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**REQUEST FOR PROPOSALS #11-13  
MULTI-CAMPUS THERMAL ENERGY PURCHASE AGREEMENT  
UNIVERSITY OF MAINE SYSTEM  
ADDENDUM #3**

In response to vendor inquiries, the University offers the following:

**Due its importance Q1 and A1 repeat the information provided in Addendum #2**

The University of Maine

University of Maine  
at Augusta

University of Maine  
at Farmington

University of Maine  
at Fort Kent

University of Maine  
at Machias

University of Maine  
at Presque Isle

University of  
Southern Maine

- Q1.** Extension of due date and question/response dates.
- A1.** The University is extending the due date by two weeks from January 18, 2013 to February 1, 2013. At the same time the deadline for inquiries is now Wednesday, January 16, 2013. The University will respond to written inquiries not later than close of business, Tuesday, January 22, 2013.
- Q2.** The RFP states that all costs associated with the project are to be recovered within a five-year period based on a 'per MMBTU' fixed charge.
- Q2a.** Will each campus guarantee a minimum annual volume of gas such that the Supplier can be repaid in full?
- A2a.** See Terms and Conditions 2.b and 2.c
- Q2b.** If no, what will be the provision for payment of installation and conversion costs at the end of the initial contract?
- A2b.** See Terms and Conditions 12
- Q2c.** How will costs related to change orders be handled?
- A2c.** Via change order per the terms of the final contract.
- Q3.** The RFP states, UMS reserves the right to stop using the alternate fuel if heating oil falls below the cost of the alternate fuel by 5% or more for 10 days.
- Q3a.** Assume UMS will reimburse the Supplier for fixed costs and financing costs during such an event?
- A3a.** See Terms and Conditions 2.b
- Q3b.** RFP allows for pricing adjustments if demand drops up to 29% of the anticipated demand. Is this a pre-defined schedule?
- A3b.** It is a stipulation of the general Terms and Conditions.

- Q4. How can a Supplier get access to individual campus requirements regarding design and construction? For example, pads, driveways, fencing, security provisions and utilities. Do they vary by campus?
- A4. Yes, as outlined in the various sections of Attachment A and in the Site Visits section.
- Q5. Does the scope of work include?
- Q5a. Installation of gas piping inside the campus buildings?
- A5a. No.
- Q5b. Procurement of dual fuel burners for each installation?
- A5b. No.
- Q5c. Installation of dual fuel burners for each installation?
- A5c. No.
- Q5d. Building permits and fees?
- A5d. Yes, as it pertains to infrastructure installation.
- Q5e. State air permit revisions and fees?
- A5e. Yes, as it pertains to infrastructure installation.
- Q5f. Other permits and fees?
- A5f. Yes, as it pertains to infrastructure installation.
- Q6. The RFP states campuses are considering equipment upgrades and that the Supplier should anticipate demand. For sizing purposes:
- Q6a. What, if any, upgrades were taken into account in the projected fuel use?
- A6a. None.
- Q6b. What is the expected consumption of other equipment such as laboratory equipment, cooking appliances and hot water heaters?
- A6b. This is not yet defined.
- Q6c. What is the anticipated gas supply pressure should the university switch to a natural gas utility?
- A6c. 2 PSI at the delivery point of each building.
- Q7. For O&M purposes, who is responsible if upgrades to the existing heating facilities are deemed necessary under Maine rules and regulations?
- A7. If changes are contemplated and implemented after a contract is put in place, then the Supplier will prepare and submit a change proposal to the University to amend the contract.

