

State of Maine Waiver of Competitive Bidding Request Form

Form Instructions: Please provide the requested information in the white boxes below. This form is to precede all contract requests that are not the direct result of a competitive bid process.

Requesting Department's Contract Administrator:	Robert A. Creamer	Office/Division/Program of Contract Administrator:	Public Advocate Office
Est. Contract Amount:	\$ 45,000.00	Contract or RQS Number:	CT20160525000000003720
Proposed Start Date:	July 3, 2019	Proposed End Date:	June 30, 2020
Vendor/Provider Name, City, State:	North Side Energy, LLC 56 Washington Drive Action, MA 01720		
Short Description of Good or Service:	Consulting Services for new and on-going natural gas-related proceedings at the Maine Public Utilities Commission and the Federal Energy Regulatory Commission. (for further detail, see attachment).		
Please note, for transparency purposes, Waivers of Competitive Bidding will be publicly posted. Public postings are placed on the Division of Procurement Services website for a period of seven consecutive calendar days.	<p>To be completed by the Division of Procurement Services</p> <p>Posting dates on Division of Procurement Services website: From: <u>7/3/19</u> To: <u>7/9/19</u></p>		
Notice of Intent to Waive Competitive Bidding Number:	NOI# 0720191158		
1. Statutory Justification			
State of Maine statute (5 M.R.S. §1825-B(2)) allows waivers of competitive bidding only for the specific reasons listed below. Please mark the appropriate box (X) next to the justification which applies to this specific request.			
	A. The procurement of goods or services by the State for county commissioners pursuant to Title 30-A, section 124, involves the expenditure of \$2,500 or less, and the interests of the State would best be served;		
	B. The Director of the Bureau of General Services is authorized by the Governor, or the Governor's designee, to make purchases without competitive bidding because, in the opinion of the Governor or the Governor's designee, an emergency exists that requires the immediate procurement of goods or services;		
<i>If citing the above justification for this Waiver of Competitive Bidding request, please have the requesting Department's Commissioner or Chief Executive (as the</i>	<i>By signing below, I signify as the Governor's designee there is an emergency that necessitates this non-competitive procurement.</i>		
	Signature:		
	Printed Name:	Date:	

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	<i>Governor's "designee" sign and date on the right.</i>		
X	C. After reasonable investigation by the Director of the Bureau of General Services, it appears that any required unit or item of supply, or brand of that unit or item, is procurable by the State from only one source;		
	D. It appears to be in the best interest of the State to negotiate for the procurement of petroleum products;		
	E. The purchase is part of a cooperative project between the State and the University of Maine System, the Maine Community College System, the Maine Maritime Academy, or a private, nonprofit, regionally accredited institution of higher education with a main campus in this State involving: (1) An activity assisting a state agency and enhancing the ability of the university system, community college system, Maine Maritime Academy, or a private, nonprofit, regionally accredited institution of higher education with a main campus in this State to fulfill its mission of teaching, research, and public service; (2) A sharing of project responsibilities and, when appropriate, costs;		
	<i>If citing the above justification for this sole source request, please note that the specific approval of the Governor's Office is required, in accordance with Executive Order 26 FY 11/12, "An Order to Enhance Competitive Bidding". The approval must be documented on DAFS/BGS/Division of Procurement Services "GOVCOOP" form, found here: http://www.maine.gov/purchases/info/forms/govcoop.doc.</i>		
	F. The procurement of goods or services involves expenditures of \$10,000 or less, in which case the Director of the Bureau of General Services may accept oral proposals or bids;		
	G. The procurement of goods or services involves expenditures of \$10,000 or less, and procurement from a single source is the most economical, effective and appropriate means of fulfilling a demonstrated need.		
	If a different authorization specifically allows for this non-competitive procurement, please provide that reference here:		

Please note that the following four points below (#2 through 5) all require a response.

2. Description of Specific Need

Please identify, and fully describe, the specific problem, requirement, or need the resulting non-competitive contract would address and which makes the goods or services necessary. Explain how the requesting Department determined that the goods or services are critical and/or essential to agency responsibilities or operations.

As outlined in the attachment, over the next 12 months the Office of the Public Advocate (OPA) will be involved in a series of new and on-going natural-gas utility cases before the Maine Public Utilities Commission (PUC) and the Federal Energy Regulatory Commission (FERC). These cases involve issues that will directly affect the cost of gas for natural-gas consumers in Maine who are retail customers. OPA will be an active and contributing party before the PUC and FERC. OPA requires the consulting services of North Side Energy, LLC who is already familiar with the specific details of the on-going cases and knows more about such natural-gas issues than any other expert that the OPA is aware of.

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By statute, the OPA is charged with representing the interests of Maine's natural-gas utility ratepayers, both before the PUC and, sometimes FERC.

3. Availability of other Public Resources

Please explain how the requesting Department concluded that sufficient staffing, resources, or expertise is not available within the State of Maine's government, or other governmental entities (local, other state, or federal agencies) external to the requesting Department, which would be able to address the identified need more efficiently and effectively than the identified vendor.

