ALAN M. ARAKAWA Mayor STEWART STANT Director MICHAEL M. MIYAMOTO Deputy Director



MICHAEL P. RATTE Solid Waste Division

RECEIVEBIC NAKAGAWA, P.E. Wastewater Reclamation Division

2016 NOV -4 AM 11: 41

CHEST OF THE MAYOR

COUNTY OF MAUI DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

2050 MAIN STREET, SUITE 2B WAILUKU, MAUI, HAWAII 96793

November 4, 2016

Honorable Alan M. Arakawa Mayor, County of Maui 200 South High Street Wailuku, Hawaii 96793

For Transmittal to:

Honorable Elle Cochran Chair, Infrastructure and Environmental Management Committee Maui County Council 200 South High Street Wailuku, Hawaii 96793

Dear Chair Cochran:

SUBJECT: AUTHORIZING COUNTY TO ENTER INTO A SITE LEASE RELATED TO AN ELECTRICITY GENERATING FACILITY AT WAILUKU-KAHULUI WASTEWATER RECLAMATION FACILITY (IEM-68)

The County is in receipt of the above Infrastructure and Environmental Management (IEM) Committee requested information dated October 20, 2016. Your questions and the corresponding responses are provided below by the Department of Environmental Management (DEM).

1. Provide a copy of the Request for Proposal which solicited bids for this project.

Attached is the RFP and Addendum 1.

2. Provide a list of the 16 vendors you stated were involved in the bid process for this project, further indicating the vendors who ended up submitting a bid.

The process had two site visits, Monday, April 4, 2016 and Tuesday April 5, 2016.

RECEIVED

OF THE 15: 06

OVED FOR TRANSMITTAL

ulsh

Date

Honorable Elle Cochran IEM Committee Chair November 4, 2016 Page 2 of 3

The reason for the two days for site visit was in response to a mix up in the RFP stating Tuesday April 4, 2016. Attached is the sign-in sheet for the Monday site visit for the project. The Tuesday site visit only had representatives from Hawaii Gas. They indicated that they were there to see if any other vendors/proposers were going to be present.

Also attached are the two emails from companies that planned on the Tuesday meeting. Neither company showed up for the Tuesday meeting.

There was only one bid received by the Purchasing Office and it was the Anaergia proposal.

3. What is the tonnage currently used as landfill cover by the County?

As we mentioned in the meeting, it is a possibility of the dried sludge to offset landfill cover at the Central Maui Landfill. The latest figure shows that we used 87,000 tons of dirt for daily cover and slope dressing at a cost of \$8 per ton delivered.

4. What amount of landfill cover material will be produced from the 24,000 tons of sludge to be collected from the Kahului, Kihei, and Lahaina facilities?

If the dried sludge is used as landfill cover, we estimate about 4,000 tons resulting from the drying process.

5. What is the estimated value of the anticipated landfill cover?

The current price for landfill cover at the Central Maui Landfill is \$8 per ton of delivered material. The 4,000 tons at \$8 per ton will have a value of \$32,000.

6. When does the current contract with Maui EKO Compost end? Will there be any cost to the County should the contract be terminated before that time?

The current contract with EKO Compost ends June 30, 2019. The contract does allow the County to end the contract for the County's convenience although this does not prevent the contractor claiming losses due to early termination.

7. Provide a detailed cost analysis showing cost benefits for the County. Include savings for electricity, landfill cover material, and the use of R-2 water for biocrops, among others.

Regarding the requested detailed cost analysis, at the advice of the Department of Corporation Counsel, due to the confidential nature of the information as being integral to the County's position in ongoing contract negotiations, the information will be presented to the Committee in Executive Session, pursuant to Sections 92F-13(3) and 92-5(a)(8), Hawaii Revised Statutes.

8. What are the Department's plans to obtain community input for this project, if

Honorable Elle Cochran IEM Committee Chair November 4, 2016 Page 3 of 3

any?

This project will go through the standard landuse entitlement process. As part of the landuse entitlement process the public will have the opportunity to provide their input for this project. The project team includes a local planning consultant that will work on the landuse entitlement process.

Thank you for these questions and we look forward to discussing the subject lease.

STEWART STANT

Director, Department of Environmental Management

REQUEST FOR PROPOSALS RFP # 15-16/P98

DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE OF A GAS TURBINE SYSTEM WITH SLUDGE DRYER FOR THE WAILUKU-KAHULUI WASTEWATER RECLAMATION FACILITY UNDER A POWER PURCHASE AGREEMENT (PPA)

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

COUNTY OF MAUI

March 21, 2016

TABLE OF CONTENTS

Section	Description	<u>Page</u>	-
	Request for Proposals Advertise	menti	
1 1.0 1.1 1.2	PROJECT Scope and Backgrou PROJECT Assumptions		
2 2.0 2.1 2.2 2.3 2.4	Overview		
3 3.0 3.1	Proposal Evaluation Process		
4	Offer Form	21	
<u>Attachments</u>			
Site Lease A	greement	A	

REQUEST FOR PROPOSALS

DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE OF A GAS TURBINE SYSTEM WITH SLUDGE DRYER FOR THE WAILUKU-KAHULUI WASTEWATER RECLAMATION FACILITY UNDER A POWER PURCHASE AGREEMENT (PPA)

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT COUNTY OF MAUI

RFP # 15-16/P98

Pursuant to Chapter 103-D, Hawaii Revised Statutes (HRS) sealed proposals are being requested for the design, construction, operation, and maintenance of a gas turbine system with a sludge dryer for the purpose of generating and selling electricity to the County under a power purchase agreement. The scope of work under this RFP consists of one site, the Wailuku-Kahului Wastewater Reclamation Facility, located at 281 Amala Place, Kahului, Hawaii.

Through registration, specifications and offer form may be obtained from the above named office via Public Purchase (http://www.publicpurchase.com/gems/mauico,hi/buyer/public/publicInfo), an e-procurement system.

Five (5) printed copies (one (1) unbound original and four (4) bound copies) of the proposal and one electronic copy (on compact disc or flash drive containing a PDF file compatible with Adobe Reader or Acrobat) must be delivered by mail or in person and received up to 4:00 p.m. HST on **April 26, 2016**, at the Purchasing Division, 2145 Wells Street, Suite 104 (Wells Street Professional Building), Wailuku, HI 96793.

Proposals must be submitted in a sealed, clearly labeled envelope (or box). Proposers are strongly encouraged to not exceed 30 pages of double-sided 8½"x11" pages with 11"x17" page inserts (as applicable) in a clear and concise presentation of information. The County will appreciate brevity and clarity rather than volume. Non-written audio-visual materials will not be accepted in lieu of a written proposal.

DANILO F. AGSALOG Director of Finance County of Maui

PROJECT DESCRIPTION

The County of Maui (hereafter referenced as "COUNTY") is seeking proposals for the **DESIGN**, **CONSTRUCTION**, **OPERATION AND MAINTENANCE OF A GAS TURBINE SYSTEM WITH SLUDGE DRYER FOR THE WAILUKU-KAHULUI WASTEWATER RECLAMATION FACILITY UNDER A POWER PURCHASE AGREEMENT (PPA).** The proposer is advised that this Request for Proposals document (hereafter referenced as "RFP") with exhibits, includes by reference the County of Maui Purchasing Terms and Conditions for Goods and Services and all together comprise the complete RFP.

1.0 PROJECT SCOPE AND BACKGROUND

The COUNTY is soliciting proposals from qualified firms/teams who have demonstrated experience with on-site gas-powered generation of electricity to be used to satisfy the power needs of the Wailuku-Kahului Wastewater Reclamation Facility (hereafter referenced as "FACILITY"), located at 281 Amala Place, Kahului, Hawaii. Proposers should also have demonstrated experience in the process of wastewater sludge dewatering and drying.

The COUNTY desires a long-term clean energy strategy and electric grid independence, with the ultimate goal of utilizing 100 percent renewable energy, as defined in §196-11, Hawaii Revised Statutes, to meet the needs of the FACILITY. In the interim, the COUNTY seeks a cleaner burning alternative than diesel-generated electricity to power the FACILITY. The COUNTY currently sources its power from the local utility, which burns ultra-low sulfur diesel to produce electricity.

Proposer is to design, construct, maintain, and operate a gas turbine electric power generator system with sludge dryer ("PROJECT") at the FACILITY. The FACILITY currently consumes roughly 5,250 MWh per year. Consequently, the COUNTY seeks a gas turbine system consisting of two 300kW gas turbine units powered by gaseous fuel. Proposers will be permitted to utilize non-renewable gaseous fuel and are encouraged to procure a renewable gaseous fuel stream as early as possible during the contract term. Proposer is submitting a bid to act as the Provider under the PPA.

Proposers must clearly identify the timeframe for conversion to renewable-fuel source(s), as applicable, and the percentage of renewable and fossil fuel(s) throughout the contract term (hereafter referenced as "TERM").

Proposals utilizing gas turbines that incorporate oxidizer technology will receive preference over those utilizing combustion as the method of driving the turbine blades to produce electrical energy. Oxidizer technology should provide the means to allow the use of low BTU gas such as biogas or other gaseous fuel sources with high, low, or variable levels of BTU values. Oxidizer technology can use low and variable BTU gaseous fuels to run a gas turbine and create energy as opposed to combustion gas turbines or other types of reciprocating engines. Oxidizer technology also has very little or no emissions as opposed to combustion generating units. Proposals should clearly identify how the proposed equipment meets these criteria, as well as the associated environmental benefits.

The Proposer is also encouraged to propose creative solutions for utilizing gaseous renewable fuels in the oxidizer gas turbine system for beneficial combined heat and power for use at the FACILITY.

The Proposer is also to design, furnish, install, maintain, and operate a sludge drying facility using exhaust waste heat from the gas turbine system. Dewatered secondary sludge from centrifuges at the FACILITY is currently between 12-15% dry (~85-88% moisture content). The sludge drying system shall be designed to produce 80% dried sludge (~20% moisture content) to reduce hauling and disposal costs that the COUNTY currently incurs. The drying system shall incorporate an odor abatement and control system to contain foul air from exiting the drying system and equipment. The sludge drying system may include provisions for burning gaseous fuel to supplement the drying process to achieve 80% sludge dryness.

1.1 PROJECT ASSUMPTIONS

Proposers should use the following assumptions in their analysis.

- 1.1.1 The term RFP refers to this Request for Proposals and all of its attachments, including any materials from the COUNTY and relevant third parties. This RFP is based on the best available information. Information not in this document, and not said to be forthcoming, should be assumed to be unavailable.
- 1.1.2 Departure from the standards outlined in this RFP must be communicated via written notice to the COUNTY.
- 1.1.3 The COUNTY will continue to own and operate the FACILITY; the Proposer will own and operate the PROJECT proposed in this RFP.
- 1.1.4 The Proposer will be responsible for obtaining any necessary environmental regulatory documentation (EA/EIS); all permits required to develop, install, and operate the PROJECT (including SMA and an applicable air permit); and ongoing compliance with all permit conditions, and local, state, and federal laws and regulations once the PROJECT becomes operational.
- 1.1.5 The PROJECT should be designed to minimize process wastewater discharge (with a goal of "zero discharge").
- 1.1.6 The Proposer will be responsible for obtaining all necessary bonds and insurance, including naming the COUNTY as an additional insured. For comparison purposes, the Proposer should not submit a combined amount, but should separately cost out the insurance and bonding.
- 1.1.7 The Proposer will be responsible for the financing, planning, design, construction, operation, and maintenance of the PROJECT.
- 1.1.8 The Proposer will be responsible for all PROJECT-related liquid discharges, gaseous emissions, and residual process material and by-product treatment and disposal and for compliance with all federal, state and local laws, rules and other requirements. Proposer shall be responsible for testing any residual process

material in accordance with U.S. EPA and state guidelines or regulations, prior to transport and disposal. The COUNTY will retain ownership of and will be responsible for disposing of the resulting dried sludge.

- 1.1.9 The Proposer will not receive sludge directly from any source other than the County, without the express written consent of the COUNTY.
- 1.1.10 Water and electricity are available on the FACILITY grounds. It is the Proposer's responsibility to provide applicable utility connections to the PROJECT site. The Proposer shall ensure that a sub-meter is installed, at a minimum, for accurate accounting of utility usage. Proposers should identify whether the proposed equipment can utilize recycled water.
- 1.1.11 The Proposer will be responsible for decommissioning and removing the PROJECT and returning the site to its original condition upon termination of the contract.
- 1.1.12 The Proposer and the COUNTY will enter into an electricity purchase agreement for a term of 20 years from the Operation Date of the PROJECT. Proposer and County will enter into a site license/lease to expire concurrent with the TERM. The Proposer shall clearly identify the location and size of the site required in the FACILITY, as applicable, after consultation on land availability with the COUNTY.

