

**REQUEST FOR PROPOSALS  
DATED MARCH 26, 2009**

**INDIANA FINANCE AUTHORITY**

**FOR**

**SUPPLIER SERVICES**

**FOR**

***SUBSTITUTE NATURAL GAS***

**DUE TO THE INDIANA FINANCE AUTHORITY BY  
APRIL 9, 2009  
5:00 P.M. EDT**

## REQUEST FOR PROPOSALS OVERVIEW

This is a Request for Proposals (“RFP”) issued by the Indiana Finance Authority (the “IFA”). Pursuant to SEA 423 signed into law on March 24, 2009 (the “Act”), the IFA is authorized to enter into purchase contracts with a producer of substitute natural gas (“SNG”) to supply SNG to the IFA for delivery and sale to retail end use customers or other third parties as is deemed necessary and appropriate by the IFA. This RFP allows prospective suppliers who respond (the “Respondents”) to formally express their interest in providing the IFA with SNG. This announcement solicits expressions of interest of prospective suppliers who wish to enter into long term purchase contracts with the IFA to supply it with SNG.

This RFP is intended to publicize the availability of contracting opportunities for suppliers as described herein. The IFA creates no obligation, expressed or implied, by issuing this RFP or by receipt of any submissions pursuant hereto. The award of any contract(s) as a result of this RFP shall be at the sole discretion of the IFA. Neither this RFP nor any proposal submitted in response hereto is to be construed as a legal offer.

The purpose of this RFP is to seek information from suppliers. No contract will be awarded without further discussion and negotiation with the Respondents. The IFA will not be responsible for any expenses incurred by any entity in preparing and submitting information responding to this request.

### **I. Confidential Information**

Respondents are advised that materials contained in their responses are subject to the Indiana Access to Public Records Act, IC 5-14-3 et seq. (the “APRA”), and after the execution of a related contract, may be viewed and/or copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to the APRA, must indicate on their proposal that confidential materials are included, specify which statutory exception provision applies and identify the relevant information that the Respondent wishes to apply the exception to. The IFA reserves the right to make determinations of confidentiality. If the IFA does not agree with the information designated confidential pursuant to one of the disclosure exceptions to the APRA, it may either reject the proposal or discuss its interpretation of the allowable exceptions with the Respondent. If an agreement can be reached, the proposal will be considered. If an agreement cannot be reached, the IFA will remove the proposal from consideration for award and return the proposal to the Respondent. The IFA will not determine price to be confidential information.

### **II. Scope of Work**

The IFA requires a source for pipeline quality SNG that it can deliver and sell to retail end use customers or other third parties deemed necessary or appropriate by the IFA. As required by the Act, the source of all SNG supplied to the IFA under any purchase contract entered into with a Respondent must come from a coal gasification facility in the State of Indiana (the “State”) that (1) uses a manufacturing process that converts coal into SNG, and (2) has applied for a federal loan guarantee through the United States Department of Energy Loan Guarantee Program Office, Solicitation Number DE-FOA-0000008 for the financing of the facility. This RFP is meant to identify producers of SNG capable of supplying the IFA and to solicit proposals for long term purchase contracts for such supplier services. The objective of the IFA in entering into long term purchase contracts for SNG is to provide reliable supplies of reasonably priced natural gas to the people of the State and create a hedge against the volatile price of natural gas.

### III. Terms

The resulting purchase contract shall be for a period of thirty (30) years commencing on a date negotiated between the IFA and the Respondent. The resulting purchase contract must provide a guaranteed savings for retail end use customers. Any obligation of the IFA to pay for SNG under the resulting purchase contract is limited to funds contained in the SNG account established under the Act and is not supported by the full faith and credit of the State. All other terms and conditions determined to be necessary by the IFA will be negotiated prior to execution of the final purchase contract.

Please note the IFA has adopted many of the required State of Indiana boilerplate contractual provisions. The IFA hereby puts the Respondents on notice that a successful award at the end of the process will be contingent upon the agreements complying with these standard contractual provisions (including but not limited to drug-free workplace certifications, minority and women business enterprise compliance, nondiscrimination certifications, licensing standards, certifications relating to HIPAA, certifications regarding telephone solicitations, and certifications relating to State ethics policies.)

Respondent shall certify, within the letter of transmittal, that all information provided in its response is accurate and complete to the best of its knowledge. Any false or misleading information may result in disqualification of the Respondent, at the discretion of the IFA. The IFA reserves the right to modify or terminate this solicitation at any stage if it determines this action to be in its best interest. The receipt of responses or other documents at any stage of the RFQ process will in no way obligate the IFA to enter into any contract of any kind with any party.

### IV. Approval

The resulting purchase contract for SNG by and between the IFA and a Respondent, once finalized, must be submitted for approval to the Indiana Utility Regulatory Commission (the "IURC") created by Indiana Code 8-1-1-2.

### V. Responses

Prospective suppliers that anticipate responding to this RFP shall indicate so as soon as possible by providing contact information via e-mail to the representative of the IFA listed below. The IFA, at its discretion, may extend the deadline for submitting responses if a prospective Respondent is unable to produce a thorough and complete response in the time period currently provided. A Respondent should contact the IFA immediately if it would like the IFA to consider an extension of time. If such an extension is granted by the IFA, all Respondents will be given the same extension.

