



Hibbing Public Utilities
REQUEST FOR PROPOSAL (RFP)
for
Professional Services: Natural Gas Energy Management

Date: January 29, 2019

Requested Services: **Natural Gas Management & Procurement Services**
 Price Risk Management
 Data, Invoice and Contract Management
 Market Information Resources

Hibbing Public Utilities Contact: **Corey Lubovich**
 Director of Utility Operations
 Hibbing Public Utilities
 1902 E. 6th Avenue
 Hibbing, MN 55746
 218-262-7725
 coreyl@hpuc.com

A. SCOPE

Hibbing Public Utilities is interested in obtaining proposals for the following responsibilities:

1. Conduct daily natural gas nominations as well as daily natural gas true-up nominations, as needed.
2. Provide a complete review and approval of all monthly natural gas demand and commodity invoicing.
3. Coordination and management of all natural gas purchasing for Hibbing to include daily transactions, monthly transactions, as well as developing and maintaining a structured natural gas portfolio that includes a blend of fixed commodities, tranches, FOM indexing and daily spot pricing.

Hibbing Public Utilities is served by Northern Natural Gas Company exclusively.

Projected throughput volumes Profile for calendar year 2019 list as follows:

January	125,500 Dths
February	110,800 Dths
March	82,500 Dths
April	56,000 Dths
May	26,000 Dths
June	16,000 Dths
July	12,000 Dths
August	12,000 Dths
September	16,000 Dths
October	38,500 Dths
November	73,100 Dths
December	118,200 Dths

B. COVER LETTER REQUIREMENT

Provide a cover letter (on letterhead) in your RFP response with your company name, contact individual, address, phone number, fax number, web address, and email address of the contact person.

C. EXECUTIVE SUMMARY REQUIREMENT

Provide an Executive Summary, no more than two pages in length, detailing your energy management business approach, proposed solutions, projected results, and preliminary recommendations.

D. TITLES

The bidding vendor shall be called the "Proposer" in this document.

E. SCHEDULE OF EVENTS

Task	Date
RFP Issue Date	January 29, 2019
Proposer's Written Inquiries Due	February 13, 2019
RFP Due Date	February 28, 2019
Finalist Interviews (if required)	March 7, 2019
Contract Award	March 26, 2019
*Hibbing Public Utilities reserves the right to change timeline if necessary	

All timely proposals will be reviewed to determine whether the minimal qualification requirements have been met. Proposals that do not meet qualifications requirements will be considered non-responsive and will be rejected.

F. SUBMIT PROPOSALS TO:

Corey Lubovich
Director of Utility Operations
Hibbing Public Utilities
1902 E. 6th Avenue
Hibbing, MN 55746
218-262-7725
coreyl@hpuc.com

G. PREPARATION OF RFP RESPONSE

1. All responses shall be replied to in the order and format set forth in the RFP.
2. Submission shall be by U.S. Mail, in person, by third party carrier, or by email in .pdf format. Three hard copy documents of the RFP shall be submitted to the contact, as per directed by Hibbing Public Utilities. Email responses shall be directed to: coreyl@hpuc.com. All written and electronic responses must be received by 4:00 p.m. CST on the date designated. Late submissions will not be accepted.
3. No facsimile proposals will be accepted.
4. Erasure, interlineations, or other modifications of your proposal shall be initialed in ink by the authorized person submitting the RFP response.
5. Hibbing Public Utilities shall not reimburse the cost of developing, presenting, submitting, or providing a response to this solicitation. All materials and proposals submitted become the property of Hibbing Public Utilities and will not be returned.

H. FORMAT

The written proposal shall be signed by an individual authorized to bind the Proposer. The proposal shall provide the name, title, address and telephone number of individuals with authority to contractually bind the company and who may be contacted during the period of the Contract. All fees quoted shall be firm and fixed for the full contract period. Each response shall be:

1. Set forth in the same sequence as identified in the RFP.
2. Signed by an authorized representative of the Proposer.
3. Submitted with the name(s), title, address, and telephone number of the individual(s) authorized to negotiate a Contract with Hibbing Public Utilities.

