



State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE AND PROPERTY
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Governor

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State Treasurer

March 2, 2004

Addendum #4

Re: Supply of Natural Gas for Various State and State Affiliated
Agencies
04- X-36648

Original Stage 3 Bid Proposal Due Date: March 2, 2004, 2:00 P.M.
Revised Stage 3 Bid Proposal Due Date: March 9, 2004, 2:00 P.M.

Dear Stage 3 Bidder:

This letter and its attachments form Addendum #4 to the Supply of Natural Gas for Various State and State Affiliated Agencies RFP, 04-X-36648. This addendum revises bid price sheets 10 - A, 10-D and 10-H. This addendum deletes bid price sheets 10-A, 10-D and 10-H from the original RFP and Addendum #2 and replaces them with the "Revised 3-02-04" forms as described below.

Included in this letter is a new question and answer to the RFP. The question is a summary of the question that led to this addendum. The answer explains the changes that were made to the price sheets and the data.

Attached to this addendum is the current version of all the bid price sheets with all the revisions. All bid price sheets are marked as "Issued with Addendum #4" and March 2, 2004. Bidders are advised to delete all the prior bid price sheets provided in the original RFP and in Addendum #2 and replace them with the bid price sheets provided in this addendum. If a bid sheet has been revised, and a bidder uses a bid price sheet that was not revised, that bid will be determined to be non-responsive to the bid submission requirements and the bidder ineligible for contract award for the affected bid group.

Also attached to this addendum is a complete revision to the data that was provided on the CD ROM for Elizabethtown Gas and South Jersey Gas Company. This new data set includes the changes discussed in the question and answer.

To date bidders have received the RFP, Addendum #1, Addendum #2, Addendum #3 and a deficiency letter associated with the Stage 2 Qualification Submission. The Stage 3 Bid Proposal due date has changed to March 9, 2004 at 2:00 pm.

It is important for bidders to review and cross-reference this addendum to the RFP prior to preparing a bid. You should direct any additional questions or comments about the RFP to me at 609-984-6241.

Sincerely,

Edward T. Cotterell

Edward T. Cotterell
Contract Procurement Specialist

Question:

After review of Appendix II, the historical usage information supplied as part of RFP 04-X-36648 in the CD ROM, there appears to be volume discrepancies on the Elizabethtown Firm, NJNG Firm, and the SJG Firm Accounts.

Elizabethtown Firm – The September usage of 125,454 therms, in aggregate is way out of sync with the August usage of 11,308 therms and the October usage of 69,168 therms. After a review of the detail supplied and information gathered from the LDC, it appears that the numbers supplied for September and/or October were an aggregate total for the summer period, April through October, instead of the total for the single month for September or October.

NJNG Firm – The July usage of 30,336 therms in aggregate is out of line with the June usage of 19,995 and the August usage of 7,765 therms.

PSEG Firm – The August usage of 1,359,666 therms, in aggregate is way out of line with the June usage of 85,129 therms and the August usage of 77,950 therms.

SJG Firm – The July usage of 203,699 therms, in aggregate is out of line with the June usage of 85,129 therms and the August usage of 77,950 therms.

Answer:

Elizabethtown Firm – The aggregate totals provided in the bid price sheet for Etown-Firm (Attachment 10-A) incorrectly included the summer (Apr-Oct) subtotal and reported it as either September or October totals. A correction has been made, resulting in a revision to the detailed account usage information, and a revision to the aggregate totals in the bid price sheet for the months of September and October. See the revised data supplied with this addendum.

NJNG Firm - No errors in reported data found. Data confirmed. No changes will be made.

PSEG Firm - No errors in reported data found. Data confirmed. No changes will be made.

SJG Firm – The data is confirmed as accurate. However, LDC provided two years worth of usage data by account, and a review indicates that for one account (Acc No. 10740099303), the 2002 reported data for July appears more in-line with surrounding months than the 2003 data. Therefore, the aggregate totals in the bid price sheet for July have been revised to include 2002 reported usage instead of 2003-reported usage for that account. In addition, during the course of the review in response to the question, it was found that the data reported by the LDC for two other SJF-Firm accounts (Acc Nos. 20439000306 and 20439002203) contained billing errors (usage overstatements) in September, October and November that were subsequently corrected by the LDC via bill credits. The detailed account usage information contained in Appendix II for those accounts reflect the incorrectly billed usage totals billed by the LDC. The detailed account usage file for SJG-Firm has been revised to reflect the LDC-corrected usage totals for these two accounts. The aggregate totals for the bid price sheet for SJG-Firm (Attachment 10-D) has been revised for July to reflect Account No. 10740099303 as discussed above, and has been revised for September, October and November to reflect revision of Account Nos. 20439000306 and 20439002203 as discussed above. See the revised data supplied with this addendum.

The bid price sheet for the Prompt Payment accounts (Attachment 10-H) has been revised to reflect revised aggregate totals for September, October and November in accordance with the Etown-Firm and SJG-Firm revisions discussed above for those accounts included in the Prompt Payment program. (Note: there is no change in the Prompt Payment group aggregate total for July, since the only account being revised for July is not for a Prompt Payment program participant).