



State of Rhode Island
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ADDENDUM #4

RFQ #7323055

TITLE: NATURAL GAS, TRANSPORTATION

OPENING DATE AND TIME: SEPTEMBER 29, 2009 @ 2:00 PM (REVERSE AUCTION)

State of Rhode Island
Department of Administration
Addendum No. 4 to RFP 7323055 for Natural Gas

The following changes are hereby incorporated into RFP 7323055 for Natural Gas.

Section 1 Procurement Calendar, Page 3

The procurement calendar is replaced with the following calendar, which shifts the Technical Response Due Date and Time to 9/22/2009 and the Notification of Qualification to 9/25/2009.

EVENT	DATE	TIME
Solicitation Released	8/31/2009	5:00 PM EDT
Posting of Exhibit 1 – Accounts and Usage *	9/2/2009	5:00 PM EDT
Written Questions May Be Submitted (Email is acceptable)	8/26/2009 – 9/8/2009	12:00 PM EDT
Bidder Call-In Teleconference **	9/1/2009	1:30 PM – 3:30 PM EDT

Demo Auction Held for Prospective Bidders	As needed	1:30 – 2:00 PM EDT
Posting of answers to Bidder Questions	9/16/2009	5:00 PM EDT
Posting of Exhibit 2 – Auction Schedule	9/14/2009	5:00 PM EDT
Technical Response Due Date and Time	9/22/2009	2:00 PM EDT
Notification of Qualification	9/25/2009	5:00 PM EDT
Price Submittal through World Energy Auction	9/29/2009	10:00 AM – 2:00 PM EDT
Contract Awards	9/29/2009	3:00 PM EDT
Supply Contract Service Start Date	11/01/2009	

* All notifications, releases and amendments to this RFP, including Exhibits 1 and 2, will be posted at <https://www.wesplatform.com/webportal/Public/Announcement.aspx?ID=Q2ewmTCxknI%3d> and www.purchasing.ri.gov.
** Interested Bidders are invited to call into the teleconference. The call-in number is 1-888-875-4624; meeting number 555661#. Only questions about the terms and conditions of the RFP and account data will be addressed during this call.

Section 3.2 Acquisition Method, Page 5

The second paragraph on page 5 has been edited to read:

“The State will issue notice of award by electronic mail to the selected bidder on behalf of all agencies listed in Exhibit 1. Notice of award is official and binding, and the selected bidder will receive a faxed letter stating that the State has accepted their price no later than 3:00 PM EDT. The official documents (i.e., the Master Price Agreement) will be issued and distributed a few days after the auction. Other eligible entities participating in this procurement will issue a release (e.g., purchase order) to the winning bidder based on the State’s contract.”

Section 3.3 Background on State/Local Account, Page 5

The fourth sentence in the paragraph has been edited to read:

“Suppliers have the option of billing on individual meter basis by agency or on an account basis by agency.”

Section 3.3.1 Gas Supply Requirements, Page 6

The third and fourth bullets in the third paragraph on page 5 have been deleted. The two bullets are:

- Any service or maintenance charges for existing telemetering equipment and/or new account telemetering equipment imposed by New England Gas (charges will be deducted from transporter's monthly bill).
- Any polling or long distance charges incurred by telemetering imposed by NYNEX or other long distance providers (charges will be deducted from transporter's monthly bill).

Section 3.9 Description of the RFP, Page 7

The paragraph on page 7 has been edited to read:

“In addition to the Introduction and Overview, the RFP contains two other sections and several Exhibits. Detailed consumption is available at the auction website. A bidder is required to register with the State of Rhode Island at the purchasing website and to complete and submit the three (3) page cover sheet. The bidder needs to go the RIVIP registration page at <https://www.purchasing.ri.gov/RIVIP/VendorRegistration.asp>. Once a bidder registered, sign in with their vendor number and password in the upper left corner, then access the bid or RFP (No. 7323055). The cover sheet will be the first three (3) pages of document. This three (3) page cover sheet is also call the RIVIP Bidder Certification Cover Form. A bidder must register on-line to be able to generate the Cover Form. **Failure to submit the three (3) page cover sheet may be cause for rejection of your bid.**”

Section 4.4.8 Contents of Proposal, Page 11

The sentence in number 6. Sample Bill on page 11 has been edited to read:

“Bidder must provide a sample invoice showing billing format and indicate whether they will bill on a meter basis or an account basis.”