I. OVERVIEW

This RFP incorporates required energy management responses for services in the following sections:

- Section I Proposer's Background and Qualifications
- Section II Natural Gas Management and Procurement Services
- Section III Price Risk Management
- Section IV Data, Invoice and Contract Management
- Section V Market Information Resources
- Section VI Renewable Energy, Consulting & Sustainability Services
- Section VII Pricing Proposal
- Section XIII Additional Document Request
- Section IX Offer & Acceptance

J. TERMS OF RFP RESPONSE

1. All questions that arise relating to this RFP shall be directed by e-mail to Corey Lubovich, Director of Utility Operations at coreyl@hpuc.com. To be considered, written inquiries shall be received by the date indicated. Inquiries received will then be answered by an Addendum. No contact initiated by Proposers regarding the requested services will be allowed with members of the Hibbing Public Utilities staff from date of distribution of this RFP until after the closing date and time of award.
2. The term of service for this agreement will be three (3) years, beginning on or about July 1, 2019, and ending on or about July 1, 2022. Term of service start and ending dates to be confirmed upon award.
3. Hibbing Public Utilities considers material contained in this RFP to be confidential; the Proposer must withhold from disclosure and availability to others. Any duplication, editing, or distribution without the written approval of Hibbing Public Utilities is prohibited.
4. Proposers must disclose any and all services which may or will be performed by a subcontractor. The Proposer is fully responsible to meet all contract obligations and is not relieved of compliance in the event of non-performance by a subcontractor.
5. Termination for Cause: The Agreement may be terminated by either party for cause; default will be defined in the executed Agreement.
6. Hibbing Public Utilities reserves the right to issue one or more Addenda to the RFP at any time, for any reason.

7. One or more Proposers may be required to provide an oral presentation and/or allow Hibbing Public Utilities to visit the Proposer's site. Each Proposer should be prepared to discuss and substantiate any areas of their proposal response.
8. The Proposer certifies that the RFP response is a firm, valid, and irrevocable offer which Hibbing Public Utilities may accept within a minimum of 90 days from the submittal date, and that its proposal, if accepted, shall remain valid for the life of the Contract.
9. The Proposer certifies it has the necessary experience, knowledge, abilities, skills, capacity, and resources to satisfactorily perform the requirements, specifications, terms, and conditions of the RFP.
10. The Proposer agrees their corporation is fully informed about, and is in full compliance with all applicable federal, state and local laws, rules, regulations, and ordinances.
11. The Proposer is bound by all statements, representations, warranties, and guarantees made in its proposal, and Hibbing Public Utilities will rely on such information and representations in selecting the successful Proposer.

SECTION I - BACKGROUND & QUALIFICATIONS

Please include the following data in your Proposer profile:

Background and Qualifications – Proposer’s Profile	
1.	Legal name of Proposer.
2.	Locations: Address, City, State, Zip, Phone & Contact Information for Corporate office and other list locations in North America.
3.	Type of business (e.g. Public, S Corporation, LLC, etc.); are you a subsidiary of another corporation?
4.	Number of years in business/incorporation date; include Federal Tax ID number.
5.	Total number of employees.
6.	Key personnel, titles, and scope of experience of personnel assigned to the Hibbing Public Utilities account.
7.	Provide three references and note services rendered, preferably with similar profiles to those of Hibbing Public Utilities note years of service for each reference; include contact information: Name, Title, Company, email address, website address, phone. References will be contacted.
8.	List the total number of clients served in each of the past 5 years and the total number of sites managed.
9.	Include average MMBtu/day of natural gas managed for your client base.
10.	List accountancy compliance: SAS70, SSAE16, and other industry compliance standards achieved.
11.	Are there any circumstances impacting your company that could affect your ability to perform services as described in this RFP?
12.	Is your company currently in default, or do you see going into default, beyond applicable cure periods on any loan agreement or financing agreement with any bank, financial institute, or other entity?
13.	Describe your company’s service/support philosophy, how it is executed, and how success is measured.
14.	Describe your company’s quality assurance program, its requirements, and how they are measured.
15.	State whether your company has been unable to complete a contract, been removed from a contract, or have been replaced during a contract period in the past five years. If so, explain the circumstances.