For estimation purposes, it should be assumed that the COUNTY will purchase a minimum of 4,500 MWh per year as part of this Power Purchase Agreement at the FACILITY.

The electricity price proposed shall result in a net cost savings to the County as compared to the current cost of electricity purchased by the COUNTY from MECO, which should be assumed by the Proposer to be 30 cents per kilowatt hour, and annual sludge disposal cost, which should be assumed to be 8,000 tons/year at \$83/ton. In other words, the PROJECT's resulting PPA electricity price must be lower than the existing combined cost of electricity and sludge disposal costs.

Sludge from the other two wastewater reclamation facilities on Maui (Kihei and Lahaina) may be delivered to the FACILITY if it makes financial sense to accommodate those facilities' sludge for drying with the turbine waste exhaust heat. There is approximately 8,000 tons/year of sludge from each of those facilities and a similar moisture content of the sludge may be assumed. Hauling of sludge between the facilities and to the disposal site is the responsibility of the COUNTY. The COUNTY will only consider delivering sludge to this PROJECT if all sludge from another facility is processed (i.e. no partial loads). Proposers shall clearly identify the PROJECT's capability to accept and process/dry all of the sludge produced by the FACILITY, and the ability to receive and process additional sludge from the County's other wastewater facilities.

The PPA shall contain a fixed cost escalation over the Term. All equipment and infrastructure required for the electricity usage by the FACILITY shall be installed at the sole expense of the Proposer. Proposer shall submit a proposed PPA with its proposal, with the understanding that the final agreement shall be subject to negotiation with the selected proposer.

- 1.1.13 The site lease, as applicable, may be subject to approval by the Maui County Council.
- 1.1.14 Work on design and construction of the PROJECT shall be performed on regular County of Maui working days between the hours of **7:00 A.M. and 3:30 P.M.**, unless otherwise approved in writing by the following individual:

Eric Nakagawa, Division Chief Wastewater Reclamation Division 2200 Main Street, Suite 610 Wailuku, Maui, HI 96793 Office: (808) 270-7417

Fax: (808) 270-7425

Operational hours of and access to the PROJECT shall be coordinated with and approved by the Wastewater Reclamation Division.

1.2 **GENERAL CONDITIONS**

- 1.2.1 The County of Maui's General Terms and Conditions for Goods and Services are specifically included in this RFP and shall be incorporated in the contract and take priority over any conflicting terms in the PPA, and can be found at the following link: http://www.co.maui.hi.us/DocumentCenter/Home/View/3186.
- 1.2.2 **CONTRACT TIME:** The COUNTY intends to issue an Authorization for Preliminary Work, upon which date the Proposer shall commence work on building permits, interconnection study (if required), and environmental assessment requirements. Thereafter, the Proposer must diligently pursue such activities and provide monthly written status reports to the Officer in Charge. Once pre-construction requirements are met to the satisfaction of the COUNTY and all building permits or other authorizations are obtained by the Proposer, the COUNTY will issue a Notice to Proceed with construction activities. Furnishing, delivery, installation, and operation of the Gas Turbine Electric Power Generation System with Sludge Dryer shall occur within **FOUR HUNDRED SIXTY (460) Calendar Days** from the Notice to Proceed issued by the Department of Environmental Management. "Operation Date" shall be the date the PROJECT commences continuous generation of energy to meet the needs of the FACILITY, including sludge drying. The PPA term shall commence on the Operation Date and shall terminate 20 years thereafter.
- 1.2.3 LIQUIDATED DAMAGES: It is mutually understood and agreed by and between the parties to the contract that time shall be of the essence of the contract and that in case of failure on the part of the contractor to achieve the Operation Date within the time specified and agreed upon, the COUNTY will be damaged thereby, and the amount of said damages, being difficult if not impossible of definite ascertainment and proof, it is hereby agreed that the amount of such damages shall be estimated, agreed upon, liquidated and fixed at the sum of Two Hundred & no/100 Dollars (\$200.00) for each and every calendar day, including Saturdays, Sundays and holidays, the contractor shall delay in achieving the Operation Date; and the contractor hereby agrees to pay the COUNTY as liquidated damages, and not by way of penalty, such total sum as shall be due for such delay, computed as aforesaid.

- 1.2.4 Proposers are requested to enclose with their offer detailed specifications and brochures verifying that the equipment being offered conforms to the specifications. Proposers are encouraged to provide reference facilities utilizing similar technology and power purchase agreement(s), as well as contact information for said facilities.
- 1.2.5 **SUBSTITUTION REQUESTS:** Alternate equipment found to be equal to or greater in quality to the type specified in this RFP may be proposed and accepted by the Officer-In-Charge, however the burden to prove equality shall rest with the Proposer. The Officer-In-Charge shall be the sole judge as to its acceptability.
- 1.2.6 Substitution or clarification requests must be received prior to the proposal submission deadline, pursuant to Section 2.2. Any acceptable modifications or clarifications shall be made by issuance of an addendum, and shall be given by written notice to all parties.

Submit substitution requests to:

COUNTY OF MAUI
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
ATTENTION: MICHAEL MIYAMOTO
2050 Main Street, Suite 2B
Wailuku, Hawaii 96793
or, via email: michael.miyamoto@co.maui.hi.us
or, via fax: (808) 270-8234

1.2.7 **PERMITS and LICENSES:** The Proposer is responsible for securing all permits required to complete and operate the PROJECT, including associated permit fees, including, but not limited to documents necessary to comply with Chapter 343, Hawaii Revised Statutes ("HRS"). It is the Proposer's responsibility to ensure all permits required to meet all County of Maui, State of Hawaii and Federal laws applicable for operation of the PROJECT are timely secured.

The successful Proposer must comply with applicable civil, structural, mechanical, electrical, planning and building codes.

- 1.2.8 **CONTRACTOR'S LICENSE:** All construction work shall be performed by persons with the appropriate contractor's license required to perform the work under the laws of the State of Hawaii. All operations and maintenance shall be conducted by properly licensed individuals.
- 1.2.9 The County Finance Director reserves the right to withhold confirmation of award for a period of one hundred twenty (120) calendar days from the date of opening of the proposals. Proposers' pricing shall be valid for that time period.
- 1.2.10 Proposer shall not submit more than one proposal for each item specified in the Offer Form. Doing so shall be cause for rejection of all offers from that Proposer. Subcontractors may be party to multiple teams.
- 1.2.11 Proposals shall be submitted in a sealed envelope, and shall be on the Offer Form provided. Faxed offers shall be rejected.

- 1.2.12 Proposer shall deposit his sealed offer with the Bid Receiver, County of Maui, Division of Purchasing, Department of Finance, Wells Street Professional Center, 2145 Wells Street, Suite 104, Wailuku, Hawaii 96793.
- 1.2.13 Proposals shall be received and time stamped by **4:00 O'CLOCK P.M. HST** on the deadline designated for the submission of proposals.
- 1.2.14 Should there be a mathematical error, the unit price shall govern.
- 1.2.15 A bid bond and performance bond shall not be required. The Proposer may include such bonds in its bid to support showing of financial strength.
- 1.2.16 No proposal shall be withdrawn after the hour set for the bid opening.
- 1.2.17 The successful awardee shall be responsible for complying with all applicable County, State, and Federal rules, regulations, and policies and to keep records documenting their compliance.
- 1.2.18 A written health and safety plan shall be prepared and implemented by the Notice to Proceed date of the PROJECT, pursuant to HRS Chapter 396-18.
- 1.2.19 The successful awardee will be required to comply with the Federal Davis-Bacon Act and the corresponding HRS Chapter 104.
- 1.2.20 A contract shall be awarded to the responsive Proposer that scores the highest under the evaluation criteria. Incomplete, conditional, or irregular proposals shall be rejected.
- 1.2.21 Submission of a proposal signifies the Proposer's agreement to the following:
 - At its expense, Proposer agrees to indemnify and hold harmless the COUNTY, its elected officials, officers, employees, agents and volunteers from any and all deaths, injuries, losses and damages to persons or property (including property of the COUNTY), and any and all losses, claims, suits, actions, costs, expenses, damages, judgments or decrees caused by the negligent acts, willful acts or errors or omissions of the Proposer or any of Proposer's subcontractors, any person employed under the Proposer, or under any subcontractor, or in any capacity during the progress of the work or the provision of services arising out of any one or more of the following: Proposer's submission of its proposal; COUNTY's acceptance of Proposer's proposal; or the COUNTY's awarding a contract to Proposer in compliance with this RFP; or state, federal or local laws.
- 1.2.22 By responding to this RFP, the Proposer covenants that it currently has no interest, and before a contract is executed between the COUNTY and the Proposer, that the Proposer will not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services required to be performed under the contract. The contract between the COUNTY and the Proposer will include a covenant by the Proposer that as of contract execution and for the term of the contract, that the Proposer (and any employees of the Proposer) will have no interests, direct or indirect, that would conflict in any manner or degree with the

performance of services required of the Proposer under the contract.

- 1.2.23 The contract will require that the Proposer comply with all laws, ordinances, codes, rules, regulations, design standards and criteria, governmental general and development plans applicable to the Proposer's performance of the Proposer's obligations under the contract with the COUNTY and under the Site Lease. The Proposer will be required to obtain all necessary permits and approvals for the performance of the Proposer's obligations under the contract and shall pay for all charges in connection with such permits. The COUNTY will assist the Proposer in the permit processing as reasonable.
- 1.2.24 Insurance Requirements. Each proposal will be evaluated for adequate risk mitigation strategies. The contract between the COUNTY and the Proposer will include insurance provisions as required by the COUNTY. The final insurance requirements and policy limits will be based on the Proposer's selected technology and other factors.

Within ten (10) days of the final award of the contract, prior to the commencement of performance of services, the Proposer shall furnish certificates of insurance to the COUNTY at the addresses specified, evidencing the insurance coverage, including endorsements required. These certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the COUNTY and the Proposer shall maintain such insurance from the time the Proposer commences performance of services hereunder until the completion of such services. For the purpose of this document, "commencing services" refers to any activity toward completing the PROJECT goal. If the Proposer does not obtain the described insurance, or if the COUNTY is not furnished at the time specified with the requisite insurance certificates, or if the described insurance is terminated, altered or changed in a manner not acceptable to the COUNTY, then the Proposer shall not commence services and the COUNTY may terminate the award, at COUNTY's sole discretion.

1.2.25 HRS Chapter 237 tax clearance requirement for award and final payment.

Pursuant to HRS Sections (§§) 103-53, 103D-310(c), and 103D-328, the successful bidder shall be required to submit an original or certified copy of its tax clearance certificate issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) to demonstrate its compliance with HRS Chapter 237. The certificate must be current within six (6) months from the most recent approval stamp date on the certificate and must be valid on the date it is received by the purchasing agency. This certificate is required prior to award of a contract.

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX *TAX CLEARANCE APPLICATION* Form A-6 (rev. 1998) which is available at the DOTAX and IRS offices in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website (Forms & Information): http://www.state.hi.us/tax/tax.html

DOTAX Forms by Phone:

(808) 587-7572 1-800-222-7572

DOTAX Forms by Fax:

(on Oahu) (808) 587-7572 (Outside Oahu) (808) 678-0522

Completed tax clearance applications may be mailed to one of the district tax offices listed on the application or faxed to one of the following numbers. If mailed, out-of-state Proposers should send their application to DOTAX Oahu District Office.

IRS:

(808) 541-1976

DOTAX:

Oahu (808) 587-1720 or (808) 587-1488

Maui (808) 984-8522 Kauai (808) 274-3461 Hawaii (808) 974-6300

The application for the clearance is the responsibility of the Proposer, and must be submitted directly to the DOTAX or IRS and not to the purchasing agency.

The Proposer is required to submit a tax clearance certificate for FIRST payment under the PPA. A tax clearance certificate, not over two (2) months old, with an original green certified copy stamp, must accompany the invoice for final payment on the contract.

1.2.26 HRS Chapters 383 (Unemployment Insurance), 386 (Workers' Compensation), 392 (Temporary Disability Insurance), and 393 (Prepaid Health Care Act) requirements for award

Pursuant to HRS Section (§) 103D-310(c), the successful Proposer shall be required to submit an approved CERTIFICATE OF COMPLIANCE issued by the Hawaii State Department of Labor and Industrial Relations (DLIR). The Certificate is valid for six (6) months from the date of issue and must be valid on the date it is received by the purchasing agency. This Certificate is required prior to an award of a contract.

The certificate of compliance shall be obtained on the State of Hawaii, DLIR APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH SECTION 103D-310(c), HRS, Form LIR#27 which is available at www.hawaii.gov/labor, (choose "Forms" under Library Resources) or at the neighbor island DLIR District Offices. The DLIR will return the form to the Proposer who in turn shall submit it to the purchasing agency.

