

<b>Exhibit No:</b>	—
<b>Issue:</b>	<b>Competitive Bidding Requirement</b>
<b>Witness:</b>	<b>Steven Samson</b>
<b>Type of Exhibit:</b>	<b>Direct Testimony</b>
<b>Sponsoring Party:</b>	<b>Spire Missouri Inc.</b>
<b>Case No.:</b>	<b>GO-2022-</b>
<b>Date Testimony Prepared:</b>	<b>June 2, 2022</b>

**SPIRE MISSOURI INC.**

**CASE NO. GO-2022-**

**DIRECT TESTIMONY**

**OF**

**STEVEN SAMSON**

**JUNE 2, 2022**

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**DIRECT TESTIMONY OF STEVEN SAMSON**

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**Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A: My name is Steven Samson and my business address is 700 Market St., St. Louis, Missouri, 63101.

**Q. WHAT IS YOUR PRESENT POSITION?**

A: I am presently employed as the Manager of Procurement at Spire Missouri Inc. (“Spire” or the “Company”).

**Q: PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.**

A: I have held my current position since March 2022. Previously, and pertinent to this testimony, I held the position of Category Manager for 8 years. In this role, I was responsible for sourcing, negotiating, and contracting activities related to Spire’s field operations and operations services. This includes developing and sending bid packages out to contractors for ISRS work, reviewing bids received, and finalizing contract documents for execution.

**Q: PLEASE BRIEFLY DESCRIBE YOUR PROFESSIONAL EXPERIENCE AT SPIRE MISSOURI.**

A. I have been with Spire since 2011 and have held positions of Purchasing Agent and Category Manager prior to my current role.

**Q: HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION (“COMMISSION”)?**

No.

**PURPOSE OF TESTIMONY**

1 **Q: WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

2 A: The purpose of my Direct Testimony is to provide support for Spire’s ISRS application,  
3 specifically the Company’s competitive bidding process as to ISRS-eligible work. I will  
4 describe what steps the Company takes to ensure that at least twenty-five percent of its  
5 ISRS eligible project installations expenditures are competitively bid, as is required by the  
6 new ISRS legislation, 393.1012.4 RSMo.

7 **NEW ISRS LEGISLATION ON COMPETITIVE BIDDING**

8 **Q: PLEASE DESCRIBE THE NEW ISRS REQUIREMENTS ON COMPETITIVE**  
9 **BIDDING.**

10 A: Under Section 393.1012.4, RSMo, a gas utility must competitively bid at least twenty-five  
11 percent of the combined external installation expenditures for ISRS-eligible gas utility  
12 plant projects. A verified statement must be filed with the gas utility’s petition confirming  
13 its compliance under this section of the rule. The rule also requires that a gas corporation  
14 develop and file with the Commission its pre-qualification process for contractors wishing  
15 to participate in the competitive bidding process to install ISRS-eligible plant projects.

16 **Q. HAS THE COMPANY FILED ITS PRE-QUALIFICATION PROCESS AS**  
17 **REQUIRED UNDER THE ISRS LEGISLATION?**

18 A. Yes, the Company’s pre-qualification process was filed in Case No. GO-2021-0382 on  
19 April 29, 2021. In that same docket, on October 8, 2021 the Company also filed a Verified  
20 Affidavit of Scott Weitzel confirming that Spire has a pre-qualification process in place  
21 that conformed with the requirements of Section 393.1012.4 RSMo.

22 **SPIRE’S ISRS COMPETITIVE BIDDING PROCESS**

1 **Q. WHAT STEPS DID THE COMPANY TAKE TO DEVELOP ITS ISRS**  
2 **COMPETITIVE BIDDING PROCESS?**

3 A. Soon after the new ISRS law became effective on August 28, 2020, Spire employees  
4 from various business departments met to develop a process to ensure compliance with  
5 the ISRS's new competitive bidding requirement. This group included members from the  
6 construction engineering, supply chain, field operations, regulatory, legal, IT and  
7 corporate communications departments. The group first met in September of 2020 to  
8 develop the pre-qualification requirements for contractors. This process took several  
9 months, and the Company's final checklist was shared with the Staff of the Missouri  
10 Public Service Commission prior to filing it with the Commission. In November of 2020  
11 internal Company stakeholders from supply chain, construction engineering, field  
12 operations, and operations analytics began to meet on a regular basis to discuss the  
13 process of identifying projects that would be competitively bid as well as the Company's  
14 tracking of progress towards meeting the twenty-five percent threshold.

