Southern Company

SOUTHERN COMPANY

Request For Proposal

RFP NO: SCP – 19008 Southern Company Distribution Transformers

Distribution Transformers

Southern Company

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SECTION I — DEFINITIONS

RFP General Definitions

APC	Alabama Power Company
Bidder	A potential supplier who is sent an RFP for a Southern Project
Business Proposal	The key business issues Bidder must address in the designated format as part of its RFP Response
Distribution Transformers	Transformers with power ratings less than or equal to 10 mega-Volt-Amperes (10 MVA)
Functional Equivalent	A transformer that does not have the exact specifications as listed in the appendix, but could be a realistic replacement that is more cost efficient. Functional Equivalents may include different parts or manufacturing specifications, but should be a realistic alternative that can be used at Southern Co. with no replacement/investment to the current system. All Functional Equivalents will need to be additionally validated and approved by Southern Co. for quality and reliability
GPC	Georgia Power Company
MPC	Mississippi Power Company
Price Proposal	The specific items to be priced by Bidder in the designated format as part of its Proposal
Project	Specific Southern business objectives, including the procurement of products or services
Response	The RFP Response from a Bidder to an RFP from Southern
RFP	Request For Proposal from a Bidder regarding products or services for a Southern Project
Scope	The specific products or services required by Southern for a Project
Specifications	The detailed requirements for products or services to be supplied for the Project
Southern	Southern Company acting for itself or acting as an agent for any of its affiliates that send Bidders an RFP
Supplier	Successful Bidder(s)
Timeline	The required schedule established for the RFP process related to the Project.
Utilization Goal	The target goal for utilization of Minority-Owned, Woman-Owned, Small Business Concerns, Veteran-Owned, and Service Disabled Veteran-Owned business under this RFP
Qualitative Questionnaire	Refers to the response form provided with the RFP with qualitative questions for Bidders to submit (in the excel document)
Quantitative Questionnaire	Refers to the response form provided with the RFP with quantitative questions for Bidders to submit (in the excel document)

SECTION II — SOUTHERN COMPANY INFORMATION

Background

Southern Company (NYSE: SO) is America's premier energy company, with 46,000 MW of generating capacity and 1,500 billion cubic feet of combined natural gas consumption and throughput volume serving 9 million customers through its subsidiaries. Operations include nearly 200,000 miles of electric transmission and distribution lines and more than 80,000 miles of natural gas pipeline.

The company provides clean, safe, reliable and affordable energy through electric operating companies in three states, natural gas distribution companies in seven states, a competitive generation company serving wholesale customers across America and nationally recognized provider of energy solutions, as well as fiber optics and wireless communications.

Southern Company brands are known for excellent customer service, high reliability and affordable prices that are below the national average. Through an industry-leading commitment to innovation, the company and its subsidiaries are inventing America's energy future by developing the full portfolio of energy resources, including carbon-free nuclear, natural gas, renewables and energy efficiency, and creating new products and services for the benefit of customers.

Our distinctions as a business:

- Top military employer, named by the U.S. Department of Defense and G.I. Jobs magazine
- Among the Top 50 Companies for Diversity, listed by DiversityInc
- One of the 40 Best Companies for Diversity, listed by Black Enterprise magazine
- Top Employer for Hispanics, listed by Hispanic Network
- National Award of Nuclear Science and History, awarded by the National Atomic Museum Foundation
- Ranked among the top utilities in Fortune's annual World's Most Admired Electric and Gas Utility rankings

SECTION III - RFP BACKGROUND

Background

Southern Company is embarking on a supply chain transformation effort and taking a holistic approach to managing external spend and suppliers. Category management is expected to deliver value creation benefits in addition to cost reductions including:

- Addressing and reducing supply chain risks by providing reliable and timely supply/services
- Supporting continuous improvement in quality and services levels
- Enabling greater supplier collaboration to better manage base business and drive innovation/performance improvement

Distribution transformers is a key category for Southern Company. This RFP initiative is focused on identifying a set of manufacturers that meet high quality standards at the right price while identifying opportunities for continuous improvement across the electric utilities. We are seeking to identify, increase collaboration with, and shift more volume towards selected suppliers to build stronger relationships and to drive efficiency throughout the purchasing process.

