

The following changes, clarifications, corrections, and additions are hereby incorporated into Solicitation SP0600-04-R-0122:

Delivery Schedule Changes:

South Region

1. Line Item 2017/Pine Bluff Arsenal, AR: Installation Notes 1 and 2 are hereby revised. The new schedule page may be found on page 5 of this amendment.

Note 1: For Pine Bluff Arsenal Southside (Main Post): Contractor will perform Billing Services. Installation MDQ is 3300 Dths firm requirement. The installation uses significantly less capacity eight months of the year. Capacity charges will be billed as a pass through to the customer. The Receipt Area on CenterPoint Energy Gas Transmission is Neutral (Flex), Receipt Number 16624.

Note 2: For Pine Bluff Arsenal Northside: Installation MDQ is 480 Dth of capacity on the CenterPoint Energy Gas Transmission (formerly Reliant) pipeline which is owned by Pine Bluff Arsenal, therefore the capacity charges will be a pass through to the installation. This is an incinerator plant, the requirement quantities will fluctuate and there could be large swings in daily natural gas usage for this meter. The receipt area on CenterPoint Energy Gas Transmission is North, Receipt Number 13216.

2. Line Items 2031-2039/Installations Behind Atlanta Gas Light (AGL): Installation Note 8 is hereby added. The group notes may be found on pages 6-7 of this amendment.

Note 8: Atlanta Gas Light (AGL) Account Numbers are provided FOR INFORMATION ONLY below:

5393293229, 4882851321, 4554188497, 6825197042, 2140436079, 169578205, 6396234143, 4643947044, 660195228, 4580876002, 3577441085, 8416368260, 1816287225, 2222077145, 3529147147, 1813078144, 6386226148, 8231661277, 2463073227, 3570649127, 1650390543, 9236873027, 4486985222, 737100010583, 737100010629, 737100010630, 737100010641, 737100010652, 737100010663

As these accounts are subject to change, a finalized list will be provided at time of award.

3. Line Item 2040/Little Rock Air Force Base, AR: Installation Note 2 is hereby added. The new schedule page may be found on page 8 of this amendment.

Note 2: The installation will utilize capacity via a transportation agreement with the pipeline directly. Therefore, no transportation is needed from the contractor.

4. Line Item 2051/Naval Coastal System Stations, FL: Installation Note 1 is hereby added. The new schedule page may be found on page 9 of this amendment.

Note 1: This item is an Individual Transport (IT) account with telemetry.

5. Line Item 2052/Federal Bureau of Prisons, FL: Installation Note 1 is hereby added. The new schedule page may be found on page 10 of this amendment.

Note 1: This installation is presently having a phone line installed and will have telemetry prior to contract award. This item is an Individual Transport (IT) account with telemetry.

Solicitation Clarification:

1. Clause B1.06, SUPPLIES TO BE FURNISHED (NATURAL GAS), Note 11, regarding Clause L2.08-2, INSTRUCTIONS TO OFFERORS, is amended to add the following guidance:

If the Government determines that discussions are necessary, offerors will be provided an opportunity to submit revised prices after close of discussions.

2. All questions in regard to this solicitation must be submitted in writing by October 25, 2004 to the following:

Libby Brown
Libby.e.brown@dla.mil
Phone: 703-767-8671
Fax: 703-767-8757

Candis Schiefer
Candis.schiefer@dla.mil
Phone: 703-767-8564
Fax: 703-767-8757

Offeror Submission Package (OSP) Clarification:

1. Attachment II, Technical Experience Form, is included in the OSP. Amendment 0001 contains the second part of this form. Both sections must be included with your proposal.
2. Attachment III, Past Performance Experience with End Users Form, may be faxed to DESC at 703-767-8757 any time prior to the RFP closing date and time; however, a hard copy should also be submitted as part of the offeror's submission package.
3. Acknowledgement and acceptance of all amendments must be included with the OSP.

Responses to Line Item Specific Questions:**South Region****Line Item 2020/Installations behind City Gas Company of Florida, FL:**

Question: Florida LDCs NUI/Citygas and Teco Peoples have Individual Transport (IT) customers (with telemetry) and Pooled customers (without telemetry). Is pricing for these two types of accounts different, based on the transportation rates and capacity released by the LDC for the pooled accounts? Do Patrick AFB, Kennedy Space Center, and Cape Canaveral have capacity released by the LDC for their deliveries?

