

**UPPER GUNNISON RIVER
WATER CONSERVANCY DISTRICT**

**REQUEST FOR PROPOSAL:
TAYLOR PARK DAM HYDROPOWER
PROJECT FEASIBILITY STUDY**

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General Manager
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1.0 Purpose of Request for Proposals

The Upper Gunnison River Water Conservancy District (District) is seeking proposals for a Feasibility Study of a proposed hydropower project at Taylor Park Dam in Gunnison County, Colorado. The District is conducting this study in partnership with the Uncompahgre Valley Water Users Association (UVWUA) and Gunnison County Electric Association (GCEA).

It is estimated that releases from Taylor Park Dam could generate 2-3 MW of capacity to help meet expected Renewable Portfolio Standard (RPS) obligations from State regulations. GCEA desires to diversify its supply portfolio through the addition of renewable and environmentally friendly sustainable resources pursuant to the terms and conditions of the contract with GCEA's supplier, Tri-State Generation and Transmission Association, Inc. The District, on behalf of the partnership group described above, is accepting bids from qualified Bidders with sufficient expertise to conduct a Feasibility Study to determine whether development of a Hydropower Project at the Taylor Park Dam would be legally, structurally, environmentally, and economically viable and will help GCEA meet the RPS standards in Colorado. This project is reportedly exempt from Federal Energy Regulatory Commission regulations, but the use of facilities at Taylor Park Dam for power generation will require a Lease of Power Privilege with the United States Bureau of Reclamation.

The primary criteria for selection shall include, but are not limited to, the Bidder's experience in conducting similar feasibility studies, qualifications of personnel to be assigned to the project, Bidder references, and value that the Bidder would bring to the Feasibility Study. While cost considerations are a significant factor, the bid may not necessarily be awarded to the lowest cost proposal.

Bid participants should prepare offers with the understanding that the offer is binding and may result in a Contract for Services.

The District retains the right to reject any or all offers on the basis that the bids do not provide sufficient information, may not be accomplished on a timely basis, or would impose conditions that the District determines are impractical or inappropriate.

2.0 Instructions to Bidders

2.1 General Information

2.1.1 Nothing contained in this Request for Proposals (RFP) shall be construed to require or obligate the District to select any proposals or limit the ability of the District to reject all proposals in its sole and exclusive discretion. The District further reserves the right to withdraw and terminate this RFP at any time prior to the execution of a contract.

2.1.2 The submission of a proposal to the District shall constitute the Bidder's acknowledgement and acceptance of all the terms, conditions and requirements of this RFP.

2.1.3 Subject to 2.1.4, all proposals submitted to the District pursuant to this RFP shall become the exclusive property of the District and may be used for any reasonable purpose by the District.

2.1.4 Bidders shall be responsible for all costs and issues associated with bids; contract negotiations; completion of the contract; all taxes, duties, fees and other charges associated with the delivery of capacity and energy under the contract; and compliance with all local, state and federal laws that may affect the contract.

2.2 Overview of Process

2.2.1 The District has designated an individual to manage the RFP process and to collect all internet communication from potential bidders as well as to provide uniform communication including updates and specific detail as may be provided from time to time through this bidding process. Please address all questions and communications to Frank Kugel at the following e-mail address: fkugel@ugrwcd.org.

2.2.2 Following the release of the RFP, interested Bidders will be required to submit a Notice of Intent to Bid.

2.3 Deadline and Method for Submitting Proposals

2.3.1 Proposals must be submitted in the complete name of the party expecting to execute any resulting contract with the District. The proposal must be executed by a person who is duly authorized to bind the Bidder to a contract.

2.3.2 All proposals submitted in response to this RFP must be received no later than 5:00 PM MDT July 31, 2009.

2.3.3 The District will not accept proposals received after the specified date and time set forth in Section 2.3.2 for any reason, and said proposals will be disqualified from further evaluation.

2.3.4 Bidders are required to provide three (3) sets of all documents, including exhibits. Proposals must be delivered to the following address:

Frank J. Kugel
Upper Gunnison River Water Conservancy district
234 N. Main Street, Suite 3C
Gunnison, CO 81230

Proposals must include information on the makeup of the company and its relevant experience.

Only hard copies of the proposals will be allowed. E-mailed proposals will not be accepted as meeting the time requirements for submission.

2.4 Questions and Interpretation of RFP

All questions concerning this RFP shall be submitted in writing to the e-mail address indicated in Section 2.2.1. Answers will be provided through written e-mail correspondence or an addendum to the RFP to all parties who have submitted a Notice of Intent to Bid. The District is not responsible for other explanations or interpretations of the RFP. Written questions will be accepted until seven days before the proposal submittal deadline.

It shall be the obligation of the bidder to identify any conflicting statements, need for clarification, or omissions of pertinent data from the RFP before bids are due. Any questions not resolved by the bid date shall be identified in the proposal and a statement made as to the basis of the proposal.

