

**UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA**  
**RFP No. 2012-11**  
**Natural Gas Supply Management**  
April 2, 2012

**ADDENDUM NO. 1**

***Questions / Answers***

A. Question and Answers

1. What term start date are you looking for?

**A: We anticipate the contract to begin July 1, 2012.**

2. Are you currently supplied by Southwest Gas or a 3rd party marketer?

**A: Southwest Gas**

3. Are you looking for a 1, 2 and 3 year term offer?

**A: UMC is looking for a 3 year contract that includes one base year and two, one year options.**

4. On the pricing offer, are you looking for an index, fixed price, or basis?

**A: UMC is looking for a breakdown of the costs for the supply and management of this service. The breakdown should identify which components are fixed or variable.**

5. Standard industry payment terms with suppliers, SW Gas, and others are less than the 30 day UMC minimum payment following invoice receipt. If UMC must have 30 day payment terms, would UMC consider payment from an estimated invoice? This is a method we have used with other clients.

**A: UMC is agreeable to estimated invoices if the following month is trued up.**

6. Please indicate the SW Gas rate schedule(s) currently used by UMC in Exhibit B on page 12.

**A: SG-G (TE)**

7. UMC requests prices FOB Destination BUT a negotiation with SW Gas for a release of Kern River firm capacity is necessary to avoid paying the SW Gas exit fee. Therefore, an FOB Destination price to UMC will not be accurate. There will be a price at both Opal (into Kern), plus the negotiated Kern River transport cost, plus the SW Gas distribution cost. Is this matrix of supply and transportation costs understood by UMC?

**A: We anticipate the company that is awarded will work out a capacity release with Southwest Gas.**

8. Regarding Exhibit B, Cost/Fee Structure on page 12, could you please explain the breakout of supplier, transport and SW Gas? The RFP states UMC is looking for a supply manager to solicit bids, therefore, how will it be possible to include pricing for multiple years at this time prior to the energy manager being selected and performing a competitive solicitation? (U.S. Energy is prepared to provide a multi-year agent fee, but Kern River

transportation costs are subject to SW Gas release negotiations and supply costs will not be known until a competitive supply solicitation is conducted by the energy manager selected through RFP #2012-11 process.)

A: It is understood that this is a fluctuating commodity with a number of different variables. We will accept the first year's fixed service fee plus estimated calculations based on previous negotiations for other clients. Each proposal shall be able to have set service fees for all three years. The cost/fee structure should provide sufficient information to prove that the costs associated with this contract will provide for a significant cost savings over what we are currently using.

9. Which financial entity will UMC use to establish unsecured credit with Southwest Gas, Kern River, and supplier(s)? If unsecured credit capacity is insufficient, will UMC prefer making a cash deposit, letter of credit, or other collateral?

A: UMC has established credit with Southwest Gas. The company awarded the RFP will establish credit with gas supplier. UMC will supply credit references to the company awarded the RFP.

10. What type of certification copies is UMC requesting in Question #18.B.2?

A: When we put this RFP out, we were not sure if there was any certification or licensing requirements for working with natural gas. If there are no such requirements then say so in your proposal.

**Issue by**

Should you have any questions, please contact me at (702) 207-8846 or via email at [robert.maher@umcsn.com](mailto:robert.maher@umcsn.com).

Issued by:

Rob Maher  
Sr. Contract Management Analyst  
UMC

**Acknowledgement**

***\*\*All Proposals submitted shall include a signed copy of this addendum acknowledging receipt and understanding. Addendums shall not count towards the page limitation.***

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Date Received: \_\_\_\_\_