



State of Rhode Island
Department of Administration / Division of Purchases
One Capitol Hill, Providence, Rhode Island 02908-5855
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Solicitation Information
July 26, 2016

ADDENDUM # 2

RFQ# 7550763

TITLE: Natural Gas Supply

Submission Deadline has been changed to:

Friday, August 5th, 2016 at 2:00 pm (Local Time)

Note to vendors:

- **The date for Notification of Qualification has been changed to Friday, August 12, 2016**
- **The date for the tentative Pricing Event has been changed to Tuesday, August 16, 2016**

Attached includes:

- **Questions received with answers. No more questions will be answered**

Max Righter

Buyer 1

Interested parties should monitor this website, on a regular basis, for any additional information that may be posted



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Questions Received

Solicitation #7550763

Natural Gas Supply

1. Please confirm that the State wants 1 single summary bill covering all state accounts.

Answer: Yes, the State will receive 1 summary invoice on a monthly basis for all State accounts included in the procurement. The billing address for the invoice will be provided to the selected bidder.

2. Will the non-state participants receive a summary bill as well?

Answer: No, each Non-state participant will receive a monthly invoice for each account included in the procurement. The billing addresses for the invoices will be provided to the selected bidder.

3. Will the State answer questions regarding the accounts and usage data once it is released?

Answer: Yes, the State and EnerNOC will answer questions regarding the natural gas accounts and usage data.

4. Will the State waive the 10% MBE requirement as it has in the past with other energy procurements?

Answer: A waiver request must be submitted to MBE office. It is highly likely that the State will waive the 10% MBE requirement as it has done with all previous energy procurements; however, the waiver will be issued after Technical Proposals are submitted. Additional, guidance will be issued to all bidders at that time.

5. Please confirm who is to be paid – Enernoc or World Energy? The RFQ mentions both.

Answer: EnerNOC will be paid. Any inadvertent reference to World Energy should be replaced by EnerNOC.

6. When the account listing is provided, what information will be available? Is most recent historical going to be provided, TCQ values, GF status (High/Low rate), pool point (FT-1, FT-2), are accounts currently transporting?

Answer: Yes, EnerNOC has requested and received from the utility 12 months of usage history, TCQ volumes for non-exempt accounts, whether they are FT1, FT2 or IT1, if they are currently transporting, and rate designation.



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7. Are there any non-firm accounts being priced? If so, what are the parameters of the accounts interruptibility?

Answer: Yes, there is one non-firm account that is capacity exempt. They do get interrupted by the utility when the utility requires interruptible accounts to switch fuels. EnerNOC will provide an excel model of raw data received. EnerNOC will also post all data as received from NGRI as well for validation.

8. Participation in the RFQ – is it possible that any entity will be able to opt out of this agreement after the pricing has already been submitted?

Answer: No, a bidder cannot opt out after pricing has been submitted. However, no bidder is obligated to submit a price during the auction even if they have submitted an un-priced technical proposal and have been qualified by the State.

9. Please confirm you are asking suppliers to provide burnertip pricing.

Answer: No, the State is not asking for burnertip pricing. The State is asking for city-gate pricing (\$/Dth). The RFP explains that the supplier shall take the actual usage consumed at the city-gate, gross up the volumes by the applicable NGRI fuel rate, convert the volumes to Dth and bill the customer in \$/Dth at the city gate.

10. Please confirm you agree to have dual billing (one from supplier and one from utility).

Answer: Yes, billing will be dual billing. On National Grid Rhode Island, the only way customers can be billed is dual billing (Supplier invoice and utility invoice). It is NOT the desire of the State to have the supplier combine the bills. Also, please see response to Question no. 1.

11. Please advise how many total billing addresses we'll have to send bills to.

Answer: Post auction the successful bidder shall receive an excel model of all contacts and billing addresses.

12. **Section 4.2 Acquisition Method** – Will the State award by account grouping?

Answer: The state will award by either: FT1/FT2 non-Exempt and FT1/IT1 Non-Exempt.

13. **Section 4.3 Background on State/Local Accounts**– For all accounts State and local entities, is there a site contact listing.

Answer: Yes. Post auction the successful bidder shall receive a contact list by agency. This will also include billing information.



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14. **Section 4.4 Terms of Requirement**– What other terms being priced? There is mention of 24 and 36 month terms, but there is also mention that 2 renewals for 12M terms are also to be included. Can you also explain the renewal process? Will the 2 renewals be mutually agreed upon?

Answer: As per Solicitation Section 4.4 Term of Requirement, the State is seeking price proposals for gas supply for number of terms including 24 and 36 months. Regardless of the initial contract term awarded by the State, the awarded contract will include two (2) renewals each up to twelve (12) months in length. Any contract renewal will be mutually agreed upon by the parties. If the State decides to renew the contract, the State will notify the selected supplier prior to contract expiration and request a new contract rate for the renewal term (i.e., 12-months).

15. **Section 4.5 Proposed Quantity**– Please provide more details for adding accounts to the RFP?