The application for the Certificate is the responsibility of the Proposer, and must be submitted directly to the DLIR and not to the purchasing agency.

- 1.2.27 HRS <u>§103D-310.</u> Responsibility of offerors. To be eligible for award, the Proposer must comply HRS §103D-310, including:
 - a. Proposers shall produce documents to the procuring officer to demonstrate compliance with HRS §103D-310, including a

CERTIFICATE OF GOOD STANDING, issued by the Department of Commerce and Consumer Affairs, Business Registration Division (BREG). A sole proprietorship, however, is not required to register with the BREG, therefore not required to submit the Certificate. A Proposer's status as sole proprietor and its business street address indicated on the Offer Form page OF-1 will be used to confirm that the Proposer is a Hawaii business.

b. All Proposers/Offerors, upon award of contract, shall comply with all laws governing entities doing business in the State, including HRS Chapters 237, 383, 386, 392, and 393.

Any Proposer/Offeror making a false affirmation or certification under this subsection shall be suspended from further offerings or awards pursuant to HRS §103D-702.

To obtain a CERTIFICATE OF GOOD STANDING go online to www.BusinessRegistrations.com or contact the Department of Commerce and Consumer Affairs, Business Registration Division by phone at (808) 586-2727. Proposers are advised that there are costs associated with registering and obtaining a CERTIFICATE OF GOOD STANDING from the DCCA.

The CERTIFICATE OF GOOD STANDING is valid for six (6) months from date of issue and must be valid on the date it is received by the purchasing agency. **This** Certificate is required prior to an award of a contract.

<u>Timely Submission of all Certificates.</u> The above Certificates should be applied for and submitted to the purchasing agency as soon as possible. If a valid Certificate is not submitted on a timely basis for award of a contract, a Proposer otherwise responsive and responsible may not receive the award.

- 1.2.27 Proposer shall keep itself fully informed of all laws, ordinances, codes, rules and regulations, governmental general and developmental plans, setback limitations, rights of ways, and all changes thereto in any manner affect the contract and all performance thereof, including but not limited to:
 - a. All Sections of the local COUNTY's Charter and Code;
 - b. Chapter 103, HRS, as amended, relating to expenditure of public money;
 - c. Chapter 103D, HRS, as amended, relating to the public procurement code, including Hawaii Administrative Rules Chapter 103D (Chapters 3-120, 3-121, 3-122, 3-123, 3-124, 3-125, 3-126, 3-128, 3-129, 3-130, 3-131, 3-132);
 - d. Chapter 104, HRS, as amended, relating to wages and hours of employees on public works;
 - e. Chapter 196, HRS, as amended, relating to Energy Resources.

- f. Chapter 321, HRS, as amended, relating to Health Department.
- g. Chapter 378, HRS, as amended, relating to fair employment practices;
- h. Chapter 376, HRS, as amended, relating to industrial safety;
- i. Chapter 386, HRS, as amended, relating to workers' compensation;
- j. Chapter 396, HRS, as amended, relating to Occupational Safety and Health, including having a signed certification from the Proposer or Offeror that a written safety and health plan for the job will be available and implemented by the Notice to Proceed date of the PROJECT. (see, §396-18, HRS); and,
- k. Chapter 444, HRS, as amended, relating to contractors for construction and maintenance work. Provider shall use properly licensed contractors for all work as required by law.

PROCUREMENT PROCESS

2.0 <u>OVERVIEW</u>

The COUNTY will evaluate the proposals based on the evaluation criteria outlined in Section 3.0. As a result of the evaluations of the proposals received through the RFP, the COUNTY will select a Proposer and will negotiate and solidify contract terms, including a site lease or license, if applicable. It is anticipated that the entire procurement process will last six months; however, the timeline is dependent on securing applicable final approval from the Maui County Council regarding the site license/lease.

Proposers are advised to familiarize themselves with the Site by physically visiting the site. A formal site visit is scheduled for Tuesday, **April 4, 2016, at 9:00 HST**. Proposers should contact Deputy Director Michael Miyamoto prior to this date by email or fax to register as Proposers and to attend the site visit.

If a Proposer has any question about this RFP – or if a Proposer finds any error, inconsistency, or ambiguity in the RFP, – the Proposer must make a "Request for Clarification" before submitting its proposal. All questions or clarifications concerning this RFP must be directed to the following COUNTY representative no later than 4:00 p.m. HST, April 12, 2016:

COUNTY OF MAUI DEPARTMENT OF ENVIRONMENTAL MANAGEMENT ATTENTION: MICHAEL MIYAMOTO 2050 Main Street, Suite 2B Wailuku, Hawaii 96793 or, via email: michael.miyamoto@co.maui.hi.us

or, via fax: (808) 270-8234

All formal communications must be submitted in writing or via email, and pertinent information is subject to distribution to all registered Proposers. If necessary, the COUNTY will make clarifications, interpretations, corrections or changes to the RFP or the proposed contract, or both, in writing by issuing Addenda. A Proposer must not rely upon, and the COUNTY is not bound by, purported clarifications, interpretations, corrections or changes to the RFP and the proposed contract made verbally or in a manner other than a written advisory from the COUNTY. The COUNTY will issue Addenda in writing only to the email address provided by the Proposer upon registration.

The COUNTY will make reasonable efforts to deliver Addenda to all registered Proposers that the COUNTY knows to have received a complete set of the RFP. The COUNTY cannot guarantee that all Proposers will receive all Addenda. Proposers may also inspect the Addenda at the Department of Environmental Management Administrative Office, during its business hours. The RFP is also on file there.

At any time before the "Deadline to Submit Proposals," the COUNTY may issue Addenda withdrawing the RFP or postponing the Proposal Deadline. However, if any Addenda results in a material change to this RFP, or the proposed contract, or both, the COUNTY will extend the Proposal Deadline by not less than seventy-two (72) hours, at its sole discretion.

2.1 SUBMITTAL EXPENSES

The COUNTY accepts no liability for the costs and expenses incurred by any party responding to this RFP, responses to clarification requests, resubmittals, interviews (if applicable) and subsequent negotiations. Each Proposer that enters into the selection process shall prepare the required materials and submittals at its own expense and with the express understanding that Proposers cannot make any claims whatsoever for reimbursement from the COUNTY for the costs and expenses associated with the RFP process, up to and including the date of final award of the contract for this RFP.

2.2 SCHEDULE

Activity	Date
RFP Issued	Thursday, March 24, 2016
Site Tour	Tuesday, April 4, 2016
Deadline to Submit Questions/Clarifications to RFP	Tuesday, April 12, 2016
Deadline for the County to Respond to Questions	Tuesday, April 19, 2016
Deadline to Submit Proposals	Tuesday, April 26, 2016, 4:00 pm (HST)
Proposal Evaluations	April 27-May 6, 2016
Interviews (if necessary)	May 16-20, 2016
Proposer Selected, "Notice of Intent to Award Contract"	Monday, May 30, 2016
Negotiations /Contract Development	June 1-July 29, 2016
Maui County Council Approval, if required	2-3 months
Final Award (Contract fully executed by all parties; County issuance of Authorization for Preliminary Work)	August 1, 2016-November 1, 2016

2.3 <u>COUNTY RESERVED RIGHTS</u>

The COUNTY reserves the right to cancel this procurement process at any time and for any reason. The COUNTY may accept or reject any proposals in whole or in part and reserves the right to deviate at its discretion from the selection criteria outlined in Section 3.0. Additionally, the COUNTY at its sole discretion may discuss different or additional terms to those included in this RFP or received in any response; amend or modify any terms of this RFP; invalidate this RFP and issue a second RFP; request clarifications

and/or additional information from a Proposer submitting material at any point in the process; or accelerate or delay the procurement process.

The COUNTY reserves the right to retain all proposals and to use any ideas in a proposal regardless of whether that proposal is selected. All proposals will become the sole property of the COUNTY. At such time as a Proposer agrees to enter into a contract with the COUNTY and the contract is executed, or the COUNTY decides to terminate this RFP process without entering into a contract, all proposals and related documents will become a matter of public record, with the exception of those parts of a proposal which are trade secrets, as that term is defined by statute.

If any part of a proposal contains any trade secrets that the Proposer does not want disclosed to the public, the Proposer shall mark that part of the proposal as a "trade secret." The COUNTY, however, shall not in any way be liable or responsible for the disclosure of any such proposal or any part thereof if disclosure is required under the Public Records Act (Government Code, Section 6250 et seq.), Hawaii Uniform Practices Act (Hawaii Revised Statutes Section 92F et seq.), or pursuant to law or legal process. In addition, by submitting a proposal a Proposer agrees to save, defend, keep, bear harmless, and fully indemnify the COUNTY, its elected officials, officers, employees, agents, and volunteers from all damages, claims for damages, costs, or expenses, whether in law or in equity, that may at any time arise or be set up for not disclosing a trade secret pursuant to the Public Records Act, including those arising from or connected with the County's refusal to disclose the protectable document to any party making a request for those items.

Initiation of this solicitation and RFP process does not commit the COUNTY to finalize an agreement or to pay any costs associated with the preparation of any proposal, nor to enter into an agreement with the Proposer submitting the most advantageous proposal.

Unless the Proposer provides all information required pursuant to this RFP process, the proposal may, at the COUNTY's sole discretion, be rejected and given no consideration. Any Proposer attempting to influence this RFP process by interfering or colluding with other Proposers or with any COUNTY employee will be disqualified.

Any Proposer submitting a proposal understands and agrees that submission of said proposal shall constitute acknowledgment and acceptance of, and intent to comply with, all the terms and conditions contained in this RFP. The determination of the compliance with the terms and conditions of this RFP shall be in the COUNTY's sole judgment and its judgment shall be final and conclusive.

When it best serves the COUNTY's interests, the COUNTY may do any one or more of the following:

- Amend, revise or change the RFP's evaluation or selection criteria;
- Cancel, withdraw, amend, revise, change or negotiate the terms of this RFP, the proposed contract, or both;
- Visit Proposer's facilities or business(es) or other facilities;
- Examine financial records of Proposer to the extent necessary to ensure financial stability;
- Make a partial award;
- Negotiate with one or more Proposers;

- Award contracts to one or more Proposers; or
- Require a best and final offer from one or more Proposers.

The Proposer agrees not to make any claims for, or have any right to, damages because of any misunderstanding or misrepresentation of the terms and conditions of this RFP, or because of any misinformation or lack of information.

Proposals delivered to the COUNTY after the proposal deadline will be returned unopened and will not be deemed to have been received.

The selected Proposer shall be given a "Notice of Intent to Award Contract." The RFP, or any part of it, and the Proposer's proposal, will be incorporated into and made a part of the contract. The COUNTY reserves the right to further negotiate the terms and conditions of the contract. The Proposer selected by the COUNTY must cooperate with the COUNTY in good faith to negotiate, sign, and deliver the final contract. The COUNTY will draft the contract and may require the selected Proposer to attend one or more contract negotiation conferences to discuss possible revisions to the contract's terms, conditions, requirements, specifications or minimum performance standards or additions to the contract, by the Parties' mutual agreement, or as County Ordinance or Resolution, County Charter, the Maui County Code or any other law may require.

If at any time, and for any reason, contract negotiations with the selected Proposer fail to progress to the COUNTY's reasonable satisfaction or if the COUNTY determines that any proposed contract with the selected Proposer would not be in the best interests of the COUNTY, the COUNTY reserves the right to not only end negotiations with the selected Proposer, but also cancel the Notice of Intent to Award Contract and reject Proposer's proposal. At its discretion, the COUNTY may then: reopen the proposal process; choose from among the remaining, if any, qualified proposers; reissue the RFP; or choose to withdraw the RFP.

The contract with Proposer may be subject to review and approval by the Maui County Council prior to Final Award.

2.4 RESPONSE TO THE RFP

2.4.1 PROPOSAL CONTENT

Proposers should furnish pertinent and relevant information, rather than merely provide promotional facts or materials. Information provided should clearly demonstrate a Proposer's expertise, competence, experience, performance, solvency, and ability to be responsive to the COUNTY's goals, interests, and objectives.

The person or persons legally authorized to bind the Proposer to the RFP and to the contract must sign the proposal in ink. The individuals signing the proposal must represent that they are authorized to bind the Proposer's legal entity.

A complete proposal shall contain the following sections and content to be considered "responsive," and shall be organized as indicated below.

