I. Introduction

The City of Petersburg, Virginia, ("City") has received an unsolicited proposal pursuant to the Public-Private Education Facilities and Infrastructure Act of 2002 ("PPEA"), Va. Code § 56-575.1, et seq. The City previously adopted implementing procedures for the PPEA. Copies of these procedures are available on the City's website at http://www.petersburgva.gov/index.aspx?NID=562

Pursuant to the PPEA and these implementing procedures, the City gives notice that it has decided to consider an unsolicited proposal by Aqua Virginia, Inc., along with any competing proposals that are submitted by 2:30 p.m., January 30, 2017, to determine whether the City should enter into a Comprehensive Agreement pursuant to the PPEA under which Aqua Virginia, Inc. for a public-private partnership under which the private proposer would purchase all of the water and wastewater utility assets, comprised of real and personal property, infrastructure, equipment and related rights owned by the City of Petersburg (the "City"), which are used by the City to serve the needs of its residential and commercial customers (collectively, the "Utility Assets"), and following the purchase of the Utility Assets. The proposer would operate the Utility Assets to deliver water and wastewater services to customers in the City as efficiently and cost-effectively as reasonably possible (the "Acquisition").

The City invites competing proposals by that deadline. The City has determined that the "competitive negotiation" of other than professional services procurement method, as described in its implementing procedures, will be used to consider the unsolicited proposal and any competing proposals. Under this method, any competing proposers are to submit by the deadline indicated their conceptual-phase proposals, with contents as prescribed by the PPEA, the implementing procedures, and this Receipt of Unsolicited PPEA Proposal and Solicitation of Competing Proposals ("Solicitation"). The evaluation criteria for this procurement are as stated in Section VI of this Solicitation.

II. General Description of Proposal Submittal, Evaluation and Selection Process

The City contemplates that proposal submittal, evaluation, and selection will be a multi-step process. In general terms, in Step I, proposers submit initial conceptual-phase - 2- proposals, the contents of which are described in the PPEA, in the City's implementing procedures, and in this Solicitation. Proposers should carefully follow all the instructions in this Solicitation to ensure that
their proposals are eligible. The City will review the proposals and evaluate them in accordance with the evaluation criteria contained in this Solicitation. The City may ask proposers, individually or collectively, for clarifications or further information, may check references and other information, may meet individually with proposers, in its discretion, and may request oral presentations, or it may base its evaluations on the proposals as submitted. If there are a number of competing proposals, the City will likely select a limited number of proposers from Step I (perhaps two) as the proposers who are fully qualified and best suited to submit a detailed-phase proposal that best meets the City's needs and invite those proposers to submit detailed-phase proposals by a deadline to be specified in the future. Upon receipt of these proposers' detailed-phase proposals, the required contents of which will be prescribed by the PPEA, the City's implementing procedures, and the invitation to submit detailed-phase proposals, the City will evaluate the detailed-phase proposals, request additional information or clarifications if deemed necessary, and conduct negotiations with each proposer asked to submit a detailed-phase proposal. The City may request oral presentations from the proposers.

However, the City may, in its discretion, at any stage, choose just one proposer for negotiations if proposals show only that proposer is fully qualified or show that that proposer is clearly more qualified than any other.

III. **Instructions to Proposers on Proposal Submission**

A. General - Applicable to Both Conceptual-Phase and Detailed-Phase Proposals

1. **Submittal of Proposals. To be considered:**

   a. Proposals must be signed in ink by an authorized representative of the proposer, with an original and ten (10) copies provided to the City at the location designated herein.

   b. Proposals must be complete when submitted, including a completed cover sheet and all attachments.

   c. Submit proposals to City of Petersburg – Purchasing Office, 103 W. Tabb Street, Petersburg, Virginia 23803. Proposals must be clearly identified as “PPEA Proposal – “Petersburg Water and Wastewater Systems” and be received by January 30, 2017, no later than 2:30 p.m. local time. Requests for extensions of this date will not be granted except by written amendment to this Solicitation and applicable to all prospective proposers.

   d. Proposals are to be returned in a sealed envelope with the words "Proposal Enclosed" on the face of the envelope and the lower left corner of the face of the envelope shall indicate the title of the proposal ("PPEA Proposal – Petersburg Water and Waste Water Systems").

   e. Proposals or any amendments to proposals received by the City after the closing date may not be considered. Actual receipt by the City, and not the mailing or sending date, shall control.
2. Brevity, clarity, and responsiveness in proposals are encouraged. The inclusion of extraneous information not pertinent to the basic purpose of the procurement is discouraged.

