

Request for Qualifications and Proposals for Natural Gas Scheduling Services

Submission Deadline: March 24, 2017

Association of Bay Area Governments
375 Beale Street, Suite 700
San Francisco, CA 94105



Request for Qualifications and Proposals for Natural Gas Scheduling Services

Natural Gas Scheduling Services

ABAG Publicly Owned Energy Resources (ABAG POWER) invites you to propose gas scheduling services for a natural gas purchasing pool of local governments in Pacific Gas & Electric Company's service territory for the term of July 1, 2017 to June 30, 2019, with an option to extend for an additional three years, exercisable at ABAG POWER's discretion.

Submission Deadline

The deadline for submitting qualifications and proposals is 5:00 p.m. (Pacific Daylight Savings Time), Friday, March 24, 2017. Electronic submittal (via email) is preferred; otherwise, please submit proposals to the following address:

Gerald Lahr
Association of Bay Area Governments
375 Beale Street, Suite 700
San Francisco, CA 94105

For information regarding proposal requirements, contact Gerald Lahr at (415) 820-7908 or JerryL@abag.ca.gov

Solicitation Schedule



February 21, 2017

RFP Issued for Natural
Gas Scheduling Services

March 10, 2017

Questions and
Clarifications
Submission Deadline

March 17, 2017

Questions and
Clarifications Posted

March 24, 2017

Proposals Due at ABAG
Offices by 5:00 p.m.

April 3-7, 2017

Interviews of Select
Candidates

April 19, 2017

Tentative Selection by
ABAG POWER

Table of Contents

Introduction.....	1
Proposal Services	2
Natural Gas Scheduling Responsibilities.....	2
Consulting and Strategic Planning Services.....	3
Proposal Requirements	5
Proposal Evaluation and Selection Criteria	6
General Conditions	7

INTRODUCTION

Introduction

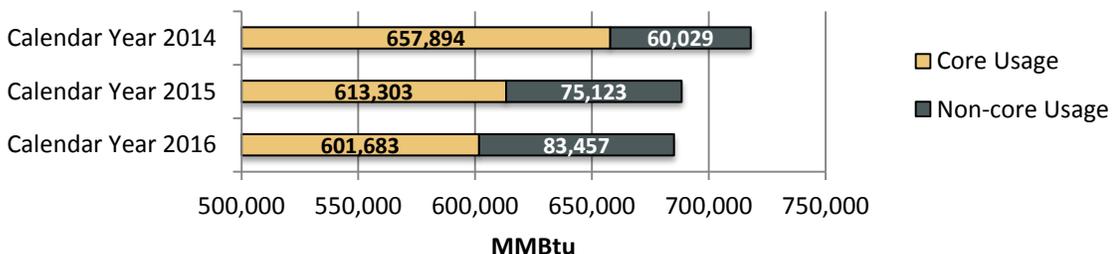
The Association of Bay Area Governments (ABAG) is a Joint Powers Agency (JPA) serving local governments of the 101 cities and nine counties in the San Francisco Bay Area. ABAG was formed in 1961 as a response to state legislation that would have supplanted local control over all bridges, ports, and transit operations in the Bay Area. Ever since, ABAG's mission has been to strengthen cooperation and collaboration among local governments to provide innovative and cost effective solutions to common problems that they face.

One of the many services offered by ABAG is ABAG Publicly Owned Energy Resources (ABAG POWER), a separate JPA to act as an energy service provider for municipal facilities. Formed in 1996, the natural gas pool recently completed its twentieth year of operation and is currently serving 38 member cities, counties, and special districts spanning twelve counties. ABAG POWER purchases natural gas on agencies' behalf and arranges for it to be delivered to the Pacific Gas & Electric Company (PG&E) system for local distribution to facilities such as hospitals, zoos, police and fire stations, forensics labs, wastewater treatment stations and more. The primary goals of the gas purchasing pool are price stability and cost savings.

Previously, ABAG POWER also operated an electric aggregation program, but ultimately suspended the program in 2001 due primarily to the volatility in the electric energy industry.

More information about the program can be found at: <http://abag.ca.gov/services/power/>.

