



July 22, 2010

To All Prospective Proponents

**Request for Qualifications for Implementation of Advanced Technology
for the Reduction of Non-Revenue Water for the Puerto Rico Aqueduct and Sewer Authority
DUE DATE: August 6, 2010 (Extension)**

ADDENDUM #003

This Addendum #3 seeks to provide additional information on specific questions or matters related to the Request for Qualifications (“RFQ”) for the Implementation of Advanced Technologies for the Reduction of Non-Revenue Water for the Puerto Rico Aqueduct and Sewer Authority (“PRASA”). Capitalized terms not defined in this Addendum #3 take the meaning in the RFQ.

The following information is included in this Addendum #3:

- I. Amendments to the RFQ published on June 15, 2010.
- II. Responses to Requests for Clarifications / Information received via email (Exhibit A)

All prospective Proponents are reminded that the last day for submission of Request for Clarifications / Information to the RFQ was July 20, 2010. The Authority will not accept additional Request for Clarifications / Information related to this RFQ.

This Addendum #3, including Exhibit A, has a total of 4 pages.

I. Amendments to the RFQ published on June 15, 2010.

Prospective Proponents are advised of the following amendments to the RFQ:

1. Section 1.6 - Procurement Schedule – Table 1-1*:

Date	Activity
June 11, 2010	RFQ issued
July 20, 2010**	Last date for submission of questions or requests for clarifications to the RFQ
July 23, 2010**	Deadline for issuance of Addenda (if any)
August 6, 2010***	Due Date for SOQs submittals to the Authority
August 2010*	Notice of shortlisted Proponents issued
August 2010*	RFP issued
October 2010*	Due Date for Proposals to the Authority

*Tentative, subject to change. Refer to the Authority’s website for additional information. <http://www.p3.gov.pr/>

** Updated July 7, 2010.

***Updated July 21, 2010.

2. Section 1.8 - Deadline

Those interested in participating in the RFP process for the Project must respond to this RFQ no later than 17:00 Atlantic Standard Time on **August 6, 2010**.

PLEASE NOTE: No time extension will be given for the submittal of Request for Clarifications / Information to the RFQ. The deadline for Request for Clarifications / Information to the RFQ was July 20, 2010.

II. Responses to Requests for Clarifications / Information received via email.

Answers to questions received via email through July 20, 2010 are included as Exhibit A of this Addendum #3.

**PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY
REQUEST FOR QUALIFICATIONS
IMPLEMENTATION OF ADVANCED TECHNOLOGIES FOR THE REDUCTION OF NON-REVENUE WATER
FOR THE PUERTO RICO AQUEDUCT AND SEWER AUTHORITY**



**Q&A - RECEIVED VIA EMAIL
(Last Updated: July 20, 2010)**

#	Date	Question	Answer
1. - 17.	June 15 - July 7	Please note that questions and answers 1 through 17 were included in Addendum #1 to the RFQ, published on July 7, 2010. Addendum #001 is available for download at the Authority's website: http://www.p3.gov.pr/	
18. - 65.	July 8 - July 19	Please note that questions and answers 18 through 65 were included in Addendum #2 to the RFQ, published on July 20, 2010. Addendum #002 is available for download at the Authority's website: http://www.p3.gov.pr/	
66.	7/20/2010	Will the funds collected from the sale of water to customers be dedicated or set aside to guarantee payment under the PPP Contract and/or reimbursement of capital invested by the Contractor?	No. The RFP and draft PPP Contract will provide detailed information regarding the source of the Contractor's compensation.
67.	7/20/2010	Are you considering a WRAP or an OCIP Insurance program to reduce the multiple costs you will incur if multiple firms must meet the insurance requirements?	The Sponsors are currently considering this and other alternatives. However, at this stage, it is necessary that prospective Proponents demonstrate in their SOQs the ability to meet the RFQ insurance requirements, as amended in Addendum #2 published on July 20, 2010.

#	Date	Question	Answer
68.	7/20/2010	<p>It is unclear whether the Authority intends to award: (1) a contract for the operations of the water system and that the operator would use incremental operational savings to finance new equipment during the life of the contract; or (2) a contract in which a P3 consortium would finance the installation of new meters over the first few years of the concession and then be paid back over the course of time with availability or performance linked payments. The consortium would also carry out billing and some customer service functions. If the latter, would the payments be made by PRASA or another governmental entity? If the payments are made by PRASA, would another governmental entity, such as the Government Development Bank, also guarantee the payments?</p>	<p>Please refer to the RFQ and Desirability and Convenience Study (both available for download at the Authority's website: www.p3.gov.pr) for information related to the Scope of Work of the project. Detailed information regarding the compensation structure will be included in the RFP and draft PPP Contract. Financial guarantees from the Government Development Bank for Puerto Rico or any other government agencies, however, are not currently contemplated in the compensation structure.</p>
71.	7/20/2010	<p>Section 4.2 - FORMAT AND REQUIRED INFORMATION FOR SOQ states that "All SOQs should be prepared in English and follow the format outlined below". From the word should, we understand that the PRASA PPP Committee prefers that the Response be prepared in English, but that it can be prepared in Spanish. Is this interpretation correct? Otherwise, given that our group of companies is based outside the United States in a Spanish speaking country, can the financial statements and other corporate documentation be submitted in Spanish?</p>	<p>The SOQ must be prepared in English. However, at this stage, the Authority will accept financial statements and other corporate documentation submitted in Spanish.</p>