3. The original and ten (10) copies of the proposal must be received before the submission deadline in the format specified. In addition, a review fee, in an amount equal to $15,000, must be received with the proposal.

B. Any questions concerning the requirements of this procurement should be directed in writing to:

Tangela Innis,
CPPB, MBA, VCCO, VCO, VCA
Purchasing Manager
103 W. Tabb Street
Petersburg, Virginia 23803
tinnis@petersburg-va.org

The City will attempt to review the written questions and requests for clarification, if any, if submitted by January 09, 2017. To the extent the City decides to respond to such questions and requests for clarification, any and all responses and any supplemental instructions will be in the form of written addenda which, if issued, will be mailed to all proposers. All addenda shall become part of this Solicitation.

IV. Terms and Conditions of this Notification and Invitation

The following terms and conditions apply to this Solicitation, and by submitting its proposal, the proposer agrees to them without exception:

1. Neither this Solicitation nor the City’s receipt or consideration of any proposal shall create any contract, express or implied any contractual obligation by the City to any proposer, or any other obligation by the City to any proposer. The City makes no promise, express or implied, regarding whether it will enter into a Comprehensive Agreement with any proposer or regarding the manner in which it will consider proposals. The City will only be bound by the terms of any Comprehensive Agreement(s) into which it enters should it choose to enter into any such agreements.

2. The City will not be responsible for any expenses incurred by a proposer in preparing and submitting a proposal, or in engaging in oral presentations, discussions, or negotiations with the City.

3. Proposers may be required to make an oral presentation or oral presentations of their proposal in the City of Petersburg at their own expense. The City may request the presence of proposers’ representatives from their development, financial, architectural engineering and construction teams at these presentations. The City
will schedule the time and location for these presentations. By submitting its proposal, the offeror agrees to make these representatives reasonably available in the City of Petersburg.

4. The City reserves the right to waive any informalities with respect to any proposal submitted.

5. The City reserves the right to accept or reject any and all proposals received by reason of this Solicitation, in whole or in part, and to negotiate separately in any manner necessary to serve the best interests of the City. This procurement may result in multiple awards to multiple offerors.

6. Generally, proposal documents submitted to public bodies, such as ones submitted to the City, by private entities are subject to the Virginia Freedom of Information Act ("FOIA"). In accordance with Va. Code § 2.2-3705.6(11), such documents are releasable if requested, except to the extent that they relate to (i) confidential proprietary information submitted to the responsible public entity under a promise of confidentiality or (ii) memoranda, working papers or other records related to proposals if making public such records would adversely affect the financial interest of the public or private entity or the bargaining position of either party. In order for proposers to exclude confidential proprietary information from public release, proposers must (i) invoke such exclusion upon submission of the data or other materials for which protection from disclosure is sought, (ii) identify the data or other materials for which protection is sought, and (iii) state the reasons why protection is necessary. The proposer must also mark each page of information for which protection is sought with the legend- "Confidential Proprietary Information-Exempt from FOIA Release."

