

# REQUEST FOR PROPOSALS

## ADDENDUM # 2

**ISSUED: 01/26/13**

**RFP NUMBER: CSP904713  
INDEX NUMBER: DAS010**

The State of Ohio, through the Department of Administrative Services, Office of Procurement Services, for the Ohio Department of Administrative Services is requesting proposals for:

Third Party Administrator – Electric Aggregation

Attached are page(s) 2, 17 and 56 to this Request for Proposal (RFP). Remove the corresponding page(s) from the existing RFP and replace with the attached.

Reason for Addendum. This addendum is issued to revise the contract effective ending date, renewal and number of years per renewal dates, delete language (nominating and forecasting), change the rate basis from kWh to MWh basis and to reflect a flat rate cost.

<b>PROPOSAL DUE DATE:</b>	<b>February 8, 2013 at 1:00 p.m.</b>
<b>OPENING LOCATION:</b>	<b>Department of Administrative Services General Services Bid Desk 4200 Surface Road Columbus, Ohio 43228-1395</b>

PART ONE: EXECUTIVE SUMMARY

PURPOSE. This is a Request for Competitive Sealed Proposals (RFP) under Section 125.071 of the Ohio Revised Code (ORC) and Section 123:5-1-08 of the Ohio Administrative Code (OAC). The Department of Administrative Services (DAS), Office of Procurement Services, on behalf of the Ohio Department of Administrative Services (the Agency), is soliciting competitive sealed proposals (Proposals) for Third Party Administrator (TPA) – Electric Aggregation and this RFP is the result of that request. If a suitable offer is made in response to this RFP, the state of Ohio (State), through DAS, may enter into a contract (the Contract) to have the selected Offeror (the Contractor) perform all or part of the Project (the Work). This RFP provides details on what is required to submit a Proposal for the Work, how the State will evaluate the Proposals, and what will be required of the Contractor in performing the Work.

This RFP also gives the estimated dates for the various events in the submission process, selection process, and performance of the Work. While these dates are subject to change, prospective Offerors must be prepared to meet them as they currently stand.

- \* Once awarded, the term of the Contract will be from the award date through July 31, 2017\*. The State may solely renew this Contract at the discretion of DAS for a period of one month. Any further renewals will be by mutual agreement between the Contractor and DAS for any number of times and for any period of time. The cumulative time of all mutual renewals may not exceed \*two (2 ) three (3) year renewals and are subject to and contingent upon the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium. DAS may renew all or part of this Contract subject to the satisfactory performance of the Contractor and the needs of the Agency.

Any failure to meet a deadline in the submission or evaluation phases and any objection to the dates for performance of the Project may result in DAS refusing to consider the Proposal of the Offeror.

BACKGROUND. The Ohio Department of Administrative Services (DAS) endeavors to provide it and other state agencies with programs that will reduce cost associated with day to day administration program in the most cost effective manner possible. With the advent of a deregulated competitive electric energy market, ODAS is searching for ways to reduce its costs associated with its electric energy needs, as well as meeting the state goals of reduced consumption for the years to come.

OBJECTIVES. ODAS has the following objectives that it wants this Work to fulfill, and it will be the Contractor's obligation to ensure that the personnel the Contractor provides are qualified to perform their portions of the Work.

The state of Ohio is seeking the services of a knowledgeable third party administrator (TPA) with expertise in the field of electric energy procurement and management, to secure electric services for the eligible state agencies and governmental units. The TPA will be responsible for the development and management of an electric aggregation program to provide a reliable electric supply, maximize cost savings, and expand the program in both volume and the number of accounts.

- \*\* The program must employ a third party administrator model, in which the Contractor performs many of the administrative functions under the direction of the State including usage analysis, marketing, development of a buying strategy, bid preparation, and reporting. The TPA must not be affiliated with a particular electric supplier or marketer, acting impartially in the best interest of the State. Therefore, if an electrical supplier or affiliated company submits a proposal under this RFP and is awarded the Contract, that supplier may not bid to supply electric energy to the State under this Contract.

CALENDAR OF EVENTS. The schedule for the Project is given below, and is subject to change. DAS may change this schedule at any time. If DAS changes the schedule before the Proposal due date, it will do so through an announcement on the State Procurement Web site area for this RFP. The Web site announcement will be followed by an addendum to this RFP, also available through the State Procurement Web site. After the Proposal due date and before the award of the Contract, DAS will make scheduled changes through the RFP addendum process. DAS will make changes in the Project schedule after the Contract award through the change order provisions located in the general terms and conditions of the Contract. It is each prospective Offeror's responsibility to check the Web site question and answer area for this RFP for current information regarding this RFP and its calendar of events through award of the Contract. No contact shall be made with agency/program staff until contract award is announced.

