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DATE: January 31, 2020

TO: All Bidders

FROM: Angela R. Young
Executive Director of Contracting

RE: IFB No. 127-20, Natural Gas

Please see Addendum No. 1 for the above-referenced solicitation.

ADDENDUM NO. 1
IFB NO. 127-20
NATURAL GAS

A. The following changes have been made to the above-referenced solicitation:

Delete: Page 24

Add: REVISED 1/30/20 Page 24

B. The following are questions received and FCS' responses for the above-referenced solicitation:

1. The bid document specifies the term will run through June 30, 2020. Assuming this should be June 30, 2020, the term would be July 1, 2020 through June 30, 2021 correct?
Please see revised page 24, ADDITIONAL CONDITIONS.
2. According to the RFP document under specifications on pg.27, it is stated that the RFP document and any addenda are counted as the binding agreement. However later, NAESB and the Supplier's "modified agreement" are referenced. To what capacity are the NAESB and Supplier's contract considered a part of the agreement?
The NAESB contract will be used as a guide when the IFB document and submittal lacks clarity for a specific topic or issue.
3. On pg. 28 under "Notes", can you extrapolate more on the \$.008 / therm premium for fixed price options?
Only variable rates will be considered for bidding purposes. A 0.008/therm adder will be used if the fixed rate option is used.
4. On pg. 12 Section 2 "Contract Award" - The document specifies that bids are subject to acceptance up to 90 days from opening. This poses an execution risk to marketers who provide a fixed price given the volatility of the market. Can the winning marketer be given the ability to refresh the fixed price based on current market conditions on the day of acceptance notification?
Only variable rates will be considered for bidding purposes. Please provide the rate used above the NYMEX monthly rate for bidding purposes.
5. On pg. 24 Section 3 "Options": For the additional year term(s) following the initial contract term, instead of "at the sole discretion of FCS at the same terms, conditions, pricing...", can the price be mutually agreed upon for the following 12 month term?
The NYMEX adder will be used for the entire term of the contract and each option year renewal.
6. The Contract Period, #2 on page 24 is a little unclear. It reads the contract runs through June 30, 2020 which I assume may be a typo?
Please see response #1.
7. Will you please confirm the start date of the contract would be July 1, 2020 ending June 30, 2021, the initial 12-month term?
Please see response #1.

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8. Is the School District flexible on the Termination for Convenience clause?
No.

9. If the price of natural gas was to drop and the awarded contractor performed to the expectations of the District and the contract, would this be a reason to terminate?
No, the bidding rate is a cost add above the monthly closing NYMEX price for the period of the contract.

10. Would the School District terminate for convenience if natural gas pricing dropped, or only if the awarded Marketer didn't perform to expectations?
Please see response #9.

11. Pertaining to the monthly DDDC and the Annual Therm estimate. When inputting all AGLC numbers provided in the bid, the DDDC total that we are getting is 2,394 as opposed to the 2,594 listed on the bid. The same is also occurring with the annual therm estimate with the total coming out to about 70,000 less therms than provided on the bid. The totals that we are gathering for both monthly DDDC and the therm estimate are actual DDDC's and consumption according to Atlanta Gas Light. Has there been any accounts left out of the proposal, or are we to use the numbers explicitly provided on page 28 of bid number 127-20?
Please use the DDDC and Annual Therm quantities in the Bid Schedule table.

12. Flow Date - marked as an April 2020 renewal but the term in bid starts July 2020?
Please see response #1.

13. Execution risk – bid indicates 90 days – is this what needs to be added into the pricing?
Yes, the contractor needs to understand that the NYMEX adder rate will be fixed for the length of the contract.

14. Payment terms – bid indicates FCS has up to 30 days – is this how you plan to pay?
See Page # 18, Bid Conditions, Section III - Post Award, Payment.

15. Exemptions – are these accounts late fee exempt?
Please see response #14.

16. Column A says estimated therm rate at \$0.60, is this number being used as an example or mock amount to explain the total gas cost?
Yes, an example rate to estimate total contract value.

C. All other terms and conditions remain the same.

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ADDITION CONDITIONS
REVISED 1/31/2020, PAGE 24

1. CONTRACT TYPE

The contract type contemplated for this solicitation is a Requirements Contract.

2. CONTRACT PERIOD

~~The contract performance period for this contract is through June 30, 2020.~~

The base contract performance period shall be as stated in the contract award letter.

The contract may be subject to options as stated below in paragraph 3.

3. OPTIONS

~~In addition to the base period, there are four (4) one-year options to be exercised at the sole discretion of FCS at the same terms, conditions and pricing of the base period starting July 1st of each year.~~

In addition to the base period, there are four (4) one-year options to be exercised at the sole discretion of FCS at the same terms, conditions and pricing of the base period.

4. CATEGORY OF AWARD

Award will be made on an “All or None” basis. However, FCS reserves the right to award to multiple Contractors if it is deemed to be in the best interest of FCS.

5. REQUIREMENTS CONTRACT CLAUSE

This is a requirements contract for Natural Gas. The quantities specified in the bid schedule are estimates only. There are no guarantees as to the quantities FCS will require over the time period stated, and therefore, no liability for non-purchase of any goods and/or services. More or less of the estimated quantity may be purchased.

Delivery or bid/performance shall be made only as authorized by Purchase Orders issued by FCS Contracting Department. The Contractor shall furnish to FCS all services specified in the schedule of the order issued by FCS.

6. MINIMUM ORDER CLAUSE

Any minimum order requirements shall be stated on bids prior to bid opening. Order limitations placed on FCS after contract award will not be accepted. If the Contractor fails to honor orders placed by FCS for the entire period of the contract, the Contractor will be held responsible for any cost incurred by FCS to resolicit for the item(s).

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FCS reserves the right to negotiate minimum orders whether by total dollar amount and/or by volume in association with the total amount of award to the Contractor in terms of total dollar amount and/or volume. If mutual agreement cannot be reached as to the minimum order amount, FCS reserves the right to find the Contractor non-responsive and to make the award to the next low bidder who is responsible and responsive or to resolicit for those items, whichever is deemed in the best interest of FCS as determined by the Executive Director of Contracting. The decision of the FCS Contracting Department shall be final and unappealable.