

COMMONWEALTH OF VIRGINIA  
DIVISION OF PURCHASES AND SUPPLY  
1111 E. BROAD STREET  
P. O. BOX 1199  
RICHMOND, VIRGINIA 23218-1199

**NOTICE OF CONTRACT AWARD**  
**EXEMPT FROM Eva**

- 1. DATE .....September 19, 2005
- 2. COMMODITY NAME.....Natural Gas
- 3. CONTRACT NUMBER .....E194-206-1VAPP
- 4. CONTRACT PERIOD ..... October 1, 2005 through June 30, 2007
- 5. SUPERSEDES ..... 4051301-50
- 6. AUTHORIZED USERS.....State Agencies, Institution of Higher Educations, Public Bodies,  
Community Service Boards and other entities authorized by the Code of Virginia.
- 7. CONTRACTORS' FEIN NUMBER ..... See Page 4
- 8. CONTRACTOR..... See Page 4
- 9. CONTRACTOR CONTACT/ PHONE NUMBER..... See Page 4
- 10. TERMS ..... Net 30
- 11. DELIVERY ..... See Page 3
- 12. MINIMUM ORDER .....NONE
- 13. FOR FURTHER CONTRACT INFORMATION CONTACT: Bob Parolisi,  
[robert.parolisi@dgs.virginia.gov](mailto:robert.parolisi@dgs.virginia.gov) Phone (804) 786-0078 Fax (804) 786-5413
- 14. ADDITIONAL COPIES OF CONTRACTS AND ANY ASSOCIATED CONTRACT CHANGES MAY  
BE VIEWED AND PRINTED AT THE DPS WEBSITE: [www.dgs.state.va.us/dps](http://www.dgs.state.va.us/dps).
- 15. NOTICE TO ALL STATE AGENCIES: This contract is the result of a competitive bid program and its  
use is mandatory for all State Agencies (unless otherwise indicated in item 6 above) in the purchase of any  
commodity listed herein.
- 17. **Note:** This public body does not discriminate against faith-based organizations in accordance with the  
*Code of Virginia*, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national  
origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

By: Robert A. Parolisi  
Statewide Services Contract Officer

1. Purchase orders, this contract has been exempted from participation in the Commonwealth's electronic procurement system. Purchase orders will be submitted directly to the Contractor and must reference contract # E194-206-1. This contract is authorized for use by Institutions of Higher Education, localities, Virginia cities, counties, town and political subdivisions.

Written Purchase Orders Required by the Contractor. **When required by the contractor**, state agencies and public bodies will supply written purchase order forms for orders under \$5,000.

Verbal/Facsimile Orders. When a written purchase order is not required by the contractor, state agencies have the authority to place verbal and/or facsimile orders for requirements valued at less than \$5,000.

Payment – It is desirable that the contractor accept payment through a Small Purchase Charge Card for payments not exceeding \$5000.00.

2. If this contract is authorized for use by localities (see line item 6, page 1), Institutions of Higher Education, Virginia cities, counties, towns and political subdivisions may use their own form to order items listed in this contract.
3. The applicable contract number must be shown on each purchase order and copy, each facsimile transmission or given verbally when telephonic orders are placed.
4. Inspection on delivery and approval of vendor's invoice is the responsibility of receiving state agency, Virginia City, county, town or political subdivision.
5. Any complaint as to quality, faulty or delinquent delivery, or violation of contract provisions by contractor shall be reported to the Division of Purchases and Supply for handling with the contractor. Preprinted forms (DGS-41-024), by which to facilitate the notification of the contractor and this office of complaints, are available from the Division of Purchases and Supply (786-8873).
6. Renewals. Three (3), one year renewals remain. The decision as to whether to exercise the next renewal option will be made by the contract officer approximately four to six months in advance of the expiration date of the current term.
7. Price Adjustments. During the current term of the contract, price escalation may be allowed every 365 days, if justified. The contract officer makes the decision to allow or deny a request for increase based upon the documentation submitted by the contractor. The contractor is required to pass on any price reductions immediately. **IMPORTANT!** All price increases must be approved by the contract officer. Contract users will be sent a Notice of Contract Change from this office as official notification of such changes, if approved.

