



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Request for Proposals for Magnolia Gas Marketing Services

Issuance Date: January 21st, 2020

Response Deadline: February 18th, 2020

I. INTRODUCTION

The Southern California Public Power Authority (SCPPA) is soliciting competitive proposals for Magnolia Gas Marketing Services as described below in Section III.

SCPPA is interested in discovering each Respondent's capabilities related to specified areas of interest and associated pricing to enable informed decisions and potentially proceed to more specific negotiations on contract development with one or more qualified Respondents to this Request for Proposals (RFP).

Responses to this RFP are due on or before February 18th, 2020, as described below in Sections III and V.

II. BACKGROUND

SCPPA is a joint powers authority and a public entity organized under the California Joint Exercise of Powers Act (Cal. Government Code sec. 6500 *et seq.*) and through the SCPPA Joint Powers Agreement, for purposes of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation or transmission of electric energy. SCPPA also facilitates joint service contracts, at the request of its members, to aggregate like project efforts among its Members for the purposes of developing energy efficiency, demand response and resource procurement Programs or Projects to improve operating efficiencies and reduce costs.

Membership of SCPPA 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 ("Members"). 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.

Any service contract subsequently entered into by SCPPA pursuant to this RFP will be utilized directly by the interested Members to serve their respective utility customers'. The service and work products would be

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ordered and approved directly by SCPPA and/or the applicable Members and the billing would be administered through SCPPA.

The purpose of this RFP is to obtain the services described herein from a qualified marketer (“Gas Marketer”) for gas supply and balancing services at Magnolia Power Plant (MPP). MPP consists of a GE 7FA natural gas combustion turbine generator, a steam turbine generator and a heat recovery steam generator located in Burbank, California within the Southern California Gas system. Its average daily burn is approximately 35,000 MMBtu; however, the facility can reach a maximum of 60,000 MMBtu. MPP went into commercial operation in 2005 and has a rated capacity of 242MW. The City of Burbank is the Operating Agent on behalf of itself and five other SCPPA Members participating in the output of the plant (Anaheim, Burbank, Cerritos, Colton, Glendale, Pasadena, collectively “Participants”). Gas marketing services are expected to begin July 1, 2020 for a standard SCPPA 3-year term with an option to extend for an additional three (3) one-year term. A Base Contract will incorporate the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board (NAESB) as agreed to by the SCPPA and the successful Gas Marketer. Please note that responses to this RFP may be utilized by other SCPPA Members for similar projects on an individual basis, apart from the Magnolia Power Project and separate from SCPPA.

The Gas Marketer shall serve as a Contracted Marketer as defined in the most recent version of Rule No. 35 of the Southern California Gas Company Contracted Marketer Transportation Tariff. SCPPA will purchase from and pay Gas Marketer for natural gas used by MPP in excess of the gas provided by the Participants or their designated third parties. The Gas Marketer will purchase from and pay SCPPA for natural gas delivered to MPP by SCPPA (including gas delivered to SCPPA by Participants, the Gas Marketer and/or other third parties), which is in excess of MPP’s usage. The Gas Marketer shall be responsible for scheduling and balancing all gas provided to MPP on a preschedule and same day basis. Gas purchased from the Gas Marketer shall be priced on an index basis. Gas purchased from the Gas Marketer shall be delivered to the MPP meter at SoCalGas Citygate.

In addition to the natural gas supplies anticipated above, SCPPA will contract with the Gas Marketer for natural gas scheduling, nominating, balancing and billing services associated with the physical delivery of natural gas to MPP. To facilitate the undertaking of these services, the MPP Operating Agent will provide the Gas Marketer with a schedule of natural gas demand and usage both in total and by Participant, on a daily basis.

AREAS OF INTEREST

Magnolia Power Plant Project Participants have expressed interest in the following areas of interest to meet the needs of their municipalities as follows:

1. The Operating Agent and the Participants will use a Gas Marketer to facilitate and manage all physical fuel supply and fuel imbalances for MPP’s generation station.
2. The Gas Marketer shall be the default provider of gas to MPP for each Participant that does not arrange for physical delivery of gas from alternative sources.
3. The Gas Marketer shall be the default purchaser/provider of any imbalance gas.

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4. The Gas Marketer may sell gas directly to Participants and shall accommodate Participants that wish to physically deliver gas directly or through third parties into the Gas Marketer's pool.
5. The Gas Marketer shall be responsible for allocating costs/credits associated with imbalance fuel purchases/sales based on procedures approved by the Participants and fuel usage data provided by the Operating Agent.
6. Each Participant will be responsible for making its own decisions to hedge its fuel supply either physically or financially.
7. The Gas Marketer will use the Participant-entered Day-Ahead Data (Gas Estimate and Gas Provision) in the Energy Scheduling Software as the basis of each Participant's projected gas usage.
8. The Gas Marketer will use the Participant Energy Schedule in the Energy scheduling Software for the basis of actual gas consumption. For dynamic scheduled energy, after the hour actual gas consumption values will be used.
9. Timely gas nominations by each Participant shall be made by 6:30 AM PT (subject to the Gas Marketer's approval).
10. The Gas Marketer will prepare and submit invoices, including supporting data and/or documentation, for each Participant.

