

RESOLUTION

RESOLUTION ELECTING TO USE COMPETITIVE NEGOTIATION IN REVIEWING AND EVALUATING PPEA PROPOSALS FOR THE PURCHASE OF SPSA'S WASTE-TO-ENERGY FACILITIES

WHEREAS, the Southeastern Public Service Authority of Virginia ("SPSA") has received an unsolicited proposal pursuant to the Virginia Public-Private Education Facilities and Infrastructure Act ("PPEA") from Covanta Energy Corporation ("Covanta Proposal") for the purchase of SPSA's waste-to-energy facilities in Portsmouth, Virginia (the "Facilities"); and

WHEREAS, by resolution adopted on June 5, 2008, SPSA's Board accepted the Covanta Proposal for conceptual phase consideration and authorized the Executive Director with the assistance of staff to review and accept for conceptual phase consideration additional PPEA proposals for the purchase of the Facilities; and

WHEREAS, SPSA has received additional PPEA proposals from Fortistar LLC, Energy Answers International, Inc. and Wheelabrator Technologies Inc. ("Additional Proposals") that the Executive Director with the assistance of staff has reviewed and accepted for conceptual phase consideration; and

WHEREAS, SPSA's combined PPEA and PPTA guidelines (the "Guidelines") provide that SPSA must determine whether to use competitive sealed bidding or competitive negotiation in reviewing and evaluating the Covanta Proposal and the Additional Proposals ("Proposals"); and

WHEREAS, the Article IV, Section C.2 of the Guidelines provides that SPSA must determine whether to use the competitive sealed bidding or the competitive negotiation methods in reviewing and evaluating Proposals and requires that the Board make findings before proceeding with competitive negotiation; and

WHEREAS, based on the findings stated herein, the Board has determined that the use of competitive negotiation will likely be advantageous to SPSA and the public.

NOW THEREFORE BE IT RESOLVED, by the Board of SPSA as follows:

1. The Board hereby determines that it will proceed with Proposals under the guidelines by using procedures for competitive negotiation.

In determining to use procedures for competitive negotiation, the Board further determines and finds that doing so is likely to be advantageous to SPSA and the public based upon (i) the probable scope, complexity or priority of the project that is the subject of the Proposals, (ii) the risk sharing including guaranteed cost or completion guarantees, added value or debt or equity investments proposed by the private entities making Proposals; and (iii) the economic benefit that would not otherwise be available.

Adopted this 27 day of Aug, 2008

Attest: Donald L. Williams
Donald L. Williams, Chairman