

Vendor
REQUEST FOR PROPOSAL FOR NATURAL GAS SUPPLY

REQUEST FOR PROPOSAL

BY

Vendor

FOR NATURAL GAS SUPPLY

Submission Date: **Date**

Vendor Fills In
Must be included in RFP

Vendor

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Vendor **REQUEST FOR PROPOSAL FOR NATURAL GAS SUPPLY**

SECTION 1 – INTRODUCTION

General Information

By submitting this Request for Proposal (“RFP”), **Vendor** (“**Vendor Title**”) is seeking proposals (“Proposal”) from natural gas suppliers to supply natural gas (“Services”) to the **Location** located at **Address**. The natural gas supply will be delivered to the **Delivery Point(s)**. **If Vendor holds own transportation, please identify existing arrangement** between the **Vendor** and **Local Distribution Company (LDC)**.

Your company’s Proposal should include the price, terms, and conditions under which you are willing to provide an uninterrupted supply of natural gas to the **Delivery Point(s)** for redistribution to **Vendor** pursuant to the terms of this RFP. **Vendor** anticipates that, based on its review and evaluation of the Proposals received pursuant to this RFP, it will select a proposer (“Respondent”) and execute a contract (“Contract”) pursuant to which the Respondent will render the Services to **Vendor**, in accordance with terms and conditions set forth in the Contract and this RFP.

In accordance with Texas Administrative Code, Title 31, Part 1, Chapter 8, this RFP and resulting Proposals are subject to:

- (A) the Act of July 30, 1991, 72nd Legislature, First Called Session, Chapter 3, 1991 Texas Session Law Service 4, 71 (to be codified at Texas Natural Resources Code, §31.401 and §31.402); and
- (B) review by the Texas General Land Office (GLO) prior to acceptance or rejection; and
- (C) GLO evaluation based upon GLO’s then current pricing mechanism.

In addition, if the GLO finds, under the Proposal, the Vendor will not be using natural gas produced from Texas state lands to the greatest extent practical, then the resulting contract will not be approved by the GLO.

Natural Gas Requirements

Identify primary use of natural gas. (Ex. Boilers to provide heat to facilities.) The most recent full twelve-month fiscal year usage was **Number** MMBTU. **Provide historical consumption for at least 2-3 most recent years.** The most recent **2-3** year usage history is shown in the attached Exhibit A.

Pricing

Index: shall mean the price posting as first published each month for **chosen market index** (Ex. Inside FERC East Texas-Houston Ship Channel(natural gas).

Fixed: shall mean a constant price for a portion of **Vendor’s** monthly natural gas requirements for all or a portion of the Contract term.

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SECTION 2 – CALENDAR OF EVENTS

The schedule for the RFP process is provided below. Vendor may revise this schedule at any time in its sole discretion and, upon doing so, will provide prompt notice to those respondents still under consideration in the RFP process.

Issue Date: Date

Questions Due: Date (Time PM CDT)

Due Date for Proposals: Date (Time PM CDT)

SECTION 3 – PROPOSAL REQUIREMENTS

RFP Proposal Requirements:

1. Date of Initial Delivery of Services to Vendor: Month, Day, Year – NOTE: Each LDC has their own requirements for transportation services, so choose a date that will allow enough time to provide notification to LDC.
2. Contract Term: Identify Term being sought. Ex. Two (2) years from date of initial delivery (September 1, 2009 to August 31, 2011)
3. Proposal Pricing Specification: Index price per MMBTU and fixed price adder per MMBTU. The adder should include: (i) a fixed price for all transportation and balancing costs to the Delivery Point indicated below; and (ii) all fees and service charges. Taxes should not be included. Vendor is seeking a supplier that will provide full natural gas requirements at first of the month pricing.
4. Option to Convert to Fixed Price: During the term of the Contract, Vendor has the option to purchase all or a portion of the Contract quantity at a mutually agreeable fixed price. The price will be based on the New York Mercantile Exchange (NYMEX) adjusted for the chosen market index (Ex. Houston Ship Channel) basis plus the fixed price adder and will be for one or more of the months remaining in the Contract term.

NOTE: Other pricing options exist but are a function of the customer's annual consumption as to whether they are available or make economic sense.
5. Delivery Point: Location or Meter(s).
6. Proposal Submittal: Please submit one signed original of the Proposal and an electronic version on CD in Microsoft Word or Excel format by US Postal Service or overnight courier to:

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US Postal Address (Mailing Address):

Name
Title
Vendor
Address
City, State, Zip Code

Overnight Courier Address (Physical Address):

Name
Title
Vendor
Address
City, State, Zip Code

SECTION 4 – PROPOSAL EVALUATION CRITERIA

Each Proposal will be reviewed and evaluated by **Vendor** using the following factors, as weighted and listed below.

