CLARIFICATIONS

1) QUESTION: Section I, first paragraph on Page 1 states: “I. Overview The State of Delaware, Office of Management and Budget (OMB), Division of Facilities Management (DFM), seeks professional services for utility purchasing consulting services. This request for proposals (“RFP”) is issued pursuant to 29 Del. C. §§ 6981 and 6982.”

Is this RFP being conducted pursuant to legal requirements to do so periodically? We assume there is a vendor providing these services now. Would the State characterize their level of satisfaction with the work being done at this time?

RESPONSE: There is no specific requirement to issue the RFP periodically. A vendor is currently providing these services. OMB/DFM has found the vendor satisfactory.

2) QUESTION: Under Section I, Scope of Work, the numbered list near the top of Page 2 begins: “1. Assemble/verify a list of existing electricity accounts for the proposed contract 2. Work with State agencies, county and municipal governments to assemble utility service accounts for the contract”

Does the State now have a database of utility account and usage information that may be used by the Consultant or is that a product/service desired as part of this RFP? How many different contacts will the Consultant be required to interface with for purposes of assembling this information? Can the State provide a list of state, county and municipal entities now participating in this program? And are there non-governmental entities participating as well? If so, can you identify or at least characterize these? Can the State provide bidders a list or reasonable approximation of the current facilities served along with estimates of annual usage (both kW demand and kWh usage)? And if natural gas is part of this award, the facilities and annual usage for that commodity as well?

RESPONSE: OMB/DFM has a database of utility accounts and usage information, which can be utilized by the selected consultant. The consultant will be required to maintain this database and add or remove accounts by interfacing with approximately 76 government and civil organizations statewide, which include State agencies, school districts, charter schools, higher education, fire companies, libraries, counties, and municipalities. It is important to note that the consultant will also be required to interface with the delivery providers, as well as the suppliers. The consultant will be required to evaluate and maintain the utility account database in accordance with the requirements of the delivery providers and the suppliers, which includes load thresholds.

Currently there are three supply contracts for energy, one electricity and two natural gas. There are approximately 1786 accounts in the electricity supply contract served by Delmarva Power.
with an estimated annual load of 304,967,018 kWh/year. There are approximately 8 accounts in the natural gas supply contract served by Delmarva Power with an estimated annual load of 138,215 dth/year, and there are approximately 153 accounts in the natural gas supply contract served by Chesapeake Utilities with an estimated annual load of 541,437 dth/year. Prequalified vendors will be provided a list of participants and facilities.

3) **QUESTION:** Under Section I, Scope of Work, number 6 in the list near the top of Page 2 states: “6. Prepare and execute a procurement strategy (such as sealed bids or reverse Auction)”

Does the State have a preference or requirement to use one type of procurement process over another?

**RESPONSE:** In the past, OMB/DFM has preferred the reverse auction because of its transparency, however, OMB/DFM has also utilized the sealed bid method. OMB/DFM is open to discussing the procurement strategy with the selected applicant to determine the best option to service the State and its partners.

4) **QUESTION:** Under Section I, Scope of Work, number 9 in the list near the top of Page 2 states: “9. Provide similar services above for other energy sources such as natural gas.”

In addition to natural gas, are there other energy sources to be procured and, if so, what types and roughly how much?

**RESPONSE:** Only electricity supply and natural gas supply are procured using an energy consultant at this time.

5) **QUESTION:** Under Section I, Scope of Work, number 10 in the list near the top of Page 2 states: “10. Assist OMB/DFM in implementation of utility supply or demand side response and management programs.”

Does this scope item refer specifically to demand response programs such as those offered by PJM, or does the scope include demand reduction initiatives such as lighting retrofits or HVAC cycling, etc?

**RESPONSE:** Currently the interest is in demand response programs offered by the PJM, but OMB/DFM is open to discussion.

6) **QUESTION:** Also in Section I, Scope of Work, near the bottom of Page 2 just under the last numbered scope item, it reads: “Other Requirements OMB/DFM desires to continue purchasing “green” electricity sources and firms that have experience with green electricity purchasing are preferred.”

How does the State currently buy green power - through their current supplier(s), as separate contracts for specific accounts or by using RECs? How much green power is now being purchased?
RESPONSE: Green power has been purchased through the awarded electricity supply contracts. The current electricity supply contract includes a 40% carve out of green power, which is 121,986,807 kWh annually, and is a combined blend of national wind RECs, Delaware RECs, and Delaware Solar RECS.

7) QUESTION: Section II, B2, in the first paragraph on Page 3 it states: “2. Hourly rates, costs, and other information provided in the financial proposal. If fee is based upon utility billing percentage or any other parameter, explain the proposed rate and basis.”

Is there a template or example of the “financial proposal” desired by the State, and is there a preferred billing style, i.e., hourly rates, fixed annual fee, broker fee, monthly retainer? Specifically, would the state entertain a per-unit fee paid to the Consultant by the retail supplier? In a related question, does the State have a preferred type of product or term length to which you usually adhere when purchasing energy?

RESPONSE: The per-unit fee paid to the consultant by the retail supplier is acceptable to OMB/DFM and its partners, but OMB/DFM is open to discussion. The current consultant contract is paid on a per-unit fee for each supply contract in place. The payment term begins upon execution of the supply contract and continues through the full term plus 30 day. The terms of the contracts currently in place range from 27 months to 3 years. The current electricity supply contract for Delmarva accounts is due to expire 7/2019. The current natural gas supply contract for Delmarva accounts is due to expire 4/30/2017 and is currently in the procurement process. The natural gas supply contract for Chesapeake accounts is due to expire 11/30/2017 and the procurement process will need to begin in the next few months. See above for their approximated loads.