- how is -- how are we going to
6 be treated by VSW and DHEE, the main big brothers of, you know,
7 the sanitation service providers? Are we going to be able to
8 be, you know, kind of like a partnership? Is there going to be
9 some kind of, you know, sharing of information and some kind of
10 cooperation, collaboration with the service providers already
11 out in the communities? Or are we just going to be kind of
12 like, you know, treated as the, you know, terrible step-child
13 that, oh, they're just doing this weirdo decentralized system
14 with that funding and -- you know what I'm -- you know how that
15 can get? You know, so how is that relationship going to be with
16 this grant, this service, DHEE, and VSW, and the -- and the
17 health corporations who also are a main player in providing
18 sanitation solutions? I mean there's a whole bunch of parties
19 and, you know, already working with -- are we going to be
20 invited into the party as well? Thank you.

21 MR. GRIFFITH: Yeah, that's a question that we've begun to
22 get and we've begun to explore with ANTHC, Alaska Native Tribal
23 Health Consortium, that has a lot of expertise in this area.
24 We're trying to put together an approach to that question
25 specifically with ANTHC right now. So we'll be putting some

1 clarification out about the extent to which some of that
2 expertise can be accessed, how it would be done, how it might be
3 paid for if there's any significant time involved. I can tell
4 you, we would certainly want to make available any written
5 materials -- you know, public information that might assist with
6 teams. We can make that available. But beyond that, some of
7 the specific people and their expertise, we're going to be
8 providing some clarification here soon about how you might
9 access that, at least at ANTHC and Village Safe Water. Now at
10 some of the regional health corporations, that's a little bit
11 further afield. We don't -- we don't have really any
12 restrictions on that. It's possible that some regional health
13 organizations may want to be a part of a team. So that
14 obviously would preclude other teams being able to probably get
15 a lot of assistance from them if that was the case. We also
16 have one regional health organization, Tanana Chiefs Conference,
17 that has a member on the Steering Committee. So again their
18 availability to provide assistance to a team might be fairly
19 limited because of that. But other ones -- that's the only one
20 at this point. So, you know, the others, I think -- at least at
21 this point, you're free to talk to and consider as team members.
22 And then we'll see how teams get put together beyond that. But
23 I agree. We've gotten a lot of questions about, you know, is
24 some of that expertise going to be available and we're having
25 some discussions with ANTHC and trying to come up with some

1 information for teams about that.

2 MR. DOTSON: Aaron Dotson. One of the new tactics that
3 EPA and USDA is using for large grants in the academic field is
4 issuing cooperative agreements and not formal grants,
5 essentially enabling the team awarded the project to be --
6 because of the award, the awarding agency is now part of that
7 team. It is -- it enables more kind of connection of the
8 funding agency has been shown to be a real success in academic
9 research. So it might be something that the state may want to
10 consider in how to fund this.

11 MR. GRIFFITH: Okay, thanks.

12 MR. TSIGONIS: Bob Tsigonis. On page 43, Section 7.08,
13 proposed payment procedures, the middle paragraph there, the end
14 -- toward the end there, it says the state will pay the entire
15 contract amount -- this is speaking of phase -- or phase two.
16 The state will pay the entire contract amount in one payment.
17 Payment will be made after the completed proposal has been
18 submitted and found to meet all minimum requirements. This --
19 for a small company this is a little bit intimidating, because
20 we would have to -- for six months, for the six month portion of
21 this phase, we would have to fund it entirely ourselves. And
22 then with -- and then if we're found to not meet all minimum
23 requirements at the end, we get nothing. I just wanted to point
24 that out and see if you could comment on that from our
25 perspective.

1 MR. GRIFFITH: It's something we can take a look at. I
2 don't -- I don't know whether that's anything that could be
3 changed at this point. I mean we'll take a look at it. It's a
4 good thing for us to think about. If there's any way we can
5 make it easier for people, we'll take a look at it.

6 MS. KEISER: Jan Keiser. I have a suggestion on that
7 regard. You could break the requirements of the request for
8 proposal into milestones and provide some partial funding at
9 various milestones. So think about what you're evaluation
10 criteria would be for the proposal itself and then identify some
11 milestones that relate to those criteria.

