

**Department of State Division of Small Business
Natural Gas RFP Pre-bid Meeting**

Meeting Minutes

May 15, 2018

**Department of State, Division of Small Business- Dover Office Conference Room
99 Kings Highway
Dover, DE
10:00 AM**

Attendees:

Dean Holden, P.E. (Chesapeake Utilities Corporation)
Kristi Shaw, Ph.D. (CleanBay Renewables)
Ed Jackson, CEM (Affinity Energy Management, LLC)
Julio F. Seneus (Division of Parks Recreation)
Chris Patti (Sauer Compressors USA)
Ray Brittingham (SwampTown BBQ Catering and Competition Team)
Sheri Brittingham (SwampTown BBQ Catering and Competition Team)
Ann Marie Townshend, AICP (The City of Lewes)
Suzanne Topor (Delmarva Power)
Rob Pierce (The City of Milford)
Bob McGurk (Integrated Infrastructure LLC/Craft Beverage Service LLC)

Department of State, Division of Small Business Attendees:

Patty Cannon
Christina Garcia
Dawn Hopkins

The Mandatory Pre-Bid Request for Proposal (RFP) Meeting was opened by Patty Cannon, Department of State, Director of Development. Introductions of meeting participants were made for recording purposes.

As a result of the Pepco-Exelon merger which officially closed on March 23, 2016, the Division of Small Business, formerly known as Delaware Economic Development Office, was allocated \$6.0 Million by the Delaware Public Service Commission under Order No. 8970. These funds are intended to support enhancements for natural gas infrastructure and equipment necessary to foster or support new

business or expansions of existing business. During the meeting, a clarification question was raised regarding enhancements of natural gas infrastructure that supports residential areas with residual benefit to surrounding businesses. Staff stated that residential projects are not prohibited and reminded the attendees of the criteria on page 13 of the RFP that will guide the rating and ranking of proposed projects.

The contract shall be awarded to the proposer whose proposal is most advantageous, providing the greatest amount of public good and impact to communities across the State of Delaware. Describing how a specific community or communities will benefit from the project is key.

The grant funding is available for these purposes for three years from the date the money was originally allotted. Once funds are allocated to a project or projects through this RFP process, the three year deadline has been met.

The Applicant will be the utility provider, with other entities being known as sub-contractors. Each Applicant's proposal may include several projects for consideration.

If a sub-contractor and/or municipality is interested in submitting projects to assist more than one utility/gas company, they should reach out directly to each utility/gas company to explore the utility's interest in pursuing the project as part of its proposal submission.

The question was raised concerning the provision of permanent jobs for direct and indirect jobs. Each project should include a delineation between direct jobs and indirect jobs as well as permanent versus construction jobs. Further clarification was made on the definition of a "direct" versus "in-direct" job created. The example was given that a direct job would be the construction worker/laborer, while the in-direct could be employees hired by new restaurants opened as a result of the construction.

A question was made regarding the required complete and accurate Usage Report to the Division of Small Business no later than the 15th of each quarter. This requirement is for the benefit of the Division of Small Business to most effectively and efficiently enforce the contractual agreements by providing project oversight and cash flow management.

A question was raised regarding the need to provide Business Financials (Three most recent years of financial statements and as much of the current year as available.) This information is requested of Applicants and sub-contractors.

The question was raised regarding providing financials on entities (i.e. Development's/Communities) not currently established, having no history of financial information. Can these organizations be utilized in the project? Yes, if the Applicant is willing to obtain responsibility for the completion of the project/guarantee.

It was noted that each *project* will be scored on the criteria, as opposed to each *proposal*.

Staff reinforced the definition of infrastructure as hard capital costs related to tangible infrastructure, not planning.

Attendees asked what type of references are requested. Staff advised a reference could be a list of current customers, banker, attorney, CPA and/or support letter written by a group(s) from project/impacted areas.

A question was raised concerning the weighting of certain business areas (i.e. Brownfields) and whether consideration will be given only in that specific area of the RFP. Staff redirected the attendees to the criteria outlined on page 13 of the RFP.

A question was raised regarding prevailing wage requirements. Staff advised during the meeting that Prevailing Wage would apply because of the use of State funds in the projects. A follow-up question was posed regarding whether the prevailing wage requirement would be prorated based on the amount or percentage of private investment. Staff confirmed with Delaware Department of Labor, Division of Industrial Affairs that prevailing wage rates must be paid on the entire project whenever state funds are used. The Delaware Department of Labor, Division of Labor Law Enforcement will provide current prevailing wage rates for the projects. Detailed information may be found here: <https://dia.delawareworks.com/labor-law/prevailing-wage.php>.

A question was raised regarding whether there will be a preference for source such as Local Distribution companies (LDC's) vs. Natural Gas Transmission. Staff response: "No, but only Delaware-based utility providers will be eligible applicants."

A specific question regarding whether a Private Public Partnership could apply for this funding. Staff responded, "Yes, but the intent of the RFP is not to allocate funds to State of Delaware agencies."

The question was raised regarding the Estimated Notification Date of the Award and staff confirmed confidence in meeting the target date of July 23, 2018.

In response to a question regarding reporting, staff stated that the Division of Small Business is not requiring extraneous reporting. Applicants are expected to follow the normal permitting process as determined by the State of Delaware or other permitting entities. Staff also reminded attendees that the RFP is an expense reimbursement proposal that would reimburse paid receipts of eligible costs under selected projects.

As the meeting came to an end, a reminder was given that all questions proposed regarding the pre-bid RFP are to be submitted to the Department of State, Division of Small Business, on or before noon on Tuesday, May 15, 2018. Attendees assured staff that all pertinent questions had been addressed and that the noon, May 15, 2018 deadline was acceptable.