



September 19, 2018

TO ALL PROSPECTIVE RESPONDENTS:

Subject: Request for Qualifications (RFQ):
18-PR-CFO-53

Addendum Number: 1
For: Senior and Co-Managing Underwriter Services
Closing Date: **September 26, 2018**

The subject RFQ 18-PR-CFO-53, Senior and Co-Managing Underwriter Services, was issued August 27, 2018 with a closing date of September 26, 2018. This addendum is being issued on September 19, 2018 to answer questions submitted by the deadline of September 13, 2018 as follows:

- Question 1. Whether companies from Outside USA can apply for this? (like, from India or Canada)
Answer 1. Companies from outside of the U.S. can provide a response as long as they have the requisite licenses and certifications necessary to provide all of the necessary services detailed in this RFQ for DC Water.
- Question 2. Whether we need to come over there for meetings?
Answer 2. In some instances, DC Water may request that firms providing the services outlined in this RFQ be physically present for a meeting or other discussion. It is DC Water intent that these dates will be known in advance and provided to the selected firm/firms in time to coordinate travel and other logistics.
- Question 3. Can we perform the tasks (related to RFQ) outside USA? (like, from India or Canada)
Answer 3. Tasks can be performed outside of the U.S. as long as the firms have the requisite licenses and certifications necessary to provide all of the necessary services detailed in this RFQ. It is DC Water's expectation that firms will be available to provide services based on the business hours of DC Water.
- Question 4. Can we submit the proposals via email?
Answer 4. Yes. See cover page of the RFQ for submission requirements.
- Question 5. If we are responding as co-manager, do we need to complete Attachment G Certified Local/Small Business Enterprise Program?
Answer 5. Each respondent will need to complete Attachment G.
- Question 6. What would the Authority like respondents to do if exceptions need to be made, for example, with regards to the Insurance Requirements included in the RFQ?
Answer 6. Respondents should detail their exceptions and provide an explanation of why they cannot conform to DC Water's expectations.
- Question 7. Reference to a Request for Quote with the DC Water and Sewer Authority Department of Procurement Attachment E, Question 9 -Tax Certification Affidavit on Page 9: Finance and

Registration No: _____. Firm X does not have a number exactly named Finance and Registration.

Are you able to let us know what number (Customer ID, Sales and Use, Withholding Wage, we are to enter on Line 9)?

Answer 7. Firm shall enter their District of Columbia Business License number. Information regarding the business licensing requirements may be obtain at the following link:
<https://dcra.dc.gov/service/about-business-licensing>

Question 8. Please clarify the \$763.984 million of debt issuance planned over the next five years (listed in Section A.1). Should we assume \$300 million issuance in October 2019, \$300 million issuance in April 2020 and \$163 million in October 2021?

Answer 8. The Official Statement from DC Water's 2018 transaction (<https://emma.msrb.org/ES1143696-ES894297-ES1295573.pdf>) details the Capital Improvement Program. Specifically, Table 5. Fiscal Year 2018-2027 Capital Improvement Program Sources and Uses of Capital Funds identifies the expected proceeds from Revenue Bonds.

Question 9. Please provide the estimated spend-down schedule for each issue or should we assume an 18-month equal monthly spend-down schedule for each issue?

Answer 9. Respondents can assume a prudent spend-down schedule of which a uniform spend-down would be acceptable.

Question 10. What is the expected size of the WIFIA loan letter of interest recently submitted to USEPA and how does DC Water expect to fund the 51% non-WIFIA portion?

Answer 10. See the following table:

Sources Category	Estimated Dollar Value
1. WIFIA Loan	\$137,543,000
2. Revenue Bonds	\$34,521,865
3. SRF Loan	\$0
4. Borrower Cash	\$0
5. Funded via Intermunicipal Agreement (Wholesale Customer Capital	\$66,660,811
6. Other: Expected federal grants	\$41,974,324
TOTAL SOURCES	\$280,700,000

Question 11. Does Question 2B cover all financings or should the response be limited to negotiated financings?

Answer 11. Provide the data for both competitive and negotiated financings. Provide the information in a manner such that D.C. Water can identify each category of information.

Question 12. Please provide a breakout of Clean Rivers Bonds on existing transactions as well as proposed financings over the next five years.

