



## **South Mississippi Electric Power Association**

**REQUEST FOR PROPOSALS**

**FOR**

**CAPACITY AND ENERGY  
Beginning 2015**

**Opening Date**

**July 1, 2011**

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## 1.0 Purpose of Request for Proposals

South Mississippi Electric Power Association (SMEPA) is a generation and transmission cooperative which is owned by and provides electric service to the following 11 member distribution cooperatives:

- Yazoo Valley EPA
- Coahoma EPA
- Southwest Mississippi EPA
- Coast EPA
- Dixie EPA
- Twin County EPA
- Delta EPA
- Pearl River Valley EPA
- Singing River EPA
- Southern Pine EPA
- Magnolia EPA

These 11 member cooperatives are served by three different transmission arrangements: the SMEPA area, the Entergy Mississippi (EMI) area, and the Mississippi Power Company (MPCo) area. The SMEPA area includes SMEPA owned transmission facilities and generation assets which serve most of Dixie EPA, Pearl River Valley EPA, and Southern Pine EPA, as well as a portion of Singing River EPA delivery points. The SMEPA area is operated as a Balancing Authority and is interconnected with the transmission systems of the following neighboring Balancing Authorities:

- Entergy
  - 480MVA interconnection with Entergy Mississippi at Magee, MS
  - 300 MVA interconnection with Entergy Mississippi at Silver Creek, MS
- Southern Company
  - 432 MVA interconnection with Mississippi Power Company at Purvis, MS
- PowerSouth Electric Cooperative
  - 336MVA interconnections with at Waynesboro, MS
  - 450MVA interconnection at Green County MS
- Tennessee Valley Authority –
  - 296MVA interconnection with TVA at Lake, MS

Member delivery points in the EMI area are served using the Entergy transmission system through a grandfathered contractual agreement. Generation responsibilities for the load in the EMI area is provided by SMEPA generation resources located within the EMI area, dispatched to the EMI area, or from SMEPA generation in the SMEPA area through the Magee transmission interconnection. The loads in the EMI area include Yazoo Valley EPA, Coahoma EPA, Delta EPA, Twin County EPA, Southwest Mississippi EPA, Magnolia EPA, and a portion of Southern Pine EPA.

The MPCo area includes the Coast EPA load, most of the Singing River EPA load, and small portions of the Dixie EPA, Southern Pine EPA, and Pearl River Valley EPA loads. The majority of the load in the MPCo area is served through all-requirements contracts with MPCo that provides both generation and transmission. In April 2011, SMEPA assumed generation responsibilities for approximately 150MW of load in the MPCo area.

SMEPA is projected to be capacity deficient in 2015 due to a variety of issues including load growth projections and the expiration of contract purchases. Therefore, SMEPA is seeking proposals to meet its future capacity needs. Although all proposals will be

evaluated based on how the resource will fit within the SMEPA generation fleet, the long-term goal is to increase ownership of resources that are used to serve SMEPA load. Therefore, potential ownership options in existing facilities will be evaluated as well.

In addition, SMEPA is in need of resources to assist in maintaining its Balancing Authority requirements. Therefore, in addition to evaluating economics of the resource, future resources will be evaluated based on its location, operational flexibility, ability to meet regulation requirements through Automatic Generation Control (AGC), ramp rates, deliverability, and overall reliability.

As a result, SMEPA is seeking proposals to supply capacity and energy to meet its projected peaking, intermediate, and base load generation needs as outlined in Section 2.6.3. Due to the magnitude of the capacity and energy needs of the system, SMEPA will not be reviewing any proposals for non-dispatchable renewable energy or demand response type offers. Interested parties with offers for these products may make unsolicited offers to SMEPA outside of this RFP.