12 MR. GRIFFITH: Yeah, thanks.

13 MS. HOLTAN: Meghan Holtan with Agnew Back, H-O-L-T-A-N.
14 So this question is just about the proposal content B, team
15 member qualifications and references. And I think you maybe
16 addressed this in that first question at the very beginning.
17 But the difference between a team member that's a firm and a
18 team member that's an individual for that -- the four pages per
19 team member, if you have multiple individuals who belong to one
20 firm. Are you looking for sort of like a firm statement of
21 qualifications and then individuals resumes behind that or can
22 you sort of elaborate more about how you want to see that?

23 MR. GRIFFITH: Yeah. I think we are focusing on the
24 individuals. So we're looking to understand the specific
25 experience of the individual that will be identified to meet

1 each of the required team membership -- the requirements
2 associated with team members. So we talked a little bit about
3 this at the first conference. It's possible that one team
4 member could meet more than one requirement. So you don't
5 necessarily have to have a one-to-one relationship with each of
6 the team member requirements and team members. You could have
7 less than that. But we're interested in focusing, in any case,
8 on the individuals and not the firm or the company. Yeah.

9 MR. HOFFMAN: Any other questions?

10 MR. THEODOROU: Anthony Theodorou, Arctic Engineering. I
11 had some questions related to the typical characteristics of a
12 household that we should consider relating to heating, power
13 system, and even the type of the house, you know, what it's made
14 out of, structural related issues. Obviously, also condition of
15 the household. Is there anything that you could give as a good
16 example, a typical example to be considered?

17 MR. GRIFFITH: I think for folks that have had a little
18 experience working in rural communities, they may have a sense
19 of that. I don't -- I think -- you know, as much as I could say
20 is that, again, it's extremely variable. We don't expect a
21 system to be able to be installed in any rural -- any home in
22 rural Alaska. We recognize there are some homes, unfortunately,
23 that aren't structurally sound. So we recognize that, even at
24 this point when we put in centralized systems, there's homes
25 that we can't hook up to it, because we just can't get in and

1 get plumbing fixtures into the home. So we're just looking to
2 make sure that the home is structurally sound, it has electrical
3 service, it's got thermostatically controlled heat. We
4 mentioned some of those things. But beyond that, it's -- you
5 know, these home run the gamut in terms of how they're
6 constructed and the environment they're constructed in. So
7 there's a very wide variety of homes and house types and
8 construction and so on. I don't think I could really
9 characterize it.

10 MR. KAYE: Then to follow-up on the preceding two
11 questions. On the immediate question of the homes and the
12 structure, do you contemplate the difference between equipment
13 that might be located outside the home or would some external
14 structure attached to the home for environmental reasons --
15 and/or are you leaning toward the idea of whatever is proposed
16 ends up within the home, you know, thus taking up some footprint
17 within? How do you -- how do you see that? And then I have a
18 follow-up on that proceeding question as well.

19 MR. GRIFFITH: I don't know that we have -- we don't have
20 a -- we don't have a bias or a preference as to whether it's
21 inside or outside. The only consideration we tried to point out
22 in the RFP is that if it's outside the home, ultimately in the
23 proposal, some of the issues associated with that approach would
24 have be addressed. Obviously, if it's going to have to sit on
25 the ground then you're going to have to think about foundations,

1 and freeze protection is going to become more of a concern and
2 so on. But, you know, we just want to see that all of the
3 considerations are addressed. We don't -- we don't really have
4 a preference as whether everything's inside or there may be
5 components that are located outside.

6 MR. KAYE: And then on the question of the team
7 membership, too, go back to that point that you're more
8 interested in the individuals than in the company. So for the
9 purposes of the application, if -- you might say one expertise
10 slot is occupied by a company which, within, could have any
11 number of individuals assigned. Are you looking for any
12 individual that that particular company contemplates
13 participating that their individual resume, their experience,
14 their background be documented in the initial RFP as opposed to
15 the company saying, well, you know, we have the experience, we
16 have -- as a company, we have such and such expertise? But
17 that's not so much what you're looking for. You want to know
18 within that company, who will be participating and what their
19 individual strengths are?