Answer 12. For prior transactions, the table below identifies the percent of debt service allocable to Clean Rivers versus the CIP:

Series	% Debt Service Allocated to Clean Rivers	% Debt Service Allocated to General CIP
Series 1998A	2.7%	97.3%
Series 2007A	10.8%	89.2%
Series 2008A	9.9%	90.1%
Series 2009A	16.5%	83.5%
Series 2010A	61.9%	38.1%
Series 2012	73.7%	26.3%
Series 2013A	33.7%	66.3%
Series 2014C	21.3%	78.7%
Series 2014A	100.0%	0.0%
Series 2016A	12.5%	87.5%
Series 2016B	100.0%	0.0%
Series 2015A	100.0%	0.0%
Series 2017A	100.0%	0.0%
Series 2018A	100.0%	0.0%

For future Clean River’s transactions, assume that \$50 million from each future transaction will be allocated to Clean Rivers.

Question 13. Attachment I is listed in Attachment B (excel doc) as a Required Form. On the top of Attachment I, it states that the form is to be completed within 30 days of contract award. Please confirm that this form in fact needs to be completed and included with our response to this RFQ. If we are in fact required to complete, there are a number of fields that do not seem applicable to the service we would be providing as co-managing underwriter. For example, we would not be hiring additional employees to provide the underwriting services proposed.

Answer 13. For the proposal or response to the RFQ, regarding Attachment I (DC Water Works), vendors should include in their response the signed first page of Attachment I acknowledging the Water Works Program, and their plan to comply. The actual employment plan will need to be completed and turned in within 30 days of contract award.

Question 14. Question 5. Of the RFQ requests up to three proposed underwriters’ counsel firms. With the RFQ for Bond Counsel also out for solicitation, should we exclude the current Bond Counsel firms that most recently served on the 2018 transaction from our proposed firms?

- Answer 14. Provide three (3) firms that your firm would/could select as Underwriter's Counsel regardless of Bond Counsel RFQ.
- Question 15. Within Attachment B, Tab 'Required Responses', there is mention of a Master Services Agreement. Can you please provide this attachment or additional information as to what should be included per this request?
- Answer 15. Prospective firms shall provide their Master Services Agreement for which they expect DC Water to execute.
- Question 16. Attachments C, D and L don't have signature lines provided. Are we required to return them as part of our submission?
- Answer 16. Attachment C and D are not to be returned. Attachment L is to be signed at the bottom of the form and be submitted.
- Question 17. Are we required to attach our audited financial statements for the past 3 years as supplements to be attached with Attachment B?
- Answer 17. Yes.
- Question 18. Are we required to provide specific hourly wage/salary information as part of the requirement in Attachment I for the RFQ submission?
- Answer 18. No.
- Question 19. As instructed in Attachment B, all digital documents should be submitted in native MS Office format (e.g., Word, Excel) unless otherwise noted. Does that mean Attachment A. Contractor Qualifications and Scope of Work should be submitted in a word document instead of a PDF?
- Answer 19. Contractor Qualifications and Scope of Work should be submitted in PDF.
- Question 20. With respect to pricing, is there a final maturity that you would like us to provide takedowns?
- Answer 20. Assume a transaction with a 30-year final maturity.
- Question 21. Is there a particular date that you would like us to use for our financing analysis?
- Answer 21. For the 2019 transaction, assume the transaction closes around mid-June. Respondents should use (identify and discuss) reasonable assumptions for their financial analysis.
- Question 22. What is the form of Master Services Agreement that the Authority is looking for in relation to our service delivery with the proposal?
- Answer 22. Prospective firms shall provide their Master Services Agreement for which they expect DC Water to execute.
- Question 23. Please confirm that Attachments C and D do not need to be returned as there are no signature pages in each.
- Answer 23. Attachment C and D are not to be submitted.
- Question 24. Is Attachment I required to be completed at this time or only after award of the contract?
- Answer 24. For the proposal or response to the RFQ, regarding Attachment I (DC Water Works), vendors should include in their response the signed first page of Attachment I acknowledging the

Water Works Program, and their plan to comply. The actual employment plan will need to be completed and turned in within 30 days of contract award.

Question 25. Where can we find the Master Services Agreement referenced in Item 10 of Attachment B's List of Required Responses?