The gas cases that the Office of Public Advocate (OPA) litigates, both at the Maine PUC and before FERC, require participation by parties that have technical knowledge of regional natural-gas utility distribution systems and detailed familiarity with gas policy and the regulation of the gas industry. The OPA's attorneys do not include an expertise on the details of gas utility operations, LDC cost-of-gas filings, upstream resources planning and transportation service policies. For that reason, the OPA has concluded that it must hire a gas-industry consultant.

4. Cost

Since a waiver of competitive bidding is being requested for this procurement, please explain how the requesting Department concluded the negotiated costs, fees, or rates are **fair and reasonable**.

Because we have worked already with North Side Energy, LLC in many natural-gas utility proceedings, the Office of the Public Advocate (OPA) has concluded that the rate we have negotiated with Mr. Rosenkranz is fair and reasonable.

Given the amount of work that it will take to review all the filings and to participate in the PUC investigations and FERC proceedings, Mr. Rosenkranz's effective hourly rate (\$200/hour) will be substantially below the going market rate (e.g. natural gas consulting firm, Concentric Consulting located in Boston, charges at least \$300/hour).

5. Future Competition

Please describe potential opportunities which may be available to foster competition for these goods or services in the future.

The Office of the Public Advocate (OPA) is always seeking out new consultants. Nevertheless, when it comes to the financial, engineering, and operational expertise required in cases before the Maine PUC and FERC, the OPA will continue to be in a position where it must hire that consulting expertise from the outside.

Please note that only one of the two points below ("Uniqueness" or "Timeframe") requires a response. Requesting Departments are not required to respond to both points.

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6. Uniqueness

Please explain if the goods or services required are unique to a specific vendor. Describe the unique qualifications, abilities, and/or expertise of the vendor and how those unique factors address the specific need identified above. If the vendor has unique equipment, facilities, or proprietary data, also explain the necessity of these particular unique assets.

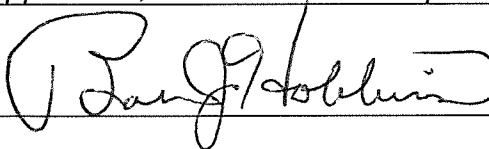
7. Timeframe (Complete only if B. is the Statutory Justification marked on Page 1)

Please explain if time is of the essence and an emergency exists which requires the immediate procurement of goods or services. Describe the nature of this emergency, provide the date by which the goods or services must be delivered, and explain how that date was determined and its significance (i.e. impact if delayed beyond this date). Also, provide information as to how it was determined this vendor is the best option to address this time-sensitive procurement.

Time is of the essence because the Public Utilities Commission is currently processing a series of cases that involve (1) transportation tariff revisions, (2) cost of gas filings, and (3) gas pipeline contract approval. A list of cases and new proceedings to begin are described in the attachment. The deadlines for each of the above-listed cases will not allow the Office of the Public Advocate enough time to put this contract work out to bid. Our consultant's work must start immediately.

**Signature of requesting
Department's Commissioner or
Chief Executive
(or designee within the
Commissioner's Office):**

By signing below, I signify that my Department requests, and I approve of, this Waiver of Competitive Bidding.



Printed Name:

Barry J. Hobbins, Public Advocate

Date:

July 2, 2019

North Side Energy, LLC
56 Washington Drive
Acton, MA 01720

2016 0525 #37

May 16, 2019

Mr. Robert Creamer
Maine Public Advocate Office
112 SHS
Augusta, ME 04333-0112

RE: CONSULTING SERVICES FOR 2019-20

Dear Rob:

North Side Energy proposes to provide consulting services to the Office of the Public Advocate (OPA) for natural gas-related proceedings at the Maine Public Utilities Commission and the Federal Energy Regulatory Commission (FERC). Ongoing work includes the Summit transportation tariff revisions (2019-00073) and the Northern and Bangor Gas pipeline contract approval requests (2019-00101 and 2019-00105). New proceedings that are expected to begin between now and the end of June 2020 include:

- Maine Natural Gas, Bangor, and Summit annual cost of gas reviews
- Northern Utilities peak and off-peak cost of gas factor cases
- Northern Integrated Resource Plan and gas procurement audit (2018-00300)
- Annual review of Northern's affiliate contract with Granite State Gas Transmission
- FERC rate filing by Granite State.

The budget also provides for other cases issues that may arise during the year.

Consulting activities will include:

- Review applications and evidence;
- Prepare data requests;
- Participate in technical and settlement conferences, as requested;
- Conduct analysis of key issues, and make recommendations to the OPA.

Based on past experience, we estimate that 225 hours of consulting will be required through June 2020. The hourly billing rate is unchanged at \$200, resulting in a total budget of \$45,000. If you have any questions, please contact me at 617-755-3622.

Sincerely,



John A. Rosenkranz
Principal