20 MR. GRIFFITH: That's correct.

21 MR. KAYE: Okay.

22 MR. ALLEN: You just asked the question that I was -- that
23 I was kind of dwelling on. Certainly, we can submit resumes
24 from Cowater International, people that have just huge
25 international experience and credentials both academic and

1 professionally. They probably aren't going to actually be doing
2 the work. That's the -- you know, that's what I foresee. But,
3 gosh, they're going to look great on paper.

4 MR. GRIFFITH: Yeah. And that's -- you will basically get
5 into a situation then where you've sort of changed the team
6 member then. If that's not the individual who is doing the work
7 then that's not the team that was proposed. So we'd really like
8 to see, you know, the people identified in the phase one
9 submittal that will actually be doing the work. That's who we
10 want to.....

11 MR. ALLEN: If you could clarify that in writing when you
12 answer these questions then -- then I think that will help --
13 that will help keep us from gaming the system.

14 MR. GRIFFITH: Sure.

15 MR. DOTSON: Aaron Dotson. I'd like to kind of add
16 possibly another clarification to that. Maybe the state would
17 consider the individuals as the individuals doing and guiding
18 the work. Especially in engineering companies, oftentimes the
19 concept comes from above and the grunt work comes from a lower
20 level. The same in academics that the concept and framework
21 comes from the professor, the leader, and the actual nuts and
22 bolts comes from a student. So it might -- and I'm not going to
23 put students in a proposal, but I think it's worth noting how
24 that structure would be. The other discussion point I'd like to
25 have a question on is in addition to resumes by individuals,

1 while it's not specifically noted in the SOQ request, is
2 business profiles, like a two-page business profile, is that
3 something the state wants to see or is it just simply
4 individuals?

5 MR. GRIFFITH: I guess we'll -- we'll take a look at it.
6 I don't think we had a -- we didn't -- we had not envisioned
7 taking a look at any business profiles. We really just wanted
8 to see the individual qualifications, but we'll take a look at
9 it. I mean if the business profile can be included without
10 exceeding some of those limitation. I don't know that we would
11 -- we wouldn't want to take a look at it. But at the same time,
12 I don't -- we don't want to be seeing, you know, 100-page glossy
13 business profiles. That's probably not something we're going to
14 take much notice of.

15 MR. KAYE: 6.07, I think it's page 31, you referenced
16 trade secrets and other proprietary data may be held
17 confidential. Is that relevant to phase one or is that -- does
18 that contingency only come into play for selected teams
19 thereafter?

20 MR. GRIFFITH: Well just my reading of it is that it
21 really wouldn't be pertinent to phase one. I mean I can't
22 imagine that we're going to be provided with any proprietary
23 data in phase one. We're just looking at people's
24 qualifications and their approach to the project. So I
25 certainly hadn't envisioned that it would play any role at all

1 in phase one.

2 MR. KAYE: Okay.

3 MR. GRIFFITH: It would only come up, I think, if we got
4 to phase two.

5 MR. KAYE: All right. So then in other words, that's to
6 advise us that that is -- if a team is in phase two and beyond
7 that that is an option (indiscernible -- interrupted)?

8 MR. GRIFFITH: Correct. Correct. I didn't -- we didn't
9 envision any way that would come up in phase one.

10 MR. KAYE: Okay.

11 MS. KEISER: Jam Keiser. Speaking with regarding to this
12 topic about whether you look at the individual or the company,
13 the way some public owners do it is they actually score each
14 item separately, the project references and reputation and
15 experience of the firm and the team as a whole, and then the key
16 individuals who will actually be doing the work. And I highly
17 advise you to take a look at that. You might -- you might get a
18 highly experienced firm using -- passing off lesser experienced
19 individuals if you don't have some way to separate those
20 criteria. Thank you.

21 MR. GRIFFITH: Okay, thanks.

22 MR. THEODOROU: Anthony Theodorou, Arctic Engineering. I
23 had a question regarding when the state evaluates the team
24 members' references. Are you able to evaluate them if the
25 reference doesn't speak English?

1 MR. GRIFFITH: Yeah. We saw a written question about
2 that. Probably not. I would recommend you try to find English-
3 speaking references. You know, we can make an attempt. But
4 it's obviously greatly facilitated and made much easier if you
5 can find a reference that will speak English. I can't make
6 guarantees that we're going to find people that can speak any
7 language that any reference might speak. So maybe try to get a
8 little more definitive in our written response, but that would
9 be a challenge.

