

CERTIFICATE OF ACKNOWLEDGMENT OF RECEIPT OF ADDENDUM

THE CITY OF READING

ADDENDUM NO. 1

RFP: Water Lease Legal Advisor

DUE DATE: 3:00 P.M. Prevailing Time,
March 19, 2014

NOTICE

This addendum must be signed, attached to, and returned with your proposal to the City of Reading by the time and date indicated ABOVE:

1. Will the Proposer (i.e., the Legal Advisor selected as a result of this RFP) be responsible for analyzing the Water System Concession proposals with respect to terms and conditions of employment offered by the prospective concessionaires to existing City of Reading Water System employees, or will issues relating to protection and/or transitioning of present employees be handled by labor counsel?

Answer #1: The Proposer will be responsible for analyzing the Water System Concession proposals with respect to terms and conditions of employment offered by the prospective concessionaires to existing Reading Area Water Authority employees.

2. Will the Proposer (i.e., the Legal Advisor selected as a result of this RFP) be responsible for reviewing and assessing the Water System Concession proposals with respect to retirement benefits offered by the prospective concessionaires to present City of Reading Water System employees, or will these issues be handled by other counsel and/or consultants?

Answer #2: The Proposer will be responsible for reviewing and assessing the Water System Concession proposals with respect to retirement benefits offered by the prospective concessionaires to existing Reading Area Water Authority employees.

3. Will the Proposer (i.e., the Legal Advisor selected as a result of this RFP) be responsible for drafting operating standards and specifications that are intended to govern the concessionaire's responsibilities with respect to the operation, maintenance and capital investment requirements for the Reading Water System, or will these standards and specifications be drafted by City personnel or other consultants?

Answer #3: The Proposer will lead, as part of a team that includes City personnel and other consultants, the drafting of operating standards and specifications that are intended to govern the concessionaire's responsibilities with respect to the operation, maintenance and capital investment requirements for the Reading Area Water System.

4. How many full-time employees are engaged primarily in performing work for the Reading Water System? How many are represented by a union? What union or unions represent these employees?

Answer #4: The Reading Area Water Authority has approximately 73 full-time employees. Approximately 95% are represented by the American Federation of State, County, and Municipal Employees (AFSCME) Local 2763E.

5. Are there existing Orders, Consent Decrees or other directives to which the City or the Water Authority is bound concerning compliance with environmental laws with which prospective lessees and/or concessionaires will have to comply? If so, please specify the Orders, Consent Decrees or other directives that apply and advise where copies of same may be obtained.

Answer #5: The Reading Area Water Authority must comply with all applicable environmental laws and regulations relative to its daily operation.

6. Has the City or Water Authority engaged, or will it engage, a financial advisory firm in connection with the proposed Lease and Concession proposal? If such a financial advisor has already been selected, can you identify the firm?

Answer #6: The City of Reading will engage a financial advisory firm in connection with the proposed Lease and Concession. A financial advisor for this transaction has not been selected at this time.

7. Does the City or Water Authority have outstanding indebtedness or other long term obligations secured by the assets or revenues of the Water System. What are the present intentions, if any, regarding the disposition or continuation of such indebtedness or obligations as a result of the proposed Concession?

Answer #7: The Reading Area Water Authority has outstanding indebtedness that is currently secured by the assets and revenues of the Water System. The City intends to follow the guidance of its financial advisor regarding the disposition or continuation of such indebtedness or obligations, consistent with all applicable laws and regulations.

I, HEREBY CERTIFY THAT THE CHANGES COVERED BY THIS ADDENDUM HAVE BEEN TAKEN INTO ACCOUNT.

Firm Name (Type or Print) _____

Authorized Signature _____

Title _____

Name (Type or Print) _____

Date _____