## **2.0 Instructions to Respondents**

### **2.1 General**

- 2.1.1 Nothing contained in this Request for Proposals (RFP) shall be construed to require or obligate SMEPA to select any proposals or limit the ability of SMEPA to reject all proposals in its sole and exclusive discretion. SMEPA further reserves the right to withdraw and terminate this RFP at any time prior to the execution of a contract.
- 2.1.2 The submission of a proposal to Burns & McDonnell (B&M) shall constitute Respondent's acknowledgment and acceptance of all the terms, conditions and requirements of this RFP.
- 2.1.3 Subject to 2.1.4, all proposals submitted to B&M pursuant to this RFP shall become the exclusive property of SMEPA and may be used for any reasonable purpose by SMEPA.
- 2.1.4 SMEPA shall consider materials provided by Respondents in response to this RFP to be confidential only if such materials are clearly designated as "Confidential". Respondents should be aware that their proposal, even if marked "Confidential", may be subject to discovery and disclosure in regulatory or judicial proceedings that may or may not be initiated by SMEPA. In addition, SMEPA is a borrower under the Rural Utilities Service (RUS) and, as such, is subject to certain disclosure requirements of the U.S. Government. SMEPA expects to provide summaries of all bids to RUS with the Respondent's identity concealed. Separately from the bid summaries, SMEPA expects to provide RUS a list of companies that provide responses. SMEPA shall not be held responsible for any release of information, confidential or otherwise, by RUS. Respondents may be required to justify the requested confidential treatment under the provisions of a protective order issued in such proceedings. If required by an order of an agency or court of competent jurisdiction, SMEPA may produce the material in response to such order without prior consultation with the respondent.

2.1.5 Respondents shall be responsible for all costs and issues associated with responses, contract negotiations; completion of the contract; all taxes, duties, fees, and other charges associated with the delivery of capacity and energy under the contract; and compliance with all local, state, and federal laws that may affect the contract.

2.1.6 B&M anticipates that transmission access and capacity will be a factor in selection of the final responses. All costs and coordination required for any Transmission Service Requests to the point of delivery as discussed in Section 2.6.3.2 are the responsibility of the Respondent.

## 2.2 Overview of Process

2.2.1 B&M has set-up a website and an e-mail box to collect all internet communication from potential respondents as well as to provide uniform communication including updates and specific detail as may be provided from time to time through this bidding process. The website address is: **SMEPARFP.com**. Respondents will also be able to obtain copies of the RFP and all Exhibits on the website. The e-mail address for submission of questions is: smeparfp@burnsmcd.com.

2.2.2 The response process will include the activities and events as indicated in the schedule on Exhibit A. Response opening will be performed in private. Proposals will be screened and offers that do not meet the requirements of this RFP will be rejected as non-conforming. The independent evaluation of the bids will be performed by B&M. Respondents on any short list developed will be invited to begin negotiations of final details of the offers. Final evaluation of the offers, considering contract terms and transmission service reservations, will then be performed.

## 2.3 Notice of Intent to Respond

2.3.1 Each potential Respondent is requested to advise B&M by June 14, 2011 of its intent to submit a proposal by submitting a Notice of Intent to Respond, attached hereto as **Exhibit B**.

2.3.2 The Notice of Intent to Respond form may be faxed or e-mailed to the following address:

Kiah Harris  
Burns & McDonnell  
Fax: (816) 822-3027  
E-mail: smeparfp@burnsmcd.com

## 2.4 Deadline and Method for Submitting Proposals

2.4.1 Proposals must be submitted in the complete name of the party expecting to execute any resulting contract with SMEPA. The proposal must be executed by a person who is duly authorized to bind the Respondent to a contract.