SECTION II - NATURAL GAS MANAGEMENT & PROCUREMENT

Hibbing Public Utilities is seeking an energy management service provider for natural gas services management. Usage volumes detailed below are not necessarily reflective of future volumes as demand, seasonality, and other factors will impact usage numbers.

Location	Natural Gas Usage Annually
Hibbing Public Utilities/Hibbing, MN	Approximately 1 Bcf with expected growth in coming years.

Please describe your company's capabilities in the following areas:

Natural Gas Management and Procurement	
1.	Describe your Tariff Review services to determine the appropriate utility service to recommend to a client.
2.	Describe your experience negotiating with utilities and pipelines for rates, terms, and conditions related to gas transportation. Provide examples with results.
3.	Describe your experience and process to establish supplier analysis including credit and contract terms (initially, evaluate existing supply & transportation agreements, make recommendations).
4.	Describe your RFP process for natural gas supply and logistics management including: Transportation/Scheduling/Nominating; Distribution; Balancing; Supplier Management; Advisories; Hourly Index Price Tracking and Analysis; Contracting Support, and Default Supply Tracking and Assessment. A minimum of 3 bids are required for each sourcing event.
5.	Describe your experience and capabilities to provide natural gas transportation service on interstate pipelines. Provide information on your participation in the interstate pipeline capacity release market and the firmness of your deliveries to your customers in this marketplace.
6.	It is important to Hibbing Public Utilities that supplier and transport pricing are transparent, i.e. the invoice components can be audited. Pricing must be based on published indices (not "market pricing"), or negotiated contract rates (with no ancillary line items on invoices or pricing/volumes that are not contractually agreed to). Please describe how you ensure that Hibbing Public Utilities will receive the transparency we require.
7.	Regional price monitoring – evaluation and review of regional basis pricing.
8.	Describe your experience with providing a natural gas budget for current and two (2) year out projections.
9.	Quantify the number of natural gas procurements performed in the last two (2) years.

SECTION III - PRICE RISK MANAGEMENT

Please describe your company’s capabilities relative to energy price risk management:

Price Risk Management	
1.	How will you complete an initial evaluation to determine risk objectives for Hibbing Public Utilities?
2.	Develop and maintain a quarterly and annual Price Risk Management plan and strategy document.
3.	Proactive guidance for hedging – how is it provided?
4.	Accurate hedging execution through physical suppliers or financially – how is it provided? Do you have access to real time NYMEX and Intercontinental Exchange (ICE) trading platforms to ensure NYMEX and basis are executed at market prices?
5.	Access to vendor and industry tools to assist in risk management plan implementation.
6.	What additional resources can you provide Hibbing Public Utilities to monitor the supply markets and access industry information?
7.	What individual in your company is responsible for the daily, weekly, or monthly distribution of price risk information to clients?

SECTION IV - DATA, INVOICE & CONTRACT MANAGEMENT

Please describe your company’s capabilities in the following areas:

Data, Invoice & Contract Management	
1.	Develop and maintain Reports for natural gas management to include: Monthly Cost & Usage, Updated Settlement Prices, Natural Gas Burnertip Reports, Natural Gas Position Reports, Budget Reporting, Energy Cost Estimate Reports and other reports as deemed necessary by Hibbing Public Utilities. Provide sample reports in RFP response.
2.	On-line 24/7 data access, energy reporting and customizable dashboard required; please provide your capabilities in this area.
3.	Receive, audit and pay supplier and utility invoices, correct errors (with vendors) as required and provide reporting; explain capabilities in these areas. The selected vendor will process 100% of accounts/invoices monthly. Please supply diagram of operational flow. Are invoices processed in-house or through a 3 rd party vendor?
4.	Provide Hibbing Public Utilities with monthly and year-to-date energy management reporting. What do you typically provide? Is customized reporting available?
5.	Provide Hibbing Public Utilities with an annual Value Report noting objectives met, savings achieved, and recommendations for future calendar year(s).
6.	Describe your company’s on-line Contract Management capabilities including secure storage, on-line access and reporting ability.