Answer: The contractor is required to take capacity released by the LDC at the higher weighted average cost for all pooled accounts in Florida. Therefore, only one adjustment factor is requested for each item, regardless of the type of account. Patrick AFB has one interruptible account and remaining accounts are all pooled accounts. Kennedy Space Center has five interruptible accounts and the rest of the accounts are pooled. Cape Canaveral has one Interruptible account and the rest of the accounts are pooled.

West Region**1. Line Items 4005 & 4006/Installations behind SOCAL, CA:**

Question: These items list "Citygate CA Border" as the delivery point. Is this just for gas delivered at the border of SoCal's system, and does not include the transportation charged by SoCal?

Answer: The Citygate is for gas delivered at the SoCal system. SoCal has several receipt points at the California Border. The Southern Cal. Border Avg. SIP is inclusive of pipeline transportation cost. The transportation cost on the SoCal's Distribution System to the customers metered (delivery point), is paid directly to SoCal by the customer.

2. Line Item 4008/Installations Behind PG&E, CA

Question: Is the PG&E Citygate price inclusive of all transportation on PG&E's system?

Answer: The PG&E Citygate Supply Index Price is inclusive of transportation and shrinkage. The transportation cost on PG&E's Distribution system is paid directly to PG&E by the customer. Any In-Kind shrinkage (fuel loss) not captured in the SIP should be included in the adjustment factor.

The closing date and time for receipt of offers remains Thursday, November 4, 2004 at 2:00 p.m. local time, Fort Belvoir, VA.

2017 PINE BLUFF ARSENAL,AR

NOTE 1: For Pine Bluff Arsenal Southside (Main Post): Contractor will perform Billing Services. Installation MDQ is 3300 Dths firm requirement. The installation uses significantly less capacity eight months of the year. Capacity charges will be billed as a pass through to the customer. The Receipt Area on CenterPoint Energy Gas Transmission is Neutral (Flex), Receipt Number 16624.

NOTE 2: For Pine Bluff Arsenal Northside: Installation MDQ is 480 Dth of capacity on the CenterPoint Energy Gas Transmission (formerly Reliant) pipeline which is owned by Pine Bluff Arsenal, therefore the capacity charges will be a pass through to the installation. This is an incinerator plant, the requirement quantities will fluctuate and there could be large swings in daily natural gas usage for this meter. The receipt area on CenterPoint Energy Gas Transmission is North, Receipt Number 13216.

2017 Direct Supply Natural Gas to be delivered FOB CITYGATE ARKLA GAS COMPANY via FIRM OR FIRM EQUIVALENT TRANSPORTATION WITH SUPPLY MANAGEMENT from October 01, 2005 to September 30, 2008.

TOTAL QUANTITY		1,857,000		
			Estimated Quantity	Total Estimated Price
			Unit Price	

FIXED PRICE WITH EPA:				
2017 AA	SUPPLY INDEX PRICE		1,857,000	*
			Estimated Quantity	Total Estimated Price
			Unit Price	

FIXED PRICE WITH EPA:				
FIRM			1,857,000	*
2017 AD	WINTER ADJUSTMENT FACTOR		969,000	\$ _____
2017 AE	SUMMER ADJUSTMENT FACTOR		888,000	\$ _____

EQ	FOR ULTIMATE DELIVERY TO	MDQ	SUMMER QUANTITY	WINTER QUANTITY

201701	PINE BLUFF ARSENAL SOUTHSIDE FIRM	3,300	825,000	924,000
201702	PINE BLUFF ARSENAL NORTHSIDE FIRM	480	63,000	45,000

*The following information is provided for Clause B700, ECONOMIC ADJUSTMENT - MARKET PRICE AND TRANSPORTATION, paragraph (e):

(1) The SIP Table is as follows:

I	II	III	IV	V	VI	VII
Item No.	Delivery Point	Publication/ Table	Pipeline where SIP is applicable	Location where SIP is applicable	Applicable ceiling Provision	Supply Index Price