Answer 25. Prospective firms shall provide their Master Services Agreement for which they expect DC Water to execute.

Question 26. Could you please provide the date, par amount, term and rate for DC Water's most recent resets/sales of Taxable Commercial Paper and Extendible Municipal Commercial Paper.

Answer 26. The following tables identify this reset information:

CP Series C: FY 2018 Resets

Issuance Date	Maturity Date	Days	Interest Rates
10/6/2017	10/17/2017	11	1.30%
10/17/2017	10/24/2017	7	1.22%
10/24/2017	10/31/2017	7	1.22%
10/31/2017	11/7/2017	7	1.22%
11/7/2017	11/14/2017	7	1.22%
11/14/2017	11/21/2017	7	1.22%
11/21/2017	11/28/2017	7	1.21%
11/28/2017	12/5/2017	7	1.24%
12/5/2017	12/12/2017	7	1.26%
12/12/2017	12/19/2017	7	1.43%
12/19/2017	12/26/2017	7	1.51%
12/26/2017	1/2/2018	7	1.55%
1/2/2018	2/1/2018	30	1.68%
2/1/2018	3/1/2018	28	1.62%
3/1/2018	4/2/2018	32	1.80%
4/2/2018	5/4/2018	32	2.00%
5/4/2018	6/5/2018	32	1.96%
6/4/2018	7/6/2018	32	2.00%
7/6/2018	8/8/2018	33	2.10%
8/8/2018	9/10/2018	33	2.15%

EMCP: FY2018 Resets

Issuance Date	Maturity Date	Days	Interest Rate
10/3/2017	11/7/2017	35	0.98%
11/7/2017	1/8/2018	62	1.01%
1/8/2018	2/7/2018	30	1.39%
2/7/2018	4/3/2018	55	1.18%
4/3/2018	5/2/2018	29	1.63%
5/2/2018	6/5/2018	34	1.71%
6/5/2018	8/2/2018	58	1.31%
8/2/2018	9/10/2018	39	1.43%
9/10/2018	10/10/2018	30	1.71%

Question 27. If a firm is requesting assignment only as Co-Manager does it need to meet the Insurance requirements in replacement Part 13, Attachment C? It would seem that the Senior Manager would be in the position of the prime contractor in terms of meeting these requirements. Firms seeking only Co-Manager assignments are often smaller which makes the revised coverages high, especially the professional liability. Also, we do not carry Crime Insurance, but do not expect to be on DC Water property as part of a financing.

Answer 27. All firms participating in the underwriting process must comply with the Insurance requirements in Part 13, Attachment C.

Question 28. We do not subscribe to SDC. What information should we provide in response to Q. 2.b.?

Answer 28. Firms are expected to use Securities Data Corp. (SDC) data. In the event this is not available; firms should utilize best efforts to provide this information to facilitate comparison across firms and detail the source of the information.

Question 29. If a firm is applying only for Co-Manager does it need to complete Attachment B? If so could you please list the column headings you wish us to provide.

Answer 29. All columns must be completed in Attachment B.

Question 30. The RFQ indicates that Attachment I is to be signed and returned with the proposal. There does not appear to be any place to sign?

Answer 30. For the proposal or response to the RFQ, regarding Attachment I (DC Water Works), vendors should include in their response the signed first page of Attachment I acknowledging the Water Works Program, and their plan to comply. The actual employment plan will need to be completed and turned in within 30 days of contract award.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

All offerors responding to solicitation RFQ 18-PR-CFO-53, Senior and Co-Managing Underwriter Services, must sign and complete the last page, attach copies to the electronic submission to the DC Water POC and return all documents to the email address listed in the RFQ for submission of proposals. In the event your proposal had been previously emailed, submit this addendum under a separate email by the deadline. This addendum, together with your proposal and any revisions or changes occasioned by this addendum, must be received prior to the deadline set for submission of proposals.


Hildred Pepper
Senior Sourcing Specialist

FAILURE TO ACKNOWLEDGE RECEIPT OF THIS ADDENDUM MAY BE CAUSE FOR REJECTION OF YOUR PROPOSAL.

This addendum is acknowledged and is considered a part of RFQ Number 18-PR-CFO-53, Senior and Co-Managing Underwriter Services.

Signature of Authorized Representative

Title

Name of Firm

Date