- Q8. The RFP states UMS will require the ability to meter at every building. For metering purposes:
- Q8a. Would it be acceptable to monitor fuel consumption at the burner using the burner logic controls?
- A8a. No.
- Q8b. If each building requires a separate fuel metering, is the Supplier required to integrate those meters into the central plant control system?
- A8b. See Installation Characteristics.
- Q9. Is it the intent of UMS to standardize on equipment used to provide and burn the alternate fuel across campuses?
- A9. Proposals will be considered that provide alternate fuels to any, some or all of the listed campuses.
- Q10. Does the UMS have a prioritized list of boilers to be converted with input specifications? Can the Supplier prioritize the loads for cost purposes?
- A10. No, other than what information has been provided or attained during Site Visits. Supplier should provide pricing per the terms of the RFP.
- Q11. Property Lease. Will the lease agreement at each campus be \$0?
- A11. Yes.
- Q12. What would the anticipated labor wage rate be for this project?
- A12. This/these project(s) is/are not subject to federal wage rate determinations.
- Q13. Force Majeure. Assume the Supplier is not responsible for interruptions caused by actions of the University System or their suppliers and subcontractors.
- A13. This does not meet the definition of Force Majeure, as the term is used in this RFP. However, the assumption is correct.
- Q14. Termination.
- Q14a. Please clarify in detail the scope of equipment and site improvements that UMS expects to remain on site at the end of the contract.
- A14a. See Terms and Conditions 11.
- Q14b. Similarly, the RFP indicates that at the discretion of UMS the alternate fuel system be removed. Please clarify in detail which equipment is to be removed.
- A14b. See Terms and Conditions 12.
- Q15. For the UMPI campus. We understand that if we are proposing a natural gas solution our proposal is to include all distributed gas piping as well as all gas piping that is internal to the mechanical plants to be converted and the provision and installation of new dual-fuel burners on all existing / operational boilers. Please confirm.
- A15. This scope of work is not part of the RFP – see Installation Characteristics.

- Q16. For the UMPI campus. We understand that a conversion to Natural Gas of the Kiln and Wieden Hall is desired as part of the thermal energy conversion. Please confirm and please provide LP gas annual usage data for these facilities.
- A16. The propane usage includes Kelly Commons, Weiden Hall, Kiln Building for these facilities is around 7,000 gallons. This data is from the 2011 year.
- Q17. For the UMPI campus. We understand that a line-item add for a fleet vehicle refueling station is requested. Please provide the annual consumption data for the fleet vehicles that you anticipate converting to natural gas.
- A17. This is a desired extension of the CNG. Gasoline consumption in 2011 was 6,000 gallons and diesel was 807 gallons.
- Q18. For the UMPI campus. The UMPI building details and fuel usage list includes fuel usage information for the following facilities that do not appear on the South Campus Map. If these facilities are not to be included in a natural gas distribution system due to their off-campus location; are you requesting or would you accept thermal energy pricing for an alternate fuel source for these facilities?
- A18. They are not part of the RFP.
- Q19. Is it the intent of the University System that unless proposed by a bidder, that all heating equipment needed to be converted in order to accept the proposed fuel will be converted by the University and at its expense outside of the RFP?
- A19. Yes, see Installation Characteristics.
- Q20. Is the commencement of the proposed solution, or delivery of fuel, to occur on September 15, 2013 or October 1, 2013?
- A20. See Terms and Conditions 1.g.
- Q21. Is the duration in which to amortize costs (that are allowed under this RFP) to be from 2013 to 2018 and to coincide with the commencement date in question 20 above?
- A21. Yes.
- Q21. Is there an allowance for Compressed Natural Gas (CNG) to be installed on the University of Maine at Farmington, if only as an interim solution until natural gas line service is installed and made available as proposed by the same bidder in their response? Would these CNG tanks allowed to be above ground during this interim period?
- A21. No, see Attachment A.
- Q22. Is there an allowance for LP gas tanks to be above ground if only as an interim solution as part of an overall proposal by the bidder to install natural gas line service to these same facilities?
- A22. Yes.
- Q23. The request for proposals suggests that UMS will lease the site to the Supplier, and the Supplier shall keep all equipment necessary for storage and delivering fuel at the purchaser's site. Will the Supplier be subject to taxes?
- A23. If the question refers to land taxes, the response is no.

Q24. Will the University System entertain alternate proposals that may include the University System entering into third party financing for infrastructure?

A24. No.

Q25. The RFP appears to be focuses on compressed natural gas (CNG) and liquefied petroleum (LP) gas as alternative heating fuels (see Appendix C – UMS Fuel Purchase Contracts for CNG and LP). Consequently, much of the requested information is not applicable to piped natural gas service provide by a natural gas utility. How does the UMS recommend that a natural gas utility reply to the RFP?