The first sentence in number 7. Other Required Forms and Information on page 11 has been edited to read:

“The other required form for this solicitation is a State of Rhode Island Everify W-9 form, which can be found at <http://www.purchasing.ri.gov/EVerify.aspx>.”

Section 5.2.1 Liquidated Damages Provision, Page 12

The following paragraph is inserted immediately after the paragraph on page 12:

“In the case of any Termination or Cancellation, the State or Participating Entity shall, within forty-five (45) days of the effective date of Termination or Cancellation, reimburse the Contractor for its Performance rendered and accepted by the State or Participating Entity, in addition to all actual and reasonable costs incurred after Termination or Cancellation in completing those portions of the Performance which the Contractor was required to complete by the notice. For instance, the damages a

Contractor would incur due to loss in market value of locked-in future quantities would generally be considered a “reasonable cost.” However, the Contractor is not entitled to receive and the State or Participating Entity is not obligated to tender to the Contractor any payments for anticipated or lost profits.”

Section 6 Pricing, Page 12

The first sentence of the second paragraph in the section on page 12 has been edited to read:

The “Basis” component of the price is fixed and held for the length of the contract, and shall include all applicable taxes, with the exception of GRT, the underlying interstate transportation contracts, shrinkage/line loss (both interstate and citygate), risk premium adjustment, and all additional charges outside of the commodity price.”

The second paragraph in the section on page 12 has been edited to read:

“The “Commodity” component of the price shall be based on the NYMEX and "locked in" by the State and the selected bidder as appropriate given market conditions. The State has the right to lock in the Commodity component on a month-to-month basis, or for other intervals of time for a portion of or the entire load awarded to the bidder. However, the State will not hedge more than 75% of contractual volumes with delivery dates greater than twelve months out. The Commodity component shall be the price for the NYMEX futures contract for the delivery month(s). The GRT will be a separate line item on the bill. No bids will be requested for the Commodity component. The selected bidder will coordinate NYMEX locks with the designated State representatives from DOA.”

Section 7 Specifications, Page 13

The Payment and Billing specification on page 15 has been edited to read:

PAYMENT AND BILLING

The selected bidder will bill each meter or account monthly by agency or by participating entity. Payment terms are governed by the State Of Rhode Island General Conditions of Purchase, which can be found at <http://www.purchasing.ri.gov/RIVIP/publicdocuments/ATTA.pdf>.

The following new specifications are inserted on page 15 immediately after the Payment and Billing specification:

INDEMNIFICATION

Indemnification language is contained in the State Of Rhode Island General Conditions of Purchase, which can be found at <http://www.purchasing.ri.gov/RIVIP/publicdocuments/ATTA.pdf>.

DEFAULT AND CANCELLATION

Default and cancelation language is contained in the State Of Rhode Island General Conditions of Purchase, which can be found at <http://www.purchasing.ri.gov/RIVIP/publicdocuments/ATTA.pdf>.

The second paragraph as part of the Pricing Products specification on page 15 has been edited to read:

“Basis Price 10% Swing: Bids for account groups with this pricing product should consist of a single Basis price per Dth for all natural gas supply for all accounts within the group. The natural gas provided shall be equivalent to the relevant LDC’s basic service product. The selected bidder must prepare to provide the monthly City Gate quantities to achieve the burner-tip volumes contained in Exhibit 1, within a +/- monthly swing of 10%, at the price quoted in their response to this RFP. 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.”

Linda Roche
Buyer