This new process includes (1) increasing transparency of our forecasted volume, (2) understanding suppliers' current and developing capabilities, (3) introducing new suppliers, and (4) collaborating with suppliers on continuous improvement.

(1) Transparency of forecasted volume: We intend to create contracts with provisions for volume and time-based commitments. Therefore, this RFP provides the opportunity for suppliers to convey any manufacturing efficiencies driven by more accurate demand forecasting and/or strong volume indications or guarantees. Pricing and lead times should be quoted within the provided volume tiers; Bidders are encouraged to consider discounts or rebates. Volume ranges are provided in the Scope of Work section of this document. In addition, suppliers should provide insight into their freight minimums and order minimums as the volume ranges are reviewed.

(2) Understanding suppliers' current and developing capabilities: We understand that suppliers may have capabilities that Southern is not aware of. This RFP provides the opportunity for Bidders to submit alternate solutions, or include any developing capabilities. In responding to this RFP, Bidders are encouraged to include Functional Equivalents to the provided specifications, and/or any new or developing capabilities into their response.

(3) Introducing new suppliers: Southern believes in strong supplier relationships and aims to continue to work closely with suppliers. However, in the coming years, we expect to increase our demand, in particular with pad-mounted transformers, as we invest in our grid at Georgia Power. Therefore, we expect new suppliers, or alternate plants of current suppliers, to help supply the increased demand. Responding to this bid does not pre-qualify any new suppliers or new plants; a comprehensive quality assessment will be required of any new supplier or new plant. Bidders are requested to quote qualifications and pricing for all capable plants to ensure a comprehensive assessment of the Bidder's capabilities and capacity.

(4) Collaborating with suppliers on continuous improvement: Technology advancement and innovation have become part of the manufacturing process; Southern wants to encourage and participate as the market moves in this direction. In this RFP process, Bidders should identify any continuous improvement or innovation efforts, whether it be new technologies or advantageous processes, that can be developed together with Southern to create a stronger, more efficient relationship. Southern expects suppliers to plan for and support emergency requirements during catastrophic events impacting customer outages. Please provide detail within the qualitative questionnaire on how we can work together during these difficult times, especially if you are outside our geographic region.

SECTION IV – SCOPE OF WORK

1. Scope of Work

1.0.1 This RFP requests pricing and other information surrounding all pad-mounted and overhead distribution transformers rated 10 kvA through 3.75 MVA to be supplied to APC, GPC and MPC.

1.0.2 This RFP asks that Bidders provide pricing on varying levels of volume to understand what efficiencies exist within the manufacturing process, and its effect on lead times. After every section, the volume ranges for bidding will be provided, and will include which power rating we expect the most volume. Detail on pricing and lead times on these volume tiers should be provided in the qualitative questionnaire. There will be detail on the forecasted volume of each unit in the quantitative questionnaire.

1.0.3 This RFP requests pricing and other information surrounding single-phase pad-mounted distribution transformers rated 25 kVA through 500kVA on sections 5, 8, 9, and 10 in qualitative and quantitative sections. Please refer to the attached Single-phase pad mounted transformer specification sheet (Single Phase Spec_SCP 19008.pdf) for all electrical characteristics and technical specifications for the aforementioned transformers. Additional detail by unit is provided in the quantitative questionnaire.

Volume tiers to consider for pricing and lead times (# of units)
1,000-1,499
1,500-2,999
3,000-4,499
4,500-5,999
6,000-7,499
7,500 – 10,000

Power Rating	**Forecasted volume based on historical (# of units)**
25 kVA	600 – 1,600
37.5 kVA	600 – 1,600
50 kVA	800 – 2.300
75 kVA	900 – 2,400
100 kVA	300 – 1,200
167 kVA	200 – 600
250 kVA	1 - 100

1.0.4 This RFP requests pricing and other information surrounding 3-phase pad-mounted distribution transformers rated 45kVA through 3.75MVA on sections 6, 8, 9, and 10 in qualitative and quantitative sections. Please refer to the attached Three-phase pad mounted transformer specification sheet (3 Phase Spec_SCP 19008.pdf) for all electrical characteristics and technical specifications for the aforementioned transformers. Additional detail by unit is provided in the quantitative questionnaire.

