

Pete Ricketts, Governor

## ADDENDUM TWO QUESTIONS and ANSWERS

Date: October 28, 2015

To: All Bidders

From: Jennifer Crouse/Teresa Fleming, Buyers  
AS Materiel State Purchasing Bureau

RE: Addendum for Request for Proposal Number 5145Z1  
to be opened November 13, 2015 at 2:00 p.m. Central Time

### Questions and Answers

Following are the questions submitted and answers provided for the above mentioned Request for Proposal. The questions and answers are to be considered as part of the Request for Proposal. It is the Bidder's responsibility to check the State Purchasing Bureau website for all addenda or amendments.

Question Number	RFP Section Reference	RFP Page Number	Question	State Response
1.	IV.C	Page 38	What meetings (committees, working group, or task force) has the SPP not reimbursed the SPP Consultant in the past? Or put another way, what meetings has the State had to reimburse the SPP Consultant in the	The State has never had to reimburse its consultant for any travel expenses to attend SPP activities during the past five years of the existing contract. Costs for airline travel, mileage, and board and lodging have always been paid by the SPP RSC.

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			past? How many meetings has the State reimbursed the SPP Consultant in 2014 and 2015 year to date thru September?	
2.	IV.C	Page 39	Who provides and pays for the conference call bridge for calls with the Executive Director, NPRB Board Members, and/or Utilities?	The consultant provides the necessary equipment and pays for conference call bridge expenses.
3.	IV.D	Page 40	The RFP states the workload will be between 60 and 120 hours per month not including travel time. This is a wide range. What has been the historical average workload for calendar year 2014 and 2015 year to date thru September?	The total average work hours, including travel and administrative staff time, performed by the State's current contractor in 2014 and 2015 (through September) has been 104 hours per month. Travel time during that time period has averaged 19 hours per month. Administrative time (for the current consultant's administrative staff) has averaged 5.5 hours per month. Work hours during months when the RSC and SPP Board of Directors held their quarterly meetings in 2014 and 2015 averaged 143 hours. Total work hours in all other months averaged 84 hours.
4.	V.B.1	Page 46	The RFP states the maximum bid is \$15,000 per month. What has been the historical average fixed price per month for the calendar year 2014 and 2015 year to date thru September?	Under the current contract the fixed price is \$162,000 annually, paid in twelve monthly increments of \$13,500. The current contract may be found at: <a href="http://das.nebraska.gov/materiel/purchasing/contracts/pdfs/47077(o4)ren(4)awd.pdf">http://das.nebraska.gov/materiel/purchasing/contracts/pdfs/47077(o4)ren(4)awd.pdf</a>
5.	I. Scope of the Request for Proposal – second paragraph, last sentence	1	Does the term “beyond the termination date” refer to a single year or does this mean beyond the five (5) additional one (1) year periods?	The term “beyond the termination date” as used in the context mentioned refers to the end of the fifth additional one-year renewal period. The RFP does allow the contract to be ended at the conclusion of any contract period (initial 6 months or any of the additional one-year periods).
6.	I. Scope of the Request for Proposal –	1	Does the Contract Year begin on July 1 of each year following the initial six (6) month contract term?	Yes, the contract periods will begin on July 1 for the optional renewal periods.

	second paragraph, last sentence			
7.	II. Procurement Procedures – G. Submission of Proposals	4	Please confirm that only one (1) original copy of the entire proposal is required to be submitted.	Yes, only one (1) original of the entire proposal should be submitted.
8.	II. Procurement Procedures – G. Submission of Proposals	4	May the proposal be hand-delivered? If so, please provide information	Yes, proposals may be hand delivered. Regardless of delivery method, the Procurement Procedures noted in II.G. Submission of Proposals is to be followed, as well as any other information provided in the RFP related to how proposals are to be submitted.
9.	II. Procurement Procedures – L. Evaluation Committee	6	Given the fact that the Evaluation Committee membership is not publicly known, is it reasonable to assume that no contact is permitted with the entire Nebraska Power Review Board (NPRB) membership as well as the entire NPRB staff about this particular RFP?	No contact, regarding RFP 5145Z1, should be made with the NPRB staff and Board Members prior to award. To clarify issues or render any opinion regarding the RFP, contact the point of contacts indicated in II.A. Procuring Office and Contact Person.
10.	III. Terms and Conditions – L. Conflict of Interest	15	Can the State provide further clarification on the definition of “adversarial relationship” in the context of this contract?	An adversarial relationship is one where the actions or inaction of the contractor, on behalf of the outside employer, is contrary to the purposes of this contract and contrary to the interests of the State, the ratepayers, and SPP members.  Engagements involving the contractor representing a utility in a matter where the successful resolution requires taking a position on behalf of the client that is contrary to the best interests of the State, the NPRB or Nebraska’s ratepayers would constitute a conflict of interest. The State also requires a contractor that can, to the extent possible, maintain a close working relationship with Nebraska’s

