

**STATE OF ALASKA RFP NUMBER 2013-1000-1881
AMENDMENT NUMBER 1**



Department of Natural Resources
Division of Support Services
550 W. 7th Avenue, Suite 1230
Anchorage, AK 99501

THIS IS NOT AN ORDER

DATE AMENDMENT ISSUED: 05/14/2013

RFP TITLE: RFP 2013-1000-1881 for North Slope Royalty Gas Study

RFP CLOSING DATE AND TIME: May 21, 2013, 4:00 p.m. Alaska time. (CHANGED!!)

The purpose of this amendment is to:

1. Make changes to the RFP as follows:
 - a. Page 4, Section 1.01, change "May 20, 2013" to now read "May 21, 2013".
 - b. Page 5, Section 1.05, Location of Work, delete the portion of this section that starts "By signature on the proposal....." and continuing through the end of Section 1.05.
 - c. Page 8, Section 1.15, Subcontractors, delete the last sentence of this section which reads "Proposals must include evidence . . . Section 2.06."
 - d. Page 31, Section 7.03, item [f], delete this item in its entirety.
 - e. Page 35, Attachment 1, 7.03 item [f], delete this item in its entirety.
2. Answer questions that have been asked by potential offerors (see Page 2).
3. Provide a list of pre-proposal conference attendees.
4. Provide a summary of the project overview provided by Dep. Commissioner Balash at the pre-proposal conference.

All terms and conditions not modified by this amendment remain unchanged.

THIS AMENDMENT IS FOR INFORMATIONAL PURPOSES ONLY AND NEED NOT BE RETURNED.

A handwritten signature in cursive script that reads "Marlys Hagen".

Marlys Hagen, C.P.M., CPPB
Procurement Officer
Phone: (907) 269-8687
FAX: (907) 269-8909

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Questions and Answers

1. Q. Will you accept proposals via email?
A. No.
2. Q. Will the final report all be public or just portions of it?
A. The majority of it will be public, however the State can protect proprietary information if necessary. At minimum, a summary of all data must be able to be made public.
3. Q. What is the life span of those documents? How long would they be in the public domain?
A. The State would typically remove such documents from its website once they become stale, however that does not mean that the information isn't still available. The State will still maintain the information.
4. Q. Regarding the work schedule, would a quicker delivery of the work products be acceptable?
A. Absolutely.
5. Q. What is the State's expectation regarding the cost estimates for each of the supply chain elements? Do those estimates need to be independent?
A. No, they don't need to be independent third party estimates created from the ground up, however we need to be able to use them to check reasonableness of costs being given to us by the project sponsors.
6. Q. Regarding the fiscal model, is the Contractor expected to work on the model or make suggestions to the State for changes that need to be made and the State will make the changes?
A. The Contractor is expected to make the required changes to the fiscal model.
7. Q. Can you provide any more information on the data the State has on the supply chain elements?
A. The State will provide the data we have. The Contractor will not be required to gather the data.
8. Q. In Section 2.07, bullet number 3, does the eight (8) years of experience requirement apply to the offeror (i.e., at the contracting entity level) or to each proposed team member?
A. That requirement applies to the offeror.
9. Q. In Section 2.07, second paragraph, is the requirement for three technical references for the offeror generally or at the team member, or key team member level?
A. That requirement applies to the offeror generally.
10. Q. In Section 2.12, bullet (c), does the requirement that the offeror have maintained a place of business for six (6) months prior to the proposal date in the state staffed by the offeror, require an office in Alaska, or an office in the state where the identified project team members will perform their work?
A. Section 2.12 contains the requirements to qualify for the Alaska Bidders' Preference. This requirement is not a requirement for submitting a proposal or performing the work.
11. Q. Concerning preferences, the RFP uses the phrases "Alaska Bidder" and "Alaska Offeror". Do those 2 phrases have the same qualifying standard? In other words, is the standard for "Alaska Offeror" in 2.15 the same as that set forth in 2.07 for "Alaska Bidder"?
A. The qualifications for the two preferences are exactly the same. The difference is that the Alaska Bidders' Preference is a 5% reduction to the price of the qualified offerors. The Alaska Offerors Preference is a 10% preference applied to the evaluation points, i.e. if we use a 100 point scale for evaluating proposals, ten of those points are allocated to the Alaska Offerors Preference.
12. Q. Does the Alaska bidder preference provisions apply in any way to offerors whose team includes local Alaskans but who is just establishing a place of business in Alaska?
A. To qualify for the Alaska Bidders' and Offerors' Preferences, the offeror must have had a place of business in the state staffed by an employee of the offeror for at least six months prior to the

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date of the proposal. However, a company that has not had an office in Alaska for at least six months can be a subcontractor to a firm that does qualify for the Alaska preferences as long as the offeror is not merely “brokering” the work but is actually adding value.