Gas Volume. ABAG POWER currently purchases natural gas from various suppliers. All members are within Pacific Gas & Electric Company's service territory. Gas is transported to members via PG&E's "backbone" transportation pipelines before reaching the "Citygate" local distribution system. The program's individual account portfolio consists of approximately 760 small-to-medium "core" accounts and three high-usage "non-core" accounts. Annual volumes for current members of the program are summarized below.



PROPOSAL SERVICES

Proposal Services

ABAG POWER is seeking an agent to provide comprehensive scheduling services for its natural gas aggregation program. The gas scheduler must work closely with ABAG POWER staff and maintain a good working relationship with PG&E, gas suppliers, and other contractors that generate or provide information.

The following is a listing of the gas scheduling responsibilities. These responsibilities may be modified to reflect changing program needs.

NATURAL GAS SCHEDULING RESPONSIBILITIES

1. Gas Scheduling. Gas scheduling responsibilities are as follows:
 - a. Nominate supplies on behalf of ABAG POWER in accordance with the Core Gas Aggregation Service Agreement (CTA Agreement), the Gas Transmission Service Agreement (GTSA), and all applicable PG&E natural gas Rules and Tariffs.
 - b. Monitor gas usage and imbalances, and reconcile gas orders/deliveries. Monitor consumption to eliminate shortfalls and over-deliveries, and handle adjustments as necessary. Some of the areas for consideration include, but are not limited to:
 - i. Monitoring of the PG&E Core Load Forecasting Model and compliance with all balancing requirements;
 - ii. Supplier vs. Transporter volume discrepancies;
 - iii. OFO/EFO supply modifications;
 - iv. Ongoing estimates/verification of imbalances, along with recommendations and implementation of plans to mitigate imbalance issues;
 - v. Arrange for injection and withdrawal from storage;
 - vi. Evaluation of supplier performance;
 - vii. Documentation for resolving gas volume disputes;
 - viii. Avoidance of penalties and other unexpected costs;
 - ix. Avoidance of supply interruptions.
 - c. Provide a monthly Operations Report to ABAG POWER summarizing gas purchases, imbalances, storage injection/withdrawal and any other gas scheduling activities.

PROPOSAL SERVICES

- d. Monitor gas supply contracts to ensure gas delivery. Provide a Gas Purchasing Plan (strategy) for the coming month to include all current purchase contracts, and recommendations of any additional purchase needs.
- e. Comply with all local, state, and federal statutes and regulations that govern the natural gas industry.
- f. Maintain daily and monthly gas cost information that will allow ABAG POWER to have an itemized account of its purchase history and comparative costs.
- g. Review commodity supply invoices, and transportation/transmission charges in a timely manner to permit ABAG POWER payment of such invoices within the designated due date.

CONSULTING AND STRATEGIC PLANNING SERVICES

1. Assist ABAG POWER in designing gas supply strategies which:
 - a. Balance cost savings, cost stability, and supply reliability;
 - b. Take advantage of new opportunities and changing market conditions, e.g., renewable natural gas availability and pricing;
 - c. Conceptualize and develop strategies for reducing the cost of providing natural gas to ABAG POWER participating Members.
2. Assist in research and evaluation of available transportation and storage;
3. Be reasonably accessible and responsive to expressions of concern by ABAG POWER, its participating Members, attorneys and/or agents;
4. Be reasonably available to attend ABAG POWER Executive Committee and/or Board meetings if requested;
5. Continually analyze and review operation procedures and reporting mechanisms with the goal of improving them, and make timely reports to ABAG POWER containing recommendations for charges;
6. With prior approval, contractor may from time to time speak on behalf of ABAG POWER and its members as an intervenor for utility or regulatory issues. For occasions

PROPOSAL SERVICES

and issues which fall outside the contractor's existing role, a consulting agreement will be executed to cover these costs.