Respondents should submit **an original and four (4) copies of their written response (please make sure permanent bindings aren't used)** to:

**Indiana Finance Authority  
One N. Capitol Ave., Suite 900  
Indianapolis, IN 46204  
Attn: Andrew Kienle**

Responses must be received no later than **5:00 p.m. EDT on April 9, 2009**. Responses received after 5:00 p.m. EDT on such date are at the discretion of the IFA as to whether or not they are considered. The outside should be clearly marked:

**"RESPONSE TO REQUEST FOR SNG SUPPLY SERVICES"**

No more than one (1) response per Respondent should be submitted. Each response should designate one person as the principal contact for the Respondent. Please provide the contact information for that person including email address. Following a review of the responses, some of the Respondents may be requested to make oral presentations and/or provide additional written information.

Any questions regarding this RFP must be submitted **in email** to **Andrew Kienle** at **akienle@ifa.in.gov** no later than **5:00 p.m. EDT on April 2, 2009**. Questions received after 5:00 p.m. EDT on such date will not be considered. Depending upon the content and scope of the question, responses to questions will be promptly prepared and provided to each entity that has shown an interest in responding and provided contact information via email (as described above).

**OTHER THAN AS PROVIDED ABOVE, INQUIRIES ARE NOT TO BE DIRECTED TO ANY STAFF MEMBER OR OTHER MEMBER OF THE IFA OR ANY OTHER STATE-RELATED EMPLOYEE. SUCH ACTION MAY DISQUALIFY THE RESPONDENT FROM FURTHER CONSIDERATION FOR A CONTRACT AS A RESULT OF THIS RFP. RESPONDENTS MAY NOT RELY UPON VERBAL RESPONSES TO ANY INQUIRY.**

**VI. Selection Process and Criteria**

The IFA will review all of the responses in the following manner:

1. Each response will be evaluated on the basis of the Specific Criteria listed below.
2. Based on the results of the evaluation, the response(s) determined to be most advantageous to the IFA, taking into account all of the evaluation criteria, may be selected by the IFA for further action.
3. The IFA supports the "Buy Indiana" initiative. It is a strong preference that respondents meet the definition of an Indiana Business. Please refer to the following website to see if you fit within the definition and to learn more about the "Buy Indiana" initiative: <http://www.in.gov/idoa/proc/buyindiana.html>.
4. The IFA must approve changes in the composition of a Respondent team after submission if the team is comprised of more than one entity.
5. A single Respondent or a limited number of Respondents may be selected for interviews and/or contract negotiations. In the event that negotiations are not satisfactory, IFA reserves the right to interview and/or negotiate with additional Respondents, but is not obligated to do so.
6. IFA will determine which response offers the best means of servicing the interests of the IFA.

Responses will be evaluated based upon the documented ability of the Respondent to satisfy the requirements of this RFP in a cost-effective manner. Specific Criteria include:

1. Ability of supplier to deliver SNG produced through a coal gasification process from a facility located in the State to the IFA for delivery and sale to retail end use customers.
2. Ability of supplier to guarantee price savings for retail end use customers in Indiana.
3. Technical qualifications, experience, and reputation of the Respondent.
4. Demonstrated experience and expertise in coal gasification projects which are responsive to all applicable criteria, rules, regulations and statutes, including the financing, development and management of coal gasification facilities.
5. Evidence of feasibility of a coal gasification project in Indiana that produces SNG, including detailed analysis of environmental and permitting issues as well as any financing issues.
6. Protections provided to the State and the IFA from liability and to the retail end use customers in Indiana from paying higher than average market costs over the life of the purchase contract.

## **VII. Required Respondent Information**

The IFA requires the following information be included in the response. Additional information may be and is encouraged to be submitted in order for the IFA to better evaluate the selection criteria listed above. A concise yet thorough collection of information is requested.

1. Company name and address of principal location and office(s).
2. Please describe:
  - (a) A brief history of your entity and how the selection of your entity would benefit the IFA.
  - (b) Your entity's experience, background, or expertise that qualifies your entity for this project.
  - (c) Number of full-time regular employees.
3. List names, titles, and experience of the team members and/or consultant's team members who would be assigned to perform significant work under this contract. The IFA would like to have one individual assigned to plan and coordinate all services under this contract. Also provide the names and experience of supervisory personnel who will be assigned to the performance of this contract. Briefly outline the roles of the team members and key personnel.
4. Indicate how your entity will provide the services requested in this RFP and an outline of procedures to be used by the entity in providing a unified team approach. The response should include a statement of the philosophy of the team's approach to this project. Provide any project histories or other information available that would indicate past performance on similar types of projects (especially that which would address the selection criteria).

5. References:
  - (a) List several persons who can provide information about similar work your entity has completed (references may be contacted).
  - (b) Provide a list of financial references that can provide information about the entity.
6. Submit a list of work similar to the proposed project and a list of other similar work completed within the last five years. The list should be of comparable projects in which team members have participated. Respondents should specify how these comparable projects relate to the proposed lease and development.
7. Submit a list of any projects your entity has failed to complete within the last five years.
8. Submit a copy of a current Certification issued by the State of Indiana, reflecting areas in which the Respondent or members of the Respondent's team are certified.