

MAINE BUREAU OF GENERAL SERVICES
NATURAL GAS DISTRIBUTION MOA

REQUEST FOR PROPOSALS
RFP # 201201207

I. INTRODUCTION

The State of Maine through the Bureau of General Services in the Department of Administrative and Financial Services and in cooperation with other participating departments of State government seeks to enter into a Memorandum of Agreement (MOA) with an existing energy provider to provide natural gas to either the Augusta area, the Rockland area with connection to Warren, or both. There is no natural gas pipeline in existence in these areas currently. The State is looking for the development of a pipeline to deliver natural gas to those areas, but would not rule out development of a trucked natural gas distribution system to cover those areas. While the State is not committing funding to this project, the State would look at the use of natural gas at State facilities in those areas as a cost savings measure over its current energy costs.

II. SCOPE OF WORK

The State would entertain proposals that would run natural gas through the communities and tie into state facilities on the East side of Augusta, facilities near the capital complex and the Maine State Prison complex in Warren. The proposals could be for a straight natural gas pipeline distribution system, or a Power Purchase Agreement (PPA) with the energy from a Tri-generation plant sited at State of Maine facilities, located in Augusta, Warren and the Rockland areas, in the form of electricity, heating and cooling, through the use of Natural Gas. Other formats or systems would be considered.

The proposal must clearly identify which of the areas the proposal is covering: 1) Augusta East and West Sides; 2) Rockland and Warren; or 3) Both.

The MOA would provide the selected energy provider with assurances and allow for release of pre-development funding for a natural gas pipeline and/or Tri-generation sites. The state facilities in Augusta and/or in the Warren and Rockland areas would serve as anchors for this project.

The selected vendor would be responsible for installation of a natural gas pipeline from an existing pipeline and make connections to Augusta and/or Rockland with a connector to Warren, depending on the proposal submitted.

There would be no cost to the State of Maine for development, or installation of these systems. The State of Maine could purchase the natural gas as an energy commodity through a competitively bid supply contract or through a PPA, purchase the energy generated by these single, Co-generation or Tri-generation systems or some other proposed method or format. The energy fee that would be charged could include the following factors:

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- Cost to operate and maintain the single, Co-generation or Tri-generation plant including the cost of fuel.
- Preferred return on invested costs to potential investors
- Capital costs used to install the project
- Associated costs to true up accounts

The State could enter into a signed contract with the selected vendor if there were demonstrated cost savings to the State through purchasing energy from these projects. Cost savings would be based upon demonstrated savings from the State’s current expenditures to provide heating, cooling and electricity to its facilities. Cost savings proposals would need to clearly identify the method for providing the costs savings whether it was from fuel conversion, a PPA, or another method of energy delivery.

Below is a chart of the currently available energy used at the state facilities that could be used as anchor locations for this agreement. This proposal does not include the East Campus in Augusta as that location is covered under a separate contract for its heating needs at this time.

Location	Gallons of Fuel Oil	Cost per Gallon	Kwh used	Cost per kwh	Demand KW used	Cost Average for KW used	Total BTU’s used
Augusta West	467,078	\$3.21	11,303,400	\$0.13	29495	\$11.23	101,881,591,324
Augusta Eastside	164,300	\$3.21	4,301,801	\$0.13	9814	\$5.82	37,464,508,600
Warren	436,000	\$3.21	6,480,000	\$0.13	25340	\$5.65	82,519,000,000

Proposed projects must provide job creation based upon acceptable and established criteria that can be independently verified. The State will not be using federal funds to provide monies to finance these projects.

Execution of the MOA is conditioned upon the selected vendor providing a performance bond in a form satisfactory to the State.

