



State of Rhode Island
Department of Administration / Division of Purchases
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ADDENDUM #5

RFQ #7323055

TITLE: NATURAL GAS, TRANSPORTATION

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

State of Rhode Island
Department of Administration
Questions and Answers Regarding RFP 7323055 for Natural Gas

- 1. Will the contracting entities be signing the suppliers form of contract? If the state is going to sign the suppliers agreement and there is conflicting language between the RFP document and the suppliers agreement please confirm the suppliers agreement will govern.**

No, the contracting entities will not be signing a supplier's form of contract. The official contract consists of the Master Price Agreement awarded to the winning supplier(s), the requirements and specifications contained in Request for Proposal No. 7323055, which can be found at <http://www.purchasing.ri.gov/RIVIP/BidSearch.asp>, and the State's General Conditions of Purchase, which can be found at <http://www.purchasing.ri.gov/RIVIP/publicdocuments/ATTA.pdf>.

As discussed in RFP Section 3.2, 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. The official award document (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. A MPA is one form of a State Purchasing Contract issued by the Division of Purchases. MPAs cover requirements for broad categories of items for a period of time on a State-wide basis - State and Quasi-Public Agencies order their requirements for

these items individually, as the need arises. State law permits municipalities and school districts to "piggy-back" the state's pricing contracts, at the vendor's discretion. Please go to <http://www.purchasing.ri.gov/RIVIP/HowTo.asp> for additional information.

Will the information required in the technical response as well as the marketers form of contract remain confidential?

Information provided will be held as confidential to the extent permitted by State law. Please refer to the State's General Conditions of Purchase for additional information.

Please identify the accounts that have dual fuel capabilities. For these accounts would the state be amendable to a 0% swing product? This product will enable the supplier to mitigate a portion of the risk and provide the state with a better price.

These accounts will be clearly identified in Exhibit 1. Decisions regarding pricing products and account groupings have not been finalized. Once they are, Exhibit 2, the auction schedule, will be updated and released to bidders. The official schedule is posted on the Rhode Island Vendor Information Program (RIVIP) website for this RFP.

- 1. Would the state sign release forms so that the supplies can pull historical usage from the utility? If the state already has historical usage, would they be able to provide us with the LDCM account numbers?**

Yes, the state will sign release forms if requested by a supplier. In addition, World Energy will make available the in PDF format the account and usage information provided to us by National Grid Rhode Island (NGRI). Please note that Exhibit 1 is the official account and usage database for the procurement. Any discrepancies between the exhibit and usage obtained by a supplier directly from NGI must be brought to the attention of World Energy.

The LDCM number is an account number established by NGRI and provided to the winning pool supplier. The LDCM allows the pool operator to view online daily and monthly usage for the current months flow.

The State will make every attempt to provide the LDCM number to a potential supplier.

- 1. Please confirm pricing and billing are to be at the city gate level. The city gate volumes are what the marketer must deliver for what the accounts consume at the burner tip.**

Yes, as described in RFP Section 3.3.1 gas is delivered to the city gate. The volumes are what the accounts consume at the burner tip. Pricing and billing will be at the city gate. Our worksheet provided historical usage at the burner-tip volumes in CCF (from NGRI). World Energy then we grossed up the data for utility fuel and Btu conversion to provide Dth at the city-gate.

- In efforts to mitigate pricing risk for longer term commodity executions would the state except caps on the time frame that they are able to trigger volume. For example no further than 12 months in advance.**

As described in RFP Section 6, the State has the right to lock in the commodity component on a month-to-month basis, or for other intervals of time up to the full term of the contract for a portion of or the entire load awarded to the bidder. However, the State will modify RFP Section 6 to state that the State will not hedge more than 75% of contractual volumes with delivery dates greater than twelve months out.

- 1. Please confirm that any account the state wished to add after the contract award will be at a mutually agreed upon price.**

The procedure to add an account to the contract is described in RFP Section 7.

- 1. Please confirm the state can amend section 5.2.1 to include liquidated damages for the seller in the event of a default by the buyer.**

RFP Section 5.2.1 will be modified to include language addressing liquidated damages for the seller in the event of a default by the buyer.