10 MR. THEODOROU: One of the official, for example, UN
11 languages (indiscernible -- away from microphone.)

12 MR. GRIFFITH: Well we'll take a look at that. I don't
13 know if we can -- I don't know if we can say no definitively,
14 but we'll get some clarification out in writing.

15 MS. KEISER: Jan Keiser again. I have another suggestion,
16 because we'll probably run into that ourselves, is develop a
17 reference questionnaire in writing in English, and then send
18 that out with maybe a cover email, or have the proponent send it
19 out in the language with a cover email, and have it submitted
20 directly to you. Most business around the world, except in
21 isolated places, is conducted or has access to English.

22 MR. GRIFFITH: Right. At least in the way of responding
23 to a questionnaire like that. Yeah, that's a good suggestion.

24 MS. SHIRLEY: Jacqueline Shirley, Zender Environmental.
25 Bill, since you -- since VSW and DHEE might be getting together

1 to discuss how the partnership might work with the selected
2 teams for this project, one of the things that came into mind --
3 I mean besides, you know, working as partners, but like
4 leveraging and making this project as, you know, cost efficient
5 as possible, because that's the -- that's the main reason why
6 we're here is because the cost of providing plumbing or flushing
7 (indiscernible) is just -- is crazy. So things like say -- say
8 I'm working for a selected team and we're working in Hooper Bay
9 and we got tons of supplies that need to be delivered downtown
10 from the airport, two miles away, to all the -- you know, the
11 old village, which can't get the piped water that VSW is working
12 on, and VSW has their frontend loader and all their nice, big
13 heavy equipment that VSW has your heavy equipment available to
14 us so we could haul all -- or your trucks that we could haul our
15 stuff from the airport to where we need it. You know what I
16 mean? That type of a partnership where we could utilize what's
17 already there without us adding another \$15,000, \$20,000 for,
18 you know, renting the equipment to haul the stuff from the
19 airport. And, you know, I mean the equipment is there and it
20 should -- you know, so if we start being able to leverage and
21 making -- and really being a partnership and making this project
22 as cost efficient, that type -- that's -- that's one of the
23 pieces I see as the partnerships being developed to make this
24 project as successful as possible and not DHEE and VSW seeing us
25 as, you know, just a hindrance, oh geez, you know, whatever.

1 You know?

2 MR. GRIFFITH: Yeah. That's a good point. And what
3 you're bringing up is, you know, when we get into phase four,
4 our field system development, and really beyond that, further
5 refinements and maybe more implementation, we'd certainly want
6 to take a look at any cost-saving agreements and cost-sharing
7 that could be done. I mean we try to do that now with any
8 entity. But clearly, we'd want to be thinking about that down
9 the road. So, yeah, we'd be open to that.

10 MS. KEISER: Jan Keiser. I have another suggestion. When
11 you write your request for proposal that gets issued to the
12 firms that you will select to go into the second phase, I
13 suggest that you distribute a draft request for proposal and
14 allow comment on that, which will allow the questions that the
15 lady before just addressed. Sort of a -- it gives -- it will
16 give the proposers an opportunity to comment on assumptions or
17 criteria or other issues that might come to bear that you may
18 not have thought of as you were developing the RFP. And then a
19 final RFP can be developed which incorporates some of that
20 comment.

21 MR. GRIFFITH: Okay, thanks.

22 MS. LOVE-HESTNES: Any other questions? If you do leave
23 the room and remember a question, please -- you have until
24 tomorrow end of business, October 17th. We'll post the
25 questions and answers and the transcript as soon as available.

1 And thank you for your participation.

2 (End of proceeding).

3

TRANSCRIBER'S CERTIFICATE

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I, Gloria Schein, hereby certify that the foregoing pages numbered 2 through 53 are a true, accurate and complete transcript of proceedings of Alaska Water and Sewer Challenge Pre-Proposal Conference #2 for the Alaska Department of Environmental Conservation, held October 16, 2013, in Anchorage, Alaska, transcribed by me from a copy of the electronic sound recording to the best of my knowledge and ability.

Date
Gloria Schein