Answer: As per Solicitation Section 10.11 Adding Facilities To This Contract, For a variety of reasons, it is possible that certain authorized facilities eligible to purchase natural gas under this contract will not be included in Exhibit 1. The State shall provide an estimate of the facility's natural gas requirements and the selected bidder will be required to provide a price for the new account under the same Terms and Conditions as this Contract. The State will provide this information at least thirty (30) days prior to the desired flow date. The selected bidder will have fifteen (15) days to provide a price for the new accounts. The State will have the ability to decline the price if it is not in the State's best interest. Adding facilities shall be accomplished through a bilateral modification of the contract.

16. **Section 8.2 Threshold/Evaluation Criteria** – How long does the bidder have to hold the price for? The pricing event is on 08/11 but an award date was not given.

Answer: As per Solicitation Section 2. Procurement Schedule, contract award(s) will be made on the date of final pricing event by 3:00 PM ET. Bidders are required to hold their prices until that time. Also see Solicitation Section 5.3 Pricing Procedures, for information on market volatility on the date of the pricing event.

17. **Section 9.1 Pricing Product** – In this section the RFQ states the total price shall be applied to the actual "burner tip volumes". What is the unit of measure? Therms or Dths?

Answer: Invoicing will be at the city-gate. Actual volumes consumed will be grossed up for the system fuel and shall be billed at equivalent city-gate volumes and price.

18. **Section 10.6 Load Reduction** – What future energy conservation projects are planned and does the state know which accounts will be impacted by these projects?

Answer: Not Available at this time



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19. **Section 10.8 Enrollment** – Will the state be acknowledging any new account that will require an enrollment form to start service?

Answer: Yes, there are new accounts that will require enrollments. We have identified accounts are currently being served by NGRI by providing the TCQ in RED.

20. **Section 10.11 Adding Facilities to the contract** – Can you clarify that any new account to be added will be placed in the FT-2 service?

Answer: Please see response to Question no. 15.

21. **Section 10.12 Pricing Products** – Who is determining the nearest pipeline? There are delivery requirements that could determine the pipeline.

Answer: The supplier should follow what the utility rules and regulations are for the ratio of upstream capacity assignment for the FT1 and FT2 non-exempt accounts. For the FT1 and IT1 exempt accounts, delivery is based on the location of where the account resides. I would recommend you contact NGRI. Day Street is AGT and Cranston is TGP.

22. **Section 8.3 Liquidated Damages Provision** – please advise if the state is open to changing the days from 45 to 15.

Answer: No, the State is not willing to change the number of days from 45 to 15. However, the State is willing to change the number of days to 30.

23. Force Majeure section – would it be possible to remove the word “strikes”?

Answer: The word “strikes” does not appear in RFQ Section 10.6 Force Majeure.

24. Is the State open to adding these words “, unless caused by the State” in the following places: Section 4.3.1, Section 9 (Pricing) and Section 10.4

Answer: Yes, adding the words, “, unless caused by the State” to these two (2) sections is acceptable.

25. **Section 10.9 Payment and Billing** – is there interest on late payments? Would the State be willing to accept the provision that states “payment is due within 30 days of invoice date”?

Answer: State will accept an interest rate on payments that exceed the time period as it is stated in the chapter 42-11.1-3 (Prompt payment by Department of Administration - State Affairs and Government). The vendor shall disclose the late payment fees within their proposal. In addition, the State will also accelerate payments if there is a discount for immediate payments (within 3 days of the receipt).



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26. **Attachment A, 6a** – Please provide clarity on this paragraph. Would the state be open to making this provision mutually agreed upon? Also please confirm that damage language would apply to this section.

Answer: There is not any Attachment A in the RFP

27. **10.12 Pricing Products** – a.) The State wishes an index adder of plus \$.15 and minus \$.15 outside the high/low tolerance. We can do this but there is an additional Enernoc fee \$.05 that will not be captured. So we are thinking Plus \$.20 minus \$.15.

Answer: If the State selects 100% swing on the FT2 accounts, this is a mute point for the non-exempt accounts. In the event swing is less than 100% on the FT2 accounts, plus \$0.20/minus \$0.15 is acceptable.

28. **10.12 Pricing Products** – b.) The pipeline index that National Grid RI uses is the average of the 2 pipelines that service this LDC. Is the state open to have the index average of those 2 pipelines to stay aligned to the way the LDC cashes out and LDC delivery requirements?

Answer: Yes, suppliers should be able to price in manner consistent with deliveries. According to NGRI, the November tariff change specifies that for capacity non-exempt accounts (FT2 and FT1 accounts that must receive capacity from the utility) suppliers are required to deliver 40% AGT, 40% TGP and then 20% supplier choice. This is mute for FT2/FT1 non-exempt accounts at full swing. FT1 /IT1 capacity exempt accounts the index is based on the delivering pipeline.

29. **Section 10.5/10.6** – If the state has a material change that's not caused by weather or load reduction projects, does section 8.3 (liquidated damages) still apply?

Answer: As stated in RFQ Section 10.6 Load Reduction, "...the selected supplier will apply Section 8.3 Liquidated Damages Provision to the excess natural gas requirements." This would apply to accounts with swing other than 100%.