1. **The Load reduction section protects the state in the event the reduce their load unless a 10% swing product is awarded. This puts the marketer at great risk. Please confirm that the is amendable to including a material usage deviation clause for any material changes to consumption.**

There is a Material Change clause in RFP Section 7 which addresses this.

1. **Please confirm that the marketer will have the right to pass through utility penalties that they incur as a result of an accounts usage if the account does not provide the proper notification.**

There is a Material Change clause in RFP Section 7 which addresses this.

1. **Will the State except invoicing on an account number basis instead of a meter number basis?**

Yes, the State will accept billing on an account number basis as well as a meter basis. In Part 6: Sample Bill of a supplier's technical response, the supplier should indicate their billing preference.

- Will the State of RI be signing for all entities or will each entity be signing their on their own? If so what document authorizes that authority? Trying to figure out if we should run credit for the State or each entity.**

The State will only be signing a contract for state accounts. All other entities will issue a release (e.g., a purchase order) based on the terms and conditions, price, etc. in the state contract. The other entities issue the release for their own accounts. Please refer to the answer to question no. 1.

1. **Can we get a copy of the Master Price Agreement prior to the auction? Bid says it will be distributed a few days after the auction.**

Suppliers can review active MPAs at <http://www.purchasing.ri.gov/RIVIP/MPASearch.asp>. The MPA for this procurement will only be issued after the auction.

1. **Will the entities be signing our paper? If so what purpose will the Master Agreement have?**

Please refer to the answer to question no. 1.

1. **Will you be issuing a State of RI Everify W-9 form or can we find it on the State site ?**

No, the State will not be issuing an E-Verify form. It can be found at <http://www.purchasing.ri.gov/EVerify.aspx>.

1. **Would the State be willing to sign the attached release form so that we would be able to confirm the account data that we are provided?**

Please refer to the answer to question no. 4.

1. **We are aware of accounts that have dropped out of the state contract. Please confirm that these accounts will be removed from RFP?**

Exhibit 1 is being updated to only include accounts that will be part of the State's procurement. When an update to Exhibit 1 is made, all suppliers are notified.

1. **The Account data excel file only has data for approximately 125 accounts. When are we going to receive the data fro the remaining accounts data.**

Please refer to the answer to questions no. 3, 4, 5 and 17. Please note that we are in contact with all the participating entities and are in the process of verifying the accounts to include in Exhibit 1. World Energy has also included a tab in the file to list accounts that have been removed or added. If World Energy becomes aware that an account is currently under contract, we will modify the posting immediately.

1. **Since it is clear that we will be using our natural gas contract as the basis for this energy purchase: Will we get our contract signed the same day by each contracting entity? Furthermore, an award will not be binding without our paper signed. If the state does try to aggregate the entities, what assurances will be given to tie the aggregation together?**

Please refer to the answer to question no. 1.

1. **Master Price Agreement: The RFP refers to a Master Price Agreement yet no copy of that document is on the Website or included in the RFP for our review. Is it available? Does it include specific Terms& Conditions? Since we have not been able to vet that document and the time line for the bid is tight would our (DE) contract be the basis of this transaction?**

Please refer to the answer to question no. 1.

1. **The RFP: I cannot find anything in the RFP that ties the language of this RFP to a contract award document. Therefore is the suggested language in the RFP just that, and can exceptions can be made via our technical submittal? If we are selected as a qualified bidder does that mean that all our exceptions are agreed upon?**

Please refer to the answer to question no. 1. Exceptions to contractual language can not be made via the technical submittal.

1. **Timing: Does the state intend to vet our contract, negotiate changes within one week after our technical's are submitted and approved?**

Please refer to the answer to question no. 1.

- 1. GRT: The RFP refers to GRT as a separate line item for NYMEX. Are you asking that GRT be included in the BASIS? Or should that be passed through as well?**

GRT should not be included in the basis, it should appear as a separate line item on the bill.