- (1) Cover Letter -- Proposers must include the name of the organization submitting the proposal and the name, title, address, phone number, and email address of the primary contact authorized to make representations for the Proposer. The cover letter must also identify the location of the office in which the Proposer will perform the work related to this PROJECT. The cover letter should be a maximum of two pages.
- (2) Executive Summary -- The Proposer must submit a separate executive summary that summarizes the information contained within the proposal, including information for each participating firm (form of business organization, ownership and firm description, proposed role in the transaction, and information as to criminal conviction, debarment from entering into contracts, regulatory violations, bankruptcies, lawsuits, and contractual disputes). The summary shall also identify any alternative proposals and briefly summarize the benefits of such alternatives (including price). The summary should be drafted so that it may be easily understood by persons without technical backgrounds. It should be no longer than necessary to convey a meaningful summary of the proposal and shall be a maximum of ten pages in length, plus renderings, tables, drawings, and graphs, as necessary.
- (3) Table of Contents -- Proposers must include a table of contents for easy referencing of key sections of the proposal.
- (4) Proposer's Team Description and Structure -- The COUNTY is seeking an experienced, proven, and successful team based on the strength and depth of participating firms and key personnel relevant to the PROJECT. Proposers must fully describe the background of major participating firms (i.e., those firms in the proposed PROJECT whose participation amounts to 15% or more of the construction cost or the annual operations and maintenance cost), including the involvement of each firm in the development and implementation of the PROJECT being proposed. firms" "Participating include. applicable: as (1) Proposer/Proposer/Integrator; (2) the Guarantor; (3) a new company, if any, to be formed for the sole purpose of executing and performing the contract; (4) the firm(s) that will actually operate, maintain and manage the PROJECT; (5) the firm that will design the PROJECT; (6) the firm that will construct the PROJECT; and (7) any other significant participant(s) in the transaction, including those that will permit and those who will finance the PROJECT. Proposers must demonstrate how the Proposer's organizational structure will foster excellent communication with the COUNTY and efficient PROJECT development. Proposers must include an organizational structure, which includes the names of firm officers and top management and specific individuals who will be engaged in this PROJECT.
- (5) Corporate Documentation for each major participating firm shall include relevant information regarding the firm's organizational stability and strength, including whether it is a sole proprietorship, partnership, corporation, joint venture, etc. Financial strength, solvency, and successful

PROJECT track record are of significant importance to the COUNTY, and a Proposer (or PROJECT team) lacking such attributes shall receive lower scores, may be deemed non-responsive.

- (6) Proposed Technical and Commercial Approach -- Proposers must demonstrate how the proposed approach is appropriate for Maui County considering all the local constraints on the island. Proposers must include the following:
 - a. Technology Description -- Proposers must explain the process flow of fuel storage and delivery, through various equipment components, including exhaust waste heat usage, as applicable. Technical information on each major piece of equipment utilized must be provided, including experience Proposers have with the equipment proposed. Proposers must include a descriptive explanation of the processes to go along with the process flow diagram and a description of how any waste by-products will be disposed.

With regards to all major equipment components, including the gas turbines and sludge drying equipment in particular, Proposers must provide details on the frequency and duration of any scheduled maintenance and any subsequent inability to provide power during those times. Proposers must list the Hawaii-based repair and service provider for each major piece of equipment.

 Fuel Supply – Proposers must explain the source of fuel for the gas turbines, including the anticipated storage requirements at the PROJECT site and the security of supply on Maui.

If renewable fuel is proposed, Proposers must detail the source and technology utilized to produce the renewable fuel, as applicable. In addition, Proposers must provide assurance of adequacy of supply for the delivery timeframe specified.

c. Site Layout -- Proposers must include a description of the proposed footprint (site layout) of the PROJECT, including square footage needed, ingress and egress, and infrastructure.

(7) Financial Plan

- a. The Proposer shall finance and own the PROJECT. The COUNTY will not be a party to, and shall have no rights or obligations related to the PROJECT's financing and ownership. Proposers must include a reasonable plan for financing the total capital costs and required working capital. Proposers must also show that they meet minimum requirements in terms of experience and required equity to finance and execute the PROJECT.
- (8) Local Content of Material and Labor -- Proposers are encouraged to utilize

locally sourced materials and construction labor, where possible. The COUNTY views the PROJECT as an economic generator for the COUNTY and will look favorably to Proposers who incorporate local content for materials, construction labor, and long-term operations employment. Proposers must include a discussion of how local resources may be utilized as part of PROJECT implementation. Proposers should estimate and quantify the incremental benefits that the PROJECT will bring to the local economy.

- (9) Permits and Schedule -- Proposers must include a list of the land use entitlements that will be necessary for the development and operation of the PROJECT. At a minimum, it is anticipated that an Environmental Assessment, Special Management Area Use Permit, State or County Special Use Permit, and County building permits will be required for PROJECT implementation. Proposals must include a realistic approach and a realistic schedule for obtaining the necessary PROJECT development and operational permits. The COUNTY will assist the Proposer in obtaining necessary permits and approvals;, however, Proposers will be wholly responsible for preparing and obtaining such permits and approvals. Proposers should assume that the Authorization for Preliminary Work will occur in August 2016 as a baseline. Proposers are encouraged to provide the PROJECT schedule in Gantt chart format with estimated start and end dates for each subtask and to include the following components.
 - a. PROJECT Development
 - b. Environmental Review; Site and Building Permitting
 - c. Design and Engineering
 - d. Financing (including required progress milestones, as applicable)
 - e. Construction (including equipment procurement)
 - f. Initial Start-up, Testing, and Commissioning
 - g. Commencement of Operation

EVALUATION PROCESS AND CRITERIA

3.0 PROPOSAL EVALUATION PROCESS

The COUNTY will establish an evaluation committee to review the proposals. The evaluation committee may include and/or will be supported by legal, technical, and financial advisors. The COUNTY will first evaluate the proposals to ensure that they are complete. Non-compliant or non-responsive proposals will be rejected. The evaluation criteria are further outlined in this Section.

3.0.1 PROJECT TEAM EXPERIENCE AND CREDIBILITY

In the proposal content, the Proposer's team members (and major participating firms) should demonstrate strong experience in project development, facility operations, regulatory compliance, and project finance that is relevant to the PROJECT. Proposals must include information on firms representing the major portions of the PROJECT.

- 1) PROJECT Lead/Integrator
- 2) PROJECT Financing
- 3) Gas Turbines
- 4) Sludge Dryer
- 5) Fuel Supply
- 6) Equipment Servicing and Maintenance

Proposals must include, at a minimum, the following firms (with license numbers) licensed in the State of Hawaii.

- 1) Structural, Civil, Mechanical, and Electrical Engineers, as applicable
- 2) General Contractor and subcontractors, as applicable

3.0.2 TECHNOLOGICAL SOLUTION

The COUNTY is seeking a solution that minimizes technical risk and ensures that the system operates reliably with minimal downtime. The Proposer must detail the experience that the team has with each major piece of equipment, including with the fuel source specified. The COUNTY wants assurance that there is adequate fuel storage available within the PROJECT site and that the Proposer has security of fuel supply on island to prevent disruption in operation.

3.0.3 FINANCIAL BENEFIT TO THE COUNTY

In the proposal content, the Proposer should reasonably quantify net financial benefit in nominal terms over the term of the PROJECT, which is expected to be a minimum of 20 years. Increases in electricity cost to the COUNTY, if applicable, should be a fixed-percentage increase over the contract term. Proposers must include a draft PPA, with the understanding the final terms will be negotiated with

the COUNTY. Proposers shall also clearly identify whether the PROJECT's financial feasibility is dependent upon sale of excess electricity to the local utility.

The following assumptions listed earlier in Section 1.1.12 should be used.

1) Contract term: 20 years

2) Minimum power delivery per year: 4,500 MWh

3) Current price per kWh: 30 cents

4) Annual sludge generation: 8,000 tons per facility (three potential facilities)

5) Current sludge disposal price per ton: \$80

3.0.4 ENVIRONMENTAL BENEFIT

The COUNTY will be looking for projects offering the most favorable environmental benefit and benefit to public health. Proposers should clearly identify the environmental benefits associated with the proposed equipment and/or technologies. Energy security is also desirable. Use of Hawaii-produced renewable fuel sources will be given preference. Proposals that include use of renewable, Hawaii-produced fuels will be given preference and such proposals should include a timeframe for incorporation of renewable fuels as well as the minimum percentage of renewable fuels to be incorporated over the Term. Liquidated damages will accrue and be paid by the Proposer if the implementation of renewable fuels identified do not come online as indicated by the Proposer. Alternatively, the COUNTY has the sole right to cancel the contract if renewable fuels identified by the Proposer are not implemented as proposed.

3.1 PROPOSAL SCORING MATRIX

Proposals will be evaluated based on criteria outlined in the scoring matrix that follows. The COUNTY is not obligated to select a proposal based solely on price. In addition to price, the COUNTY will consider how well the proposals meet the goals and objectives of the RFP, the qualifications and experience of the Proposer, the soundness of the technical and business approaches, the level of risk that the Proposer is assuming and asking the COUNTY to assume, and other factors that are described in this RFP.

SCORING MATRIX	Possible Points	Proposer Points
PROJECT Team Experience and Credibility: Demonstrated capability to finance and execute similar projects. Minimum of two (2) reference facilities. Successful performance of similar Power Purchase		
Agreements, including the project management approach, the ability to deal with issues specific to the facility systems, and the ability to meet schedules. Competence in permitting and operation of similar facilities.	40	
Technological Solution:		
 Proven operation of each system component utilizing the proposed fuel input(s), ensuring the accuracy of the forecasted energy production of previous projects. Reliable equipment requiring little downtime and trained local technicians to respond to equipment malfunctions. Sufficient fuel storage and security of fuel supply. Proposals utilizing oxidizer technology shall be rated higher than those utilizing combustion. Proposals utilizing a minimum of two turbines shall be rated higher than those proposing a single turbine. Achievement of sludge processing/drying criteria. 	25	
Financial Benefit to the County and certainty of operation within specified timeframes:		
 Net present value of the expected energy savings and sludge hauling cost savings. This score will be a calculation of the net present value savings based on the energy price differential for the assumed annual usage combined with the sludge disposal savings with project implementation. Scalability of PROJECT to respond to increased electricity needs over the Term. Projects dependent upon sales of excess electricity to Maui Electric Company shall be rated lower than projects that do not. Favorable/reasonable terms of proposed Power Purchase Agreement. 	25	
Environmental Benefit & Use of Renewable Fuel:		
 Environmental benefit compared to combustion using diesel as fuel source. Effective air quality management controls for both the turbine exhaust and sludge drying. The ability to produce or locally source renewable fuels and carbon footprint of the fuel (existing contracts or identification of reliable sources of renewable fuels). Timeframe for inclusion of renewable fuel(s) and percentage of renewable fuels over contract term. 	10	

OFFER FORM

RFP # 15-16/P98

Director of Finance County of Maui Wailuku, Maui, Hawaii

Dear Sir:

The undersigned hereby proposes the DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE OF A GAS TURBINE SYSTEM WITH SLUDGE DRYER FOR THE WAILUKU-KAHULUI WASTEWATER RECLAMATION FACILITY UNDER A POWER PURCHASE AGREEMENT (PPA) all in strict compliance with the RFP, Purchasing Terms & Conditions and this Offer Form.

PROPOSAL SCHEDULE
Under a Power Purchase Agreement, we agree to sell, and the COUNTY agrees to purchase, at least 5,000 MWh per year of electricity, at the following price:
UNIT PRICE PER KILOWATT-HOUR
ANNUAL ESCALATION PERCENTAGE
Additionally, while delivering the minimum 4,500 MWh per year, we will provide a sludge drier and heat to reduce the moisture content of generated sewage sludge from an estimated 85-88% moisture to an estimated 20% moisture.
Please select the estimated weight of sewage sludge that will be dried as provided above:
8,000 tons per year
16,000 tons per year
24,000 tons per year
The above numbers will be used to calculate the Proposer's score for the Financial Benefit criterion.

It is understood and agreed that if a contract is awarded, the undersigned shall enter into and

execute the PPA for the work described herein.

	dersigned shall acknowledge by recording in the spaces be		any addendum issued by the Department of of receipt.
	Addendum No. 1		Addendum No. 3
	Addendum No. 2		Addendum No. 4
RESPE	CTFULLY SUBMITTED,		
NAME C	DF FIRM**		SIGNATURE OF PROPOSER**
ADDRE	SS OF FIRM		PRINT OR TYPE NAME OF PROPOSER
TELEPH	HONE & FACSIMILE NUMBER	?	PRINT OR TYPE TITLE OF PROPOSER
DATE S	SIGNED		E-MAIL ADDRESS
	AL ID/SOCIAL SECURITY NO NOTE: FEDERAL ID for Part		Corporations only)
HAWAII	STATE GENERAL EXCISE T	AX LICENSE	NUMBER:
PLEASE	SPECIFY TYPE OF ORGAN	IIZATION:	
1	NDIVIDUAL F	PARTNERSHI	IP CORPORATION
S	STATE OF INCORPORATION	: HAWAII OTHER	PLEASE SPECIFY
**	f Corporation, please affix to otherwise indicate "not availab oid on behalf of the corporat	this page you le"; also evid tion. Such a	ur corporate seal where indicated, if available, lence of the authority of this officer to submit a authority must be in the form of a corporate sees of the officers of the corporation.