SPECIAL CONDITIONS

1. RATE OF DELIVERY: Delivery shall begin November 1, 2005 and continue as ordered throughout the contract period.

NOTE: ALL USERS ARE TO COORODINATE WITH STAND ENERGY THE SWITCH OVER TO STAND ENERGY PRIOR TO SWITCHING FROM THEIR CURRENT NATURAL GAS SUPPLIER.

4. DELAY OR FAILURE TO DELIVER DUE TO "FORCE MAJURE": The contractor will not be held liable for damages due to delay of shipment or failure to deliver caused directly by fire, flood, strike, Acts of God, Act of the Government, Act of an alien enemy, or by any other circumstances which, in the Division's opinion, is beyond the control or fault of the contractor.

5. PRICING: The pricing options (Agency choice) are as follows:

A. INTERRUPTIBLE NATURAL GAS PRICING OPTIONS:

- (1) NYMEX + \$0.61 PER DTH
- (2) TRANSCO ZONE 6 NON-NY - \$0.09 PER DTH
- (3) FIXED PRICE: (TO BE QUOTED ON DAY OF COMMITMENT) PER DTH
- (4) CAP AND SLIDE: TO BE QUOTED ON DAY OF COMMITMENT
- (5) COLUMBIA GAS TRANSMISSION (TCO) + \$0.24 PER DTH

NOTE: ALL PRICES ABOVE INCLUDE AN SEC MARGIN OF \$0.07 PER DTH. SEC WILL MAKE RECOMMENDATIONS AND SUGGESTIONS AS TO WHICH OPTION OR COMBINATION OF OPTIONS TO CHOOSE. SEC MAY IDENTIFY BUYING SYNERGIES BWTEEN TWO OR MORE FACILITIES. SEC WILL IDENTIFY THESE SYNERGIES TO THE FACILITIES COMPLETE WITH BENIFITS

B. FIRM NATURAL GAS PRICING OPTIONS:

- (1) NYMEX + \$0.61PER DTH + ACTUAL COST OF CAPACITY
- (2) TRANSCO ZONE 6 NON-NY - \$0.09 PER DTH + ACTUAL COST OF CAPACITY
- (3) FIXED PRICE: QUOTED PRICE PER DTH + ACTUAL COST OF CAPACITY
- (4) CAP AND SLIDE: QUOTED PRICE
- (5) COLUMBIA GAS TRANSMISSION (TCO) + \$0.24 PER DTH ACTUAL COST OF CAPACITY

NOTE: ACTUAL COST OF CAPACITY IS AS PUBLISHED IN EACH PIPELINES TARIFF AND AS APPROVED BY FERC.

ALL PRICES ABOVE INCLUDE AN SEC MARGIN OF \$0.07 PER DTH

6. **PRICE VERIFICATIONS:** Upon request by the ordering entity, the Contractor shall supply a weekly statement to that entity that indicates the price of fuel of each day of that week. This statement is necessary to verify the prices for payment. Failure to adhere to this requirement may result in the cancellation of the contract.
7. **CONTACT:** Please contact your new natural gas contractor as soon as possible and provide the following information:
  - (1) The name, address, and telephone number of the person in your agency to contact for information about natural gas requirements.
  - (2) The name, address, and telephone number of the individual in your agency who will be responsible for the initial approval and processing of the invoice payment and who should receive information concerning any changes concerning price.
8. Vendor Contact/Phone Numbers:

<u>FIN NO.</u>	<u>CONTRACTOR NAME</u>	<u>TELEPHONE FAX NO,CELL.</u>
61-1065157	Stand Energy Corporation 1077 Celestial Street Cincinnati, Ohio 45202 Mr. George Mahama	(513)475-9200 (513)621-3773 (513)236-0038
	Mr. Mark T. Ward V.P Regulatory Affairs	(513)621-1113 (513)621-3773 (513)254-4710
	Ms. Shelly Robson srobson@stand-energy.com	(513)621-1113 (513)621-3773