



**January 26, 2018**

**ADDENDUM NO. 3**

**ENERGY CONSULTING AND MANAGEMENT SERVICES**

**RFP NO. 2018-017**

Proposers are directed to revise and incorporate into their responses the following answers to questions posed during the allowed proposal timeframe:

**QUESTIONS/ANSWERS:**

- Question 1: I do not understand the relationship between the City of Mesquite and US Communities?  
**Answer:** Please refer to Section 1, Master Agreement, on page 3 of the RFP and to Section 4, Participating Public Agencies, on page 5 of the RFP.
- Question 2: Also, I do not see what Mesquite's energy needs are from reading the (attached) RFP. Am I missing something?  
**Answer:** The City's specific energy needs are not outlined as the solicitation is designed to address the collective energy needs of U.S. Communities participating agencies. The City of Mesquite currently has an electricity contract with Gexa (rate of .03675), which expires 12/2021. The City may choose to use the resulting Master Agreement once it is in place.
- Question 3: What is the proposal? only KWH, Natural Gas or ALL categories? i.e. solar, water, waste?  
**Answer:** Please refer to Section 3, General Definition of Products and/or Services, on page 3 of the RFP.
- Question 4: Do you have a totality of the KWH usage? Do you provide aggregate 12 month billing numbers for us to quote properly?  
**Answer:** Please refer to Estimated Volume on page 5 of the RFP. Proposed pricing should be based off this number.
- Question 5: How would a vendor know what volumes?  
**Answer:** Please see Question 4.
- Question 6: I would like to inquire with you about the attached RFP. I was reviewing solicitations sent by Washington (State) Electronic Business Solution's (WEBS) Procurement site and this RFP was sent to us via the WEBS portal. I also looked on Seattle.gov <http://thebuyline.seattle.gov/author/purchadmin/> and the same RFP for The City of Mesquite, TX was there as well. Can you please clarify if the RFP is for Mesquite, TX or Seattle, WA?  
**Answer:** Please see Question 1. The City of Seattle posts all U.S. Communities solicitations on WEBS for compliance with State of Washington posting requirements.

**Question 7:** Can you provide the City of Mesquite’s total annual utility spend for electricity, natural gas and water/sewer for the last fiscal year?

**Answer:** Please see Question 4. Also, the City of Mesquite specific volumes are provided here:

Electricity 2,880,563.27

Gas 102,812.67

Water 614,748.45

**Question 8:** Can you provide the total square footage under management by the City?

**Answer:** Please see Question 4. Also, the total square footage under management by the City of Mesquite is 728,115.

**Question 9:** Can you please clarify what is meant by “financial viability of energy companies”?  
2.1.3. Education and experience with evaluation of financial viability of energy companies.

**Answer:** We need to verify that the proposer is capable of servicing the contract nationally, is financially sound, and will be in business for the length of the contract period.

**Question 10:** On Page 10, found under the technical proposal, it is requested that proposals include:  
Tab 8 – FINANCIAL STATEMENTS: Proposer must provide audited income statements and balance sheets from two of the most recent reporting periods.  
Can you please advise if there is an acceptable replacement for privately owned small businesses, as we are not required to provide reporting on such items to the IRS?

**Answer:** The evaluation team requires a Balance Sheet and Income Statement from the company to help show financial viability: RFP states an “audited” report. A small company should be able to produce a Balance Sheet and Income Statement for their organization.

**Question 11:** How many City of Mesquite natural gas and electricity accounts will be served through the procurements done by the selected consultant?

**Answer:** Please refer to Question 4. Also, the City of Mesquite accounts are as follows:

Electricity Accounts: 16 accounts with 408 ESIDs/meters

Natural Gas accounts: 22

**Question 12:** How many electricity accounts, by type (e.g. commercial, street lighting, or residential), will be served?

**Answer:** Please refer to Question 4. Also, the City of Mesquite accounts are as follows:

Commercial – Non-IDR: 360

Commercial – IDR: 4

Street Lighting - Metered: 23

Street Lighting – Unmetered: 20

Residential (if any): 1

**Question 13:** What is the historic total annual energy usage for Mesquite’s electricity and natural gas accounts?

**Answer:** Please refer to Question 4.

**Question 14:** What is annual expenditure for each natural gas and electricity?

**Answer:** Please see Question 7.

Question 15: What quantities of commodities (other than natural gas and electricity) are expected to be purchased annually?