2017	CITYGATE ARKLA GAS COMPANY	INSIDE FERC'S GAS MARKET REPORT	N/A	HENRY HUB	ALT I	September, 2004

2031 - 2039 INSTALLATIONS BEHIND ATLANTA GAS LIGHT (AGL)

The following notes apply to Line Items 2031 through 2039:

NOTE 1: The successful offeror shall be required to perform billing services in accordance with Clause G702, BILLING SERVICES. However, any offeror that cannot comply with the invoice format requirements of Clause G702, BILLING SERVICES or I1.03-6, CONTRACT TERMS AND CONDITIONS- COMMERCIAL ITEMS (NATURAL GAS), paragraph(g) INVOICE may submit a sample invoice to demonstrate the format that would be used in event of award. The Government must be able to see or readily calculate that the total amount paid on an invoice equals the volume of Dekatherms delivered times the contract price for each location, type of transportation and delivery period being billed, plus other charges and taxes supported by the AGL tariff and/or actual AGL invoices/documents as specified in NOTES 4 & 5 below. If AGL billing cycles cross delivery months, DESC will expect that invoices will reflect the prorated quantities and the respectively Inside FERC Sonat, Louisiana and Transco, Zone 3 (Line Item 2035 only) price for each month and appear on a single invoice that will identify one specific billing period as determined by AGL per market standards, or that the DESC contractor will accept payment at the DESC monthly contract price applicable to the majority of days in the cycle.

NOTE 2: The successful offeror will be assigned the firm capacity and upstream assets by Atlanta Gas Light (AGL) to provide delivery services to installations with firm requirements. Each Installation will remain under an Atlanta Gas Light transportation tariff and the LDC transportation charges will be billed to the successful offeror. The successful offeror shall include all AGL charges on its invoice as pass-through charges.

NOTE 3: The following regulated intrastate utility charges and taxes, as amended or changed by AGL or the State of Georgia from time to time, shall be managed as pass through costs and added to the contractor's invoice without mark up, if applicable:

a. FOR FIRM TRANSPORTATION ONLY:

INTRASTATE CHARGES	APPLICATION
AGL Customer Charge	Monthly
Daily Designated Design Capacity (DDDC) Charge	Monthly, per Dth of DDDC
Franchise Recovery Fee	Monthly
MCF Meter	Monthly, per MCF meter
Meter Reading	Monthly, Meter reading charge
Education Charges	Monthly, recovery fee
Pipe Replacement Charge	Monthly
INTERSTATE CHARGES	APPLICATION
DDDC * \$8.50	Monthly, per Dth of DDDC

b. FOR INTERRUPTIBLE TRANSPORTATION ONLY:

INTERSTATE CHARGES	APPLICATION
fuel loss (SONAT and Transco Zone 3)	Monthly

NOTE 4: The Government reserves the right to add requirements within the aggregated pools at contract price.

NOTE 5: The Government understands that, under AGL regulations, it is the Contractor's responsibility to call curtailments based upon any Operational Flow Orders (OFO's) called by AGL and that OFO's behind AGL are identified by pools instead of by specific customers. Therefore, the Government requests that offerors submit, with their initial offers, their company's operational plan for putting back on line its interruptible customers after OFO's have been lifted.

NOTE 6: All accounts under this contract must be switched over to the new contractor prior to the beginning of the delivery period. If an account is not switched and DESC receives an invoice from a company other than the new contractor for deliveries made on or after October 1, 2005, this invoice will be forwarded to the new contractor to pay directly and in turn the new contractor will invoice DESC the contract price for this account.

NOTE 7: Mismatch Orders, Curtailments, Procedures and Responsibilities

A. Demand Mismatch Orders

When a Demand Mismatch Order (DMO) is called by AGL, in accordance with AGL's guidelines the Contractor shall be responsible for notifying its interruptible customers in the affected pools to advise them that a DMO has been called. Since a DMO may be called at any time, to include week-ends and federal holidays, telephone numbers for both regular-duty and after hours/non-duty hours points of contact (POC) are provided for all interruptible installations, and is listed in Attachment II of any resultant contract. (Attachment will be properly named at time of contract award). It is the responsibility of the installations to keep the Contractor and DESC informed of any changes in the POC's names or telephone numbers.