1. Cost (%)
 - a. Price
 - b. Term
 - c. Flexibility

2. Qualifications (%)
 - a. Corporate financial strength and credit rating
 - b. Industry references
 - c. Customer references

SECTION 5 – INQUIRIES; CONTACT INFORMATION; MISCELLANEOUS

All inquiries concerning this RFP should be submitted in writing electronically to **Name** at **Email Address** prior to **Time** CDT, **Date**. All such inquiries and corresponding answers will be posted on the Electronic State Business Daily (ESBD) as addenda to this RFP, located at <http://esbd.cpa.state.tx.us/>, no later than **Time** CDT, **Date**.

Vendor may reject any Proposal with or without cause, including but not limited to, those received after the deadline set forth above, that otherwise fail to comply with the procedures and requirements set forth in this RFP or those that **Vendor** believes contain excessive pricing.

This RFP does not represent a commitment by **Vendor** to do business with any offeror. Nothing set forth in this RFP is binding on **Vendor** as any terms and conditions related to the Services contemplated by this RFP will be set forth in a definitive Contract to be executed by **Vendor** and the selected Respondent. **Vendor** may, in its sole discretion, elect not to award a Contract pursuant to this RFP.

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Vendor will not be liable for any costs incurred by offer or in responding to this RFP. By submitting a Proposal, the offeror acknowledges that it has read this RFP and agrees to be bound by its requirements.

SECTION 6 – TERMS AND CONDITIONS

6.1 General: The Respondent chosen by Vendor to provide the Services shall enter into a Contract with Vendor prior to delivering the Services. The Contract will be in form and content satisfactory to Vendor in all aspects and will contain all provisions set forth in this RFP (“RFP Terms”), unless otherwise agreed by Vendor. If Respondent takes exception to any RFP Terms, Respondent shall submit a detailed written explanation of such exceptions as part of its Proposal. Respondent’s exceptions will be reviewed by Vendor and may result in disqualification of Respondent’s Proposal as non-responsive to this RFP. If Respondent’s exceptions do not result in disqualification, Vendor will consider such exceptions when evaluating Respondent’s Proposal. As part of its Proposal, Respondent shall include its Contract draft which must clearly indicate that: (i) this RFP, Respondent’s Proposal and the RFP Terms (collectively, “RFP Documents”) are all material parts of the Contract; and (ii) the RFP Documents will prevail in the event of any inconsistency between the RFP Documents and any other provision of the Contract. Prior to submitting its Proposal, Respondent will sufficiently modify its proposed Contract form to fully incorporate the RFP Documents and to eliminate any inconsistency between the RFP Documents and other provisions in the Contract. When submitting its Contract draft to Vendor, Respondent shall also include either: (i) a redlined/tracked changes version of the Contract reflecting inclusion of the RFP Documents; or (ii) a cross-reference guide clearly identifying where in the Contract each of the RFP Documents has been incorporated.

6.2 Specific provisions to be included in Contract:
Identify any special provisions

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SECTION 7 – PROPOSAL CERTIFICATION

THIS PROPOSAL CERTIFICATION MUST BE COMPLETED, SIGNED AND RETURNED WITH RESPONDENT’S PROPOSAL. FAILURE TO DO SO WILL RESULT IN THE REJECTION OF THE PROPOSAL.

By submitting the Proposal to Vendor, Respondent represents and warrants that:

1. Respondent offers and agrees to furnish the Services at the prices quoted in the Proposal and to comply with all terms, conditions and requirements of the RFP.

NOTE: Any additional criteria that must be met would be entered in this section.

SUBMITTED AND CERTIFIED BY:

(Company Name)

(Authorized Signature)

(Printed Name/Title)

(Date)

(E-mail address)

(Street Address)

(City, State, Zip Code)

(Telephone Number)

(Facsimile Number)

VIN No: _____

FEI No: _____

If Sole Owner, Social Security No: _____

If a Corporation, State of Incorporation: _____

Charter No: _____

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Exhibit A - Historical Natural Gas Usage (MMBTU)

Vendor Volumes

	FY 20XX	FY 20XX	FY 20XX	FY 20XX
SEP				
OCT				
NOV				
DEC				
JAN				
FEB				
MAR				
APR				
MAY				
JUN				
JUL				
AUG				
TOTAL				