(SEAL)

LEASE

THIS LEASE is dated
Lessor hereby exclusively leases to Lessee that certain property situate at Kahului, Hawaii, described as a portion of the Kahului-Wailuku Wastewater Reclamation Facility, also described as Tax Map Key No. (2), comprising a total of approximately square feet, as generally shown on the map attached hereto as Exhibit "A" and made a part hereof (the "Premises"), together with access thereto, upon and subject to all of the terms and conditions set forth in this Agreement, and subject to all encumbrances affecting the Premises.
1. Term. This Agreement shall commence on the date written above and shall terminate on, 20 In the event that Lessee violates any of the terms of this Agreement, Lessor may terminate this lease if, after receiving written notice of a default of this agreement, Lessee fails to cure the breach within thirty (30) days, or if the breach cannot be cured within thirty (30) days, Lessee fails to commence action to cure the breach within thirty (30) days and thereafter, fails to diligently act to complete the cure of the default.
2. <u>Utility Services</u> . Lessee shall pay, prior to delinquency, all charges for water, sewer, gas, electricity, telephone and other services or utilities used by Lessee on the Premises during the term of the Lease unless otherwise expressly agreed in writing by Lessor.
3. Real Property Taxes and Assessments. Lessee shall also, when and as the same become due and payable, pay all taxes and all other assessments and outgoings of any nature whatsoever to which the Premises, or Lessor or Lessee in respect thereof, are now or may during the term of this lease become liable, regardless of whether the said taxes, assessments and outgoings are or shall be assessed to or be payable or dischargeable by law by either Lessor or Lessee; provided, however, that with respect to any assessment made under any betterment or improvement law which may be payable in installments, Lessee shall be required to pay only such installments of principal, together with interest on unpaid balances thereof, as shall become due and payable during the term of this lease or any part thereof. As to any portions of the Premises which are not separately assessed, Lessee shall reimburse to Lessor, within ten (10) days after Lessor's request therefor, the pro rata amount of said taxes, assessments and outgoings which are attributable to the Premises. Lessee shall be responsible for the payment of any conveyance tax due on this lease. Lessee shall pay directly, before the same become delinquent, all charges, duties, rates and other outgoings of every description to which the Premises, or Lessor or Lessee in respect thereof may during the existence of this lease be assessed or become liable for electricity, gas, refuse collection, telephone, sewage disposal, water or any other utilities or services or any connections or meters therefor, whether assessed to or payable by Lessor or Lessee, and which are incurred because of Lessee's use or occupancy of the Premises.
4. <u>Use</u> . Lessee shall at all times use the Premises solely for Lessee will use the Premises for no other purposes

without the prior written consent of Lessor, which consent may be granted or withheld in Lessor's sole discretion. Lessee, its agents, employees and invitees, shall not use the Premises as temporary or permanent residence. Lessee shall not permit or allow any person to live on the Premises.

- 5. <u>Waste and Unlawful, Improper or Offensive Use of Premises</u>. Lessee shall not commit, suffer, or permit to be committed any waste or nuisance, or unlawful, improper or offensive use of the Premises.
- 6. <u>Maintaining the Premises</u>. Lessee shall, at its own expense, keep the Premises in good, clean and sanitary order, condition and repair, reasonable wear and tear excepted.
- 7. Assumption of Risk and Liability. Lessee, as a material part of the consideration to Lessor for this Lease, does hereby assume all risk of bodily injury, wrongful death and/or property damage, business interruption or economic loss occasioned by any accident, fire, or nuisance made or suffered on the Premises, and hereby waives any and all claims against the Lessor. All inventory, property, vehicles, approved improvements and equipment of Lessee shall be kept, placed or stored at the sole risk of Lessee, and Lessor shall not be responsible or liable for any damage thereto or loss or theft thereof, including subrogation claims by Lessee's insurance carriers.

8. <u>Insurance</u>.

- a. <u>Comprehensive General Liability</u>. Lessee shall obtain, pay for, and keep in force throughout the period of this Lease comprehensive liability insurance issued by an insurance company (the "Carrier") authorized to do business in the State of Hawaii (an "Admitted Carrier"), or by a company not authorized to do business in the State of Hawaii (a "Non-Admitted Carrier") only though a general insurance agent or broker leased in the State of Hawaii. The Carrier shall be rated no less than "A-" as established by "AM Best" or "Standard and Poor" ratings.
 - i. The insurance policy, as evidenced by issuance of a "Policy Endorsement", shall name Lessor and its officers, employees and agents as "Additional Named Insured", and shall include a duty to defend Lessor and its officers, employees and agents against any loss, liability, claims, and demands for injury or damage, including but limited to, claims for property damage, personal injury, or wrongful death, arising out of, or in connection with Lessee's actions and/or use of Premises.
 - ii. Unless otherwise agreed to through the joint decision and discretion of the Director of the Department of Finance and the Director, the insurance policy shall contain the following minimum requirements:
 - No less than a Combined Single Limit ("CSL") of liability coverage of \$1,000,000 per occurrence;
 - 2. No erosion of limit by payment of defense costs; and
 - 3. Minimum annual aggregate limit of \$3,000,000.

- b. Property Insurance. Lessee shall, unless otherwise agreed to through the joint decision and discretion of the Director of the Department of Finance, procure and, during the entire term of this Lease, keep in force and effect special form property insurance covering all of Lessee's leasehold improvements, trade fixtures, inventory, equipment and personal property from time to time in, on or upon the Premises, in an amount not less than the full replacement cost thereof without deduction for depreciation, providing protection against all risks of loss not otherwise excluded for the Premises, together with insurance against sprinkler damage, vandalism, and malicious mischief, including demolition and debris removal and extended coverage, hurricane/wind coverage, and with inflation guard endorsement, if available in any insurance company qualified to do business in the State of Hawaii and shall, from time to time, deposit promptly with Lessor the policy and premium receipts therefor or a current certificate that such insurance is in full force and effect and shall not be cancelled without written notice to Lessor sixty (60) days prior to the effective date of such cancellation. All such policies shall be made payable to Lessor and Lessee as their interests may appear (it being understood and agreed that Lessor's interest shall be limited to permanent fixtures and other installations which are not removable by Lessee upon the termination of this Lease), and shall provide for a deductible of not more than \$5,000.00. All policy proceeds shall be used for the repair or replacement of the property damaged or destroyed unless this Lease shall cease and terminate in accordance with the provisions of this Lease.
- c. Fire Insurance. Lessee shall, unless otherwise agreed to through the joint decision and discretion of the Director of the Department of Finance and the Director, procure, at its own cost and expense, and maintain during the period of this Lease, a policy or policies of fire insurance, on all buildings and improvements on the Premises, against loss or damage by fire in an amount equal to one hundred percent (100%) of the replacement value of the Premises as established by the insurance appraiser and as approved by the Director of Finance, and shall pay premiums thereon at the time andplace the same are payable. The policy or policies of insurance shall be made payable in the case of loss to the County of Maui, as its interest may appear, and shall be deposited with the County. Any proceeds derived therefrom in the event of total or partial loss shall be immediately available to, and as soon as reasonably possible be used by Lessee for rebuilding, repairing, or otherwise reinstating the same buildings in a good and substantial manner according to the plans and specifications approved in writing by the County; provided, however that with the approval of the County, Lessee may surrender this Lease and Lessee shall then receive that portion of said proceeds which constitute the proportionate value of permanent improvements made by Lessee, if any, in relation to the unexpired term of this Lease and useful life of the improvements at the time of the loss, if any, with the County retaining the remaining proceeds of said proceeds.

Prior to or upon the execution of this Agreement, Lessee shall furnish the Lessor with a copy of the insurance policy certificate together with the required endorsements verifying such insurance coverage. If the scheduled expiration date of a current insurance policy is sooner than the specified termination date of this Lease, the Lessee shall, upon renewal of the insurance policy, provide the County with a copy of the renewed insurance policy certificate together with the required endorsements.

The insurance policy shall expressly state that in the event that the policy is canceled or terminated prior to the expiration date, notice of said cancellation or termination shall be delivered to Lessor.

If at any time, and from time to time, a higher limit or other requirements shall be deemed appropriate, customary, or necessary, in the reasonable discretion of the County, Lessee shall obtain and maintain such coverage.

Lessee's insurance will be deemed primary in the event of loss or damage. Lessee waives all rights of recovery against Lessor to the extent any losses, claims or damages are (i) covered by any policy of insurance available to Lessee and/or (ii) not covered by Lessee's insurance because of deductibles, the inadequacy of policy limits, policy limitations or exclusions, or failure to maintain or preserve coverage as required by this lease or by policy terms.

- 9. <u>No Representation or Warranties</u>. Lessor has not made and will not make, any representation or warranty, implied or otherwise, with respect to the condition of the Premises, including but not limited to (a) any express or implied warranty of merchantability or fitness for any particular purpose or (b) any dangerous or defective conditions existing upon the Premises, whether or not such conditions are known to Lessor or reasonably discoverable by Lessee. Lessee accepts the Premises in completely "as is" condition, with full assumption of the risks, and consequences of such conditions. All property, vehicles, approved improvements and equipment of Lessee shall be kept, placed or stored at the sole risk of Lessee, and Lessor shall not be responsible or liable for any damage thereto or loss of theft thereof.
- 10. <u>Compliance with Laws</u>. Lessee shall not make or suffer any unlawful, improper, or offensive use of the Premises. Lessee will comply with all laws and ordinances and governmental rules and regulations, including but not limited to obtaining, at its sole cost and expense, all governmental permits necessary for its use of the Premises.
- 11. <u>Nearby Activities</u>. Lessor acknowledges that the treatment of municipal wastewater adjacent and near the Premises may from time to time produce or result in noise, odor, heat, chemicals, particulates, and similar substances and nuisances and that the creation of such conditions shall not constitute an improper or offense use of the Premises or a nuisance.
- 12. <u>Hazardous Materials</u>. Lessee shall at all times, at its own cost and expense, comply with all federal, state and local laws, ordinances, regulations and standards relating to the use, analysis, production storage, sale, disposal or transportation of any hazardous materials, including oil or petroleum products or their derivatives, solvents, PCB's, explosive substances, asbestos, radioactive materials or waste, and any other toxic, ignitable, reactive, corrosive, contaminating or polluting materials which are now or in the future subject to any governmental regulation (hereinafter collectively referred to as "hazardous substances"). Prior to commencing use of the Premises for any activity involving the storage, use, or distribution of (a) any hazardous substance, or (b) products or materials which (i) include any hazardous substance as a component and (ii) which, if an accident occurred, might result in the release or discharge of any hazardous substance, Lessee shall give written notice of such proposed use to Lessor. Such notice shall set forth (a) the proposed use and the hazardous substance involved, (b) a hazardous substance management plan describing the actions taken or proposed to be taken by Lessee to assure Lessee's compliance with the requirements of this Lease, and (c) evidence of insurance or other financial resources available to Lessee sufficient to assure

Lessee's ability to comply with its obligations. Upon the expiration or earlier termination or revocation of this Lease, Lessee shall (a) cause all hazardous substances previously owned, stored, or used by Lessee to be removed from the Premises and disposed of in accordance with applicable provisions of law; (b) remove any storage tanks or containers installed or used by Lessee to store any hazardous substances and repair any damage caused by such removal; (c) cause any soil or other portion of the Premises which has become contaminated by any hazardous substances stored or used by Lessee to be decontaminated, detoxified or otherwise cleaned up in accordance with the requirements of cognizant governmental authorities; and (d) surrender possession of the Premises to Lessor free of the presence or effects of any hazardous substances generated or used by Lessee in, on, or about the Premises during the term of this Lease. Lessee shall indemnify and hold harmless Lessor from and against any and all claims relating to hazardous materials arising from this Lease. The obligations of Lessee under this section shall survive the expiration or earlier termination of the Lease without limitation.

