



The following documentation is an electronically-submitted vendor response to an advertised solicitation from the *West Virginia Purchasing Bulletin* within the Vendor Self-Service portal at wvOASIS.gov. As part of the State of West Virginia's procurement process, and to maintain the transparency of the bid-opening process, this documentation submitted online is publicly posted by the West Virginia Purchasing Division at WVPurchasing.gov with any other vendor responses to this solicitation submitted to the Purchasing Division in hard copy format.

Header 2

General Information | Contact | Default Values | Discount | Document Information

Procurement Folder: 461831

SO Doc Code: CRFQ

Procurement Type: Central Master Agreement

SO Dept: 0211

Vendor ID: 

SO Doc ID: GSD1900000001

Legal Name: TRANE US INC

Published Date: 8/3/18

Alias/DBA:

Close Date: 8/9/18

Total Bid: \$0.00

Close Time: 13:30

Response Date: 

Status: Closed

Response Time:

Solicitation Description:

[Apply Default Values to Commodity Lines](#)

[View Procurement Folder](#)



Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

**State of West Virginia
 Solicitation Response**

Proc Folder : 461831
Solicitation Description : Addendum No. 1 Wholesale Natural Gas
Proc Type : Central Master Agreement

Date issued	Solicitation Closes	Solicitation Response	Version
	2018-08-09 13:30:00	SR 0211 ESR08091800000000614	1

VENDOR
000000159732 TRANE US INC

Solicitation Number: CRFQ 0211 GSD1900000001

Total Bid : \$0.00 **Response Date:** 2018-08-09 **Response Time:** 13:25:36

Comments: Attached please find Trane's response to the RFQ for Wholesale Natural Gas. Thank you for your consideration. We look forward to further discussions.

FOR INFORMATION CONTACT THE BUYER
 Melissa Pettrey
 (304) 558-0094
 melissa.k.pettrey@wv.gov

Signature on File	FEIN #	DATE
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All offers subject to all terms and conditions contained in this solicitation

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
1	Wholesale Natural Gas	0.00000	UNIT	\$0.050000	\$0.00

Comm Code	Manufacturer	Specification	Model #
83101601			

Extended Description : 3.1.1 Wholesale Natural Gas price per DTH

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
2	Remote Telemeter	1.00000	EA		

Comm Code	Manufacturer	Specification	Model #
83101601			

Extended Description : REMOTE TELEMETER

Comments: Trane Energy Supply Services is not a seller or provider of telemetry equipment, however we will be happy to assist the Agency in finding a supplier if necessary.



**West Virginia Department of Administration, Purchasing Division
Request for Quotation
Wholesale Natural Gas
Submitted August 9, 2018**





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Trane Background and Qualifications

Company history

Overview

For over 25 years, **Trane Energy Supply Services** (formerly Fellon-McCord & Associates) has helped a diverse range of clients reduce their energy costs. Operating in Louisville, Kentucky since our founding in 1992, we have helped commercial, industrial, and municipal energy users reduce their energy costs in regulated and deregulated energy markets.

History of Trane

Trane was established in 1913 in La Crosse, Wisconsin by James Trane. It was incorporated as The Trane Company in 1913 as a manufacturer of heating systems, and became an air conditioning pioneer in 1931. Over the decades, Trane has enriched the scope of our products and technology. In 1995, we broadened our HVAC and control system expertise to provide a full range of energy services.

In 2014, Trane added energy supply services to its capabilities with the acquisition of Fellon-McCord, an energy procurement and management company in business since 1992. Today, our broad capabilities and customer-centered approach allow us to develop solutions specific to your buildings' energy needs – from simple procurement to full-service energy supply and demand management.

History of Trane Energy Supply Services

We began providing natural gas supply procurement and management services in 1992. We expanded our offering to include electricity procurement and management services in 1998 with the advent of electricity deregulation in several states. In 2008, we began providing renewable and environmental services and added a 24/7 wholesale power desk, and the following year we started offering utility bill management services.

Today, **Trane's Energy Supply Services** clients include municipal governments, major public universities, hundreds of industrial manufacturing sites, and thousands of commercial locations, with tens of thousands of invoices processed annually.



Company structure/organization

Trane is a wholly owned subsidiary of **Ingersoll Rand** (NYSE: IR). Ingersoll Rand formed into a company in 1905 and its place of incorporation is Dublin, Ireland. Ingersoll Rand's U.S. headquarters is located at 800-E Beaty Street, Davidson, North Carolina 28036. We are a for-profit corporation and are not tax-exempt.

