

**Questions Related to the Request for Proposal (RFP) for the
Privatization of the Fort Hood Electric Utility System
Solicitation SP0600-04-R-0101**

- 1) Given the fact that commodity prices have increased costs to purchase wire and transformers as much as 40% over the past year, will the Government be updating the “should costs” from the 2002 contractor study to reflect the magnitude of these material cost increases rather than just applying some nominal inflation indices?

The Offeror should identify specific inventory items and the cost changes, to include referenced sources that can be researched and validated. The Offeror must identify independent sources - the Offeror's cost history is not an acceptable basis to determine whether their assertion has merit relative to the government cost estimate.

- 2) The CH2M Hill study from 2002 showed underground cable lives of 50 years. XLP cable, particularly the first-generation XLP cable, has a notorious history of failing within 25 years. Even EPR cable of the ages listed lasts no longer than 35 years. We respectfully ask that the Government revisit these assumptions, as “should costs” will not accurately represent the true life of underground cable.

The Offeror should identify specific inventory items and the cost changes, to include referenced sources that can be researched and validated. The Offeror must provide their basis for design lives for the items in question. The basis must be a referenced, independent source - the Offeror's experience is not acceptable to determine whether their assertion has merit relative to the government cost estimate.