- 13. <u>No Liens</u>. Lessee shall not commit or suffer any act or neglect whereby the Premises or the estate of Lessee in the same, shall at any time become subject to any attachment, lien, charge or encumbrance whatsoever and shall indemnify, defend and hold harmless Lessor from and against all liens, charges and encumbrances and all expenses resulting therefrom, including reasonable attorneys' fees, it being hereby expressly agreed that Lessee shall have no authority, express or implied, to create any lien, charge or encumbrance upon the Premises.
- 14. <u>Indemnification</u>. Lessee shall indemnify, defend and hold harmless Lessor from and against all actions, suits, investigations, governmental proceedings damages and claims filed against Lessor, and for all costs and expenses (including attorneys' fees) incurred by Lessor, by whomsoever brought or made by reason of or arising out of (a) the issuance of this lease to Lessee, or (b)) any act or omission of Lessee or any person claiming by, through or under Lessee, or (c) any mishap, fire, casualty or nuisance occurring or made on the Premises or adjacent property, or (d) the use or occupancy of the Premises by Lessee, the general public or Lessee's invitees, permittees, employees, agents or contractors, or (e) Lessee's breach of any of the terms or conditions of this Agreement.
- 15. <u>Litigation</u>. In case Lessor is without any fault on its part made to a party to any litigation, investigation or governmental proceeding (other than condemnation proceedings) commenced by or against Lessee and arising out of Lessee's operations on the Premises, then Lessee shall and will pay all costs, expenses, damages and reasonable attorneys' fees incurred by or imposed on Lessor by or in connection with such litigation, investigation or governmental proceeding. Lessee shall pay all costs, expenses and reasonable attorneys' fees which may be incurred or paid by Lessor in enforcing any covenant and agreement of this lease which may be breached by Lessee, including, without limitation, costs of collection of rent, taxes and other charges.
- 16. <u>Assignment</u>. Lessee shall not directly or indirectly, by operation of law or otherwise, assign, mortgage or encumber this lease or sublease the whole or any portion of the Premises. Any merger, consolidation or liquidation of Lessee or any change in the ownership of or power to vote the majority of Lessee's outstanding voting stock shall constitute an assignment of this lease for purposes of this paragraph. Any assignment, mortgage, encumbrance or sublease made without such consent shall be null and void and shall constitute an event of default by Lessee under this Agreement. No assignment of this lease shall release or be deemed to relieve Lessee from the full and faithful performance of any terms and

conditions in this Agreement contained and on Lessee's part to be observed and performed, or from any liability for the nonobservance or nonperformance thereof, nor be deemed to constitute a waiver of any rights of Lessor hereunder.

- 17. <u>Surrender Upon Termination</u>. Upon the termination, surrender or expiration of this lease, Lessee shall peaceably surrender the Premises to Lessor in good, clean and sanitary condition, order and repair (reasonable wear and tear excepted), and shall restore the land as nearly as is reasonably possible to its condition immediately prior to the Lessee's occupancy of the Premises.
- Condemnation. If at any time during the term of this Lease any portion of the leased Premises should be condemned or required for public purposes by the State of Hawaii or the United States, Lessee shall be entitled to receive from the condemning authority the proportionate value of Lessee's permanent improvements so taken in the proportion that it bears to the unexpired term of this Lease; provided that Lessee may, in the alternative, remove and relocate Lessee's improvements to the remainder of the Premises occupied by Lessee. Lessee shall not by reason of the condemnation be entitled to any claim against Lessor for condemnation or indemnity for its interest in this Lease and all compensation payable or to be paid for or on account of this Lease by reason of the condemnation, except as aforesaid as to Lessee's improvements, shall be payable to and be the sole property of Lessor. Where the portion taken renders the remainder unsuitable for the use or uses for which the land was leased, Lessee shall have the option to surrender this Lease and be discharged and relieved from any further liability therefor; provided that Lessee may remove the permanent improvements constructed, erected and placed by it within such reasonable period as may be allowed by Lessor. The foregoing right of Lessor shall not be exclusive of any other to which Lessor may be entitled by law.
- 19. <u>Lessor's Lien</u>. Lessor shall have a lien on all the buildings and improvements placed on the Premises by Lessee, on all property kept or used on the Premises, whether the same is exempt from execution or not, and on the Premises, whether the same is exempt from execution or not, and on the rents of all improvements and buildings situated on the Premises for all costs, attorney's fees, rent reserved, taxes, and assessments paid by Lessor on behalf of Lessee and for the payment of all money as provided in this Lease to be paid by Lessee, and such lien shall continue until the amounts are paid.
- 20. <u>Late Fees</u>. In the event Lessee fails to pay any installment of rent, additional rent or other charges hereunder as and when such installment is due, to help defray the additional cost to Lessor for processing such late payments, Lessee shall pay to Lessor a late charge in an amount equal to five percent (5%) of such installment. The failure to pay such amount within ten (10) days after demand therefor shall be an event of default hereunder. The provision for such late charge shall be in addition to all of Lessor's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Lessor's remedies in any manner.
- 21. <u>Interest on Past Due Accounts</u>. All amounts which shall become due and payable under this Agreement from Lessee to Lessor shall bear interest payable to Lessor at the rate of one percent (1%) per month from the due date or dates until paid in full; provided that this paragraph shall not be construed to authorize delay in payment of any amounts becoming due hereunder.

- 22. <u>Notice</u>. Any notice or demand to be given to or served upon either Lessor or Lessee in connection with this Agreement shall be deemed to have been sufficiently given or served for all purposes by being sent as registered or certified mail, postage prepaid, addressed to the parties at the respective addresses set forth in the introductory paragraph of this Agreement, or at such other address as a party may from time to time designate in writing to the other party, and any such notice or demand shall be deemed conclusively to have been given or served upon the earlier to occur of the actual date of delivery or three business days after the date of mailing.
- 23. <u>No Waiver</u>. Lessor's acceptance of rent or any other sums paid under this Agreement shall not be deemed to be a waiver by Lessor of any breach by Lessee of any term, covenant or condition of this Agreement herein contained, or of Lessor's right to declare and enforce a forfeiture for any such breach. The failure of Lessor to insist upon strict performance of any of the terms, covenants and conditions of this Agreement, or to exercise any option herein conferred in any one or more instances, shall not be construed as a waiver or relinquishment for the future of any such terms, covenants, conditions or option, but the same shall be and remain in full force and effect. The term "Lessor" in these presents shall include Lessor, its successors and assigns and the term "Lessee" shall include Lessee, its successors and assigns.
- 24. <u>Covenant Against Discrimination</u>. The use and enjoyment of the Premises shall not be in support of any policy which discriminates against anyone based upon race, sex, sexual orientation, age, religion, color, ancestry, national origin, disability, marital status, arrest and court record, assignment of income for child support obligations and National Guard participation.
- 25. <u>ADA Compliance</u>. Lessor makes no representations or warranties, express or implied, as to the Premises or any existing improvements thereon, regarding compliance with the Americans with Disabilities Act of 1990 ("ADA"), 42 U.S.C. §§12101-12213 (2000). Lessee shall be responsible for complying with the ADA and Lessee shall defend, indemnify and hold harmless Lessor against any and all claims regarding non-compliance with any requirement of the ADA. All costs relating to any required improvements or modifications to the Premises, and any existing improvements thereon, shall be borne by Lessee. Notwithstanding any other provision of this Lease to the contrary, any improvements to the Premises constructed by Lessee shall be in compliance with the ADA.
- 26. <u>Interpretation Under Hawaii Law</u>. This Lease is made and entered into in the State of Hawaii, and shall in all respects be interpreted, enforced, and governed under the laws of the State of Hawaii.
- 27. <u>Gender</u>. The use of any gender shall include all genders, and if there be more than one Lessee or Lessor, then all words used in the singular shall extend to and include the plural.
- 28. <u>Paragraph Headings</u>. The paragraph headings throughout this lease are for the convenience of Lessor and Lessee and are not intended to construe the intent or meaning of any of the provisions thereof.
- 29. <u>Time of the Essence</u>. Time is of the essence of this Lease and all of the terms, provisions, covenants, and conditions hereof.

- 30. <u>Assistance of Legal Counsel</u>. The Parties represent and certify to each other that they have been advised to seek the advice of legal counsel and have done so. The Parties have carefully read and fully understand all of the provisions of this Lease, and have thoroughly discussed all aspects of this Lease with their respective counsel. The parties are voluntarily entering into this Lease and no party or its agents, representatives, or attorneys have made any representations concerning the terms or effects of this Lease other than those contained herein.
- 31. <u>Neither Party Deemed to be the Drafter</u>. All provisions of this Agreement have been negotiated by Lessor and Lessee at arm's length and with the opportunity for full representation of their respective legal counsel and neither party shall be deemed to be the drafter of this Agreement. If this Agreement is ever construed by a court of law, such court shall not construe this Agreement or any provision of this Agreement against either party as the drafter of the Agreement.
- 32. <u>Counterparts</u>. This Agreement may be executed in one or more counterparts, and all of the counterparts shall constitute but one and the same agreement, notwithstanding that all parties hereto are not signatory to the same or original counterpart.
- 33. <u>No Other Agreements</u>. This Agreement supersedes all prior written or oral agreements between the parties hereto, all of which earlier agreements are hereby terminated.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the day and year first above written.

	LESSOR:
	COUNTY OF MAUI
	ByALAN M. ARAKAWA Its Mayor LESSEE:
	By(Signature)
	(Print Name) Its(Title)
	By(Signature)
	(Print Name) Its(Title)
	(Title)
APPROVED AS TO FORM AND LEGALITY:	
Deputy Corporation Counsel County of Maui	

STATE OF HAWAII)	
OUNTY OF MAUI) SS.	
On this day of, 20, before me appeared ALAN M. ARAKAWA me personally known, who being by me duly sworn did say that he is the Mayor of the County Maui, a political subdivision of the State of Hawaii, in the capacity shown, having been d authorized to execute such instrument in such capacity, and that the seal affixed to foregoing instrument is the lawful seal of the said County of Maui, and that the said instrument was signed and sealed in behalf of said County of Maui by authority of its Charter, and the said ALAN M. ARAKAWA acknowledged the said instrument to be the free act and deed of said County of Maui.	of of luly the entail
IN WITNESS WHEREOF, I have hereunto set my hand and official seal.	
Notary Public, State of Hawaii	
Print Name:	
My commission expires:	
[Stamp or Seal]	
NOTARY PUBLIC CERTIFICATION	\neg
Doc. Date: # Pages: Judicial Notary Name: Circuit: Doc. Description:	
Notary Signature: Date:	

STATE OF HAWAII)	
COUNTY OF MAUI) SS.	
say that such person executed the for person, and if applicable, in the capacity instrument in such capacity.	, before me personally appeared v known, who, being by me duly sworn or affirmed, did regoing instrument as the free act and deed of such y shown, having been duly authorized to execute such hereunto set my hand and official seal.
[Stamp or Seal]	Notary Public, State of Hawaii Print Name
	My commission expires:
NOTARY F	PUBLIC CERTIFICATION
Doc. Date: Notary Name: Doc. Description:	Judicial
Notary Signature: Date:	[Stamp or Seal]

STATE OF HAWAII)			
COUNTY OF MAUI) SS.			
say that such person executed the foreg person, and if applicable, in the capacity s instrument in such capacity.	efore me personally appeared		
	Notary Public, State of Hawaii		
[Stamp or Seal]			
	Print Name My commission expires:		
	wy continussion expires.		
NOTARY PU	BLIC CERTIFICATION		
Doc. Date:			
Notary Name:	Judicial Circuit:		
Doc. Description:			
	[Stamp or Seal]		
Notary Signature:			
Date:			

ADDENDUM 1 REQUEST FOR CLARIFICATION

RFP #15-16/P98

Design, Construction, Operation and Maintenance of a Gas Turbine System with Sludge Dryer for the Wailuku-Kahului Wastewater Reclamation Facility under a Power Purchase Agreement (PPA)

April 12, 2016

The County of Maui, Department of Environmental Management issues this addendum to the Request for Proposals (RFP) for the subject project, which was originally issued on March 21, 2016.

This addendum comprises four elements, as follows:

- 1. Attendance sheet for both April 4th and April 5th site visits.
- 2. Responses to questions and clarifications.
- 3. As-Built plan sheets for Kahului Wastewater Reclamation Facility.
- 4. Due date for the proposals has been changed to Tuesday, May 10, 2016.

Item 1

In the RFP it identified that there would be a site visit on Tuesday, April 4, 2016. April 4th being a Monday, it was decided to have a site visit on both days. On Tuesday, there was no one that did not attend the Monday site visit. Attached is the sign-in sheet from the Monday site visit.

Item 2

Below are the responses to questions and clarifications received by April 12, 2016.

- 1. Under the PPA, will the power to operate the gas turbine plant be purchased by the County at the rate specified, or will this power be considered incidental to the operational cost of the power plant?
 - All power costs to operate proposer's facilities will be the responsibility of the proposer.
- 2. Under the PPA, if power is required for additional equipment installed at the WWTP (i.e. pumps, conveyors, or other equipment) and connected to the WWTP existing electric service panels, will this additional power be purchased by the County at the established PPA rate?
 - All additional equipment required to accommodate the proposed system remains the responsibility of the proposer. Additional equipment installed by the County will add to the power purchased in the PPA.
- 3. Is there a purchase agreement in place with MECO to purchase surplus power?

No

a. If not, what agreement is in place for surplus generation that is not used by the WWTP?

There are no agreements to address any surplus generation.