15 **Q. PLEASE DESCRIBE THE COMPANY'S COMPETITIVE BIDDING PROCESS**  
16 **FOR ISRS WORK.**

17 A. Once ISRS-eligible main replacement projects have been identified and flagged for the  
18 competitive-bidding process, supply chain puts together a Request for Proposal (RFP)  
19 package which is distributed to all contractors who have been approved through the  
20 Company's pre-qualification process for ISRS work. The RFP contains a scope of work,  
21 project drawings, and other information contractors will need to complete the project.  
22 The RFP is released to all contractors at the same time through the Company's third-party  
23 bidding platform, with a defined schedule containing a question and answer period and

1 submission due date and time. Any questions submitted and answered during the  
2 question and answer period are summarized and provided to all bidding contractors.  
3 Contractors typically have 2-3 weeks to submit a bid, depending on the complexity of the  
4 project. Contractor bids will include completion of a Company provided unit price  
5 response form. These bids are reviewed and tabulated for estimated costs based on  
6 project estimates provided by construction engineering and the work is awarded based on  
7 the estimated cost to Spire and projected construction schedule.

8 **Q. PLEASE DESCRIBE HOW THE COMPANY DETERMINES WHICH ISRS**  
9 **PROJECTS TO COMPETITIVELY BID.**

10 A: As part of the ISRS work planning process, construction engineering and field operations  
11 select projects for competitive bidding, prioritizing new areas where work has not yet  
12 begun, as well as projects that are large in size and scope. This strategy allows for a more  
13 efficient and logical means of utilizing the competitive bidding process for ISRS work. For  
14 example, instead of issuing an RFP for areas that already have crews working, it is more  
15 efficient for Spire to prioritize new areas where there are several phases of work to be  
16 completed. This allows for crews to stay in areas longer and in turn results in larger  
17 expenditures associated with an RFP. Instead of the Company having to expend resources  
18 to issue, for example, thirty RFP's in a given year, the Company may only have to issue  
19 fifteen with proper planning to meet the ISRS competitively bid requirement.

20 **Q. PLEASE DESCRIBE HOW THE COMPANY EVALUATES RFP RESPONSES IN**  
21 **DETERMINING WHICH CONTRACTOR TO AWARD A BID.**

22 A. All bids undergo an initial review to confirm that bid submissions are complete, contain all  
23 requested information, and confirm that the contractor meets the Company's expectations

1 for ability, quality, and timeliness of the project specific work to be performed. If any  
2 questions or inconsistencies in the bid are noted, the contractor is contacted to clarify any  
3 questions or inconsistencies in the bid. Once the bids are determined to be complete, the  
4 unit rates provided by the bidding contractors in the RFP will be used with the unit quantity  
5 estimates created by construction engineering to calculate the estimated project cost. This  
6 cost is used to determine the most economical contractor to perform the work.

7 **Q. HOW DOES THE COMPANY DETERMINE IT HAS MET THE TWENTY-FIVE**  
8 **PERCENT COMPETITIVE BIDDING THRESHOLD?**

9 A. The Company monitors its ISRS spend for compliance with the twenty-five percent  
10 expenditure threshold through operations analytics and works with supply chain to ensure  
11 sufficient requests for proposals have been issued and awarded to meet the expenditure  
12 requirement.

13 **Q: DOES SPIRE USE CONTRACTORS FOR ITS ISRS WORK IN BOTH OF ITS**  
14 **SERVICE TERRITORIES (“SPIRE EAST” AND “SPIRE WEST”)?**

15 A. No. Spire East currently conducts all ISRS installation work using Spire employees. Spire  
16 West utilizes contractors for a majority of its ISRS work.

17 **Q. WHY DOESN’T SPIRE USE THE COMPETITIVE BIDDING PROCESS FOR**  
18 **ALL OF ITS EXTERNAL ISRS WORK?**

19 A. Bidding out all of the Company’s ISRS eligible work would be cumbersome on the  
20 Company’s resources. In addition, Spire has long-term blanket pricing with some of its  
21 contractors which is an easier means of assigning out ISRS work and ensuring scheduling  
22 efficiencies

1 **Q: HAS THE COMPANY COMPETITIVELY BID AT LEAST TWENTY-FIVE**  
2 **PERCENT OF ITS ISRS-ELIGIBLE WORK EXPENDITURES AS IS REQUIRED**  
3 **UNDER THE ISRS STATUTE?**

4 A: Yes. The Company is currently bidding out at least twenty-five percent of its external  
5 ISRS expenditures as required under the ISRS law.

6

7

**CONCLUSION**

8 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

9 A. Yes, it does.



**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Spire Missouri Inc.'s )  
Request to Implement an Infrastructure )  
System Replacement Surcharge for the ) File No. GO-2022-  
Company's Missouri Service Areas )  
)

AFFIDAVIT

STATE OF MISSOURI )  
CITY OF SAINT LOUIS ) SS.

I, Steven Samson, of lawful age, being first duly sworn, deposes and states:

1. My name is Steven Samson. I am the Manager of Procurement for Spire Missouri Inc. My business address is 700 Market Street, Saint Louis, Missouri 63101.
2. Attached hereto and made a part hereof for all purposes is my direct testimony on behalf of Spire Missouri Inc.
3. Under penalty of perjury, I declare that the foregoing testimony is true and correct to the best of my knowledge and belief.

/s/ Steven Samson  
Steven Samson

6/02/2022  
Date