2.5 Requirements of the Proposals

The District is seeking Proposals for a Consultant to perform a feasibility study for developing a Taylor Park Dam Hydropower Project. The following tasks are to be performed by the Consultant for the Hydropower Feasibility Study of the Taylor Park Hydro project. These tasks are not meant to be exhaustive and the bidder may add or delete additional tasks as deemed appropriate.

Task 1 – Data collection and review

The Consultant shall review existing data available from the Owner pertaining to the existing dam and outlet configuration, hydrology, and reservoir delivery and elevation information. At a minimum the Owner will provide the following information:

- As-built drawings for the existing dam and outlet works
- Historic operational data (flow and reservoir elevation)
- Forward price forecasts for electrical capacity and energy
- Details of the existing transmission facilities

Task 2 – Develop Alternatives

An analysis shall be made of the flow data corresponding to potential turbine configurations. The Consultant shall prepare at least two alternative turbine configurations for consideration. Each option shall include the following information:

- Analysis of potential operating conditions and corresponding power output
- Layout of turbine(s) analyzing type, orientation, number and size
- Analysis of building layout configurations

Task 3 – Preliminary Cost Estimate

The Consultant shall prepare a preliminary cost estimate including all items necessary to complete the project. A cost estimate shall be prepared for each option analyzed in the previous tasks. The estimate shall include the following items:

- Capital costs
- Design and legal costs
- Financing options

Task 4 – Economic Analysis and Alternative Selection

An economic analysis shall be performed to determine overall economic feasibility of the project. The value of energy (\$/kWh), escalation amounts, and discount rates to be used in the analysis will be provided by the Owner.

Based on the results of the economic analysis the Consultant shall state its opinion of the project's economic feasibility, and if feasible, recommend an alternative for further consideration.

Task 5 – Project Report

The Consultant shall prepare a summary report to document the work completed in the preceding tasks of this scope.

Task 6 – Project meetings

The Consultant shall budget for two project meetings at the Owner's facilities.

- Kick off meeting with the partners.
- Progress reports with the partners, as required.
- Final presentation with a written report to the board of directors of each partner.

2.6 Proposals must be provided in the format outlined in Section 3.0. The District requests that all exhibits, documents, schedules, etc. submitted as a part of a proposal be clearly labeled and organized in a fashion that facilitates easy location and review. All proposals should conform to the requirements within this RFP.

3.0 Proposal Organization

All Proposals should include the following minimum components in the order provided:

3.1 Executive Summary. A brief executive summary shall highlight the special features of the Proposal.

3.2 Timeline. A statement from the Bidder must be provided clearly indicating the timeline for accomplishing the tasks identified in the Proposal.

3.3 Contract Terms. A comprehensive listing and description of all contract terms and conditions, including a rationale, that Bidder would seek during contract negotiations.

3.4 Proposal Limitations. A listing of any conditions that might affect the Bidder's ability to complete the Feasibility Study and Report as offered.

3.5 Relevant Experience. A description of transaction experience with similar studies as well as references for similar transactions.

3.6 Cost Proposal. Information on the cost of the Feasibility Study and Report must be provided. The cost of the Feasibility Study and Report shall not exceed \$30,000.00.

4.0 Proposal Evaluation and Contract Negotiations

4.1 Screening

4.1.1 After the proposal submittal deadline, the proposals will be reviewed for completeness and responsiveness. Those proposals not considered to meet the required threshold will be rejected. Notification will be provided to the unsuccessful Bidders.

4.1.2 The District may request that a Bidder provide additional information or clarification to its original proposal. Failure to provide the requested information or clarification by the deadline will result in the disqualification of the proposal.

4.1.3 The District may select any number of proposals for further consideration. Further, the District may at any time withdraw and terminate this RFP pursuant to Section 2.1.1, as it, in its sole and exclusive judgment deems appropriate.

4.1.4 During the evaluation process, the District may choose to initiate discussions with one or more Bidders and to obtain refreshed pricing. For purposes of this RFP, discussions shall simply indicate the District's interest in a particular proposal and its desire to obtain from the Bidder additional detailed information that may not necessarily be contained in the proposal. Discussions with a Bidder shall in no way be construed as commencing "negotiations" with a Bidder. The District intends to use such discussions as a method of reducing the number of proposals to those, if any, that it determines warrant further evaluation and, possibly, contract negotiations.

4.1.5 If the District is not interested in a particular proposal, it will notify the Bidder as soon as practical after such determination is made.

4.2 Contract Negotiations

4.2.1 The Bidder will be notified in writing of the District's interest in commencing contract negotiations with that Bidder. The District's commencement of, and active participation in, such negotiations shall not be construed as a commitment from the District to execute a contract. If, however, a contract is successfully negotiated, it shall not be effective unless and until fully executed by the District.

4.2.2 The District reserves the right at any time, during contract negotiations, at its sole discretion, to terminate or, once terminated, to resume negotiations with a Bidder.

4.2.3 This RFP contains general guidelines and requirements for developing and submitting proposals. Nothing herein shall be construed to bind the District unless and until a contract with a Bidder has been successfully negotiated, executed, and is effective. Once effective, the contract will govern the relationship between and responsibilities of the parties.

4.2.4 The costs for responding to the RFP are the responsibility of the Bidder.