PROPOSAL REQUIREMENTS

Proposal Requirements

1. A cover page clearly displaying: 1) company name and 2) the principal contact's name, address, phone and fax numbers, and email address.
2. A Letter of Transmittal signed by an officer of the company authorized to submit a firm proposal and sign subsequent contracts with ABAG POWER.
3. Company Information Form. The enclosed Company Information Form must be completed by each proposer. Firms bidding as joint ventures or a prime with subcontractors must submit an information form for each member of the joint venture or each subcontractor. Subcontractors should indicate a willingness to subcontract with the prime contractor.
4. Proposal/discussion of how the proposing firm will undertake the tasks listed in Section II above.
5. Provide copies of typical report(s) that summarize an entity's gas operations.
6. List of the key personnel that will be working on the program, including resumes, and office locations from which the personnel will be physically working.
7. Describe any experience with California's Core Gas Aggregation Program.
8. Proposals shall include a list of at least three references for which the proposer has performed work similar to that being proposed. The references should include:
 - Contact name
 - Contact telephone number
 - Company name
 - Company address
 - Dates of service
 - Brief statement of services provided
9. Proposal shall include a timeline indicating the time and major tasks necessary to transition to the proposer's gas scheduling system.

PROPOSAL REQUIREMENTS

10. Proposals shall include a fee schedule to include any “start-up” expenses along with ongoing monthly fees. Include separately fees for the option three-year extension period. Different fee structures may be proposed, for example: \$/MMBtu, \$/month, combination, or other. Also, please indicate if any minimum load would apply to pricing.

PROPOSAL EVALUATION AND SELECTION CRITERIA

ABAG POWER staff will evaluate the Proposals with the final selection made by the ABAG POWER Executive Committee. ABAG POWER intends to evaluate the Proposals generally in accordance with the criteria itemized below:

1. Price and Fee Structure (30 points)
 - ✓ Lowest cost that meets the requirements of the Program.
2. Program Approach (50 points)
 - ✓ Understanding of the process and tasks to be performed and proposed approach.
 - ✓ Breadth of the proposer’s experience managing natural gas supply in California.
 - ✓ Quality of references
3. Company Information (20 points)
 - ✓ Financial stability of company
 - ✓ Office locations

Staff and the Executive Committee will evaluate Proposals according to the criteria outlined. The firms evaluated as most qualified (up to five) will be selected for an interview. Through the interview, staff will evaluate and rank those selected firms according to criteria that best fit ABAG POWER’s needs.

It is ABAG POWER’s intention to negotiate final terms and conditions with the top-ranked firm. If ABAG POWER is unable to negotiate a satisfactory agreement with the top-ranked firm, ABAG POWER will negotiate with the other firms according to their ranking until it has reached a satisfactory contractual agreement.

GENERAL CONDITIONS

General Conditions

A. No Obligation to Award

This Request for Proposal (RFP) does not obligate ABAG POWER to enter into an agreement with any Proposer. ABAG POWER may, at its option, revise the schedule of events or anticipated date of award; may request further information from any Proposer, or may withdraw this RFP in part or in its entirety.

B. One Proposal

If ABAG POWER receives only one Proposal and determines that it has been submitted by the only contractor known to possess the ability to provide services meeting ABAG POWER's requirements, ABAG POWER may, in its discretion, accept such terms as responsive even though that Proposal is made on terms different from those set forth herein.

C. Form of Proposal and Signature

Each Proposer, by submission of a proposal, thereby represents and warrants to ABAG POWER and ABAG that each document is signed by a person with authority to bind Proposer to the terms of such document and that the document is duly and validly executed. In particular, documents submitted by a sole owner will be signed by the sole owner with his/her full name and his/her address. Documents submitted by a partnership will be signed by at least one general partner who will also sign his/her own name with the address of each partner. Documents submitted by a corporation will be signed by an officer or other individual who has the full and proper authorization to do so. Documents submitted by a joint venture will be signed on behalf of each participating entity in the manner prescribed above in accordance with its legal status. Documents submitted in any other form will be considered nonresponsive and will be rejected.

D. Conditioned Proposal

Unauthorized conditions, limitations or provisions attached to a proposal will render it non-responsive and may cause its rejection.

E. Withdrawal of Proposal

A Proposer may withdraw its proposal without prejudice to itself by submitting a written request for its withdrawal to ABAG POWER before the due date.

GENERAL CONDITIONS

F. Firm Proposal

All proposals shall remain in effect for ninety (90) days from the due date of the proposal.

