



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Request for Proposals for Natural Gas Engineering Services

Response Deadline: May 14, 2010

The Southern California Public Power Authority (SCPPA) is hereby soliciting competitive proposals for consulting services for various activities related to natural gas supply including the evaluation of existing reserves, review and recommendations on the development and operation of reserves, and assessment of new reserves to supplement SCPPA's existing contracts.

Introduction

SCPPA, a joint powers authority and a public entity organized under the laws of the State of California, was created pursuant to the Government Code of California and a Joint Powers Agreement for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation or transmission of electric energy.

SCPPA has existing ownership interests in multiple generation technologies including conventional gas facilities. To mitigate the potential price volatility of gas supplies, SCPPA has previously obtained rights to natural gas reserves. In addition to optimizing the existing fields, SCPPA wishes to investigate additional transactions to increase the total reserve potential.

Membership consists of eleven cities and one irrigation district which supply electric energy within Southern California, including the municipal utilities of the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District (Member Agencies). In addition to these Member Agencies, SCPPA may include other municipal agencies who wish to participate in our projects, with applicable restrictions that may apply and by approval of the Board. Such a relationship exists between SCPPA and the Turlock Irrigation District (TID) relating to gas reserves, and other municipal agencies for other projects.

SCPPA is governed by its Board of Directors, which consists of representatives from each of its members. The management of SCPPA is under the direction of an Executive Director who is appointed by the Board.

Areas of Interest

- 1) Review, Analysis, and Operating Recommendations on existing reserves:
 - a. Proposer will meet with the appropriate technical staff and/or property owner's to review the gas producing properties and to gather relevant data and information for review and analysis.
 - b. Proposer will review and analyze geologic, engineering, environmental, lease, and economic data to develop an independent estimate of reserves and flow streams for the economic life of the subject properties.
 - c. Proposer will provide an indication of any major reserve, lease or access, and anticipated production problems in relation to the expectations of the SCPPA and recommend solutions or alternatives related to the data or drilling plans.
- 2) Valuations and Development Risk Assessments:
 - a. Proposer will prepare reserve estimates and forecasts of the total quantity of gas and the net gas to the planned acquisition interest expected to be produced from the properties and prepare a risk assessment by reserve category of the reserves from each well or location.
 - b. Proposer will prepare a final report for the properties including estimates of reserves, flow streams (annual or monthly estimates as needed), and economics by property and in summary by reserve category. The report will contain an explanation of the assumptions and calculation methodology used to prepare the estimates.
- 3) Transmission and other related elements of gas delivery:
 - a. Proposer may be asked to evaluate pipeline transportation accessibility and feasibility from gas fields.
 - b. Proposer may be requested to develop business plans relating to liquids, oil, or condensates.

Proposal Submission Required Elements

- 1) **Transmittal Letter:** A brief statement of the Contractor's understanding of the work to be done and commitment to perform the work as scheduled including a summary of exceptions taken to the RFP requirements, statement of work, specifications, and reference to any proposed contractual terms and conditions required by the Proposer. An officer authorized to bind must sign the proposal on behalf of the Proposer and must include the following declarations on the Transmittal Letter:

“This proposal is genuine, and not sham or collusive, nor made in the interest or in behalf of any person not herein named; the proposer has not directly or indirectly induced or solicited any other proposer to put in a sham bid, or any other person, firm or corporation to refrain from submitting a proposal; and the proposer has not in any manner sought by collusion to secure for themselves an advantage over any other proposer.”
- 2) **Applicant Information:** Provide legal name of Company, Address, E-mail address, Telephone, Name and Title of individuals authorized to represent the Proposer.
- 3) **Proposal:** Provide a description of your typical approach for evaluation of natural gas reserves and methodologies, as well as a detailed description addressing all of the Areas of Interest.

- 4) **Fees:** SCPPA is interested in discovering the Proposer's capabilities and pricing to make an informed decision and proceed to more specific negotiations. Pricing should be made based on good faith estimates of the requirements defined in this RFP. Detail specific examples or estimates of the fees. Describe how the fees will be determined. Prior to contract award, the successful bidder shall supply a detailed breakdown of the applicable overheads and fringe benefit costs that are part of the labor rates and other direct costs associated with the services to be performed.
- 5) **Experience:** Respondent will clearly identify project participants and management team.
- a) Describe your firm's experience within the engineering and services for natural gas reserves and related services as may be applicable to this request for proposals, your organizational structure, management qualifications, and other contract related qualifications, including number of years firm has been in business.
 - b) List completed and on-going natural gas reserve engagements.
 - c) Specify key employees and describe their qualifications, experience and duties related to this RFP, including the office location(s) where work will be performed.
 - d) Provide a commitment statement for the retention and use of key employees as proposed, their availability to initiate and sustain the proposal, as well as planned supplement if not available to assure project delivery.
 - e) State whether Proposer will use subcontractors to perform services pursuant to the contract. Should the use of subcontractors be offered, the Proposer shall provide the same assurances of competence for the subcontractor, plus the demonstrated ability to manage and supervise the subcontracted work. Subcontractors shall not be allowed to further subcontract with others for work on this program. The provisions of this contract shall apply to all subcontractors in the same manner as to the Proposer.
 - f) Respondent shall indicate any and all pending litigation that could affect the viability of respondent's proposal or financial stability.
 - g) Describe whether the Proposer has, within the last three years, rendered any service to SCPPA or to any of SCPPA's members, either as a contractor or subcontractor, either under the current proposer's name or any other name or organization. If so, please provide details (status as prime or subcontractor, brief description of the contract, contract start and end dates, the contract administrator name, and total actual contract expenditures).

