



**Solicitation Information
August 6, 2013**

Addendum #1

RFP # 7483381

Title: NATURAL GAS SUPPLY

Submission Deadline: August 9, 2013 at 11:30 AM (ET)

ATTACHED PLEASE FIND VENDOR QUESTIONS WITH STATE RESPONSES.

ALSO ATTACHED IS EXHIBIT 1 – RHODE ISLAND NATURAL GAS ACCOUNT LIST AND USAGE. PLEASE CLICK ON THE LETTER ‘D’ IN THE COLUMN LABELED ‘INFO.’

**Daniel W. Majcher, Esq.
Assistant Director, Special Projects**

RFP # 7483381 Natural Gas Supply

Addendum # 1

- Below are vendor questions and the responses by the State.
- Please see updated Exhibit #1 spreadsheet attached to this Addendum.
- Please note the response to question #8 – If acceptable to the State, pricing will be locked on the day of the pricing event.
- Please continue to monitor the website for any additional information or changes.

Vendor Questions and Responses:

1. We received data from the utility that didn't match some of the capacity assignments on the bid spreadsheet. Can you tell me where the capacity assignments on the spreadsheet are from?

World Energy requested and received capacity assignment numbers from the utility for most of the accounts. NGRI also provided a model for us to provide to suppliers for storage contract quantities and capacity assignment. World Energy used the model attached in Exhibit 1 to develop capacity assignments for some of the accounts we didn't receive data for. If you received different capacity assignments, then you should use what you deem prudent in your offers. However, if you share the information with us we can try to reconcile the different numbers and update Exhibit 1, if necessary.

2. There are 5 accounts that I believe are ineligible for Transportation – 4 Rate 12 (Residential) and I do not believe the Gas Lamp account is eligible.

Thank you for pointing this out and you are correct regarding the ineligible accounts. World Energy validated with NGRI that these accounts are not authorized to transport. We will adjust the Exhibit 1 to remove these accounts.

3. On Page 7 paragraph 4 RFP mentions -The winning supplier will NOT be responsible for telemetering and phone line costs if telemetry is currently in place. But then on page 8, 2nd and 3rd bullets, it states that we need to include the following costs in our price...any service or maintenance charges for existing telemetering and/or new account telemetering equipment imposed by New England Gas (Charges will be deducted from transporter's monthly bill) & we would need to price in long distance charges.

- i. Are we or are we not responsible for the charges
- ii. Does the state currently experience long distance charges

The supplier and the State will follow all National Grid, RI tariff requirements. In addition, the second bullet in Section 4.3.1 on page 8 will be struck from the Request for Quote (RFQ).

4. Invoice Consolidation – when will State let us know if this is what they want (There is a cost involved)

The State has previously utilized dual billing. Please consider the cost of dual billing in your bid price. If the State decides to go with single billing at a later date, the supplier will be promptly notified and an administrative adjustment will be negotiated.

5. Page 19 mentions energy Conservation/load reductions – State will not be penalized for pursuing energy conservation projects or participating in programs that reduce load requirements

Does the State currently plan on performing any energy conservation projects or participating in any programs?

The State is currently engaged in energy conservation/load reduction projects and anticipates that there will be more projects in the future. Once Exhibit 2 is released it will be clear which accounts will be priced with a 100% bandwidth and those with a 10% bandwidth. Please note that Section 8 Specifications does include a Material Change Clause.

As per the Material Change Clause, the State will notify the selected supplier if an energy conservation project materially affects future usage. In the event it does, the selected supplier will apply RFQ section 6.2.1 Liquidated Damages Provision to the excess natural gas requirements. The State will work with the selected supplier to determine the most economically beneficial manner to liquidate the excess requirements.

6. Section 7, page 17 - mentions metered volume/Burner tip volume but on Page 20 under PRICING PRODUCTS it states Pricing and Billing will be at City Gate. Please confirm that it is all at City Gate.

The sentence in question in RFQ Section 7 Pricing should read, “The Total Price shall be applied to the actual “burner tip volumes” grossed up for the then applicable utility fuel component as provided by the National Grid, RI tariff schedule.