Trane is not a re-seller or marketer of natural gas or electricity, and is not affiliated with any energy commodity company, marketer, or utility.

Organizational Structure – Key Facts

Contracting Entity	Trane U.S. Inc. 10200 Forest Green Blvd. Ste. 601 Louisville, KY 40223
Ownership	Ingersoll-Rand (Publicly traded NYSE: IR)
Location of corporate office	Global: Dublin, Ireland Trane U.S.: Davidson, NC Trane Energy Supply: Louisville, KY
Number of employees	Ingersoll Rand: 60,000 Trane: 29,000 Trane Energy Supply: 56
D&B Number (Trane U.S. Inc.)	126365795
Website	http://commercial.trane.com/trane-micro-sites/building-advantage/services-solutions/Energy-Supply-Services.html

Financial Stability

You will have a financially solid corporation to support this initiative well into the future as your needs evolve. Trane U.S. Inc. is a wholly owned subsidiary of Ingersoll Rand, a \$14 billion global leader whose 45,000 employees create comfortable, sustainable and efficient environments. Ingersoll Rand is the 16th oldest company and the 12th oldest continuously listed company on the New York Stock Exchange (symbol: IR).



Trane's financial results are not reported separately from Ingersoll Rand's. Ingersoll Rand's Annual Reports can be found at the following link:

<http://ir.ingersollrand.com/investors/financial-reports/annual-reports-and-proxies/default.aspx>

Below is an excerpt from a press release announcing Ingersoll Rand's 2017 financial results:

Financial Comparisons – Full-year Continuing Operations

\$, millions except EPS	2017	2016	Y-O-Y Change	Organic Y-O-Y
Bookings	\$14,490	\$13,673	6%	6%
Net Revenues	\$14,198	\$13,509	5%	5%
Operating Income	\$1,665	\$1,603	4%	
Operating Margin	11.7%	11.9%	(0.2) PPTs	
Adjusted Operating Income	\$1,727	\$1,639	5%	
Adjusted Operating Margin	12.2%	12.1%	0.1 PPTs	
Continuing EPS	\$5.14	\$5.52	(7%)	
Adjusted Continuing EPS	\$4.51	\$4.13	9%	

Location of company headquarters and branch offices

- Global Headquarters Dublin, Ireland
- U.S. Headquarters Davidson, NC
- **Trane Energy Supply Services** Louisville, KY

Trane is an international business with operations around the world – 300 branch offices and 29 manufacturing sites. In North America, Trane has approximately 150 branch offices.



Core business and differentiators

Trane is an industry leader in energy management and building and facilities automation and controls, and is also the largest manufacturer of heating, ventilation and air conditioning (HVAC) equipment in the world.

Ingersoll Rand and Trane provide products, services, and solutions to increase the efficiency and productivity of industrial and commercial operations and homes, and improve the security, safety, health and comfort of people around the world through our four global segments.

Trane Building Advantage

Energy Supply Services is one of the solutions Trane Building Advantage employs to help transform building data into actionable insights that optimize building performance and impact operational outcomes.

Trane Building Advantage represents:



Energy Management Systems & Services

A comprehensive set of energy management solutions that facilitate monitoring, analysis, alerts, reporting, and data visualization of building and energy system information

Building Controls & Automation

Provide the technology platform for the next generation of data-driven, technology-enabled services that are creating high-performance buildings

Energy Contracting

As an Energy Services Company Trane can help you reallocate waste in current spending to a more productive portion of operations, address deferred maintenance and optimize current resources

Renewable Energy & Power Solutions

Reduce costs while improving the reliability of your energy source. We can help you address regulations, and achieve and exceed standards for energy conservation

Energy Supply Services

Get competitively sourced electricity and natural gas while managing your budget, and a suite of reporting services for best-in-class energy management

Trane Energy Supply Services is a leader in industrial energy procurement and management services. Our areas of expertise include the following:

Energy consulting and management

- *Strategic sourcing*
- *Risk management*
- *Global & regional market intelligence*
- *Budget preparation and forecasting*
- *Utility rate optimization and utility bill auditing*
- *Demand management*

- *Demand response*
- *Sustainability management*
- *Project consulting*
- *Asset & contract management*

Power scheduling and dispatching

- *24/7 Energy market anticipation*
- *Real-time load and resource management, nominating, transaction and scheduling*
- *Bilateral settlements, accounting and reporting*
- *Compliance monitoring*
- *All required certifications*

Trane provides tailored energy management services with an advanced understanding of, and solutions for, the impact of a building's energy usage profile on the delivered energy supply cost. Our service structure has been developed to make us an extension of our clients' energy teams. Together, we build strategy, and then our expertise drives the implementation of energy initiatives that help you achieve your desired results.