SECTION V – MARKET INFORMATION RESOURCES

Energy Market Information Resources	
1.	Daily, timely, on-line access to: Industry analysis and updates, natural gas markets and other pricing, pipeline information, and market trend information. Provide list of data available and examples of information.
2.	Market data including fundamental and technical factors affecting trends, risk management, general energy information distributed on a monthly or weekly basis. Provide sample reports.
3.	What other market intelligence do you provide such as: Quarterly meetings, annual conferences, regular market briefings, webinars, white papers, consultation with a Price Risk Manager, etc.?

VI. RENEWABLE ENERGY, CONSULTING & SUSTAINABILITY SERVICES

Please note that the Scope of Work (SOW) in this RFP **EXCLUDES** the services in the table below at this time. However, Hibbing Public Utilities wishes to have a general understanding of your firm’s broader capabilities for possible future endeavors. Please check either “Yes” or “No” for each capability. No further text or explanation is required at this time.

Renewable Energy, Consulting & Sustainability		Yes	No
1.	Energy savings and efficiency programs		
2.	Facility assessment services		
3.	Access and experience in renewable gas or biogas		
4.	Infrastructure consulting in the area of energy management		
5.	Sustainability services		
6.	Carbon footprint collection, assessment and reporting		
7.	Energy benchmarking		
8.	Carbon offsets and renewable energy certificates (RECs)		
9.	Carbon reduction programs		
10.	Virtual Power Purchase Agreements (VPPAs)?		
11.	Regulatory services (i.e. rate case intervention)		
12.	Combined Heat and Power (CHP services)		
13.	Solar feasibility analysis		
14.	Microgrid feasibility analysis		

SECTION VII – PRICE PROPOSAL

Provide pricing for the energy management services outlined in this RFP, which include:

Natural Gas Management & Procurement, Price Risk Management, Data & Invoice Management, Market Information	PRICE QUOTE/ \$ per month
Natural Gas Management & Procurement	\$
Price Risk Management Services and Market Information Services	\$
Data Management/Invoice Management (up to 10 invoices/month)*	\$
*Additional invoices processed & paid at a cost of \$ _____/per invoice	

Hedging Fees	PRICE QUOTE MMBtu / KWh
What charge, if any, will be imposed for Natural Gas Hedging Fees per MMBtu?	\$

Terms and Conditions of Agreement	PRICE QUOTE
<ul style="list-style-type: none"> ▪ Three year term of agreement ▪ Annual renewal after first 3 years ▪ Payment terms: Net 30 days 	
Renewal Pricing – will any escalators be charged after year 1, 2 or 3? If yes, what percent each year?	%
Set-up Fees / One-time	\$
Additional Other Fees (provide description)	\$

SECTION XIII - ADDITIONAL REQUESTED INFORMATION

1. Provide samples of natural gas or other energy management reports that you feel would benefit Hibbing Public Utilities.
2. Provide a list of implementation milestones and proposed deliverables for each milestone.
3. Please provide a copy of your standard Agreement with terms and conditions.
4. Provide a copy of your business liability insurance. The vendor awarded the contract may be required to provide additional insurance information.

SECTION IX - OFFER AND ACCEPTANCE:

TO THE PROPOSER:

The Undersigned hereby offers and agrees to furnish the material and or service(s) in compliance with all terms, conditions, specifications, and addenda issued as a result of this Request for Proposals and any written exceptions in the offer. This RFP does not constitute the offer of a contract, and is intended for informational purposes of Hibbing Public Utilities only.

Authorized Signature

Date

Name and Title (please print)

Proposer's Company Name

Proposer's Email Address

Proposer's Company Phone Number