13. Q. As per the procurement rules 2 AAC 12.260 will the physical location where the work actually is to be performed considered a proposal’s evaluation factor?
- A. That section of the Administrative Code describes additional items that may be considered as evaluation factors. Proposals will be evaluated in accordance with the evaluation criteria described in the RFP.
14. Q. Section 7.03, item [f] refers to a video sample. Is that a requirement for this RFP?
- A. No, that does not apply to this project and is being removed via this amendment.
15. Q. Section 1.17 Offeror’s Certification seems to be in conflict with Section 3.03 Standard Contract Provisions. If we want to submit exceptions to the State’s Standard Agreement form, will that make our proposal non-compliant with Section 1.17?
- A. No. Submitting exceptions with your proposal complies with Section 3.03, and Section 1.17.
16. Q. Does Section 7.03 require that letters of reference be submitted for the offeror and subcontractors or just the offeror?
- A. Letters of reference are not mandatory for the offeror or subcontractors in order to be responsive to the RFP, however letters of reference are part of the evaluation criteria. Proposals that include letters of reference will receive evaluation points for including them.
17. Q. In the cost proposal form (Attachment 5), the per diem and lodging costs are significantly lower than the summer values used by the Federal government for Anchorage (i.e., maximum lodging: \$213, Meals: \$96, Incidentals: \$23). Are the rates shown in Attachment 5 the maximum rates that should be shown in the detailed budget?
- A. The Cost Proposal Form is modified by this amendment to address this question. However, the detailed cost per task should not include travel costs, and the travel costs shown on the cost proposal form are for evaluation purposes only. The State reimburses the actual costs of coach airfare, lodging, and ground transportation, in addition to the meal and incidental expense allowance. **Offerors must use the attached revised cost proposal form.**
18. Q. Does “staff member” in 6.04 and Evaluation Form 7.02(c) mean a team staff member or an employee of the Offeror?
- A. I suppose it could be a team staff member, but typically the project lead would be an employee of the offeror.

END OF QUESTIONS AND ANSWERS

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Attachment 5
COST PROPOSAL FORM

Offerors must submit one copy of their cost proposal on the following form in a sealed envelope separate from the technical proposal.

Labor and Direct Expenses (Other than Travel)

Item Number	Task	Cost/Task
1.	LNG Markets: current commercial and pricing trends; commercial contract terms; engagement and participation of value chain participants and the traders, customers, and other end users.	\$ _____
2.	Supply Chain Elements: cost estimates and transparency; description of project organizational and commercial structure.	\$ _____
3.	Fiscal Framework (1): international fiscal terms and structures.	\$ _____
4.	Fiscal Framework (2): role of Alaska land ownership position and options that will contribute to project advancement. This should focus particularly on the value and disposition of the State's royalty ownership.	\$ _____
5.	Risk allocation/commercial structure:	\$ _____
6.	Provide strategic decision making and negotiating strategy development and support.	\$ _____
TOTAL LABOR AND EXPENSES (Add items 1-6 above)		\$ _____

*****The offeror must provide a detailed listing of the anticipated labor and direct costs (other than travel expenses) for each of the tasks 1-6 above.**

Travel expenses (if applicable):

Flights (Use Coach fare – indicate carrier)

From Contractor/Team Member Home Base City _____ to Anchorage = \$ _____ round trip
(=\$0 if home base is Anchorage)

Per Diem Expenses

1. 2 trips x 2 days in Anchorage x 2 people x Per diem \$60.00/day = \$480 (=\$0 if home base is Anchorage)

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Lodging (Moderately priced hotel) – Estimates Only

2. 2 trips x 2 days in Anchorage x 2 people x daily cost of \$200 = \$1,600 (=\$0 if home base is Anchorage)

Car Rental (sub-compact) – Estimates Based on SOA Local Rates

3. One vehicle for 2 trips x 2 days in Anchorage x \$30.00/day = \$120 (\$0 if home base is Anchorage)

By signing below the Offeror certifies that the price was arrived at independently and without collusion, under penalty of perjury.

Offeror Name

Signature

Date

Printed Name/Title

***** NOTE: ATTACH REQUIRED DETAIL TO THIS SHEET *****

SUBMIT ONE COPY OF THIS COST PROPOSAL FORM AND ALL REQUIRED DETAIL IN A SEALED ENVELOPE SEPARATE FROM THE TECHNICAL PROPOSAL.

RFP 2013-1000-1881
North Slope Royalty Gas Study
Project Overview for Pre-Proposal Conference

As commercialization of ANS natural gas moves forward, the Department of Natural Resources expects to make decisions regarding the manner in which it takes its royalty production. The terms of leases that hold natural gas reserves expected to be included in a large-scale LNG project provide for the Department to take royalty in value or in kind. Further, the Department may switch from time-to-time with relatively short notice whether it takes its royalty in kind or in value, which presents a challenge to lessees attempting to strike the commercial agreements necessary to finance and construct a project. The information gathered under this RFP will inform the Department's decision-making over the next several months.

The Department's goal is to maximize the value of the State's share of the resource while making commercially reasonable decisions regarding the manner in which it values royalty, takes royalty, or disposes of royalty. An examination of the appropriate valuation methodology—including deductions for the costs of transporting gas to market—will be key to understanding whether taking royalty in kind offers an opportunity to improve the State's position. The cost of capital under various scenarios as well as the likely pricing of LNG sales under those scenarios will be the focus of this review.

North Slope Royalty Gas Study RFP 2013-1000-1881 PPC Sign In Sheet
 May 7, 2013

Name	Company	Address	Phone Number	Email Address
David Friedman	SAIC			
Glenn	KPMG			
Liliana Diaz	BRG		202-480-2700	ldiaz@brg-expert.com
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Delma bratvold	SAIC			delma@saic.com bratvold@saic.com
Harry Vidas	ICF			
Reah Mitah	Gas Strategies			

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 May 7, 2013

Name	Company	Address	Phone Number	Email Address
Mike Houghurst	KPMG LLP	KPMG LLP Suite 600 701 W. 8th Ave Anchorage, AK	907-265-1210	mhoughurst@kpmg.com
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Mike Donnelly	Black & Veatch			
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Peter	Gas Strategies			

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 May 7, 2013

Name	Company	Address	Phone Number	Email Address
Fred Morris	KPMG			
Marta	KPMG			
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