- Will excess generation be allowed in the grid, or will an alternate method to control excess generation be required?
 Excess power generated will not be allowed onto the utilities grid. Any alternate method to control excess generation is the proposer's responsibility.
- 4. Reference paragraph 1.1.9, For the purpose of this proposal, should the proposer assume that the County will allow, or not allow sludge from other sources to be processed at the Kahalui WWTP?
 Sludge from other sources maybe accepted provided it does not impact the County's desire to dry our sludge. As stated, the County would have to give written consent.
- 5. Reference paragraph 1.1.12, The cost per ton for the county to dispose of sludge is indicated to be \$83/TN. Does this price include the cost to truck the sludge to the landfill?

No

a. If not, can the cost for trucking be provided as a cost that will be offset by the Project?

No, those County resources will be redirected to other tasks.

Please provide the cost per ton rate for the county to truck sludge from Kihei to Kahului for use in the price calculation.
 Assume this is a no cost or savings item.

c. Please provide the cost per ton rate for the county to truck sludge from Lahaina to Kahului for use in the price calculation.
 Assume this is a no cost or savings item.

d. Please provide the cost per ton for trucking for disposal of excess sludge to the landfill from each of the three WWTP's.
 Assume this is a no cost or savings item.

e. Please confirm that the County will be responsible for trucking sludge from Lahaina and Kihei to the power plant at Kahului.

Yes

6. It is noted that an EIS and several other permits may be required for this project.

a. If so, this can take up to one year to complete. Is the 460 calendar day intended to include design, permits, and EIS?

Per Section 1.2.2, the 460 calendar days start after the NTP is given to furnish, delivery, installation, and operation of the Gas Turbine Electric Power Generation System with Sludge Dryer.

b. Please advise at what step NTP will be issued starting the 460 calendar day time to complete the project?

Per Section 1.2.2, the 460 calendar days start once the pre-construction requirements are met to the satisfaction of the County.

7. Are there any State Licensing requirement for the Proposer to hold for submittal of a Proposal?

Proposer is responsible for all licenses necessary to develop their proposed system.

- 8. Can the proposer propose an option to install a gas turbine power generation system at each WWTP individually rather than trucking the sludge to Kahului?

 No
- 9. The proposal method used for calculation of cost savings of hauling sludge to waste may not be accurate for the proposers planned operations. Can the form be revised to allow the proposer to offer a cost per TN to dispose of sludge generated at each location?

No

- a. For calculation of financial benefit, the Proposers cost per ton to dispose of the sludge at each location would be multiplied by the average tons/year from each plant and compared against the County's current cost/TN to dispose of sludge.

 No
- At the option of both the Proposer and the County, payment for disposal of the sludge from each plant would be included in the Contract on a per TN basis through the life of the Contract.
 No
- 10. Will power generation be metered and supplied to the MECO Grid, or will it be supplied directly to the Kahului Power Plant?

Directly to the Kahului Wastewater Reclamation Facility

11. If power is connected to the grid, will the County have the power purchase agreement with MECO to allow for payment of power at the specified PPA rate to the proposer?

Power will not be connected to the grid.

- 12. If fuel from Lahaina or Kihei is used, will the County purchase additional power for each plant through the PPA agreement? If so, please provide the additional minimum power delivery per year for each of the other plants?

 No
- 13. Is the power plant limited to 600 MW with power sales limited to what is required for the Kahului WWTP, or can the generation plant be increased in size to allow for surplus power generation to be sold to MECO?

 The proposed power plant is limited to 600KW with no exporting of power.
- 14. Please clarify who will be responsible to operate and maintain the power generation and sludge drying equipment 24 hour operation.
 Proposer is responsible to operate and maintain the proposed power generation and sludge drying system.
- 15. Please clarify the responsibility of the proposer as it relates to the transferring of power from MECO to the onsite generation system in the event of an outage by the on-site generation system.

 The Wastewater Reclamation Facility will remain connected to MECO and the back-up generator system. Proposer's power will enter the system on the County's side of the meter. Should proposer's power generation system have an outage, the back-up generation system should be triggered and remain in operation until Proposer's operator and the County's Wastewater staff can manually shift either to MECO or Proposer's power.
 - a. Will the County be responsible for coordination with MECO for initial installation leaving the Proposer with only the obligation to supply 480V power to the load side of the WWTP with a manual transfer switch?

 Yes, the County will coordinate with MECO for the initial installation.
 - Is the proposer responsible for any emergency backup systems, or full redundancy to the proposed generation system, or will MECO grid & existing backup generators be acceptable for backup of the new power plant.
 The MECO grid and the existing back-up generator will be acceptable backup systems to the proposed power.
- 16. Please confirm that the existing building that houses the centrifuges will be rehabilitated in a separate contract and be available to house new power generation sludge drying equipment.

 Yes
- 17. Will the county guarantee a minimum purchase of 4500 MW annually?

As stated is in Section 1.1.12, paragraph 2, "...it should be assumed that the COUNTY will purchase a minimum of 4,500 MWh per year as part of this Power Purchase Agreement...".

18. For Power Generation, is gas turbine power generation the only acceptable option, or will the county consider an alternate system?

Gas turbine is the preferred. Proposers may propose alternatives that meet the intent of the RFP which is to generate power for the wastewater facility using a renewable-fuel that moves the County toward the 100 percent renewable energy goal and has the added benefit of being able to dry the sludge produced by the Kahului Wastewater Reclamation Facility.

Item 3

Requests were made for As-Built plan sheets for Kahului Wastewater Reclamation Facility. Attached are the plan sheets.

Item 4

The due date for the proposals has been extended until Tuesday May 10, 2016

Approved

DANILO F. AGSALOG Director of Finance

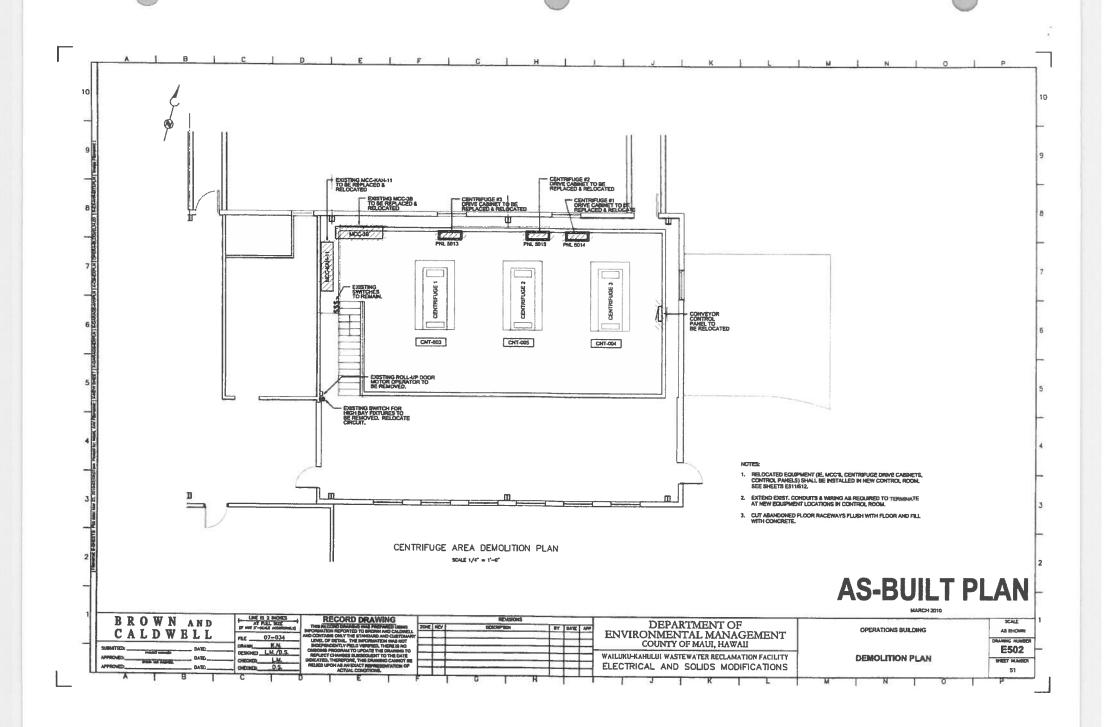
RECEIPT

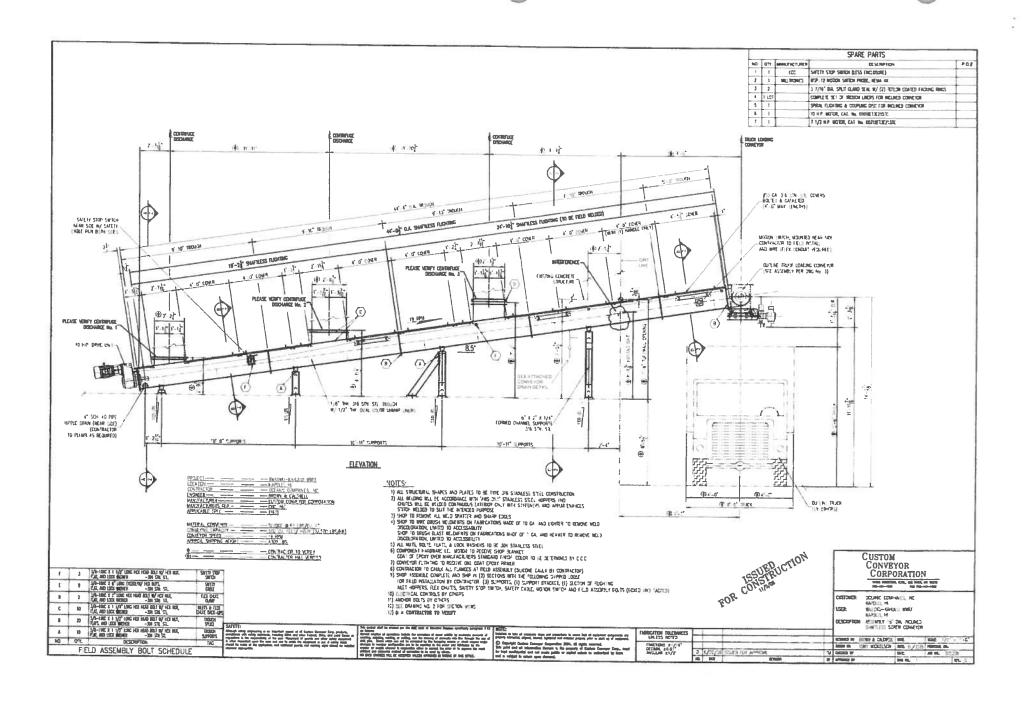
Receipt is acknowledged of Addendum #1 for:

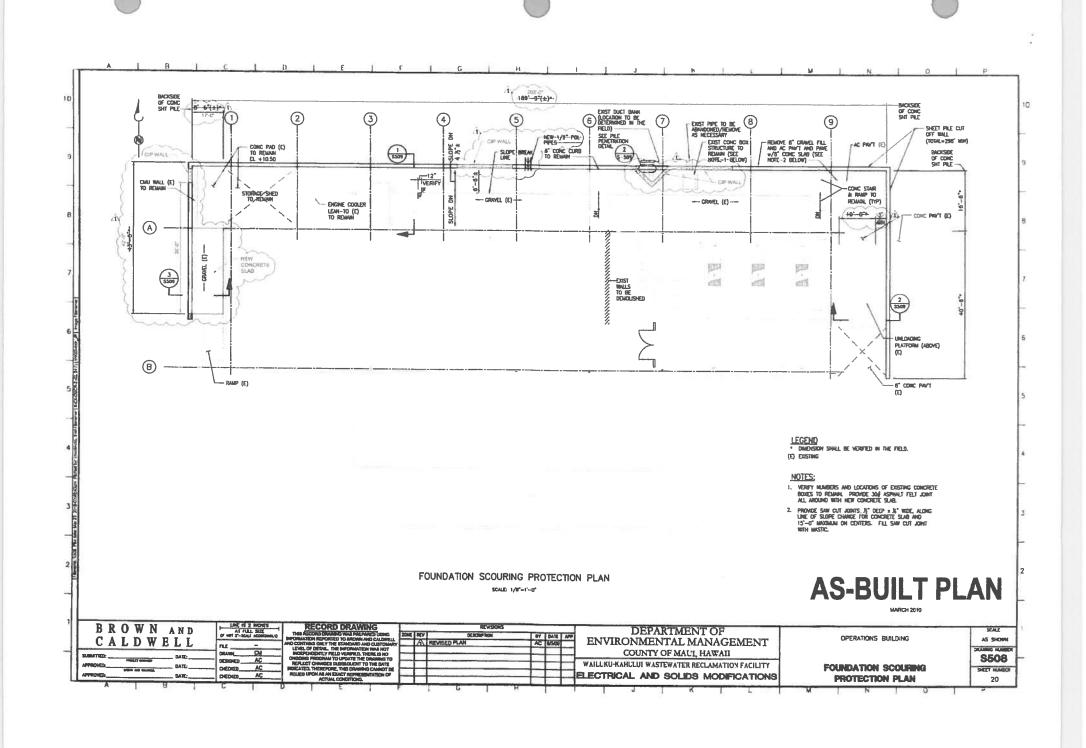
Design, Construction, Operation and Maintenance of a Gas Turbine System with Sludge Dryer for the Wailuku-Kahului Wastewater Reclamation Facility under a Power Purchase Agreement (PPA)

