

THIS Q&A DOCUMENT IS FOR REFERENCE ONLY. IT DOES NOT ALTER OR AMEND ANY OF THE SUBSTANTIVE TERMS, CONDITIONS OR REQUIREMENTS OF THE REQUESTS FOR PROPOSALS OR ANY AMENDMENTS THERETO.

The Department of Administration has received a number of questions from parties interested in providing services pursuant to the solicitations for consultants and experts to assist with the Santee Cooper project. To assure that all parties interested in responding to the solicitations are provided the same information, please see the below Q&A.

Q) We had a clarifying question with respect to point 5 on the requested information for substantive proposals related to work done for any South Carolina entity. Is that request related to any South Carolina-domiciled entity (regardless of business form), or just public entities such as Santee Cooper, or any state/local government entity?

A) See Clarifications to Requests for Proposals for “Merger & Acquisition and Corporate Advisory Services” and “Utility Policy Advice and Consulting Services.”

Q) ... [I]t may be necessary to partner with others in order to address all of the UPA&C tasks indicated. This could be done in several ways. Our threshold question is whether this is expected and acceptable, or whether [the Department of Administration] is looking only for offerors who propose conduct all of the UPA&C tasks themselves.

A) See Clarifications to Requests for Proposals for “Merger & Acquisition and Corporate Advisory Services” and “Utility Policy Advice and Consulting Services.”

Q) As a large scale banking organization, with the broad skill set required to effectively support the Department of Administration and State of South Carolina in its evaluation of alternatives for Santee Cooper, we do have ongoing lending commitments and other financial relationships (hedging, commodities etc...) with many, if not all, of the likely bidders (although not Santee Cooper). We note on page 4 of the RFP that a contract cannot be awarded to an entity with any on-going financial ties to potential bidders, however you ask for details of these on-going ties in #6 on the same page, which seems to indicate the Department will evaluate the on-going ties as part of the submission. We believe these will not create any potential conflicts with respect to a potential transaction or our ability to represent the State, can you confirm that this will not disqualify us from consideration?

A) See Amendment 1 to the Requests for Proposals for “Merger & Acquisition and Corporate Advisory Services” and “Utility Policy Advice and Consulting Services.” Firms are asked to identify on-going financial relationships with any potential bidder, such as lending relationships, and any financial relationships with Santee Cooper. Firms are also asked to provide assurance that the relationships identified do not create a conflict and explain why the relationships do not create a conflict with performing the services sought in the Requests for Proposals.

Q) On page 4, #5 asks for our work done with “any South Carolina entity in the past five years” – should we read this as any corporate or government entity domiciled in SC and if so, should it be limited to utility companies or more broadly any corporate? How should we view those companies not headquartered in SC but with a meaningful presence?

A) See Clarifications to Requests for Proposals for “Merger & Acquisition and Corporate Advisory Services” and “Utility Policy Advice and Consulting Services.”

Q) In the RFP you state that “the Department will not contract with any firm that has an on-going financial relationship with Santee Cooper or any potential bidder.”

Would the department consider a lending relationship to certain bidders a financial relationship as referenced in the above statement?

A) See Amendment 1 to the Requests for Proposals for “Merger & Acquisition and Corporate Advisory Services” and “Utility Policy Advice and Consulting Services.” Firms are asked to identify on-going financial relationships with any potential bidder, such as lending relationships, and any financial relationships with Santee Cooper. Firms are also asked to provide assurance that the relationships identified do not create a conflict and explain why the relationships do not create a conflict with performing the services sought in the Requests for Proposals.

Q) Would you confirm if having one firm perform all services in the RFP is a requirement or if you expect to have separate advisors address these two different areas of the RFP?

A) See Clarifications to Requests for Proposals for “Merger & Acquisition and Corporate Advisory Services” and “Utility Policy Advice and Consulting Services.”

Q) On page 4, the RFP reads “The Department will not contract with any firm that has an on-going financial relationship with Santee Cooper or any potential bidder.”

Will you please clarify the intention of this requirement and if it is related to (i) the investment banking portion, (ii) diligence workstreams, or (iii) both? Would it be acceptable for any “Transaction Advisor” to represent a buyer that is making a bid and also perform accounting/financial, tax, HR, and other due diligence related to the transaction as long as separate teams are used?

A) See Amendment 1 to the Requests for Proposals for “Merger & Acquisition and Corporate Advisory Services” and “Utility Policy Advice and Consulting Services.” Firms are asked to identify on-going financial relationships with any potential bidder, such as lending relationships, and any financial relationships with Santee Cooper. Firms are also asked to provide assurance that the relationships identified do not create a conflict and explain why the relationships do not create a conflict with performing the services sought in the Requests for Proposals.

Q) Please confirm that the South Carolina Department of Administration intends to hire three separate advisors for each of the three separate work streams as highlighted on page 3 of the RFP.

A) Confirmed

Q) ... Please confirm a response to the RFP which proposes only a fee and engagement solely for the “Merger & acquisition and corporate advisory services” work-stream as described on pg. 3 of the RFP will be deemed to be a conforming RFP and acceptable for formal consideration. In other words, please confirm there is neither an obligation, nor an expectation, that respondents to the RFP should be submitting engagement and fee proposals that cover more than one of the three work-streams as

described on page 3 of the RFP (e.g., “Merger & acquisition and corporate advisory services” in addition to “Utility policy advice and consulting services”).

A) Confirmed

Q) With regards to the “Logistics” section of the RFP (pg. 5 specifically), would it be possible to expand the acceptable formats for the RFP submission to include PPT and/or PDF? Given the in-person presentation for those selected to interview, a PPT presentation would likely be more readily adaptable to such a meeting.

A) The Department of Administration will accept a PDF. We will also accept a power point as a supplement to the more detailed written responses.

Q)) With regards to the “Unacceptable Terms and Conditions” as described on pg. 6 of the RFP, please clarify the required exclusion of the following condition: “Clauses that prevent the State’s termination of any contract due to non-appropriation of funds”.

Does this exclusion mean that RFP respondents should be aware there is a risk that the State may ultimately choose not to appropriate funds sufficient to pay the agreed upon fees of the advisors engaged for this process?

A) This clause relates to the state’s ability to terminate a contract that extends beyond the fiscal year in which the contract is entered. The state cannot agree to continue to be obligated to a contract in subsequent fiscal years if the legislature fails to appropriate money for the purpose of the contract. This clause does not prevent the State from agreeing to be responsible for any work that has actually been performed at the time of termination.

Q) Is it possible to tentatively schedule a date for an interview if we are selected to do so or will that all occur after submissions?

A) Offerors are welcome to provide availability dates and times in the event they are selected for an interview