As a company, Trane's strength is creating meaningful business outcomes for buildings through a total energy approach. The Energy Supply Services team drives outcomes from beyond-the-meter to manage and impact customer price.

Key Differentiators

- We are an independent energy advisor providing an energy supply strategy that meets our clients' budgetary needs. We present a sustainable and transparent solution which creates continual opportunities and value.- and then reference their clause on non-supplier specific affiliation
- Over 70 years of personal experience in the department and over 20 years as an energy advisory firm • 400 to 600 RFP's conducted annually • Directly manage 45 large industrial, municipal, and institutional clients - Municipal power plants and local gas companies - University physical power plants • Thousands of transactions completed annually on behalf of our clients
- Daily management of client storage accounts and utility banks
 - Customized long term and short term planning
 - Daily usage tracking
 - Real-time commodity market monitoring
 - Strategic purchasing
- Deliver concise apples to apples comparison and recommendation across all qualified suppliers lines • Provide market intelligence and analysis • Secure natural gas once



supply decision is finalized by client • Evaluate transaction confirmations for accuracy -
Term - Price - Volumes • Maintain supply database for invoice validation

General Requirements

3.1 Contract Items and Mandatory Requirements: Vendor shall provide Agency with the Contract Items listed below on an open-end and continuing basis. Contract Items must meet or exceed the mandatory requirements as shown below.

Wholesale Natural Gas

Natural Gas Compositions must be no less than: Methane 85% MOL; Ethane not more than 9.2 Mol %; Propane not more than 3.00 Mol %; Butanes (C4) and heavier not more than 2.00 Mol %; Pentanes (C5) and heavier not more than 0.25 Mol %; Nitrogen (N2) not more than 1.25 Mol %; Oxygen (O2) not more than 0.5 Mol %; Total Non-Hydrocarbons not more than 2.0 Mol %; Total Sulphur including H2S not more than 10 ppm by weight expected H2S content not more than 4 ppm by volume; Impurities Gas shall be reasonably free from dust (max size 5 microns), gum forming constituents and other deleterious solid and/or liquid matter which will cause damage to or interfere with the Operations of Gas Transporter's Facilities; Water content Not more than 112 Kg/MMSCM.

Vendor must adhere to FERC developed standards.

Remote Telemeter and Installation

Vendor is responsible for the installation of a Remote Telemeter on the north side of Building 5 to replace the existing meter. Installation will be coordinated through Dave Parsons via e-mail at David.k.Parsons@wv.gov.

Remote Telemeter system must be installed to work consistently supplying accurate performance results from and Agency chose location. Telemeter should be able to relay information back to vendor supplier software service through web portal as well as a smartphone/mobile device.

Telemeter replacement installation must be complete within Twenty (20) calendar days from notice of award.

Vendor is responsible to inspect telemeter for damages or malfunction, in concurrence with manufacturers recommendation, when requested by agency.

3.2 Vendor Requirements:

Vendor must be supplier neutral with no ownership, ties, partnerships, or other business relationships with any specific energy supplier.

Vendor must have experience with conducting Natural Gas Procurements for (2) two State or Public - sector entities. Vendor must provide examples of experience with their bid.

Vendor must have experience procuring Natural Gas in West Virginia distribution service territories. Vendor must provide examples of experience with their bid.



Wholesale Natural Gas

Trane has been procuring pipeline-quality gas for clients since 1992.

All energy procurement and management services for North American locations are provided by our U.S. based staff in **Louisville, Kentucky**.

Remote Telemeter and Installation

Trane Energy Supply Services is not a supplier of remote telemetering, however if telemetry is required, we will assist the Agency in finding a provider.

Vendor Requirements

Trane is not a re-seller or marketer of natural gas or electricity, and is not affiliated with any energy commodity company, marketer, or utility. We sit on the customer's side of the table and make suppliers compete for your business. Trane maintains a state of neutrality and will ensure the Agency receives an impartial, consultative view on energy suppliers and markets.