Should it be necessary to contact after hours/non-duty hours POC as identified in the respective attachment, they shall, as primary means, be contacted directly. If this primary means is unsuccessful, then indirect methods for contacting such as fax, voice mail and e-mail will be acceptable and it will be the responsibility of the after hours customer personnel to provide additional support in notifying the POC. However, indirect methods for contacting such as fax, voice mail and e-mail will be acceptable during regular duty hours in the event the respective POC identified in Attachment II is not available. In the event the installations have failed to provide accessible POCs names and telephone numbers, then the Contractor shall use its best judgment to determine the appropriate DMO quantity for that installation and subsequently the installation will be responsible for any penalty. In the event the Contractor fails to notify the installation of the DMO, the Contractor shall be responsible for any mis-match penalty gas.

Upon notification by the Contractor, each installation in the pool(s) named in the DMO will have the choice of shutting off its gas and switching to its alternate fuel, or deciding with the Contractor on an estimated quantity of gas it will burn each day during the announced DMO period.

Once the DMO quantity is established between the Contractor and the installation, the Contractor shall provide a written notification to the installation and DESC confirming the DMO quantity. Thereafter, the installation shall be responsible for monitoring its daily gas usage during the DMO period to ensure that the established level is not exceeded. Daily quantities are determined per "gas day" of 10:00 a.m. Eastern Time Zone to 10:00 a.m. the following day. If the established daily usage is exceeded, the installation must pay the AGL penalty on the excess volumes taken.

The Contractor retains the right to curtail customers during a DMO.

B. Supply Mismatch Orders

The same procedures and responsibilities apply in the case of a Supply Mismatch Order (SMO). Under an SMO, a penalty occurs if the customer uses less than the established daily usage.

C. Curtailments

Capacity Curtailment: A capacity curtailment for Interruptible Service shall include, a limit to the Contractor's excess firm capacity beyond the control of the Contractor that results in delivery in less than the ordered quantity of gas for a whole or part of a gas day. Such circumstance shall constitute an Excuse To Performance for line items requiring limited interruptible or interruptible requirements.

NOTE 8: Atlanta Gas Light (AGL) Account Numbers are provided FOR INFORMATION ONLY below:

5393293229, 4882851321, 4554188497, 6825197042, 2140436079, 169578205, 6396234143, 4643947044, 660195228, 4580876002, 3577441085, 8416368260, 1816287225, 2222077145, 3529147147, 1813078144, 6386226148, 8231661277, 2463073227, 3570649127, 1650390543, 9236873027, 4486985222, 737100010583, 737100010629, 737100010630, 737100010641, 737100010652, 737100010663

As these accounts are subject to change, a finalized list will be provided at time of award.

2040 LITTLE ROCK AIR FORCE BASE, AR

NOTE 1: Line Item 2040 is exclusively set aside for Small Businesses. (See Clause I174.03)

NOTE 2: The installation will utilize capacity via a transportation agreement with the pipeline directly. Therefore, no transportation is needed from the contractor.

2040 Direct Supply Natural Gas to be delivered FOB CITYGATE ARKLA GAS CO via FIRM OR FIRM EQUIVALENT TRANSPORTATION WITH SUPPLY MANAGEMENT from October 01, 2005 to September 30, 2008.

TOTAL QUANTITY		695,364		
			Estimated Quantity	Total Estimated Price
			Unit Price	

FIXED PRICE WITH EPA:				
2040 AA	SUPPLY INDEX PRICE		695,364	*
			Estimated Quantity	Total Estimated Price
			Unit Price	

FIXED PRICE WITH EPA:				
FIRM			695,364	*
2040 AD	WINTER ADJUSTMENT FACTOR		532,131	\$ _____
2040 AE	SUMMER ADJUSTMENT FACTOR		163,233	\$ _____

EQ	FOR ULTIMATE DELIVERY TO		SUMMER QUANTITY	WINTER QUANTITY
		MDQ		

204001	LITTLE ROCK AFB FIRM	2,400	163,233	532,131

*The following information is provided for Clause B700, ECONOMIC ADJUSTMENT - MARKET PRICE AND TRANSPORTATION, paragraph (e):

(1) The SIP Table is as follows:

I	II	III	IV	V	VI	VII
Item No.	Delivery Point	Publication/ Table	Pipeline where SIP is applicable	Location where SIP is applicable	Applicable ceiling Provision	Supply Index Price

2040	CITYGATE ARKLA GAS CO	INSIDE FERC'S GAS MARKET REPORT	N/A	HENRY HUB	ALT I	September, 2004

2051 NAVAL COASTAL SYSTEMS STATION, FL

NOTE 1: This item is an Individual Transport (IT) account with telemetry.