2.4.2 All proposals submitted in response to this RFP must be received by B&M no later than July 1, 2011. **B&M will not accept proposals received after the specified date and time and said proposals will be disqualified from further evaluation.**

2.4.3 Respondents are required to provide three (3) bound sets of all documents, including exhibits, as part of its proposal. It is further requested that multiple proposals submitted by each Respondent be identified separately. Proposals must be delivered to the following address:

SMEPA RFP  
c/o Kiah Harris  
Burns & McDonnell  
9400 Ward Parkway  
Kansas City, MO 64114

**Only hard copies of the proposals will be allowed. E-mailed proposals will not be accepted as meeting the time requirements for submission; however, electronic versions may be requested by SMEPA.**

## 2.5 Questions and Interpretation of RFP

B&M requests that all questions concerning this RFP be submitted in writing to B&M at the e-mail address indicated in Section 2.2.1. Answers will be provided to respondents through written responses posted to the web site. B&M will not be responsible for other explanations or interpretations of the RFP. Written questions will be accepted by B&M until 7 days before the proposal submittal deadline. Proposers should check the web site periodically for updates and postings

It shall be the obligation of the Respondent to identify to B&M any conflicting statements, need for clarification, or omissions of pertinent data from the RFP before bids are due. Any questions not resolved by the bid date shall be identified in the proposal and a statement made as to the basis of the proposal.

## 2.6 Requirements of the Proposals

2.6.1 Proposals must be provided in the format outlined in Section 3.0. The content of proposal(s) shall be subject to the requirements of this RFP. B&M requests that all exhibits, documents, schedules, etc. submitted as a part of a proposal be clearly labeled and organized in a fashion that facilitates easy location and review.

2.6.2 All proposals must conform, as applicable, to the requirements within this RFP.

2.6.3 This RFP is for the supply of capacity and associated as scheduled energy to meet SMEPA's capacity needs, beginning in 2015, which are as follows:

- 2015 – 100
- 2016 - 200

- 2017 – 250
- 2019 – 300
- 2021 – 600
- 2022 – 800
- 2023 – 850
- 2025 - 900

Capacity needs include peaking, intermediate, and base load. Capacity and energy offers will be considered within the overall portfolio of SMEPA. Other product considerations are as follows:

- 2.6.3.1 The description of products proposed shall be in accordance with the Edison Electric Institute's Master Power Purchase & Sale Agreement, Schedule P: Products and Related Definitions.
- 2.6.3.2 The Point of Delivery (POD) for all products can be either the SMEPA, Entergy or Southern Company areas. The POD shall be clearly specified in the proposals.
- 2.6.3.3 Capacity values must be in minimum 25 MW amounts.
- 2.6.3.4 The products proposed will be for a minimum of five (5) years.
- 2.6.4 Proposals must be for ownership in new or existing generating facility(ies) or for purchase of firm capacity and energy. **SMEPA will not consider proposals for energy only or capacity only.** Any purchase offers must identify the resource or system supplying the capacity and energy including the amount supplied by renewable resources, and any special regulatory status that may be claimed to include certification as a Qualifying Facility under the Public Utilities Regulatory Policy Act.
- 2.6.5 Respondents may submit more than one proposal.
- 2.6.6 The pricing, as set forth in Section 4.2, contained in each proposal shall reflect all present applicable state and federal environmental regulations and requirements, including, but not limited to, sulfur dioxide allowances, nitrogen oxide allowances, and emissions fees. B&M reserves the right to estimate the impacts of future environmental regulations on Respondent's offer. SMEPA will not be responsible for any environmental costs not included in the bid cost estimates associated with services or products obtained from the Respondent as the result of an executed contract. .
- 2.6.7 Respondents are advised that prior to SMEPA signing a power supply agreement, the Respondent will be required to provide substantial evidence of credit assurance as detailed in Section 3.9 of this RFP. All forms of credit assurance will be approved by SMEPA before entering into an agreement. The form and quality of credit assurance shall be

approved by SMEPA and its lending institutions prior to further negotiations.

### **3.0 Proposal Organization**

The Supplier Respondent understands that SMEPA will rely on the representations contained in the Proposal and this Agreement in its evaluation and consideration of proposals submitted pursuant to the RFP. The Respondent further understands that its inability to substantiate and verify any such representation may result in the termination of further consideration and/or evaluation of the Proposal. All such representations made in the Proposal are true and accurate to the best of the Respondent's knowledge and belief. All Proposals shall include the following minimum components in the order provided:

#### **3.1 Executive Summary**

An "executive summary" of the highlights and special features of the Proposal.

