

SOMERSET COUNTY RENEWABLE ENERGY PROGRAM,

SERIES 2010

REQUEST FOR PROPOSALS

**For a Developer of Photovoltaic Systems with respect to certain Local Government
Facilities in the County of Somerset, New Jersey dated July 30, 2010**

**Summary of Questions and Answers
No. 8, Issued on September 24, 2010**

Below is a summary of the questions posed by Respondents and the Somerset County Improvement Authority's (the "Authority") responses to said questions. This document shall be posted on the Somerset County Improvement Authority's website at <http://www.scia.co.somerset.nj.us/>, and emailed to all Respondent Contact Persons.

Q1. Regarding the Consent of Surety for the Construction Performance Bond, the amount to be filled in as part of Form A-1 is left blank. The RFP states in Section 7.2 that the winning bidder must provide a Construction Performance Bond in the amount of 100% of the cost for design, permitting and construction of the Renewable Energy Projects.

- a) Will the County consider a bid that provides a Consent of Surety in a smaller amount during the bid evaluation process? Provided that the Respondent commit to the full 100% if it is selected as the Successful Respondent.***
- b) If a Respondent plans to construct the Renewable Energy Project will in multiple phases and tranches, then is it acceptable to offer tranching construction performance bonds? (i.e., \$10mm Phase 1, \$5mm Phase 2, etc. with a total equal to the full construction costs)?***

A1.a. No, the Authority is requiring all Respondents to provide a Consent of Surety in a amount equal to 100% of the cost for design, permitting and construction of the Renewable Energy Projects.

A1.b. No, staggered Construction Performance Bonds are **NOT** acceptable to the Authority.

Q2. *Is it correct that the Construction Performance Bond in the RFP will only take effect after the underwriting process for the bonds is complete, there is confirmation of financing (the funds are raised), and the contract documents are agreed to and executed by all parties?*

A2. Correct, the Successful Respondent's obligations under the Power Purchase Agreement, including the provision of a Construction Performance Bond, are contingent upon the Authority providing financing in the amount of the successful proposal.

This Questions and Answers No. 8, dated September 24, 2010, has been issued and posted on the Authority's website by order of Richard E. Williams, Chair, Somerset County Improvement Authority, this 24th day of September 2010.