Volume tiers to consider for pricing and lead times (# of units)
500-999
1,000-1,499
1,500-1,999
2,000-2,499
2,500-2,999
3,000-3,499
3,500 – 4,000

Power Rating	**Forecasted volume based on historical (# of units)**
45 kVA	20 – 100
75 kVA	100 – 500
150 kVA	200 – 800
300 kVA	200 – 800
500 kVA	100 – 600
750 kVA	100 – 400
1000 kVA	50 – 300
1500 kVA	50 – 200
2000 kVA +	50 - 200

1.0.5 This RFP requests pricing and other information surrounding overhead distribution transformers rated 1.5kVA through 500 kVA on sections 7, 8, 9, and 10 in qualitative and quantitative sections. Please refer to the attached Overhead transformer specification sheet (Overhead Spec_SCP 19008.pdf) for all electrical characteristics and technical specifications for the aforementioned transformers. Additional forecast detail by unit is provided in the quantitative questionnaire.

Volume tiers to consider for pricing and lead times (# of units)
5,000-9,999
10,000-14,999
15,000-19,999
20,000-24,999
25,000 – 29,999
30,000 – 35,000

Power Rating	**Forecasted volume based on historical (# of units)**
10 kVA	500 – 1,100
15 kVA	4,000 – 6,000
25 kVA	7,000 – 13,000
37.5 kVA	3,000 – 7,000
50 kVA	1,000 – 4,000
75 kVA	500 – 1,500
100 kVA	200 – 600
167 kVA	50 – 300
250 kVA+	10 - 100

SECTION V - GENERAL RFP INSTRUCTIONS

Timeline

Milestone	Date/Time
RFP issued to Bidders	Wednesday, February 20, 2019
Pre-Bid RFP instructional Skype session (Optional for new Bidders)	Thursday, February 21, 2019 at 3:30PM EST *If you are interested in attending, please email Jodie Black by Thursday 11:00AM EST (joblack@southernco.com)*
Receipt of Intent to participate email due from Bidders	Friday, February 22, 2019 at 2:00 PM EST
Pre-Bid Conference **(Mandatory)**	Wednesday, February 27, 2019 from 8:00 – 10:00 AM EST Assembly Room; 829 Jefferson St; Atlanta, GA Skype dial-in: (404) 506-2663; ID: 295405; PIN: 102262 *Please RSVP to Jodie Black and Chris Kolls by Tuesday, February 26th 10AM EST, and confirm if you plan on attending in person or via Skype (joblack@southernco.com; ckkolls@southernco.com)*
RFP questions due from Bidders	Monday, March 4, 2019 at 2:00 PM EST
Responses to questions published by Southern	Wednesday, March 6, 2019
RFP response due from Bidders	Wednesday, March 13, 2019 at 5:00 PM EST

Adherence: Bidder-related due dates in this timeline must be adhered to strictly. Failure to conform to the required timeline may result in disqualification from the evaluation. Southern reserves the right to change dates if needed.

RFP Instructions

Please submit one RFP Response and all communications via the Southern Sourcing System no later than the date listed above.

NO BIDS WILL BE ACCEPTED AFTER THE 5:00 PM EST DEADLINE. PLEASE START YOUR UPLOAD PROCESS EARLY. THE BID AUTOMATICALLY CLOSES AT 5:00 PM EST ON WEDNESDAY, MARCH 13, 2019. THERE WILL BE NO EXCEPTIONS TO THIS RULE.

Please note that any questions regarding this RFP will be addressed only through the Southern Company Sourcing System. (Please refer to Appendix attachment Bid Instructions for more details.)

Be aware that any contact with any other Southern employee or any of its affiliate companies' employees regarding the RFP or this project is prohibited and will result in a disqualification of the Bidder from participating in this RFP with the exception of the names included above. All employees have been instructed to report violations. There will be no exceptions to this rule.

Responses should be limited to one form which should be completed as an editable Excel. You should complete sections 3-10 as you are able. The document should be saved in the following format:

- Qualitative and Quantitative Response: (Company Name, SCP – 19008 Southern Company Distribution Transformers)

- Within the Qualitative and Quantitative response template, tabs 3, 4, and 8 are required for submission. Tabs 5, 6, and 7 are optional depending on Bidder's manufacturing capabilities. Tabs 9 and 10 are optional depending on if the Bidder chooses to include additional plant information.

