

BOROUGH OF ALLENDALE
ADVERTISEMENT OF PUBLIC NOTICE
REQUEST FOR BIDS
FOR
SALE OF WATER SYSTEM

ADDENDUM No. 1
Issued on May 5, 2021

This constitutes **Addendum No. 1**, dated May 5, 2021, to the above referenced Request for Bids issued by the Borough of Allendale (the "RFB"). This Addendum No. 1 shall be issued by fax and electronic mail to all firms that registered for the RFB and will be posted on the Borough's website www.allendalenj.gov. Capitalized terms not defined in this Addendum No. 1 shall be as defined in the RFB.

Respondents are hereby notified that the RFB is amended and supplemented by this Addendum No. 1 as follows:

1. **Alternative Bid Five Year Binding Rate Structure** – Bidders are hereby advised that all references contained in the RFB to the requirement that Bidders provide a 10-year binding rate structure as part of their bid are hereby amended to require that Bidders must also provide a 5-year binding rate structure as part of their bid. This includes, but is not limited to, references in Section 4.0., Section 5.5 and Bid Form 3. A new Bid Form 3 is attached hereto as **Exhibit A**.

The Borough reserves the right to select the Highest Responsible Bidder under either the 10-year binding rate structure or the 5-year binding rate structure.

2. **Additional Information** – Attached hereto as **Exhibit B** is a listing of the utility costs for gas and electric service associated with the System. The costs are estimated and broken down by location/account as well as by utility bills paid for by the Borough's Operator and utility bills paid for by the Borough directly.
3. **System Real Estate** – For the avoidance of all doubt, Bidders are advised that the Borough will require all deeds and easements for properties transferred to the Highest Responsible Bidder at Closing to contain (1) a deed restriction that will prohibit the subdivision of any fee owned parcels housing the System or any component part thereof; and (2) a requirement that if the Buyer decides post-Closing to no longer utilize any of the tanks or wells that comprise the System, then the Buyer shall be obligated to first offer said facilities, and the property upon which said facilities are located, to the Borough at no cost to the Borough before utilizing said properties or facilities for any other purpose.

This **Addendum No. 1**, dated, May 5, 2021, has been issued by order of the Borough of Allendale.

Michelle Ryan
Acting Municipal Clerk

Exhibit A

New Bid Form 3

PURCHASE PRICE

1. **Total Purchase Price:** Bidders must provide a Total Purchase Price for each Binding Rate Schedule set forth below. **The Borough reserves the right to select the Highest Responsible Bidder under either the 10-year binding rate structure or the 5-year binding rate structure.** Bidder hereby proposes a total Purchase Price in accordance with the RFB for the System and assets described therein at an amount set forth:

a. **For the Binding 10-year Rate Schedule in Section 3.a. of this Form 3, below:**

in words as follows: _____

and in dollars as follows:

\$ _____

b. **For the Binding 5-year Rate Schedule in Section 3.b. of this Form 3, below:**

in words as follows: _____

and in dollars as follows:

\$ _____

(Bidders acknowledge that in the case of a discrepancy between the words and numbers written above the words shall govern)

2. **Transaction Reimbursement Costs:** Bidder acknowledges that in addition to the Purchase Price set forth in item 1 above, the Bidder shall also pay to the Borough the Transaction Reimbursement Costs of \$150,000. Such amount shall be paid in accordance with the Sale Agreement terms and conditions.

_____ YES (*check or initial*)

4. **Binding Rate Schedules:** Bidders must provide both a 10-year and a 5-year Binding Rate Schedule. **The Borough reserves the right to select the Highest Responsible Bidder under either the 10-year binding rate structure or the 5-year binding rate structure.**

- a. **10-year Binding Rate Schedule:** Bidder shall attach to this Bid Form 3 a minimum of a 10-year binding Rate Schedule to be implemented for the first 10 years following the sale of the System. Proposed rates shall not exceed a maximum rate increase of 5% in any year for ten years following the Closing with an average rate increase of 3% over the ten years. Bidder's

acknowledge that pursuant Section 4.0 of the RFB, the initial 10 years of the binding Rate Schedule submitted by a Bidder shall be used by the Borough to determine the Highest Responsible Bidder in the event that the Borough selects a 10-year Binding Rate Schedule option.

- b. 5-year Rate Schedule:** Bidder shall attach to this Bid Form 3 a minimum of a 5-year binding Rate Schedule to be implemented for the first 5 years following the sale of the System. Proposed rates shall not exceed a maximum rate increase of 5% in any year for five years following the Closing with an average rate increase of 3% over the five years. Bidder's acknowledge that pursuant Section 4.0 of the RFB, the initial 5 years of the binding Rate Schedule submitted by a Bidder shall be used by the Borough to determine the Highest Responsible Bidder in the event that the Borough selects a 5-year Binding Rate Schedule option.

Name of Bidder

Signature

Title

EXHIBIT B

ALLENDALE WATER UTILITIES

LOCATION	ORANGE & ROCKLAND ELECTRIC	PSE&G GAS	OPTIMUM INTERNET
WELL 11 - 11 W. CRESCENT	\$22,160		
FAIRHAVEN DR. PUMP STATION	\$16,215		
98 NEW STREET - Treatment Plant and Wells 2 & 4	\$41,680		
WELL 15 - PARK AVENUE	\$8,145		
WELL 17 - MEEKER AVENUE	\$10,400		
WATER TOWER - BISCAYNE DRIVE	\$916		
PIT - 654 BROOKSIDE AVE. - Ridgewood Interconnect	\$264		
LEIGH COURT - Fairhaven Tank		\$660	\$1,080
TOTALS	\$99,780	\$660	\$1,080

BOROUGH OF ALLENDALE
REQUEST FOR BIDS
FOR
SALE OF WATER SYSTEM
DATED April 7, 2021

QUESTION AND ANSWERS No. 1
Issued on May 5, 2021

Q1. Does Allendale have a detailed asset listing showing the original asset cost, followed by accumulated depreciation, resulting in Net Book Value as of today (or as close as possible) for each specific asset or group of assets (in the case of meters, main piping, valves, curb boxes, etc.)? The aggregate of this list would be equivalent to Allendale's aggregate NBV of the water-related assets. Can this be shared?

A1. This information, to the extent held by the Borough, will not be released as part of the RFB.

Q2. Has Allendale had any valuation study performed recently showing the value of the water-related assets in Allendale. This is typically conducted by a 3rd party consultant with the objective of providing the value of the assets required to source, treat, convey, and measure water to all customers in the Borough of Allendale. Can this be shared?

A2. The Borough has prepared a Valuation Study, but it will not be released as part of the RFB.

Q3. Has Allendale had a Feasibility or Design Study for the treatment/removal of PFAS/PFOA from the source of supply ground water wells?

A3. The Borough has commissioned a Feasibility and Design Study for the treatment and removal PFAS/PFOA from the impacted ground water wells associated with the System. Further, the Borough, and its retained professionals, have reviewed the Study and fully understand its findings contained there as well as the costs associated with the Study recommendations. Bidders should note that the Borough will not be releasing the Study as part of the RFB. As noted in the RFB, the Borough is interested in hearing from Bidders as to the approach each Bidder would be inclined to undertake with respect to addressing the treatment/removal of PFAS/PFOA from the System wells.