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III. PROPOSAL SUBMISSIONS

A. EXPERIENCE, CAPACITY AND REFERENCES OF VENDOR:

1. Proposals must formally identify the primary vendor. Completion of Attachment A must be signed as a completed statement of qualification on behalf of itself. All questions must be answered and the vendor completing the statement shall swear to the accuracy of those answers.
2. The proposal must contain the necessary pertinent information and documentation describing the experience and capacity of the primary vendor to manage and deliver successfully on all aspects of its proposal. These aspects include but are not necessarily limited to the technical component: the operational, maintenance and repair components, the overall customer service component, the legal and regulatory compliance components, the equipment, transportation, and personnel components, and the financial capacity and market resources components.
3. The primary vendor as part of its proposal must include a signed completed Attachment A from each sub vendor or business entity participating in the proposal under the auspices of the primary vendor. All questions must be answered and the vendor completing the statement shall swear to the accuracy of those answers.
4. Proposals shall include contact information for a minimum of three current clients for whom the vendor provides the same or similar services and who may be contacted for references. As an alternative to providing this contact information, the vendor may specifically state they are unable to do so. If the vendor states they are unable to provide these references, they must also state whether they are unable to comply because no customers were willing to be contacted or because no customers exist.

B. TECHNICAL PROPOSAL:

1. The proposal must contain the necessary pertinent information and documentation describing the merits and the established record of the technical solution itself in providing the intended benefit of natural gas distribution while meeting all necessary requirements of law and avoiding or minimizing adverse consequences, such as environmental impact.
2. As part of this description, proposals must describe the anticipated carbon or other environmental benefits of the solution in comparison with the fuel oil consumption at the identified areas.
3. If the proposed technical solution is currently operating or installed in any other location, that experience must be described in this section.
4. The proposal should include a suggested project plan for each area the proposal covers. The plan should use April 1, 2012 as the start date for when the work would start and provide milestones for the work leading up to completion of the project. Project completion would be defined as the date when a facility in the proposed area would be using natural gas at that facility.

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C. JOB CREATION:

1. The proposals must provide the number of jobs created through this project. The proposals must clearly identify the number of jobs created in the first year, the third year and the fifth year.
2. The proposal must provide the methodology used to calculate the number of jobs created, so that the number can be verified independently without additional questions being asked of the bidder after submittals of the proposals. Failure to provide this information will result in no points awarded for this section.

D. FISCAL STABILTY:

1. The proposals must include a letter of credit from an accredited financial institution stating that the company has the necessary capital to proceed with this project, including startup costs and funding to see to the completion of the project. Failure to provide this information will result in disqualification of the proposal.
2. The vendors must be able to provide a performance bond upon successful completion of the negotiated agreement between the selected vendor and the State of Maine.

E. COST SAVINGS:

1. Using the information provided in the chart in Section II, Scope of Work, the proposals must provide what the possible cost savings would be to the state if the proposal were accepted. The cost of the natural gas used to calculate the possible cost savings must be provided.
2. The proposal must clearly identify if it is fuel conversion for heating only, fuel conversion with co-generation or tri-generation system to be installed, a power purchasing agreement, or some other type of cost savings program.
3. Cost proposals must include an individually listed fixed-price cost savings included in the proposal. The fixed-price cost savings must be the comprehensive cost for the full term of the contract at that site, and the proposal must specify if the cost for any single year is other than the total cost divided by the number of years of the agreement. All cost savings proposals must assume a 10-year term. Cost savings proposals which exceed the existing estimated fuel cost of continuing to use the existing heating fuel source at the site may be rejected.

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IV. QUESTIONS AND ANSWERS

- A. Vendors must pre-register if they want to participate in this RFP. Vendors can pre-register by sending an email to Alan Henry at alan.henry@maine.gov. Please include Natural Gas RFP in the subject line. Registered vendors will be invited to a site visit at a date to be determined. Vendors may ask questions regarding this request for proposals. All questions must be submitted by email to alan.henry@maine.gov by 2 p.m. Friday, February 10, 2012. Questions received after 2 p.m. Friday, February 10, 2012 or by any other delivery method will not receive a reply. All questions and responses will be posted to the Bureau's web site <http://www.maine.gov/bgs> within five business days of the receipt of the question. Responses will be provided to registered vendors. Questions will be posted without identifying the source of the question, except as may be revealed incidentally by the content of the question.