Proposal Submission Delivery Requirements

There will be no initial proposer's conference associated with this Request for Proposals. Clarification questions may be addressed to David Walden at dwalden@scppa.org.

One (1) hard copy of your response, including a Transmittal Letter of authentic offer with wet-ink authority signature, and any supporting documentation should be delivered prior to the end of business day on May 14, 2010 to:

Southern California Public Power Authority
225 S. Lake Avenue, Suite 1250
Pasadena, California 91101

One electronic copy of your proposal should also be delivered to the address above, preferably on a CD or USB flash-drive, or alternately e-mailed to dwalden@scppa.org.

No contact should be made with the Board of Directors, Committee Members, or SCPPA Participating Members concerning this request for proposals.

All information received by SCPPA in response to this Request For Proposal is subject to the California Public Records Act and all submissions may be subject to review in the event of an Audit.

Proposal Terms and Conditions

- 1) SCPPA desires to enter exclusive negotiations with the proposer once selected as may be defined through a signed letter of intent and defined term.
- 2) SCPPA shall determine at its sole discretion the value of any and/or all proposals including price and non-price attributes.
- 3) Proposals may be sub-divided or combined with other proposals, at SCPPA's sole discretion.
- 4) SCPPA shall perform an initial screening evaluation to identify and eliminate any proposals that are not responsive to the RFP, do not meet the minimum requirements set forth in the RFP, are clearly not economically competitive with other proposals, or are submitted by respondents that lack appropriate creditworthiness, sufficient financial resources, or qualifications to provide dependable and reliable services.
- 5) SCPPA may entertain or eliminate proposals immediately upon receipt or at any future time if not clearly defined in the proposal as the end of the period of offer.
- 6) SCPPA reserves the right, without qualification and in its sole discretion, to accept or reject any or all proposals for any reason without explanation to the respondent, or to make the award to that respondent, who, in the opinion of SCPPA, will provide the most value to SCPPA and its customers.

- 7) SCPPA may decline to enter into any potential engagement agreement or contract with any respondent, terminate negotiations with any respondent, or to abandon the RFP process in its entirety.
- 8) SCPPA reserves the right to make an award to the other than the lowest price offer or the proposal evidencing the greatest technical ability or other measure if SCPPA determines that to do so would result in the greatest value to SCPPA and its members.
- 9) Those respondents who submit proposals agree to do so without legal recourse against SCPPA, its members, and their directors, officers, employees and agents for rejection of their proposal(s) or for failure to execute or act on their proposal for any reason.
- 10) SCPPA shall not be liable to any respondent or party in law or equity for any reason whatsoever for any acts or omissions arising out of or in connection with this RFP.
- 11) Respondent shall be liable for all its costs and SCPPA shall not be responsible for any respondent's costs incurred to prepare, submit, or negotiate its proposal, a contract or for any other activity related thereto.
- 12) SCPPA may require certain performance assurances from proposers prior to entering into detailed negotiations for a proposed project. Such assurances may potentially include a requirement that proposers provide some form of performance security.
- 13) Either SCPPA collectively or Member Agencies individually may respond to, or enter into negotiations for a proposal. SCPPA is not responsible or liable for individual Member Agency interactions with the respondent which are not entirely contained within SCPPA's option or election to engage the respondent as defined within the Terms and Conditions herein.

Additional Requirements for Proposal

1) Consideration of Responses:

Submitted proposals should be prepared simply and economically, without the inclusion of unnecessary promotional materials. Proposals should be submitted on recycled paper that has a minimum of thirty percent (30%) post-consumer recycled content and duplex copied (double-sided pages) where applicable.

2) Insurance:

If selected, the proposer will be required to maintain sufficient insurance for the type of work being performed. SCPPA or its members may require specific insurance coverage to be established and maintained during the course of work and as a condition of award or continuation of contract.

3) Non-Discrimination/Equal Employment Practices/Affirmative Action Plan (AAP):

If selected, the proposer and each of its known subcontractors may be required to complete and file an acceptable Affirmative Action Plan. The Affirmative Action Plan may be set forth in the form required as a business practice by the Department of Water and Power of the City of Los Angeles which is SCPPA's largest member.

4) Living Wage Ordinance:

If selected, the proposer may be required to comply with the applicable provisions of the City of Los Angeles Living Wage Ordinance and the City of Los Angeles Service Contract Workers Retention Ordinance. The Living Wage Ordinance provisions are found in Section 10.36 of the Los Angeles City Administrative Code and the Service Contract Workers Retention Ordinance are found in Section 10.37) of the Los Angeles Administrative Code (SCWRO/LW0).

5) Child Support Policy:

If selected, proposer may be required to comply with City of Los Angeles Ordinance No. 172401, which requires all contractors and subcontractors performing work to comply with all reporting requirements and wage earning assignments and wage earning assignments relative to court ordered child support.

6) Supplier Diversity:

Proposers shall take reasonable steps to ensure that all available business enterprises, including Women Business Enterprises (WBEs) and Minority Business Enterprises (MBEs) have an equal opportunity to compete for and participate in the work being requested by this RFP. Efforts to obtain participation of MBEs, WBEs, and other business enterprises could reasonably be expected to produce a level of participation by interested subcontractors including 15 percent MBE and 7 percent WBE. SCPPA's Supplier Diversity program is modeled after that of the Los Angeles Department of Water and Power. Further information concerning the Supplier Diversity program may be obtained from the Purchasing Division of the Los Angeles Department of Water and Power.