Trane's approach and operational model require collaboration with the client. We work as an extension of your internal team and act as agent on your behalf only as authorized or requested. Our goal is to supply the Agency with all of the information needed to make informed decisions, including recommendations where appropriate or requested; but our recommendations are based on transparent data, and all final decisions are the Agency's to make.

Trane's Energy Supply Services clients include **dozens of municipal governments and major public universities**, including:

- University of Kentucky
- University of Louisville
- Cornell University
- City of Fulton, KY
- City of Leitchfield, KY
- City of Lewisport, KY
- City of Pikeville, KY
- Lexington-Fayette County, KY
- City of Prestonsburg, KY
- City of Dyersburg, TN
- City of Friendship, TN
- Nashville, TN District Energy System
- Town of Halls, TN
- Town of Henning, TN
- Hudson Public Power, OH
- City of Cairo, IL
- Holland, MI
- Lansing, MI
- Marquette, MI
- Michigan Public Power Agency

Trane currently procures natural gas supply for 26 client facilities across West Virginia. Our seasoned staff has decades of experience with all major utilities and suppliers across North America.



Procurement Approach

Trane analyzes each account's energy usage history, load characteristics, and expected changes to determine the optimal pricing structure, and the sourcing analyst issues an RFP to qualified suppliers in the market area requesting pricing for a specified product and contract term. We also invite suppliers to bid on alternative products/terms that they may believe offer a better value for the client.

The request form (RFP Data Request Form) is populated with the following information:

- Customer name, contact information, utility, facility address
- Requested term start and end dates and corresponding volume estimates
- A list of assumed supplier responsibilities
- Request for pricing, including:
 - Preferred pricing product/format (e.g., fixed price, index, etc.)
 - Request for alternative pricing (optional)
- Additional information, including preferred billing arrangement
- Due date and time for all responses

Suppliers are requested to provide:

- Supplier name, contact information
- Status of customer credit approval
- Contract type
- Credit requirements
- Bid (inclusive of fuel/line losses)
- Swing %
- Expiration date of price quote
- Pricing mechanism for incremental first-of-month volumes
- Pricing mechanism for cash-outs
- Any additional fees, capacity charges, fuel charges, or balancing charges
- Alternative pricing (e.g., index)

All bids are due back from suppliers on a specified day and time. Once received, bids are reviewed, and suppliers are re-contacted if their response does not match the request.

All responses from suppliers are normalized for an equal and accurate comparison. The offers are evaluated and compared, based on several criteria including:

- Cost for base volumes
- Limitations on incremental volumes
- Costing mechanism for incremental/intra-month/cashout volumes
- Balancing fees/penalties (if applicable)
- Credit terms
- Reputation/experience of supplier
- Minority business status of supplier (if requested by client)



Trane recommends a supplier/bid based on the results, and provides a reason for our recommendation. See below for an example of a natural gas supplier recommendation.