				transmission-owning electric utilities that are SPP members that is built on openness and trust. Engagements that require the contractor to represent the interests of a client that is adverse to the transmission-owning members of the SPP, particularly Nebraska’s transmission-owning member utilities, would serve to undermine the contractor’s ability to adequately serve the best interests of the NPRB, the State, and ultimately Nebraska’s electric ratepayers under this contract.
11.	III. Terms and Conditions – L. Conflict of Interest	15	Can the State provide further clarification of “potentially adversarial relationship” and what standard would be used to define “potentially”?	“Potentially” is not a term used in III.L.
12.	III. Terms and Conditions – L. Conflict of Interest	15	Does the prohibition on “potentially” adversarial relationship apply to existing consulting relationships that are known and acceptable to staff of a particular Nebraska transmission owner?	The State recognizes that the successful bidder may have current or future employment or contract opportunities that create, or appear to be, a conflict of interest under the terms of this contract. The contract requires the successful bidder to notify the NPRB, through the NPRB’s executive director and general counsel, of outside employment and contracts. This will allow the NPRB to make a determination and advise the successful bidder if there is an actual conflict of interest, or the appearance of a conflict of interest. This determination will help the successful bidder to avoid conflicts of interest, and the NPRB will be able to monitor performance of this contract in an effort to protect the State’s interests from any conflicts of interest.
13.	III. Terms and Conditions – L. Conflict of Interest	15	Is it the intention of the State to require that, for example, before taking an assignment for a “distributor of power” that is not interconnected to the Southwest Power Pool	Yes. This ensures the State is aware of all outside employment, even though admittedly some projects will have no connection to the SPP or electric utilities that are SPP members. The State does not wish to unnecessarily impede the Contractor’s

			transmission system (i.e., in Colorado) that the Consultant inform NPRB staff of the assignment and receive approval?	ability to accept outside employment, only ensure that conflicts of interest are avoided.
14.	III. Terms and Conditions – L. Conflict of Interest	15	In the execution of duties under this RFP, it may be necessary to take a position that is adverse to one particular transmission owner because it is to the benefit of Nebraska ratepayers or other Nebraska transmission owners as a whole. Similarly, it may be deemed by the NPRB to take a position that is adverse to that of all three Nebraska transmission owners because it is in the best interest of Nebraska ratepayers. Is it reasonable to conclude either of these scenarios would not violate the RFP requirements regarding conflicts of interest?	Correct. It is understood that the contractor, on behalf of the NPRB, could possibly be required in some instances to take a position against the interests of, or potentially adverse to, one of Nebraska’s utilities, or even all of Nebraska’s SPP member utilities, if it would ever be deemed to be in the interests of Nebraska’s ratepayers or the State as a whole. Such a position would not constitute a conflict of interest. Conflicts of interest as used in the RFP are intended to deal with situations where the contractor is working for a third party whose interests may be adverse to a Nebraska utility or another utility that is a transmission-owning member of the SPP.
15.	III. Terms and Conditions – L. Conflict of Interest	15	In the execution of duties under this RFP, it may be necessary to take a position that is adverse to other SPP transmission owners because it may be to the benefit of Nebraska transmission owners and ratepayers. Is it reasonable to conclude this would not violate the prohibition on taking assignments that are adversarial to a non-Nebraska transmission owner in the Southwest Power Pool?	Correct. It is anticipated that the contractor may occasionally take a position that is adverse to other SPP transmission-owning members if the position is in the best interests of Nebraska’s ratepayers, Nebraska’s electric utilities, the NPRB, or the State of Nebraska as a whole.
16.	III. Terms and Conditions – L. Conflict of	15	Was it the intention of the State to broadly limit the ability of the Consultant to take assignments that may be adversarial to a non-Nebraska	It was the State’s intent to limit the possibility of the consultant being placed in a position where the consultant is negotiating in favor of a client against an SPP member utility, and then working with that

	Interest		<p>transmission owner in the Southwest Power Pool? For example:</p> <ul style="list-style-type: none"> <li>• Negotiating a transmission agreement between a municipal utility and a non-Nebraska transmission owner</li> <li>• Participating as an expert witness in a rate proceeding against a non-Nebraska transmission owner, when success in said proceeding may be beneficial to Nebraska electric consumers</li> </ul>	<p>same SPP member utility in the consultant's capacity as the State of Nebraska's contractor. Such situations may give the appearance that the State of Nebraska's consultant is biased, or will use information gained as a result of working with the SPP member utility against that utility when the contractor represents or works with a third party whose interests are adverse or potentially adverse to the SPP member utility. Such a perception may compromise the contractor's ability to effectively represent the State's best interests when dealing with SPP staff, the RSC and SPP member utilities. In the first example provided as part of the question, the consultant would negotiate on behalf of a client directly against an SPP member utility and thus could create a conflict of interest. In the second example, where the consultant serves as an expert witness in a proceeding not involving a Nebraska transmission-owning utility, and the resolution of the proceeding may be beneficial to Nebraska ratepayers, this would be a conflict of interest if the contractor is a paid expert providing testimony that is contrary or damaging to the interest covered by the RFP. If the contractor is a subpoenaed witness it would not be a conflict of interest.</p>
17.	III. Terms and Conditions – L. Conflict of Interest	15	Does the term "employment" used in this section refer to any consulting assignment or is it specific to a bidder becoming a part-time or full-time employee of an entity that may have a conflict of interest as referred to in this section?	The term "Employment", as used in the context of the contractor accepting outside work, refers to any professional consulting assignment or work relating to transmission or generation projects. It is not limited to a bidder accepting full or part-time employment with a third party entity that might create a conflict of interest as referred to in section III. L.
18.	V. Proposal Instructions –	43	To fulfill the requirement for a non-publicly held firm to provide a banking reference, can proposer provide the	It is sufficient to provide the name of the primary bank at which a non-publicly held entity bidder does business, along with a contact person.

	A. Technical Proposal Submission, 2. Corporate Overview, b. Financial Statements		name of the primary bank at which it does business along with a contact person or is something broader required?	
19.	V. Proposal Instructions – B. Cost Proposal Requirements, 1. Pricing Summary, last sentence	46	Please confirm that the first contract period is six (6) months and the second contract period is 12 months, which constitutes “the first two (2) contract periods” reference	Confirmed. The phrase “the first two (2) contract periods” refers to the approximate initial six (6) month period and the first optional one (1) year renewal period.

This addendum will become part of the proposal and should be acknowledged with the Request for Proposal.