#### **3.2 Statements**

3.2.1 A statement from the Respondent must be provided clearly indicating the time period during which the proposal will remain effective. The structure of the proposals must remain effective at least until November 1, 2011.

#### **3.3 Contract Terms**

A comprehensive listing and description, including a rationale, if warranted, of all contract terms and conditions that the Respondent would seek during contract negotiations.

#### **3.4 Proposal Limitations**

A listing of any economic, operational or system conditions (including sensitivities to anticipated dispatch levels) that might affect the Respondent's ability to deliver energy as offered.

#### **3.5 Technical Proposal**

A description of the source of the capacity and energy shall be provided. Information shall be included as discussed in Section 4.1.

#### **3.6 Cost Proposal**

Information on the cost of the product must be provided. Information shall be included as discussed in Section 4.2.

#### **3.7 Company Financial Data**

Information on the makeup of the company and its parent organization shall be provided along with the most current annual financial reports and SEC Form 10K (if applicable to the Respondent) (Links to data on Company website is acceptable for this requirement)

### 3.8 Exhibits

Site locations of the proposed projects and other drawings that would be helpful in describing projects shall be included. For projects to be constructed, information shall be included as discussed in Section 4.1.1.

### 3.9 Security and Reliability of Physical Delivery

SMEPA requires secure and reliable physical delivery of the capacity and associated energy corresponding to all power supply offers. Security and reliability of physical delivery will be guaranteed by either (1) evidence of contractual credit assurance by a third party, (2) parent corporation commitment accompanied by an investment level credit rating from a major rating agency, or (3) various combinations of 1 and 2. All forms of credit assurance shall be subject to the approval of SMEPA and its lending agencies before entering into a power supply agreement.

## 4.0 Proposal Content

For consideration in the evaluation process, proposals must contain the information outlined in the following paragraphs for the respective proposal type.

### 4.1 Technical Proposal

The proposal shall contain sufficient technical information to fully describe the project and allow a determination of the status and condition of proposed sources of capacity. The following information shall be required.

#### 4.1.1 Capacity and Energy from New Resources

4.1.1.1 The effective date and the proposed term of all requisite development, ownership, financing and/or operating and maintenance agreements. The amount of capacity from the project available for SMEPA's use.

4.1.1.2 A detailed description of the type, fuel type(s), technology, location, nature, and operational status of the facility(ies). Said description will include the facility's net continuous generating output, and heat rates (HHV) at various operational levels by fuel type(s). An itemized description of the cost components of fixed O&M and variable O&M shall also be included. The basis conditions for the net ratings of all generating unit outputs shall be based on ambient conditions as defined in the proposal. The definitions of the basis conditions shall be complete and descriptive of the proposal.

4.1.1.3 If the generating facility(ies) are located remote from the desired Points of Delivery, the Respondent shall identify the type of firm transmission service being provided for delivery to the POD as outlined in Section 2.6.3.2

- 4.1.1.4 SMEPA desires resources that offer operational flexibility and can be dispatched as required to meet Balancing Authority system regulation requirements (Automatic Generation Control or AGC) and spinning reserve requirements. To the extent that the proposal includes resources that can be used for this purpose, the Respondent must provide a detailed description of the scheduling or dispatch process, ramp rates, and any energy magnitude and duration limitations.
  - 4.1.1.5 A detailed construction schedule for completion of the facility with the proposed commercial date. List of construction contracts and status of award, status of all site acquisition and right of way procurement.
  - 4.1.1.6 A description of the facility's ability to comply with all presently applicable and anticipated environmental regulations and requirements and any additional environmental benefits that the facility would, or presently does, afford. A listing of expected emissions and the status of all permit applications. A listing of any potential or known environmental liabilities which may be associated with the project or its sites.
  - 4.1.1.7 A description of the facility(ies) maintenance plan and schedule for the term of the proposed contract and any flexibility as to the timing of maintenance that the Respondent might afford SMEPA. SMEPA reserves the right to negotiate a final maintenance schedule with the Respondent during contract negotiations.
- 4.1.2 Capacity and Energy from Existing Resources
- 4.1.2.1 Up to five years of representative historical annual operating data (unit availability, production costs, energy generated plus other facts which the Respondent may deem appropriate), together with a detailed description of the type, age, technology, location, nature and operational status of the facility(ies), including the size and schedule of proposed sales of energy and capacity to SMEPA.
  - 4.1.2.2 To the extent that the proposal offers energy that can be scheduled or dispatched (AGC) by SMEPA's operators, the Respondent must provide a detailed description of the scheduling or dispatch process, and any energy magnitude and duration limitations.
  - 4.1.2.3 A description of the facility's ability to comply with all presently applicable and anticipated environmental regulations and requirements and any additional benefits that the facility would, or presently does, afford.
  - 4.1.2.4 A description of the facility(ies) maintenance plan and schedule for the term of the proposed contract and any