Natural Gas RFP Summary Matrix							Presentation Date 4/26/2017	
SAMPLE CLIENT							Expected Term Start Switch Deadline	
UTILITY	# of Accounts						Jul-18	N/A
Nicor	4							
Current Supplier	Current Term	Recommended Offer (Dth)	Supplier Current Contract Price \$/Dth	Estimated Annual Volume (Dth)	Estimated Annual Cost Increase (Reduction) vs. Lowest Supplier Offer*		Notes	
Twin Eagle	Sep 2015 - June 2018	(\$0.257)	(\$0.0630)	2,264,163	(\$439,248)	307.9%	*based on utility website information	
Supplier	FOM Index Pricing		NX Last Day Settle + Basis		Swing Tolerance	Incremental / Cashouts		Notes
CenterPoint Energy	16 Mth 24 Mth	-0.065 -0.065 Chicago NGI	NX LDS NX LDS	-0.150 -0.110	0% 0%	Incremental sold at NGI Chicago CG + \$.065/Dth Cashouts credited at NGI Chicago CG flat		Primary Firm deliveries, balancing and storage management included. Can communicate monthly to adjust monthly nominations. Credit pending.
Constellation	16 Mth 24 Mth		NX LDS NX LDS	-0.265 -0.255	0% 0%	Incremental sold at Platt's GDD Chicago CG + \$.10/Dth Cashouts credited at Platt's GDD Chicago CG less \$.05/Dth		Offering 100% Swing for a premium of \$0.025/Dth. Primary Firm, balancing and storage management included. Open to monthly communication, but will be at market prices if NX + Basis deal locked in. Credit pending.
Direct Energy	16 Mth 24 Mth		NX LDS NX LDS	-0.271 -0.247	0% 0%	Incremental sold at Platt's GDD Chicago CG + \$.02/Dth Cashouts credited at Platt's GDD Chicago CG flat		Premium for 10% Swing is \$.01/Dth. Primary Firm deliveries, balancing and storage management included. Monthly communication allowed, but both incremental and cashouts will be done at market prices. Requires a Letter of Credit.
Nicor Enerchange	16 Mth 24 Mth	-0.066 -0.075 Chicago NGI	NX LDS NX LDS	-0.274 -0.257	0% 0%	Incremental sold at Platt's GDD Chicago CG + \$.05/Dth Cashouts credited at Platt's GDD Chicago CG less \$.05/Dth		Primary Firm, balancing and storage management included. Monthly communication allowed (5 days written notice) with NGI Index pricing only. Credit pending.
Twin Eagle	16 Mth 24 Mth	-0.050 Chicago NGI	NX LDS NX LDS Refresh 16 Mth Refresh 24 Mth	-0.250 -0.230 -0.265 -0.250	0% 0% 0% 0%	Incremental sold at Platt's GDD Chicago CG + \$.03/Dth Cashouts credited at Platt's GDD Chicago CG less \$.03/Dth		Primary Firm, balancing and storage management included. Communication allowed - client responsible for any unauthorized use charges when actual burns exceed daily nominated quantity. Letter of Credit or prepay required.
Recommendation								
Five total offers for this Nicor load with four of the five offers within approximately \$.025/Dth of each other. Slight variations on swing, with Constellation offering 100% with Swing for a \$.025/Dth premium; Direct Energy offering 10% Swing at a \$.01/Dth premium. For the 24 month term, Nicor Enerchange has the most competitive basis price at NX less \$.0257/Dth. This offer compared to the current contract price would return an estimated annual cost reduction of \$439,248; the incumbent (Twin Eagle) has an offer of NX less \$.023/Dth which would return an estimated annual cost reduction of \$378,115. With basis offers so close, communication and flexibility are important as well.								

Trane discusses the document, and our recommendation, with the appropriate Client decision-maker(s), and facilitates final negotiation and execution of the contract award.



Contract Manager

8.4 Contract Manager: *During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract manager and his or her contact information below.*

Contract Manager: *Diane Coleman*

Telephone Number: *502-544-3911*

Fax Number: *502-357-0502*

Email Address: *Diane.Coleman@Trane.com*



Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

State of West Virginia
 Request for Quotation
 17 - Fuels

Proc Folder: 461831

Doc Description: Addendum No. 1 Wholesale Natural Gas

Proc Type: Central Master Agreement

Date Issued	Solicitation Closes	Solicitation No	Version
2018-08-03	2018-08-09 13:30:00	CRFQ 0211 GSD1900000001	2

BID RECEIVING LOCATION

BID CLERK
 DEPARTMENT OF ADMINISTRATION
 PURCHASING DIVISION
 2019 WASHINGTON ST E
 CHARLESTON WV 25305
 US

VENDOR

Vendor Name, Address and Telephone Number:

FOR INFORMATION CONTACT THE BUYER

Melissa Pettrey
 (304) 558-0094
 melissa.k.pettrey@wv.gov

Signature X  FEIN # 25-0900465 DATE 8/9/18

All offers subject to all terms and conditions contained in this solicitation



Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

State of West Virginia
 Request for Quotation
 17 - Fuels

Proc Folder: 461831

Doc Description: Wholesale Natural Gas

Proc Type: Central Master Agreement

Date Issued	Solicitation Closes	Solicitation No	Version
2018-07-26	2018-08-09 13:30:00	CRFQ 0211 GSD1900000001	1

BID RECEIVING LOCATION

BID CLERK
 DEPARTMENT OF ADMINISTRATION
 PURCHASING DIVISION
 2019 WASHINGTON ST E
 CHARLESTON WV 25305
 US

VENDOR

Vendor Name, Address and Telephone Number:

FOR INFORMATION CONTACT THE BUYER

Melissa Pettrey
 (304) 558-0094
 melissa.k.pettrey@wv.gov

Signature *[Handwritten Signature]* FEIN # 25-0900465 DATE 8/9/18

All offers subject to all terms and conditions contained in this solicitation