- Is the burner tip price you request in DTH for the auction? Or will it be in terms, and are you expecting to be billed the in the same fashion? In what unit of measure do you want us to price and bill?**

Please refer to the answer to question no. 5.

- Signatory and Contracting Entity: Who is signing the agreement(s)? With whom will the contracts be with? If separate entities are signing the agreement, yet one price per LDC Rate code are to be quoted, how does the state guarantee all participants will sign? What document gives the state the authority to hedge on behalf of the other entities? What ramifications are there for the supplier, if an entity chooses not to sign after the state makes an award?**

Please refer to the answer to questions no. 1 and 7.

- Exceptions: Will expectations to the RFP via our technical proposal be vetted, and automatically agreed to, if we are deemed a qualified bidder?**

Please refer to the answer to question no. 21.

- Telemetry fees are the responsibility of the customer, and are a requirement per the applicable rate via the LDC. Thus [supplier] cannot agree to allowing deductions of any kind from a valid [supplier] Invoice. The [supplier] will not be responsible for payment of installations, nor will we be responsible for phone carrier charges. These are born of the customer.**

For existing FT1 accounts, telemetry is currently in place and the required phone lines and associated costs are borne by the customer. The winning supplier will not be responsible for these costs. If a supplier experiences any issues with the equipment and/or phone line, it is incumbent upon them to bring it to the attention of the State and/or participating entity. The two bullets referring to these costs in RFP Section 3.3.1 will be deleted. In addition, no switching of accounts from FT2 to FT1 is proposed in the RFP and as such, no new telemetry or phone line costs will be incurred.

- In the "Pricing Products" section the incremental usage outside allowable bandwidth is plus or minus \$0.10 to Platt's. The Platt's adder of \$0.10 is not in line with the market standard. Would the state accept an adder that more accurately reflect the risk of the market volatility?**

The additional cost referenced in RFP Section 7 Specifications, Pricing Products has been changed from \$0.10 to \$0.15.

1. **In section 3.3.1 "Gas Supply Requirements" the RFP references a supplemental balancing service. We believe that this service was part of the old tariff that is no longer applicable. Can you please explain what this is?**

Based on information provided by NGRI, per the tariff under Transportation Terms and Conditions, it is the responsibility of the Aggregation Pool to elect or not elect Pool Balancing Service as a supplemental Service for FT1 or NFT. Separate pools are required by NGRI who do have the Balancing Service vs. pools who do not have the balancing services.

Since this is not a required service under the RFP it is up to the Bidder to determine whether or not they need this service. If they do, the cost should be included in their Basis price.

1. **In section 3.3.1 "Gas Supply Requirements" please confirm that the "polling or Long distance charges" will be paid by the state or account owner?**

Please refer to the answer to question no. 27.

1. **Should we assumption that all the rate fields not identified in the data sheets are FTS1 service.**

No, a revised Exhibit 1 will be issued with complete identification of all accounts. Please also refer to the answer to question no. 27.

1. **In the pricing section 6, the first paragraph states that the basis offer includes all taxes, yet in the third paragraph, GRT is to be a separate line item. Which is it? Normally GRT is not included in the basis offer if my understanding correct?**

The text in RFP Section 6 has been modified to state, "all applicable taxes, with the exception of GRT..." The GRT will be a separate line item on the bill.

- Contracting and Credit: Issues were raised as to whether the cities and towns would be signing their own agreement or was the state. In addition, if there are separate contracting entities, then credit has to be run for each entity. What if they do not qualify?**

The State will only be signing a contract for state accounts. All other entities will issue a release (e.g., a purchase order) based on the terms and conditions, price, etc. in the state contract. The other entities issue the release for their own accounts.

All participating entities, other than the State, will be signing a Participation Agreement prior to the auction, committing themselves to the procurement and award decision.

If an entity does not meet a supplier's criteria, please contact World Energy.

34.Pricing: What if an account elects NOT to take the price? How will this impact pricing? And the award?

All participating entities, other than the State, will be signing a Participation Agreement prior to the auction, committing themselves to the procurement and award decision.

Their accounts will not be removed from an awarded group of accounts.

Linda P. Roche
Chief Buyer