flexibility as to the timing of maintenance that the Respondent might afford SMEPA. SMEPA reserves the right to negotiate a final maintenance schedule with the Respondent during contract negotiations.

4.1.2.5 If the generating facility(ies) are located remote from the transmission system of SMEPA, Entergy, or Southern Company, the Respondent shall identify the type of firm transmission service being provided for delivery to the POD.

#### 4.1.3 Capacity and Energy from Utility System

4.1.3.1 The expected generation fuel types that will provide the energy for the contract. If the sources will vary seasonally, describe the expected sources for each season.

4.1.3.2 Describe the expected level of firmness of the capacity and energy and the treatment of SMEPA interruptions with respect to system disturbances or other curtailment criteria.

4.1.3.3 To the extent that the proposal offers energy that can be scheduled (dispatchable) for economic dispatch purposes by SMEPA's operators, the Respondent must provide a detailed description of the scheduling process, ramp rates, and any energy magnitude and duration limitations.

4.1.3.4 If the generating facility(ies) are located remote from the transmission system of SMEPA, Entergy, or Southern Company, the Respondent shall identify the type of firm transmission service being provided for delivery to the POD as outlined in Section 2.6.3.2.

4.1.3.5 Details of any energy limitations, voltage requirements, power factor requirements, etc. associated with the power supply proposal.

#### 4.2 Price Proposal

Proposals must provide a detailed description of the pricing terms and conditions. During any subsequent discussions and/or negotiations, SMEPA may request modification to the proposed pricing scheme in order to accommodate its own operational or administrative requirements. For consideration in the evaluation process, proposals must contain the information outlined in the following paragraphs for the respective proposal type.

Note: SMEPA requires that Respondents utilizing coal or gas as a source fuel use an industry accepted standard basis to build its energy price forecast. Respondents shall specify the index, source location of fuel, type of fuel, and Btu content, as well as the expected transportation method and cost.

##### 4.2.1 Ownership Purchase

4.2.1.1 New Resources

- 4.2.1.1.1 Construction costs must be provided which include all costs of developing, designing, constructing, start-up, and financing the facility(ies) through construction. Amounts and dates of payments required by SMEPA shall be provided.
- 4.2.1.1.2 An estimate of the costs and timing of on-going annual capital additions associated with each proposed generation facility.
- 4.2.1.1.3 An estimate of annual fixed O&M costs associated with each proposed generation facility.
- 4.2.1.1.4 An estimate of annual emissions allowances, variable O&M, and startup costs associated with each proposed generation facility for loading at a capacity factor typical of the type of resource being proposed.
- 4.2.1.1.5 Estimated percent annual unit availability. Percent annual unit availability is defined as 100 times the total number of hours the unit is available for generation in a year divided by the number of hours in that year.
- 4.2.1.1.6 All costs associated with delivery of the energy to the POD as outlined in Section 2.6.3.2. The method of accounting for transmission losses shall be described.