2051 Direct Supply Natural Gas to be delivered FOB CITYGATE TECO/People's Gas via FIRM OR FIRM EQUIVALENT TRANSPORTATION WITH SUPPLY MANAGEMENT from October 01, 2005 to September 30, 2008.

TOTAL QUANTITY		93,645	Estimated Quantity	Unit Price	Total Estimated Price
FIXED PRICE WITH EPA:					
2051 AA	SUPPLY INDEX PRICE		93,645	*	*
FIXED PRICE WITH EPA:					
FIRM					
2051 AD	WINTER ADJUSTMENT FACTOR		66,810	\$ _____	\$ _____
2051 AE	SUMMER ADJUSTMENT FACTOR		26,835	\$ _____	\$ _____

EQ	FOR ULTIMATE DELIVERY TO	MDQ	SUMMER QUANTITY	WINTER QUANTITY
205101	NAVAL COASTAL SYSTEMS STN (MAIN LAB), FIRM	1,361	20,640	52,140
205102	NAVAL COASTAL SYSTEMS STN (DIVE SCHOOL) FIRM	37	6,195	14,670

*The following information is provided for Clause B700, ECONOMIC ADJUSTMENT - MARKET PRICE AND TRANSPORTATION, paragraph (e):

(1) The SIP Table is as follows:

I Item No.	II Delivery Point	III Publication/ Table	IV Pipeline where SIP is applicable	V Location where SIP is applicable	VI Applicable ceiling Provision	VII Supply Index Price
2051	CITYGATE TECO/PEOPLE'S GAS	INSIDE FERC'S GAS MARKET REPORT	FLORIDA GAS TRANSMISSION CO.	Zone 2	ALT I	September, 2004

2052 FEDERAL BUREAU OF PRISONS, FL

NOTE 1: This installation is presently having a phone line installed and will have telemetry prior to contract award. This item is an Individual Transport (IT) account with telemetry.

2052 Direct Supply Natural Gas to be delivered FOB CITYGATE NUI City Gas Company of FL via **FIRM OR FIRM EQUIVALENT TRANSPORTATION WITH SUPPLY MANAGEMENT** from October 01, 2005 to September 30, 2008.

TOTAL QUANTITY 49,758

		Estimated Quantity	Unit Price	Total Estimated Price
FIXED PRICE WITH EPA:				
2052 AA	SUPPLY INDEX PRICE	49,758	*	*
		Estimated Quantity	Unit Price	Total Estimated Price
FIXED PRICE WITH EPA:				
FIRM		49,758	*	*
2052 AD	WINTER ADJUSTMENT FACTOR	21,012	\$ _____	\$ _____
2052 AE	SUMMER ADJUSTMENT FACTOR	28,746	\$ _____	\$ _____

EQ	FOR ULTIMATE DELIVERY TO	MDQ	SUMMER QUANTITY	WINTER QUANTITY
205201	FEDERAL BUREAU OF PRISONS, FL FIRM	41	28,746	21,012

*The following information is provided for **Clause B700, ECONOMIC ADJUSTMENT - MARKET PRICE AND TRANSPORTATION**, paragraph (e):

(1) The SIP Table is as follows:

I Item No.	II Delivery Point	III Publication/ Table	IV Pipeline where SIP is applicable	V Location where SIP is applicable	VI Applicable ceiling Provision	VII Supply Index Price
205201	NUI CITY GAS COMPANY OF FL	INSIDE FERC'S GAS MARKET REPORT	FLORIDA GAS TRANSMISSION CO.	Zone 3	ALT I	September, 2004