A25. The General Terms and Conditions apply. Respond using the RFP Response Form.

Q26. Will the UMS use a consultant to aid in the evaluation of the RFP request? If yes, please provide the name of the consultant.

A26. Yes and the University will not provide the name of its consultant(s) while procurement is in progress.

Q27. On page 2 of the RFP it is stated that this contract will be a Fuel Purchase Agreement (FPA) over a 5 year term with the option for renewal for an additional 5 years. Does the FPA include the natural gas commodity or, if natural gas distribution service is provided by a natural gas distribution company, will the UMS procure the natural gas commodity from a third party supplier as is the practice of those UMS campuses now served by natural gas distribution companies?

A27. The intent of the RFP is to procure alternate heating fuels from a single Supplier for any, some or all of the listed campuses.

Q28. On page 6 of the RFP, Installation Characteristics, there are 10 bullet items that appear to be required as part of the RFP submission. For piped natural gas provided by a natural gas utility many of those are not applicable. Is it sufficient to respond accordingly?

A28. Yes, and please indicate clearly why these are N/A.

Q29. On page 6 of the RFP, Installation Characteristics, there are 10 bullet items that appear to be required as part of the RFP submission. The third bullet requires that meters which can be remotely monitored are to be installed at each delivery point. Some facilities to be monitored are quite small, less than an average residence. Should they be considered for remote metering?

A29. Yes.

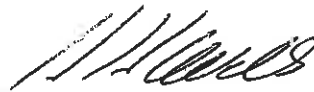
Q30. On page 6 of the RFP, Installation Characteristics, there are 10 bullet items that appear to be required as part of the RFP submission. The ninth bullet states that a Performance Bond in the amount of the proposed infrastructure upgrades must be included in the cost of this proposal. What specific infrastructure upgrades is a Performance Bond to cover?

A30. Any infrastructure required to be installed by the Supplier to provide the alternate heating fuel conversion.

Q31. Page 8, paragraph 2, Consumption Requirements, item b. If piped natural gas service is provided in response to the RFP, will the University acquire the natural gas commodity via a third party supplier or will it acquire the natural gas commodity from the gas utility? If the University will acquire the natural gas commodity from a third party supplier, how will response for different alternative fuels or even different gas utilities be compared? For comparing gas utilities, should only the distribution rates be considered?

- A31. The intent of the RFP is to procure alternate heating fuels from a single Supplier for any, some or all of the listed campuses.
- Q32. Please provide more detail to what is required by paragraph 6a. and 6b. on page 9, Cost Structure. For example, for a gas utility providing piped natural gas how is the transportation cost affected by the monthly NYMEX price?
- A32. If a requirement is not applicable to the Supplier's proposal, the Supplier should state such with an explanation.
- Q33. On page 10, paragraph 11, Disposition of Equipment and Infrastructure. Is this to be read that at the termination of the Fuel Purchase Agreement in 5 or 10 years (if extended) that ownership of all pipe, regulators, meters, etc. on University property will be transferred to the UMS? Is this a requirement of the RFP even if piped natural gas is being provided by a natural gas utility?
- A33. Yes, for all infrastructure installed on campus property.
- Q34. The RFP Response Form on page 11 is not applicable for natural gas service (piped natural gas). A natural gas utility has rates approved by the Maine Public Utilities Commission (MPUC) and they are not broken down as requested in the Response Form. Should the form be reformatted for a response from a natural gas utility or is it acceptable to submit only the Total Alternative Fuel Proposal Rate? Again, the question of who is to provide the natural gas commodity needs to be answered. Why are installation costs by pipe size required? Is the pipe restricted to medium density polyethylene for a specific reason? Is the use of high density polyethylene pipe acceptable?
- A34. Response is required for all applicable categories in the Response Form that are applicable for the alternate fuel strategy proposed. There are cost categories listed that apply to piped natural gas. The installation costs by pipe size are required so that the University can get a fair comparison of installation costs by Supplier for the future installation. The future installation will require a specific design by campus, so these unit prices will help frame the future infrastructure costs by Supplier without having the final design in hand. HDPE pipe is acceptable.
- Q35. A conversion to Liquefied Natural Gas (LNG) does require a minimum threshold of consumption to be economically competitive. After evaluation the RFP, the only campus that meets the minimum threshold for a conversion to LNG is the University of Maine at Farmington. In Attachment A, Campus Details, it is stated that UMF will not consider Compressed Natural Gas (CNG) as an alternative fuel. Will UMF consider LNG as alternative fuel?
- A35. LNG is not excluded at Farmington.
- Q36. Would we be able to obtain site plans for each of the campus locations?
- A36. See Attachment A. Detailed plans for each campus will be provided after award to assist in the development of the distribution system design.
- Q37. What is the procedure for onsite conversion of equipment – we met with all of the facilities directors and most of them gave us the same message that given their current budgets, they would not be able to convert their boilers to be able to accept natural gas. Our proposal would like to include each campus taking advantage of the use of natural gas in as many buildings as possible. Additionally we would need to know which buildings would be able to accept the natural gas as it will be critical for us to size our equipment.
- A37. Responses should include and account for replacement of the current heating fuel quantities and locations as shown in Attachment A. Funding for equipment conversions for each building is outside of the scope of this RFP.

