

**Questions Related to the Request for Proposals (RFP) for Privatization of the Fort  
Polk Electric Utility  
Solicitation SP0600-04-R-0102**

1. Referencing Section I, Contract Clauses, the cost accounting standards (CAS) do not apply to regulated utilities (see the Section I.5 list of non-regulated utility clauses). Section I.4, however, includes a reference to DFARS 252.231-7000, Supplemental Cost Principles. Should this clause similarly not apply to regulated utilities? Should the reference be transferred from Section I.4 to I.5?

CAS does not apply to regulated utilities offering regulated rates. The DFARS Clause is contingent: If the cost principles apply the supplemental principles apply. The placement of the clause does not make a substantive difference.

2. Referencing Section I, Contract Clauses, the FAR 52.249-8 Default clause is included. This clause includes a “repurchase and set off” right whereby the Government may procure its services from an alternative supplier and deduct any additional costs from the (defaulted) contractor’s prices. For a regulated utility, this option is tantamount to a unilateral reduction in a tariff rate and cannot be permitted with PSC authorization. This is similar to issues with the standard Section E inspection clause, and presumably was why that clause does not apply to utilities proposing rates that are subject to independent regulation. It is suggested the clause either not apply to regulated utilities or that an alternative default clause that did not provide for unilateral price reductions be included.

The Default clause is included in all contracts including GSA Areawide contracts with utilities offering standard tariffs. It cannot be removed.

3. Referencing Section J1.2.1.1, System Description, there is a discussion of the informal agreement whereby there are “under build” Government lines on Entergy power poles and “over build” Entergy power lines on Government-owned poles. Prospective contractors must be prepared negotiate an agreement with Entergy for the continuation of these agreements. Please provide guidance as to the extent proposals should address either efforts to negotiate such an agreement or the likelihood that such negotiations would be successful (e.g., in accordance with the instructions for Section 2 of the Price Proposal at RFP Section L.7.5).

When presented with this situation, Offerors have a range of actions that they may pursue in developing their proposal. On the low end of the spectrum an Offeror might indicate that they intend to enter into bi-lateral negotiations with Entergy for joint use of the components. At the other end, an Offeror might indicate that they have consummated an agreement in principle with Entergy and include documentation to that effect. In evaluating the Technical Proposals, the initiative taken by the latter example would be recognized. This matter will be discussed in negotiations with the awardee.

4. Referencing Section J1.2.1.4, Inventory, the current system contains a number of circuit breakers and other facilities that are located within Entergy's North Fort Substation. The Government-owned facilities seem to be allowed under another informal agreement such as the one that applies to over- and under-built lines. Should prospective contractors similarly be prepared negotiate an agreement with Entergy for the continuation of such agreement(s)? Please provide guidance as to how this issue is to be addressed in proposal.

Though the points of demarcation are well defined, it may be necessary to establish or modify an agreement with Entergy. Again, the Offerors have a range of actions that they could take in assembling their proposal. Further discussions if necessary will be held during negotiations.

5. Referencing the Government's response to Question #6 concerning the expiration of the Entergy commodity electric service agreement, the Government stated:

"Theoretically, if Fort Polk wanted to purchase electricity from another supplier, they (Fort Polk) could terminate their arrangement with Entergy at any time."

(a) Please reconcile the above response with the requirements in FAR 41.202(e) which, among other things, requires (i) consistency with state law government the provision of electric utility service and (ii) a representation that service provided by an alternative electric supplier would be consistent with Section 8093 of Public Law 100-202.

Will address this during negotiations.

(b) Please confirm whether, in accordance with Section C.3.4 of the privatization RFP, the electric, water, or natural gas commodities are included.

C.3.5 clearly states that commodity supply is not included in this solicitation, but does leave the door open for alternative proposals. An alternate proposal is acceptable with the commodity included.

(c) Assuming, for discussion purposes only, that the Government could terminate the agreement, would this be deemed a termination for the convenience of the Government (i.e., a FAR "T for C") such that Entergy would be entitled to the recovery of its termination costs?

Will address this during negotiations.

6. Please provide information on the jurisdictional status of Fort Polk, to include areas are exclusive Federal (also referred to as enclaves), concurrent, and proprietary jurisdiction.

(a) If available, please provide a jurisdictional map of the Installation.

The jurisdictional map included in the Technical Library showed concurrent use of the High Voltage Lines.

Fort Polk is currently working on a map to show those Fort Polk owned lines within the Kisatchie Forest Land area and will make it available soon.

(b) Of particular interest is a comparison of the electric distribution facilities (especially the substations, switch stations, major circuits), or other major components) with the applicable jurisdictional status of the land on which the facilities are located.

The jurisdictional map included in the Technical Library showed concurrent use of the High Voltage Lines.

Fort Polk is currently working on a map to show those Fort Polk owned lines within the Kisatchie Forest Land area and will make it available soon.

7. The Technical Library included the results of a 1992 PCB management assessment. Table 3.5.2 indicated that the electric distribution system contained 43 tested transformers with PCB concentrations between 50 and 499 ppm and nine transformers with PCB concentrations greater than 500 ppm.

(a) Has the Installation reassessed its equipment and/or updated the 1992 study and, if so, are the results available? Of particular interest are the assessed transformers with PCB concentrations >500 ppm and between 50 and 499 ppm. Have any or all of these units been replaced or taken out of service?

The 1992 assessment is out of date. As far as Fort Polk knows to date, there are no PCB containing transformers left on site. These records are at the Environmental Division of DPW.

These records can be made available but not without some effort to transfer them into an electronic format for distribution.

(b) Does the Installation have documentation concerning the 1992 or other assessments that will be provided to the privatized service contractor?

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