G. Rejection of Proposal

ABAG POWER may reject any and all proposals and will reject the proposal of any party who has been delinquent or unfaithful in any former contract with ABAG or ABAG POWER. The right is reserved to reject any or all proposals, and to waive technical defects, as the interests of ABAG or ABAG POWER may require.

H. Clarification/Submission of Questions

Requests for clarification and submission of questions must be received by ABAG POWER, in writing, not later than 5:00 p.m. PST March 10, 2017. ABAG POWER's response to requests for clarification and submission of questions will be transmitted by email to all known potential Proposers and posted online no later than 5:00 p.m. PST on March 17, 2017. Please provide your email address to Ryan Jacoby (RyanJ@abag.ca.gov) if you wish to receive these responses via email.

I. Pre-contractual Expense

Neither ABAG nor ABAG POWER shall be liable for any pre-contractual expenses incurred by any Proposer or its Consultant(s). Proposers shall not include any such expenses as part of the price proposed in response to this RFP. ABAG and ABAG POWER shall be held harmless from any and all liability, claims, or expenses incurred by or on behalf of any person, agency, company, or organization responding to this RFP. Pre-contractual expenses are defined as expenses incurred by Proposers and the selected Consultant(s) in:

- Preparing a proposal in response to this RFP.
- Submitting proposal to ABAG POWER.
- Oral presentation to and negotiations with ABAG or ABAG POWER on any matter related to the proposal.
- Other expenses incurred by the Proposer or Consultant(s) prior to the date of award or any contract.

J. Protest Procedures

- I. A Proposer may file a protest, in writing, stating the reasons for its protest addressed to Gerald Lahr within three (3) working days after the notice of pre-award or award or after the post-award circumstances on which the protest is based has come to its attention. A detailed description of the facts underlying the protest plus any supporting documentation should be submitted. The

GENERAL CONDITIONS

- protest should be submitted to Gerald Lahr, Energy Programs Manager, at ABAG's offices.
- II. The Program Manager shall investigate the matter and respond in writing to each point raised by the proposer within ten (10) working days. In addition, the Program Manager shall specify in writing any action to be taken by ABAG.
 - III. If the Proposer is not satisfied with the decision of the Program Manager, the Proposer may appeal the decision in writing within five (5) working days to ABAG's Executive Director. The appeal shall be submitted at ABAG's offices.
 - IV. The Executive Director will investigate and respond in writing specifying any differences between his findings and those of the Program Manager. The Executive Director will also state the action to be taken by ABAG or the fact that no action shall be taken. The decision of the Executive Director is the final decision of ABAG.
 - V. The Proposer will be notified of its right to appeal to the appropriate state or local administrative or judicial authorities.
 - VI. In the event a protest has been timely filed before award, ABAG POWER will not make award prior to five (5) calendar days after the resolution of the protest, unless ABAG POWER makes a written determination that:
 - a) The items/services to be procured are urgently required
 - b) Delivery or performance will be unduly delayed by failure to make the award promptly; or
 - c) Failure to make prompt award will otherwise cause undue harm to ABAG or ABAG POWER.



Company Information Form

Company name: _____

Principal address: _____

Telephone: _____

Web Site: _____

Do you have a California or West Coast office? Yes No

If yes, specify:

Contact person: _____

Title: _____

Office location: _____

Telephone: _____

Email Address: _____

Business organization-- check one:

Corporation, incorporated in the State of: _____

Other (partnership, etc.). Describe: _____

Are you:

Registered to do business in California? Yes No

For public reporting purposes, is the proposing company a certified:

Small Business? Yes No

Disabled Veteran Business Enterprise;
Women or minority-owned Small Business? Yes No

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



S.E.C. registration number: _____

DUNS number: _____

Parent company (if any): _____

Affiliated energy-related companies: _____

Has the organization been the subject of litigation for the failure to meet contracted obligations within the last 3 years?

Yes No

Please include the following with this form:

- ✓ Most recent annual report or financial statement.
- ✓ Any additional information which will help in our qualification process.

All of the information provided on this statement and all supplemental information is true and accurate to the best of my knowledge.

Signature _____ Title _____

Print Name _____ Date _____