4.2.1.2 Existing Resources

- 4.2.1.2.1 A lump sum payment, which includes all costs of acquisition of the proposed capacity including transfer of title, permits, etc. to SMEPA.
- 4.2.1.2.2 An estimate of the costs and timing of on-going annual capital additions associated with each proposed generation facility.
- 4.2.1.2.3 An estimate of annual fixed O&M costs associated with each proposed generation facility.
- 4.2.1.2.4 An estimate of annual emissions allowances, variable O&M, and startup costs associated with each proposed generation facility for loading at a capacity

factor typical of the type of resource being proposed. Estimated percent annual unit availability and guaranteed minimum percent annual unit availability.

- 4.2.1.2.5 All costs associated with delivery of the energy to the POD as outlined in Section 2.6.3.2. The method of accounting for transmission losses shall be described.

#### 4.2.2 Contract Purchase

Respondents may offer capacity and energy from new or existing resources or from a utility system on a contract purchase basis. Under this arrangement, the Respondent retains all ownership responsibilities and SMEPA provides only a capacity and energy payment in accordance with a purchase agreement to be negotiated. The Respondent must demonstrate that it has the requisite regulatory authorization to make sales contemplated by its proposal.

- 4.2.2.1 Proposed capacity, cost, and availability for new or existing resources shall be provided. Support shall be provided for estimated availability in the form of historical data or industry average data for the given resource. SMEPA reserves the right to estimate the availability of a resource at its sole discretion if a reasonable availability is not provided by the Respondent. Proposed capacity rates shall include all losses, wheeling and other charges associated with delivery to the POD as outlined in Section 2.6.3.2.

- 4.2.2.1.1 The Respondent shall provide the starting capacity rate and applicable formula for escalation with proposed indices or a schedule of capacity rates for the proposed contract term.

- 4.2.2.1.2 The Respondent shall identify the type of firm transmission service being provided, for delivery to the POD as outlined in Section 2.6.3.2.

- 4.2.2.2 Proposed energy rates shall include all losses, wheeling and other charges associated with delivery to the POD as outlined in Section 2.6.3.2.

- 4.2.2.2.1 The Respondent shall provide the starting energy rate and applicable formula for escalation with proposed indices or a schedule of energy rates for the proposed contract term.

- 4.2.2.2.2 The actual delivered energy, in any month, shall be determined in accordance with the

metering procedures as set forth in the contract which will be negotiated between SMEPA and the successful Respondent.

4.2.2.2.3 The Respondent shall specify the basis (i.e. annually, quarterly, monthly, etc.) and type of all payments it expects to receive. In the case of a fully dispatchable generating facility, such payments might include start-up payments (\$/start) or spinning payments (\$/operating hour). The Respondent may further specify a pricing formula, schedule, or some combination of the two, for determining these payments.

4.2.2.3 As applicable, the Respondent's proposal shall include all formulae that will be used to calculate the full capacity and energy rate, or any other rate that the Respondent may specify, with all its respective components well defined. A sample calculation illustrating the application of each formula is also required.

4.2.2.4 The Respondent must provide a printed schedule projecting for each contract year, quarter, or month, as appropriate, depending upon how frequently the Respondent's rate(s) or its respective components will be updated, for the full term of the proposed contract of the following:

4.2.2.4.1 Full capacity rate (and all its components)

4.2.2.4.2 Capacity payment

4.2.2.4.3 Energy rate (and all its components)

4.2.2.4.4 Projections of any independent variables (i.e. operating hours, number of starts, etc.) that are to be used in the calculation of payments

4.2.2.4.5 Energy payment

It is the Respondent's obligation to provide sufficient explanatory information to allow SMEPA to replicate this schedule.