7. The City reserves the right to reject any and all proposals without explanation.

8. The provisions of Va. Code § 2.2-4310 are applicable to this Solicitation, and any procurement done pursuant to it by virtue of the PPEA, Va. Code § 55.576.16.2, and the procedures the City has adopted pursuant to that PPEA provision. The City will not discriminate against a proposer because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

V. Proposer's Executive Summary and Proposal
The executive summary submitted with the unsolicited proposal is as follows:

This is an unsolicited proposal (the "Proposal") under the Virginia Public-Private Educational Facilities and Infrastructure Act of 2002 (the "PPEA"). It is being submitted by Aqua Virginia, Inc., a Virginia public service corporation that is a wholly-owned subsidiary of Aqua America, Inc., a publicly-traded company whose shares are listed on the New York Stock Exchange under the ticker symbol "WTR" (together, "Aqua"). Aqua is one of the nation's largest investor owned water and wastewater utilities serving more than three million people (one million customers) in eight states for 130 years. It has a market capitalization of $5.2 billion. In Virginia, Aqua has the
privilege of meeting its clients' water and wastewater needs in more than 180 communities and delivering services to over 80,000 residents. Aqua has a distinguished record and leads the industry in operating efficiency. Aqua continuously invests using scale and experience to provide the most cost effective utility services possible and is regulated by the Virginia State Corporation Commission (the "SCC").

This Proposal sets forth the terms and conditions under which Aqua would purchase all of the water and wastewater utility assets, comprised of real and personal property, infrastructure, equipment and related rights owned by the City of Petersburg (the "City"), which are used by the City to serve the needs of its residential and commercial customers (collectively, the "Utility Assets"), and following the purchase of the Utility Assets. Aqua would operate the Utility Assets to deliver water and wastewater services to customers in the City as efficiently and cost-effectively as reasonably possible (the "Acquisition"). The Utility Assets would not include the City's accounts receivable related to water and wastewater billings accrued prior to the closing of the Acquisition (the "Closing").

This Proposal is comprised of two parts: Volume I and Volume II. Volume I outlines the qualifications and experience of Aqua, many details of the Proposal, including the necessary improvements and upgrades it would make to the Utility Assets, and benefits to the City resulting from the City's acceptance of this Proposal. Volume II contains certain confidential and proprietary information related to the Proposal, specifically certain financial aspects, and additional details, for which Aqua requests confidential treatment ("Volume II").

Aqua's distinguished operating record and industry-leading efficiency and service translates into our promise to continuously invest in your community, and use both our scale and experience to provide the most cost effective services possible as we perform much needed upgrades. For many municipalities, the ownership of its water and wastewater systems by a regulated utility company is an important factor that ensures the municipality's successful future. For Aqua, owning, operating, maintaining and investing in a community-being a fully integrated part of the municipality's daily functions-is just as commonplace. Entrusting your utilities to Aqua will enable the City's leadership to focus on economic development while Aqua handles the water and wastewater infrastructure needs of the community.

VI. Evaluation Criteria for Evaluating Proposals

The following are the evaluation criteria that the City will be using to evaluate proposals:

a. The proposer's past experience on similar projects; ...............................15Pts

b. The proposer's ability to bring the project on-line within schedule and at the lowest reasonable cost, including without limitation, the proposer's past performance, its claims history, and its litigation history; ...............................15Pts

c. The price and the reasonableness of the net cost and benefit to the City after considering all of the City's utility assets. .................................................................15 Pts

d. The proposer's ability to create and obtain a financing package in order to meet
the financial goals of the City; .................................................................10 Pts

e. The qualifications of proposer’s team; .........................................................15 Pts

f. The proposer’s ability to work with public bodies having review and regulatory
   jurisdiction over the project; .................................................................10 Pts

g. The proposer’s accommodation of the City’s preferences expressed in this
   Solicitation or the invitation for detailed-phase proposals, as applicable; ...10 Pts

h. The public interest and public input; and ....................................................5 Pts

i. The proposer’s ability to leverage and integrate existing City and other available
   resources. .................................................................................................5  Pts

Total ..............................................................................................................100  Pts

VII. Copies of Unsolicited Proposal

The submitter of the unsolicited proposal, Aqua Virginia Inc, has designated portions of its
proposal as confidential proprietary information exempt from release under the Virginia
Freedom of Information Act. Copies of the more detailed Receipt of Unsolicited PPEA Proposal
and Solicitation of Competing Proposals are available from the City of Petersburg Purchasing Office
located at 103 W. Tabb Street, Petersburg, VA 23803 or by accessing materials via the “Public
Private Education Facilities” link on the City of Petersburg Purchasing Office’s website at