7. Please provide a PDF of the RIVIP 4 page vendor registration, as it is not loading on the website.

Please note that in order to access the RIVIP bidder certification form on Division of Purchases' website, you must be a registered vendor with the State and must sign in on the website. If you have question on registering as a vendor, please refer to the website or call the Division of Purchases.

8. It is required that pricing be included in the 120 hold period requested in subsection 4 of Section 1 of the RFQ document?

Prices do not need to be held for 120 days. If the State accepts the pricing, the price will be locked on the day of the pricing event by 3PM. The contract, however, will be contingent upon the selected bidder(s) to supply the required certifications (i.e. MBE, EEOC, Insurance certificates, etc.).

Additionally, please note that RFQ Section 5.3 Pricing Procedures addresses market conditions which may allow a supplier to pull their prices.

9. In Section 16 it is stated that the vendor should not provide services prior to the issuance of a purchase order/agreement. What documentation will make up the purchase order/agreement?

The Purchase Order is an official document issued by the Rhode Island Division of Purchases. The Purchase Order will incorporate the State's general terms and conditions, the proposal submitted by the successful vendor, along with the pricing.

10. Is it expected that any renewals will be under the same price and terms?

RFQ Section 4.4 Term of Requirement states that any "awarded contract will include two (2) renewals each up to twelve (12) months in length." Any renewal will take place under the same terms and conditions; however, the price will be negotiated at the time of the extension. Any contract extension will be at the sole discretion of the State.

11. What is the order of precedence of the documents included in the final agreement package? In Section 4.3.1 it is requested that we submit a sample our standard agreement, but it is not included as part of the official contract in Section 5.4.

The sentence in RFQ Section 4.3.1 Gas Supply Requirements should read, "Sample language must be included with bid response." As per RFQ Section 5.5.9 Contents of Proposal, the supplier is required to submit:

- *The bidder's proposed contract language addressing supply warranties, and protection for buyer against imbalance penalties, overrun penalties, cashout penalties, and similar type of liabilities.*

12. While the final decision will be posted on the RI Division of Purchases web site, will the selected supplier be notified more directly (i.e. via email)?

- Yes, you will be notified via email.*
13. For the 10% swing offering, the RFP states that we should base any variances off of the average Gas Daily. Can this be revised to state the average Gas Daily Midpoint?

Regarding variances, the RFQ states, "Any incremental monthly supply consumed in excess of the allowable high swing may be billed at a price determined as the average of that month's daily indexed price to the nearest pipeline as published in "Platts Gas Daily" plus \$0.15. Any incremental monthly supply consumption short of the low swing may be sold to the facilities list in Exhibit 1 at the contract price resulting from this RFP and repurchased by the selected bidder at a price determined as the average of that month's daily indexed price to the nearest pipeline as published in "Platts Gas Daily" minus \$0.15."

Yes, the State agrees to replace "average of that month's daily indexed price" with "average of that month's daily midpoint price".

14. Could the customer please clarify that both Pricing and Billing will be at DTH/citygate?

See response to question number 6.

15. Is Section 2.2, Pricing, of the RIVIP Certification Form, applicable to bid #7483381?

See response to #8.

16. Item 27 – Equal Opportunity Compliance, Handicapped Access and Affirmative Action – states "Affirmative action plans shall be submitted by the contractor for review by the State Equal Opportunity Office". Could the customer confirm whether or not the State Equal Opportunity office requires the entire plan or will they accept an executive summary or a narrative?

The successful vendor who is tentatively selected after the pricing event will be required to submit a form to the EEO Office. For questions on the form or the EEO requirements please contact the Rhode Island Equal Opportunity Office at (401) 222-3090 or Raymond.lambert@hr.ri.gov.

17. I need a NDA in order to present financials. I have one available to forward for completion, if this is acceptable/doable?

As stated in the solicitation document, please place any vendor financials in a separately sealed envelope marked as confidential. This information will not be made public, will be treated with sensitivity for review purposes related to this procurement only, and will be protected accordingly.

Questions from Pre-Bid Conference:

18. The RFP requires a 10% swing but does not list specific accounts, will this information be released?

RFQ Section 2 Procurement Schedule states that Exhibit 2 – Pricing Event(s) Schedule will be posted on 8/8/2013 by 5:00 PM ET.

19. RFP mentions the possibility of invoice consolidation – Will the State take this option?

See response to question number 4.