## **5.0 Proposal Evaluation and Contract Negotiations**

### **5.1 Screening**

- 5.1.1 After the proposal submittal deadline, SMEPA will privately open all proposals and begin reviewing proposals for completeness and responsiveness. Those proposals which do not include all information in the order requested shall not be evaluated.
- 5.1.2 An initial screening will be developed to identify those proposals that meet the minimum criteria established by SMEPA for evaluation. Those proposals not considered to meet the required threshold will be rejected. Notification will be provided to the unsuccessful Respondents.
- 5.1.3 B&M may request that a Respondent provide additional information or clarification to its original proposal. B&M shall make such requests in writing and will also specify a deadline for compliance. Failure to provide the requested information or clarification by the deadline may result in the disqualification of the proposal.
- 5.1.4 B&M may select any number of proposals for further consideration. Further, SMEPA may at any time withdraw and terminate this RFP pursuant to Section 2.1.1, as it, in its sole and exclusive judgment deems appropriate.

### **5.2 Short List Development**

- 5.2.1 After the initial screening, B&M will evaluate the remaining proposals based on levelized value economic analysis, cost of delivery, contract extension options, relevant experience, or other evaluation criteria to develop a short list. B&M will present this recommended short list to SMEPA for joint evaluation.
- 5.2.2 During the evaluation process, B&M and SMEPA may choose to initiate discussions with one or more Respondents and to obtain refreshed pricing. For purposes of this RFP, discussions shall simply indicate SMEPA's interest in a particular proposal and its desire to obtain from the Respondent additional detailed information that may not necessarily be contained in the proposal. Discussions with a Respondent shall in no way be construed as commencing "negotiations" with a Respondent. B&M and SMEPA intend to use such discussions as a method of reducing the number of proposals to those, if any, that B&M and SMEPA determine warrant further evaluation and, possibly, contract negotiations. If B&M and SMEPA intend to initiate discussions, it will notify the Respondent of such intention and require the Respondent of such proposal to confirm, in writing, the offer and representations contained in its original proposal.
- 5.2.3 If B&M or SMEPA is not interested in a particular proposal, B&M will notify the Respondent as soon as practical after such determination is made.

### 5.3 Contract Negotiations

- 5.3.1 B&M will notify a Respondent in writing of its interest in commencing contract negotiations with that Respondent. SMEPA's commencement of and active participation in such negotiations shall not be construed as a commitment from SMEPA to execute a contract. If, however, a contract is successfully negotiated, it shall not be effective unless and until fully executed by SMEPA and the successful respondent in accordance with SMEPA procedures and any and all required regulatory approvals have been received.
- 5.3.2 SMEPA reserves the right at any time, during contract negotiations, at its sole discretion, to terminate or, once terminated, to resume negotiations with a Respondent.
- 5.3.3 SMEPA may require that certain provisions be included in its contracts. Such provisions may include, but are not limited to, financial assurance (depending on the financial means and historical performance of the Respondent), indemnification, liquidated damages for non-performance, ability of SMEPA to reassign its entire rights, or a portion thereof, to the contract to another party, and a "regulatory out" provision.
- 5.3.4 This RFP contains general guidelines and requirements for developing and submitting proposals. Nothing herein shall be construed to bind SMEPA unless and until a contract with a Respondent has been successfully negotiated, executed, and is effective. Once effective, the contract will govern the relationship between and responsibilities of the parties. The costs for responding to the RFP are the responsibility of the Respondent.

**Exhibit A**  
Schedule

The schedule as outlined below and referred to throughout this document is based on SMEPA's expectations as of the release date of this RFP.

Release of RFP	May 23, 2011
Notice of Intent to Respond Due	June 14, 2011
<b>Proposal Submittal Deadline</b>	<b>July 1, 2011</b>

B&M and SMEPA reserve the right to extend or otherwise modify any portion of the schedule or terminate the RFP process at its sole discretion.

**Exhibit B**  
**NOTICE OF INTENT TO RESPOND**  
Due June 14, 2011

<b>CONTACT INFORMATION</b>			
Company			
Contact:			
Name			
Title			
Telephone / Fax			
E-mail			
Mailing Address			
Signature of Respondent		Date	

Fax: 816.822.3027  
Burns & McDonnell  
Attn: Kiah Harris

E-mail: smeparfp@burnsmcd.com