- Bidders can also submit full specification sheets to any Functional Equivalents in a PDF document, and must include a cover sheet which summarizes the differences between the specifications provided by Southern. Please include the Maximo number in the summary sheet that the Functional Equivalent refers to. Any Functional Equivalent submitted without a cover sheet will not be considered in the process.

This RFP is comprehensive of all distribution transformer specifications and requirements. Suppliers are encouraged to bid on, and provide responses to all elements of the RFP where they have capability. Those products or questions that are not applicable should be omitted, and will be reviewed without penalty.

Any deviation from specified format may cause Bidder to be disqualified from the process.

Please be prepared to conduct a Bidder presentation and participate in a Q&A conference if requested by Southern.

If there are questions included in the Sourcing System, they are expected to be answered in the appropriate fields.

RFP Documents

Southern has provided 7 files associated with this RFP and all are included as attachments within Southern's Sourcing System:

1. Distribution Transformers RFP_SCP – 19008
2. Supplier Quantitative and Qualitative Response Template_SCP - 19008
3. PO Terms and Conditions_SCP - 19008
4. Single-phase pad mounted transformer specification sheet (Single Phase Spec_SCP - 19008)
5. Three-phase pad mounted transformer specification sheet (Three Phase Spec_SCP - 19008)
6. Overhead transformer specification sheet (Overhead Phase Spec_SCP - 19008)
7. Bid Instructions_SCP - 19008

Intent to Participate

Bidders should indicate their intent to respond to this RFP through the Southern Sourcing System by the date listed above. If Bidder does not intend to participate, please indicate such through the Southern Sourcing System.

Pre-Bid Conference

There will be a pre-bid conference held on February 27th, Bidder will be required to attend a pre-bid conference at the determined location. Bidder will be contacted by the sourcing agent with specific information. Please note that there is a limitation on the number of representatives that may attend a pre-bid conference. No more than two (2) representatives from each agency can attend the pre-bid conference. Please RSVP to the conference no later than February 26th at 10am EST.

Questions

Southern will handle all questions regarding this RFP through the Southern Sourcing System. No questions will be accepted by Southern after the date listed above.

Bidder Contact Information

Bidder must provide the name, title, address and telephone number of the individual who should be contacted during the RFP evaluation period.

Changes by Southern

Southern may make changes to this RFP or request additional information if clarification is needed. Bidders should confirm their receipt of any and all changes to the RFP by indicating such through the Southern Sourcing System.

Validity

By submitting a Response to this RFP, Bidder certifies that its Response is valid for 120 calendar days starting from and including the date the Response is due.

Net Terms

Southern Company's standard payment terms are net 30. All proposals must be priced accordingly. If you do not price your proposal in accordance to the standard payment terms, it will not be considered a complete proposal. Alternate payment terms will only be considered when pricing has been provided at net 30.

Diversity

If Bidder is a certified small business, Minority-Owned, Woman-Owned, Veteran-Owned, or Service Disabled Veteran-Owned, or a business located in a diverse or economically repressed area, this fact should be noted on the Supplier Quantitative and Qualitative Responses Template along with any documentation to support Bidder's certified status.

Utilization of Minority, Women and Disabled Veteran Business Enterprises

Southern Company's Supplier Diversity Policy

Southern Company's Supplier Diversity Policy requires that Minority-Owned, Woman-Owned, Small Business Concerns, Veteran-Owned, and Service Disabled Veteran-Owned should have the maximum practicable opportunity to participate in Southern Company's Projects by providing products/services. Certified Minority-Owned, Woman-Owned, Small Business Concerns, Veteran-Owned, and Service Disabled Veteran-Owned who respond to this RFP will be viewed as providing added value to their Response. In addition, Bidders who are not a Minority-Owned, Woman-Owned, Small Business Concerns, Veteran-Owned, and Service Disabled Veteran-Owned but joint venture or subcontract with such enterprises or use such enterprises to provide products and services incidental to their business will be viewed as providing added value to their Response. If Bidder is not a Minority-Owned, Woman-Owned, Small Business Concerns, Veteran-Owned, and Service Disabled Veteran-Owned, Bidder agrees to use its best efforts to give these enterprises the maximum practicable opportunity to participate in the subcontracts it awards, consistent with the efficient performance of any contract awarded by Southern as a result of this RFP.