V. FORMAT

- A. All proposals must be delivered and received by 2:00 P.M., Friday February 24, 2012 to:
- Division of Purchases
Burton M. Cross Building, 4th Floor
"PROPOSAL FOR NATURAL GAS DISTRIBUTION"
RFP 201201207"
111 Sewall Street
9 State House Station,
Augusta, ME 04333-0009
- B. Vendors must submit five paper copies and one electronic version on a CD in Microsoft Word of their proposal. Copies must be enclosed in a sealed envelope that are clearly labeled with the vendor's name and address and marked "Maine Bureau of General Services, PROPOSAL FOR NATURAL GAS DISTRIBUTION, RFP 201201207".
- C. Proposals must be clearly legible and complete. Proposals shall be in size 12 font, single spaced, with 1" margins, maximum of 35 pages, pages sequentially numbered. Attachment A is to be page number 1. Incomplete proposals may be rejected.
- D. Proposals will be publicly opened and the name of each vendor will be announced at the date, time and place specified above in section A. No other information will be made public at that time or prior to the Bureau's evaluation of all proposals and its distribution of any award notification.
- E. The Bureau reserves the right to reject any or all bid proposals. The Bureau reserves the right to require interviews with the key personnel of vendors prior to contract award. The Bureau is not compelled to make an award as a result of this RFP.

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- F. All submissions by vendors will be considered available for public viewing following the bid award, subject to the State of Maine Freedom of Access Act (FOAA) (1 M.R.S.A. §401). If a vendor submits materials that it claims are confidential because they are not “public records” pursuant to FOAA, the vendor must (1) conspicuously and precisely designate those particular portions of its materials as “confidential” and (2) provide the specific statutory or other legal basis that excepts the designated materials from FOAA’s definition of “public record” (1 M.R.S.A. § 402). *See <http://www.maine.gov/foaa/law/exceptions.htm>*. A vendor’s confidential designation does not ensure nondisclosure of the material; the Bureau shall determine whether submitted materials are “public records.”
- G. If the Bureau fails to enter into a contract with the vendor which submits the highest ranked qualified proposal, the Bureau may present that contract to the vendor who submitted the next highest ranked qualified proposal under the same terms and conditions.

VI. SCORING

- A. Proposals will be evaluated and scored based on the following:
 - 1. EXPERIENCE, REFERENCES AND CAPACITY: The experience and capacity of the vendor to manage and deliver successfully on all aspects of its proposal, including for example the technical component, the fuel supply and delivery component, the operational, maintenance and repair component, the overall customer service component and the regulatory compliance component. (20%)
 - 2. TECHNICAL PROPOSAL: The quality and the established record of the technical solution itself in providing the intended benefit of reliable space heat while meeting all necessary requirements and avoiding or minimizing adverse consequences, such as environmental impact. (25%)
 - 3. JOB CREATION: Number of jobs created through this project for the first, third and fifth years of the project. (15%)
 - 4. FISCAL STABILITY: Letter of Credit and performance bond. (10%)
 - 5. COST SAVINGS: The cost savings of the solution. (30%)

VII. ATTACHMENTS

Attachment A – Summary Cover Sheet

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Attachment A Summary Submission Sheet

Question	Answers
Current Company Name	
Has the company changed names in the past three years, if so, what was it previously named?	
How many years has this company been in business?	
Number of employees in the company	
How many employees will be assigned to this project?	
Will you be sub-contracting out parts of this project?	
If so, what companies will you be using and what are their levels of experience?	
Have any of these companies failed to complete any work awarded? If yes, please describe the circumstances.	
Has this vendor in the past three years been cited for any violation of law rule or regulation by any government or entity, been sued, or terminated any contract or separated from any project prior to completion? If yes, please describe.	
Cost of the proposal	
Estimated length of time needed to complete the project based upon the information presented.	
Areas the Proposal covers: (Circle One)	Augusta Rockland/Warren Both
The company submitting this proposal affirms that the proposal meets or is capable of meeting all necessary environmental, safety, licensing and other standards as may be required by federal or state law or municipal ordinance, and further affirms and agrees that the company is responsible for identifying any such requirements and achieving approval or compliance.	
Name and Title	
Signature	
Date	