

# Procurement Outline

1. Fairness, Transparency, and Non-discriminatory Conduct
  - a. Fairness
    - i. Using the bidding process inspires competition and robust offerings.
    - ii. OCC preferred method to achieve reliable and lowest cost supply of natural gas.
    - iii. Reduce affiliate pricing issues
  - b. Transparency
    - i. Enables efficient oversight from regulators and interested parties
    - ii. Inspires confidence from bidders
    - iii. Confirms prudence of awards
    - iv. Concerns: bidders not wanting information made public as to pricing abilities
  - c. Non-discriminatory Conduct
    - i. All bidders play by the same rules
    - ii. Any variation allowed from the original request could result in disputes from other parties
    - iii. Bid evaluation should apply the same principles for all bidders
2. Procedures for Public Notification of Requests for Bid
  - a. Notification through trade publications
  - b. Direct notification to potential bidders

*Notification should include:*

  - c. Specific need to be filled and if non-conforming bids will be considered
  - d. Deadline for submission
  - e. Method and information for submission and contacts
3. Procedure for Submitting Bids
  - a. Procedures should be clearly stated in the notification and request for bid
  - b. Bids may be submitted in electronic or hardcopy, depending on complexity and desired format.
  - c. Specific date and time for submission should be followed
  - d. Avoid the appearance impropriety
4. Qualifications and Disqualifications from Participation
  - a. Capacity to fulfill commitments
  - b. Credit Ratings
  - c. Physical Storage
  - d. Alternative Resources
  - e. Past performance
5. Bid Analysis
  - a. Price related factors

- i. Overall Cost
    - ii. Alternative bids
    - iii. Special Discounts
  - b. Non-Price related factors
    - i. Ability to deliver
    - ii. Past performance
    - iii. Flexibility
  - c. Regulator Participation
  - d. Other Considerations
    - i. Having multiple awards rather than one large winning bid.
    - ii. Not relying too much on one bidder in case of non-delivery. Must be weighed with how much the next best bid price.
- 6. Dispute Resolution
  - a. Adherence to the process is the best defense in dispute resolution
  - b. Variance from the original request can create undue burden within the process
  - c. Regulator involvement should be a last resort
- 7. Company Example from ONG
  - a. Page 1-2: Request for bid submitted to the market by Oklahoma Natural Gas
  - b. Page 3-11: Bids submitted to fulfill the request.
  - c. Page 12: Company evaluation of the bids