Gasoline (Gallons): \_\_\_\_\_

Diesel (Gallons): \_\_\_\_\_

Other? \_\_\_\_\_

**Answer:** Please see Questions 3 and 4.

Question 16: What is the annual expenditure for each of the additional commodities? (other than electricity and natural gas)

**Answer:** Please see Questions 3 and 4.

Question 17: What types of contracts has the City of Mesquite historically used for energy purchases?

Contract Type: \_\_\_\_\_ Commodities Purchased: \_\_\_\_\_

Fixed Price

Heat rates

Block + Real-time Pricing

NYMEX Basis differential

Cash Index

**Answer:** Fixed Price for electricity.

Question 18: When do the City of Mesquite's current contracts (by commodity) expire?

Electricity:

Natural Gas:

Gasoline:

Diesel:

Other:

**Answer:** Electricity: December 2021  
Natural Gas: Ongoing  
Gasoline: Annual contract award  
Gasoline: Annual contract award

Question 19: Please describe the City of Mesquite's current energy data management services, if any.

a. Does a third party receive the bills and review those prior to payment? After payment?

b. Does a third party pay the City's invoices?

c. What are the City's main goals for these services? Or, put another way, what does the City see as the main value of the bill management services?

**Answer:** a. Please see answer c. below.  
b. No.  
c. The City's accounts are grouped by Departmental approval areas and are submitted to the City on spreadsheets with a summary bill showing the prior balance, payments received and new charges; details of each metered account are available on the website of the energy provider.

Question 20: Does the City of Mesquite have any energy efficiency initiatives planned or underway?

**Answer:** None at this time.

Question 21: Would the city of Mesquite be interested in creating a voluntary citizen electricity purchasing group, at no cost to the City, that also raises money for local non-profits?

**Answer:** Please provide details of any additional offerings under your answer to "Additional Information" found on page 29 of the RFP.



- Question 22: Do the three legal agreements included in the RFP (*i.e.*, 1. *General Clauses and Conditions*; 2. *Contracting with the City of Mesquite and the Associated Administrative Agreement*; and 3. *Master Intergovernmental Agreement*) comprise the totality of legal agreements that the Contractor will be required to execute?
- Answer:** Yes, that is correct.
- Question 23: We did not observe limit of liability or consequential damages provisions in these agreements. Do such terms exist under the Mesquite or U.S. Communities Government Purchasing Alliance agreements to be executed with the Contractor?
- Answer:** Agreements noted in Question 22 include all terms and conditions.
- Question 24: Are any of the agreements or specific terms and conditions therein not subject to exceptions (*i.e.*, to be accepted without change) by the Contractor?
- Answer:** Once a firm is selected, the contract terms can be reviewed for any possible exceptions. The U.S. Communities Administration Agreement must be submitted with your proposal signed, unaltered.
- Question 25: Does Mesquite have an accepted form of subcontract agreement to be utilized with any subcontractors to the prime Contractor?
- Answer:** No, there is not a specific form included in solicitation. Please see Supplier Information, Account Management, Item 9 on page 25 of the RFP.
- Question 26: Does the *Exhibit 2 – U.S. Communities Documents, State Notice Addendum*, and the nationwide website linkage provide a final comprehensive list or are other potential Public Agencies able to join the U.S. Communities Government Purchasing Alliance?
- Answer:** No, the contract will be made available to all possible Participating Public Agencies. Please refer to Section 1, Master Agreement on page 3 of the RFP.
- Question 27: Under *Section 3. General Definition of Products and/or Services*, Section B refers to designing a comprehensive energy management plan including, but not limited to, energy procurement of electricity, natural gas and other energy commodities. Is the expectation that such Energy Management Plan would need to be developed for each and every qualifying Public Agency participant?
- Answer:** Assume each qualifying Public Agency that participates would want an energy management plan that may need to be tailored to their needs.
- Question 28: Given the voluntary, hence uncertain, nature of the Public Agency participation in the program, and their varying load sizes, mixes, market and regulatory contexts, is the Contractor expected to provide firm pricing on a per unit energy basis in the proposal for each of the energy procurement, data management and shared savings (*e.g.*, bill auditing) elements as outlined in Section 7, Cost Proposal Instructions? Further, should bidders offer a unit volume or value rate sheet based on a fixed price per unit benchmark price, and then apply specific proposed quantity discounts relative to this benchmark unit energy or equivalent fixed price quote?
- Answer:** Please see Section 7, Cost Proposal Instructions. Yes, rate plans should be provided for all possible Participating Public Agencies.

