UNIVERSITY OF OKLAHOMA

PURCHASING DEPARTMENT

2750 VENTURE DRIVE

NORMAN, OK 73069

TELEPHONE: (405) 325-2811

Request for Proposal

RFP NO R-14033-14

ISSUED 07/24/13 CLOSING DATE 08/13/13 CLOSING TIME 2:00 PM CST

Request for Proposal to the Board of Regents of the University of Oklahoma (OU) for Natural Gas Service.

Note: ***If your company will not be responding, please notify Purchasing and no further addenda will be sent. See original Request for Proposal for Purchasing contact name, telephone and fax numbers for this* Solicitation.**

ADDENDUM 1 dated 08/09/13

The University of Oklahoma has issued this addendum based on questions submitted regarding this RFP.

Question 1: 4.2.23 – Effective Period of Proposal – Pursuant to the University request for a 90 day period following the closing of the RFP to evaluate suppliers proposals. Does this requirement extend to the pricing responses as detailed under section 5.21 Fixed Price and 5.22 Basis Options?

Answer: The University realizes fixed price and basis quotes are very highly likely to be noted by all Suppliers as indicative and not firm. There is too much market risk for a Supplier to hold tomorrow's market prices firm for 90 days. Per 4.2.23, the Supplier should communicate its reasons for deviation from an executable bid, and detail its proposed alternative.

Question 2: Contact Years for purposes of aligning contract years with the University fiscal year (July-June) should the supplier respond according to the following delivery periods:

- Year One: October 2013 – June 2014
- Year Two: July 2014 – June 2015
- Year Three: July 2015 – June 2016
- Year Four: July 2016 – June 2017
- Year Five: July 2017 – June 2018

Answer: Yes

For questions regarding this Addendum contact:
Craig Sisco, C.P.O.- Manager, craig-sisco@ouhsc.edu
FAX (405) 360-0481

Question 3: In reference to 5.2.1 Fixed Price Option - Are suppliers to assume that NYMEX will be based upon NYMEX contract settlement on August 8, 2013

Answer: Yes

Question 4: In reference to 5.2.2 NYMEX Basis Option – Are suppliers to assume that Basis Option pricing will be based upon basis offering @ close of business on August 8, 2013?

Answer: Yes

Question 5: Please clarify the LDC and upstream pipeline configuration for each campus location

Campus	# of Meters	LDC/Delivery Point	Upstream Pipeline
Norman	14	ONG	ONG(13) & SSC (1)
Oklahoma City	4	ONG	ONG
Tulsa	4	ONG	ONG
Cameron University	1 master	CEGT	CEGT
Rogers State - Claremore	*		
George Nigh Rehab Institute - Okmulgee	*		
OUHSC – Enid	*		
OUHSC - Lawton	*		

Answer: These entities have not elected, to date, to participate in third party supply. Each campus pays its own NG bills, has its own usage records, and decides to participate or not in third party supply.

Question 6: The pricing sheets and certain other sections of the RFP refer to a July 1, 2013 start date, which obviously passed. The term section in the RFP indicates an initial term of October 1, 2013 – September 30, 2013. Please validate the correct term is October-September for pricing purposes.

Answer: The first period will be for October 2013 – June 2014, then continue for each University fiscal period thereafter (July 1 to June 30).

Question 7: Does OU hold any Firm Transportation Capacity on the Upstream Pipelines?

Answer: No

Question 8: Section 5.1.3 – Natural Gas Source – Will the University waive the requirement for the gas source to be "Oklahoma gas fields"? The natural gas supply network is such that delivery location may not be the same state and field as the actual supply location.

Answer: The University is considering all proposals and will not reject a proposal out of hand as a result of some or all the NG being produced outside of Oklahoma. However, the response to the RFP should include an expected breakdown of NG, by percent, produced in Oklahoma vs. outside of Oklahoma. The statement in the RFP is clear that the preference of the University is to support Oklahoma NG production.

Question 9: In its current state, the RFP language does not include provisions associated with standard industry price. Those include:

a. Transaction Confirmation procedure
b. Failure to Deliver or Receive
c. Market Disruption
d. Adequate Assurance
e. Event of Default and Remedies Upon Event of Default

Will the University consider entering into a contract using the supplier's natural gas agreement and negotiating specific terms and conditions using that as a base document?

Answer: Yes, the University will consider incorporating the above terms. However, by stating the University will consider such, does not imply or infer that the University will agree to negotiate to a conclusion on any of the terms. Please provide the language of the "standard industry practice" provisions in the RFP response.

Question 10: Would the University provide copies of the following reporting documents:

i. Daily Forward Pricing Update
ii. Weekly Market Updates
iii. Weekly Usage Summary
iv. Monthly Savings Report

Answer: See Attachments A, B, C, and D (These attachments will also be posted on the University Purchasing website under this RFP located at www.ou.edu/purchasing.

Question 11: Please provide some history on the zero usage months for PP1 in the Estimated Natural Gas Consumption table in the RFP (page 32)

a. Is this usage pattern typical or more of an anomaly?
b. If an anomaly, what would be typical usage for those months?

Answer: The pattern provided is for the long-term expected operation as the University shifts more use to the new power plant (2012) from the old power plant (1940's and 1960's vintages). For the past October 2012, November 2012, March 2013, April 2013, and May 2013 the PP1 usages, respectively, were 56,000; 65,000; 77,000; 78,000; and 51,000 dths.

Question 12: Can you provide historic consumption profile for the following locations:

a. Rogers State University
b. George Nigh Rehabilitation Institute of Okmulgee
c. OUHSC Family Medicine Clinic of Enid
d. OUHSC Nursing Program of Lawton

Answer: See response to Question 5 above.

Question 13: Do all meters on the campuses have telemetry and will the supplier have access to the daily consumption reads?

Answer: Yes, the master meters are telemetered and the information is available through ONG.

Question 14: Are the meters for each campus currently balanced as standalone or pooled? If standalone, is there any reason a supplier could not pool all meters behind each utility?

Answer: The current arrangement has <u>all</u> the University meters pooled with <u>all</u> the other customers of the third party NG provider for balancing. The University accounts are not balanced on a prorate method or a swing off one University account.

As a reminder, this RFP will close at 2:00 PM CST on Tuesday, August 13, 2013. All responses must be mailed or delivered to the University Purchasing office by the date and time indicated and per the instruction listed in the RFP document to be considered.

Also, the time period for questions has expired as of Thursday, August 8, 2013. Any questions that are submitted by phone or email will not be answered.