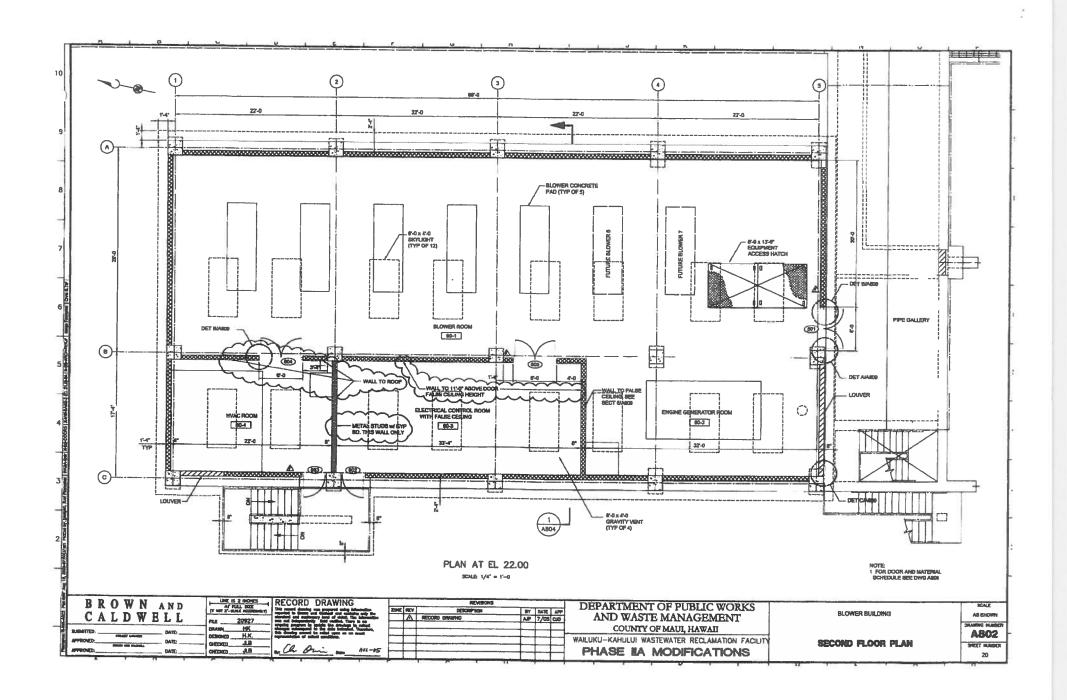
Please acknowledge receipt of this addendum by either mailing this receipt page to the County of Maui Purchasing Division, 2145 Wells Street, Suite 104, Wailuku, Hl. 96793 or by faxing to (808) 270-8295.

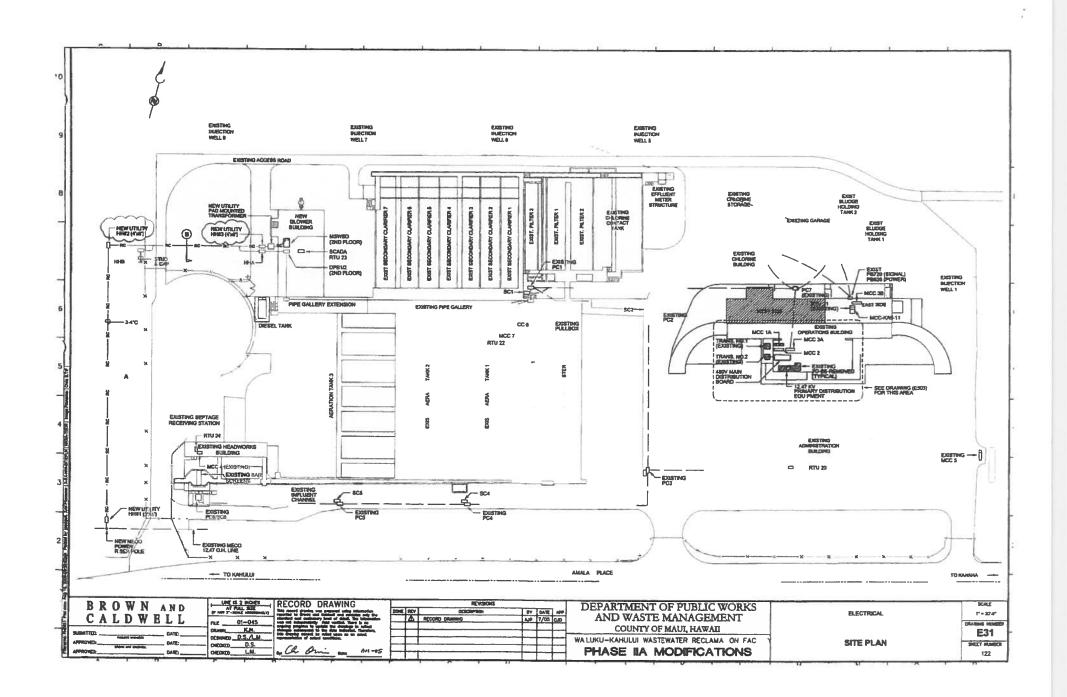
Received by:	
Signature	
Name of Firm	
Address of Firm	
Date Received	











Please Sign In RFP Site Visit - Monday, April 4, 2016

Name	Company	Phone Number	Address	Email
JIM GIVIMM	CPI	80% 853- 2000	1814 Kanakannis	+ Jqvima@cpimech
Row Swessen	CSI	61	t v	RSWENSON Q, CPIMECH. COM
MIKE VENEZIA	HPCL	808 223 7403	841 BISHOP HNL	MYENEZIA DHENSEL PHELB CO
DAN BODELL	BODEU CONST. Co.	343-1597	550 PAIEA ET. #288 HENDOLULU 46819	DiBarrie & BOXCILICATAROLITON. CO.
	Performance Systems, INC	808-777-0745	rwardepsigc.com	94-155 Cearle St. Waipahu, HI 96797
SAJON STENCER	ALPHA INC	280-2933	P.O. Box 330449 lanning 96733	JASON C ALPHA HALAIL CO
Ryan Hoeft	Pacific power Electrical	489-6455	qu-151 VKe'e	Ryan & PPEC-HI.com
Cara Scoffing	Hawaii Cras	633-3256	70 Haina Huy Kahuu;	CSCOFFing & Dhawaii gas
	ANRERGIA	729- 1495	92-1996 Kulisti	CSCOFFINGS @hawangas H JEFF. WALSH @ ANDERGIA. COM
JASON MRABYA	Mani Gas Service	244-2022		jason@manigns, co
				<u> </u>

Please Sign In RFP Site Visit - Monday, April 4, 2016

Name	Company	Phone Number	Address	Email
JIM GIVIMM	CPI	808 853- 2000	1814 Kanakannis	+ Jqvima@cpinech
Rod Sweson	CPI	L)	11	RSWENSON Q, CPIMECH. COM
MIKE VENEZIA	HPCL	808 223 7403	BYI BISHOP HNL	MYENEZHADHENSELPHELBSCH
DAN BODELL	BODEN CONST. Co.	343-1597	550 PAIER ST #228 HENDENLL 46819	DiBase in & BODELLE CONSTROCTION. CO.
BYANWARD	Performance Systems, INC	808-777-0745	rward@psigc.com	94-155 Ceoole St. Waipahu, HI 76797
SASON STENCER		280-2933	P.O. Box 350449 Layury 96733	JASON C ALPHA HAWAII CO
Ryan Hoeft	Pacific power Electrical	489-6455	94-851 VKe'e	Ryan & PPEC-HI.com
Cara Scoffings	Hawaii Cras	633-3256	70 Hana Hwy Kahou;	
JEFF WALSH	ANRERGIA	729- 1495	92-1996 Kulisti Kupolei, OAHU	CSCOFFings @hawarigus SH JEFF. WALSH @ ANDERGIA. COM
JASON MRAGUA	Mani Gas Service	244-2022	1644Mill St. Wailule	jason@manigas, co
	2000000			
	-			

Michael Miyamoto - Re: RFP #5-16/P98

From:

Michael Miyamoto

To:

Robichaux, Dave

Date:

4/4/2016 8:17 AM

Subject:

Re: RFP #5-16/P98

Attachments:

Directions to Facility.jpg

Hey Dave,

Unfortunately there was confusion on the date. The RFP indicated Tuesday, April 4th. We are having the site visit today, Monday the 4th.

Since we created the confusion, we will accommodate you on Tuesday at 9 a.m. at the facility. Attached is a map to the facility from the airport.

Mike

>>> "Dave Robichaux" <robichaud001@hawaii.rr.com> 4/1/2016 5:26 PM >>> Mr. Miyamoto:

I request inclusion to participate in the site walk of the Wailuku-Kahului WWTP on Tuesday 4/4/2016. I have reviewed the official notice of availability. If there is additional information please forward it to the email address below.

Thank you in advance, David M. Robichaux



NORTH SHORE CONSULTANTS, LLC

2333 Kapiolani Blvd Suite 2111 Honolulu, Hawaii 96826

(808) 637-8030 office (808) 368-5352 cell robichaud001@hawaii.rr.com

Michael Miyamoto - Re: Site Visit

From:

Michael Miyamoto

To:

Boivin, Joseph

Date:

4/4/2016 8:19 AM

Subject:

Re: Site Visit

Hey Joe,

The site visit is today. If you've already made arrangements to be here on Tuesday, we will have a second site visit on Tuesday.

Thanks,

Mike

>>> "Boivin, Joseph" <jboivin@hawaiigas.com> 4/4/2016 7:30 AM >>> Michael, is the site visit today or Tuesday? RFP says Tuesday April 4^{th} .

Thank you,

Joe

Joseph Boivin, Jr.

Senior Vice President, Business Development & Corporate Affairs Hawaii Gas 745 Fort Street, Suite 1800 Honolulu, HI 96813 (808) 535-5934



IMPORTANT/CONFIDENTIAL: Unless otherwise indicated, this message is intended only for the personal and confidential use of the designated recipient(s) named above and may be subject to privilege. If you are not the intended recipient of this message you are hereby notified that any review, dissemination, distribution or copying of this message is strictly prohibited. This communication is for information purposes only and should not be regarded as an official statement of the entity sending this message. Email transmission cannot be guaranteed to be secure or error-free. Therefore, we do not represent that this information is complete or accurate and it should not be relied upon as such. All information is subject to change without notice.

Michael Miyamoto - Re: Maui County CHP RFP

From:

Michael Miyamoto

To:

Duncan, Jeff

Date:

4/4/2016 8:34 AM

Subject:

Re: Maui County CHP RFP

Attachments:

Directions to Facility.jpg

Hey Jeff,

We are 30 minutes away from having the site visit today. If you have made arrangements to be here on Tuesday, we will have a second site visit. Please let me know if you are going to be here on Tuesday at 9 a.m.

Attached is a map to the facility from the airport. We will meet in the parking lot.

Thanks,

Mike

>>> "Duncan, Jeff" <JDuncan@Vanderweil.com> 4/4/2016 6:44 AM >>> Michael

Gene Kogan from DOE CHP Assistance Partnership was kind enough to forward your RFP attached. Gene knows that we are the engineer of record for the Constellation Energy, design-build-operate team for the City of Los Angeles, Hyperion Treatment Plant 28 MW Digester gas to energy project. The project includes two 10 MW Solar gas turbines with waste heat recovery, plus digester gas cleanup and a 8 MW steam turbine. The project is scheduled for commercial operation by year end. My engineering group also did a similar project for the LA County Sanitations Districts at their Carson facility in 2010.

I wanted to see if I could speak with you on the phone this morning to discuss your project and teams already registered. I would only need 10 minutes of your time. Also would need to know if I need to jump a flight tonight for the job walk.

Please advise a time that is convenient or call my mobile.

Regards

Jeff Duncan

Principal, Power Group - West

R.G. Vanderweil Engineers, LLP

T 562.247.7701 | F 562.595.7513 | C 310.940.6359

From: Gene Kogan [mailto:Gene.Kogan@energycenter.org]

Sent: Thursday, March 31, 2016 10:41 AM

To: kdavidson@de-solutions.com Subject: Maui County CHP RFP

FYI

Gene Kogan Director



Gas Turbine System with Sludge Dryer RFP

There are two routes to get to the facility from the airport.