- Q37a. Will it be required for each site to do a full conversion of their existing facilities or will each campus be doing a partial conversion?
- A37a. It is anticipated that each campus will be doing a full conversion.
- Q37b. If partial would we be able to obtain information on which building we could expect to be converted by 10/13 (time of energy delivery).
- A37b. See A37a.
- Q38. In lieu of our conversations with the facilities directors, would it be acceptable to add the boiler conversions to our scope of work and add it to the \$/MMBTU for the infrastructure portion of the proposal?
- A38. No, but an add-alternate price proposal in that \$/MMBTU format would be reviewed for informational purposes. It would not be weighted in the proposal selection process.
- Q39. There is a statement on page 2 of the RFP that says "Regardless of proposed fuel commodity and technology, the form of this contract will be a Fuel Purchase Agreement (FPA) over a 5 year term, with an option to renew for an additional 5 years." This statement could potentially be in conflict with the statement in the previous paragraph which addresses other innovative technologies that may be beneficial to the campus(s). As you know there are a number of ways to install and deliver innovative technologies. For example co-generation plants can be installed using financing vehicles such as a power purchase agreement. Campus wide efficiency measures can be implemented, capital improvements made and energy usage reductions (and resulting operational savings) can be realized through entirely self-funding energy performance contracts where the energy savings are guaranteed over the term of the lease (which could be more than 5 years). My question is; if we are to propose an innovative technology / solution at one or more campuses are we required to comply with the specific requirement that the proposal will be for a "Fuel Purchase Agreement for a 5 year term."?
- A39. Respond to the RFP as written (all costs within 5 years, etc.) so we (the University) get apples-to-apples figures for comparison. However, the University would be receptive to other options as allowed under the paragraph cited.
- Q40. Attachment A, Campus Details, page 21, University of Maine at Augusta Table UMA-2: Building Details. The table requires updating.
- A40. Please use the table attached to this Addendum.



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Hal Wells  
University of Maine System  
Assistant Director of Strategic Procurement

January 10, 2013

**TABLE UMA-2: Building Details**

<b>Building (Tank) Location</b>	<b>Tank Size</b>	<b>Fuel Type</b>	<b>Estimated Annual Volume</b>
Campus Center	275	#2	2,500
Maintenance Shop	275	#2	2,000
Farm House	275	#2	3,500
Pottery Shop	275	#2	700
Stoddard House	275	#2	900
Jewett Hall	10,000	#2	17,000
Fine Arts Building	1,000	#2	4,000
Art/Arch Building	190	#2	1,200
Learning Resource Center	10,000	#2	18,000
Robinson Hall	2,000	#2	6,700
Student Center	5,000	#2	20,000
331 Water Street	3 - 330	#2	7,500
CCC Center Classroom Section	1-1000	LP	7,000
<b>Total #2 Fuel</b>			<b>91,000</b>

Assume delivery point is the oil fill location as it exists at the particular building.