Question 29: What are the City of Mesquites' annual quantities of electricity, natural gas and liquid fuels purchased, and what is the length of each procurement (in years) currently in place for each energy commodity?

**Answer:** Please see Question 4 and Question 18.

Question 30: Should the Bidder include the 2% credit back to the U.S. CPA in its pricing or does the City of Mesquite make this adjustment itself in the bid pricing evaluation (per Article V., Section 5.1, Administrative Fees, of the Administrative Agreement)?

**Answer:** Pricing provided in Section 7 should be net price to the Participating Public Agency. The 2% Administrative Fee should be included.

Question 31: Regarding *Section 4, Estimated Volume (p. 5 of the RFP)*, what is the definition of "Products and Services" purchased under the Master Agreement? Specifically, is this the value of the actual energy commodities purchased, or the value of the advisory and management fee services associated with the (larger) gross energy commodity procured and managed under the program on an annual average basis and equivalent to \$168 million in 2016?

**Answer:** The Estimated Volume includes all products and services described in Section 3, General Definition of Products and/or Services.

Question 32: Under *Supplier Qualifications, Section (b), pricing Commitments, (iii) Deviating Buying Patterns*, reference is made to individual Public Agency buying patterns or terms and conditions that may "deviate considerably" from the normal public agency buying pattern, and thereby be subject to Supplier lowering the price under the Master Agreement for the affected Public Agency contract.

Why would lowering the price be seen as a solution for a deviation that causes an increase in the unit cost of serving such deviating public agency, and through what process and what entity is the assessment of a "considerable deviation" made by the City of Mesquite or other participant?

**Answer:** This is a decision that an awarded vendor would make, if they wanted to lower the price for a specific public agency based on volume or other buying patterns.

Question 33: Under the *General Clauses and Conditions contract, item 24*, is there a weighting factor associated with pricing vs. other technical and qualification criteria that the City of Mesquite will provide and apply?

**Answer:** All information regarding RFP scoring was provided in the RFP document. See also page 12 "Proposal Information" item #13 "Criteria for Evaluation".

Question 34: Under the Sample City Contract, Section 5, Payment for Services, are the fixed price to be provided and the reimbursable costs to be provided expected to be tied to the level of energy procurement to be performed for each Public Agency?

**Answer:** Pricing for energy consulting services for the City of Mesquite based on final contract negotiations.

Question 35: Under the *Sample Contract, Section 6, Change in Service*, what criteria and which entity makes the determination of "change in the scope or focus which varies significantly from the scope of services set forth in Section 2," and given that mutual consent is required, is there a procedure contemplated to be applied if the two parties are not able to reach mutual agreement on what constitutes a significant change in scope of services under this Section?



**Answer:** No documented procedure. This would be addressed at the time of a “significant change in service”.

Question 36: Under the *Sample Contract, Section 9, Consultant’s Liability*, do (es) the City of Mesquite and other participating Public Agencies intend to include Acceptance Provisions in the delivery of products and services under this Master Agreement?

**Answer:** All terms are as stated in the documents proposed. Any changes to the proposed documents can be discussed and negotiated once a firm is selected and contract terms are finalized.

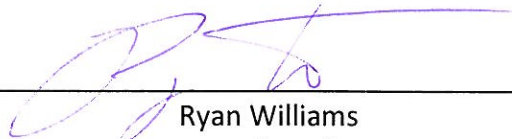
Question 37: Under the *Master Agreement, Section 10, Compliance with Laws and Regulations*, will the City of Mesquite consider adjustments in the Contract’s compensation provisions resulting from a material change in laws, including City codes and ordinances?

**Answer:** Material change in laws may be considered for resulting effects on contract pricing.

Question 38: Is the City of Mesquite able to accept and award proposals that address select components of the work scope, but not the entire work scope under its multi-award structure? Pricing and related quantity terms would, similarly, reflect such partial scope proposal.

**Answer:** Yes, see Multiple Awards Section on page 6 of the RFP.

If you should have any other questions, do not hesitate to contact the Purchasing Office at 972-216-6201, or email [purchasing @cityofmesquite.com](mailto:purchasing@cityofmesquite.com).



Ryan Williams  
Manager of Purchasing

#### ACCEPTANCE:

We, the undersigned, do hereby acknowledge receipt of this Addendum No. 3 to RFP No. 2018-017; Energy Consulting and Management Services, and agree to the instructions herein written.

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Company Name

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Authorized Signature

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Date