Utilization Goal/Diversity Plan

Bidder's documented past performance utilizing Minority-Owned, Woman-Owned, Small Business Concerns, Veteran-Owned, and Service Disabled Veteran-Owned businesses for the same or similar products/services that are set forth in the Scope of this RFP, should be submitted with Bidder's Proposal. Bidder's proposed use of these enterprises will be a factor in the evaluation of the Response. Southern may request periodic reports to assist in determining a Bidder's good faith compliance. Bidder agrees to provide such reports when requested by Southern.

Additional RFP Terms

Applicable Law

The Bidder must review all laws of the State in which the work is to be performed and ensure that it possesses and maintains all required professional, occupational, specialty, and contractor licenses, permits, certifications, registrations, and authorizations required for submission of a Proposal and performance of the Work. Under no circumstances will any Proposal (i) submitted for work in Georgia; (ii) amounting to $50,000 or more in Alabama or Mississippi; or (iii) amounting to $30,000 or more in North Carolina be considered until the Bidder has furnished evidence that it has complied with all the provisions of state law pertaining to the licensing or certification of general contractors in such state or that the Bidder is exempt from such licensing law or certification law. Any Proposal submitted for work in Georgia must include the Bidder's current Georgia general contractor's license number and if the Proposal is submitted on behalf of a business entity, and not by an individual or sole proprietor, the Proposal also must include the current Georgia general contractor's number for and the name of the qualifying agent employed by Bidder. Any Proposal amounting to $50,000 or more submitted for work in Alabama must include the general contractor's license number and bid limit of the Bidder unless the Bidder establishes that it is exempt. Any Proposal submitted for work in Mississippi must state on the exterior of the bid envelope either the Bidder's current certificate of responsibility number or that the bid enclosed (within the envelope) does not exceed $50,000. Any Proposal amounting to $30,000 or more submitted for work in North Carolina must include the general contractor's license number, bid limitation, and classification of the Bidder unless it establishes that it is exempt.

Offer

This RFP is not a contract, an offer, or a request for an offer. Bidders responding to this RFP receive no rights or obligations as a result of their Response. Southern may accept or reject any Response, in whole or in part, or reject all Responses, with or without notice or reasons. If no Response is accepted, Southern may abandon the Project or have the Project performed in another manner as Southern may elect. In addition, Southern may add Bidders to this RFP at any time.

Confidentiality

Bidder agrees to keep confidential all information relative to this RFP and further agrees not to disclose it to a third party. All Responses to the RFP will become the property of Southern. If onsite Bidder demonstrations are requested, Bidder may be required to sign a Non-Disclosure and/or Evaluation Agreement with Southern.

Costs

All expenses incurred by Southern or by Bidder as a result of this RFP will be paid by the party incurring the expense. Southern will not reimburse any of Bidder's costs.

Brand Protection

The Southern Company and any affiliate name and logo signify the well-known brand image of Southern Company and/or any affiliate and therefore are invaluable assets. To properly protect this brand image, Bidder may use the Southern Company and/or affiliate trade name in its Response to this RFP, but CANNOT use the Southern Company and/or affiliate name or its logo for any other reason without the expressed written consent of an authorized Southern Company and/or affiliate representative.

Evaluation Criteria

A Bidder's Response to this RFP will be evaluated against a number of criteria including, but not limited to, the following:

- Adequacy and completeness of the Bidder's response to the qualitative and quantitative questionnaires
- Product pricing and manufacturing timeline, including thoughtful pricing for each volume tier
- Ability to manufacture the transformers as specified in this RFP
- Accurate recommendations and pricing of Functional Equivalents
- Quality assurance/quality control capabilities and processes
- Compliance with requirements
- Technical capacity, systems, and processes
- Financial stability
- Brevity and conciseness in Bidder's RFP Responses
- Our assessment of the ease in which a final contract can be negotiated
- Exceptions to the general terms and conditions
- MBE, WBE, DVBE, and small business certification

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SECTION VI - APPENDIX

1. PO Terms and Conditions
2. Single-phase pad mounted transformer specification sheet (Single Phase Spec_SCP – 19008.pdf)
3. Three-phase pad mounted transformer specification sheet (3 Phase Spec_SCP – 19008.pdf)
4. Overhead transformer specification sheet (Overhead Spec_SCP – 19008.pdf)
5. Bid Instructions