- \* Revision of contract ending dates, number of renewals, number of years per renewal,
- \*\* Remove forecasting and nominating from performing administrative functioning.

ATTACHMENT ONE: WORK REQUIREMENTS AND SPECIAL PROVISIONS  
PART ONE: WORK REQUIREMENTS

This attachment describes the Project and what the Contractor must do to complete the Project satisfactorily. It also describes what the Offeror must deliver as part of the completed Project (the "Deliverables"), and it gives a detailed description of the Project's schedule.

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- I. SCOPE OF WORK. The Office of Procurement Services will make available any existing information available, including billing histories for all accounts in the program. In order to attain the objectives as outlined previously, the TPA will:
  - A. Work with the State to gather historical usage data.
  - B. Provide the State with its market expertise, information, and recommendations throughout the process to make informed decisions and as requested by the State.
  - C. Conduct a survey of active and licensed suppliers as certified by the Public Utilities Commission of Ohio and registered in the applicable utilities in order to determine the best market strategies, generate the most competitive bids and maximize savings to the State.
  - D. Define data requirements, identify sources of data, and create a central data repository of all relevant account information. In addition, the contractor will provide online access to and export capability for monthly account usage information. The contractor will be responsible for pulling utility usage data for all accounts included in the procurement directly from the utility, including all associated costs.
  - E. Meet with selected State personnel and potential participants to answer questions, discuss various aggregations of the States account, explain the procurement processes, and discuss market conditions.
  - F. Work with the State to advertise the procurement, contact registered suppliers for the applicable utilities to inform them of the procurement, and register prospective bidders.
  - G. Establish a pre-qualification process for potential energy suppliers. The contractor will work with the State to develop sound financial and technical qualifications that suppliers must meet in order to bid. These qualifications will include, but are not limited to: viability to meet the standard terms and conditions of the State's contracts, proof of appropriate licenses and transport agreements, adherence to switching rules and enrollment processes, and the ability to meet minimum load requirements for competitive supply.
  - H. Create a customized website for each procurement which serve as a centralized site for all parties to access data and review any updates. The contractor will also post: the procurement rules, historical usage data/demand data in downloadable Excel files, rules, contract terms and conditions, and other important data. The TPA's customize Website will be accessible to both the State and qualified suppliers.
  - I. Assist the State, as requested, to determine the best contract structure for each bidding event within the procurements and provide recommendations for contract language changes. The contractor will provide information regarding the best time to hold the procurement based on the State's specified timelines and market conditions.
  - J. Review the final contract to ensure that it meets both the State's and suppliers requirements.
  - K. Create pricing scenarios and forecast from data provided by the State, other customers, servicing utilities, and market data which may serve as the baseline against which bid prices are compared.
  - L. Assist the State in assessing pricing decisions that adhere to cost savings goals regarding price risk avoidance, maximized savings, renewable energy, and any additional objectives that the State deems appropriate.
  - M. Perform all work on a no upfront cost basis. The successful Offeror will be reimbursed by winning suppliers at a rate based upon a per megawatt hour (MWh\*\*) basis over the life of the contract for all accounts awarded as a result of 8 services provided. Fees paid will be based on the amount of actual MWh\*\* used.

\* Remove forecasting and nominating from administrative functions.

\*\* Change rate basis from kWh to MWh.

ATTACHMENT TEN  
COST SUMMARY\*\*\*  
CONTRACT FEES

RFP TITLE:      THIRD PARTY ADMINISTRATOR (TPA) – ELECTRIC AGGREGATION  
RFP:              CSP904713  
Index No.:       DAS010  
UNSPSC Code:   83101800

1. The TPA will perform all work on a no-upfront cost basis.
2. Successful Offeror will be reimbursed by winning suppliers at a rate based upon a per MWh\*\* over the life of the contract for all accounts awarded as a result of services provided.
3. Any fees will be paid upon a MWh\*\* basis.

DESCRIPTION			COST
Contract Fees – Flat Rate			MWh
			\$ .0
Miscellaneous Fees or Charges (If Applicable*)			
•			
•			
•			
Total			

All costs must be in U.S. Dollars.  
The State will not be responsible for any costs not identified.  
There will be no additional reimbursement for travel or other related expenses.  
\*Miscellaneous Fees or Charges may be taken into consideration but not granted.

\*\* Change rate basis from kWh to MWh.  
\*\*\* Changed to flat rate