Timeline / Schedule*

SCPPA RFP FOR MAGNOLIA GAS MARKETING SERVICES SELECTION PROCESS	
SCHEDULE OF REQUIREMENTS	TARGET DATE(S)
Issue RFP	January 21 st , 2020
Responses Due	February 18 th , 2020
Review of Responses	February 24 th - March 16 th , 2020
Interviews (If Necessary)	March 16 th – March 20 th , 2020
Selection of Respondent(s)	March 23 rd , 2020

*Timeline/Schedule is subject to change.

Evaluation Criteria

Evaluation of the proposals will be based on the competitive selection process, in which experience and qualifications, price, and references will determine the respondent to be selected. The competitive selection evaluation criteria are as follows:

A) Qualifications and relevant experience of the firm and/or key employees to be designated as the consultant(s) 45%

Maximum Points = Highest number of company qualifications and experience, as well as personnel experience and qualifications in similar capacity, as verified and accepted by SCPPA.

B) Total Price & Creditworthiness 50%

Maximum Points = A combination of the lowest price and highest creditworthiness as verified and confirmed correct by SCPPA.

C) References from last 5 years 5%

Maximum Points = Highest number of positive references for similar contracts for gas marketing services, as verified and accepted by SCPPA.

III. PROPOSAL SUBMISSION REQUIRED ELEMENTS

1. TRANSMITTAL LETTER CONTENT:

A. A brief statement of the Respondent's understanding of the work to be done and commitment to perform the work as scheduled, including:

- I. statement of work specifications; and
- II. reference to any proposed contractual terms and conditions required by the Respondent; and
- III. a summary of exceptions taken to the RFP requirements; and
- IV. any and all expectations from SCPPA including, but not limited to: requirements definitions, strategy refinement, and staffing requirements to support the proposed project or program implementation.

B. An officer authorized to bind must sign the proposal on behalf of the Respondent 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 Respondent has not directly or indirectly induced or solicited any other Respondent to put in a sham bid, or any other person, firm or corporation to refrain from submitting a proposal; and the Respondent has not in any manner sought by collusion to secure for themselves an advantage over any other Respondent.”

2. RESPONDENT INFORMATION:

Provide legal name of Company or Individual, physical street address, the name(s) and title(s) of the individual(s) authorized to represent the Respondent, including telephone number(s) and email address(es).

3. PROPOSAL:

Proposals must include the following:

- A description of the products and services you are offering and your price, terms and conditions. In making your offer please indicate the name of the appropriate index for SoCal Citygate, the publication you are offering, and the premium/discount against that index in \$ per MMBtu.
- A description of your company's business, your experience in the marketing of natural gas and related services, your credit rating and any references you wish to name.
- A description of how your firm intends to cover or liquidate daily and monthly fuel imbalances (the difference between confirmed deliveries and metered usage), LDC penalties, and reconcile

imbalance penalties imposed by the Utility (Southern California Gas Company). In general, SCPPA anticipates receiving credit for gas provided by Participant(s), or other third parties, and settling imbalances based on a daily index. Other alternatives are welcome.

- A description of the size of your balancing pool (MMBtu) and your ability to supply the necessary gas volumes, along with a description of your firm's ability to avoid incurring OFO penalties.
- Please also indicate how the proposal meets (or does not meet) each of the objectives of this RFP, and a detailed description addressing all of the Areas of Interest. Respondents may also include additional services, products, tasks, task elements and/or functions that may not be part of or included in the RFP but are deemed by the Respondent to be pertinent and potentially valuable to SCPPA or its Members. SCPPA will have full discretionary authority to consider, accept and/or reject without cause such supplemental information that is not directly requested, included in or made part of the RFP.

4. FEES:

Pricing estimates in all Proposals should be made based on the requirements defined in this RFP. Please include all necessary details of specific examples or estimates of the fees, labor rates and service charges. Describe how the fees, rates or charges will be determined and if the standard term of the agreement will impact pricing. Respondents shall also be prepared to provide a breakdown of the applicable overheads and fringe benefit costs that are part of any labor rates and other direct costs associated with the services to be performed.

5. EXPERIENCE:

Respondent shall clearly identify project participants and management team, including:

- A. Describe your firm's experience as may be applicable to this RFP, your organizational structure, management qualifications, and other contract related qualifications, including number of years firm has been in business.
- B. Specify key employees and describe their qualifications, experience and duties related to this RFP, including the office location(s) where work will be performed, in addition to the physical street address referenced above.
- C. 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 supplemental employees if key personnel are not available to assure project delivery.
- D. State whether Respondent will use subcontractors to perform services pursuant to the contract. Should the use of subcontractors be offered, the Respondent 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

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further subcontract with others for work. The provisions of any contract resulting from this RFP shall apply to all subcontractors in the same manner as to the Respondent.

- E. Respondent shall indicate any and all pending litigation that could affect the viability of Respondent's proposal, continuance of existing contracts, operation or financial stability.

6. REFERENCES:

- A. Describe whether the Respondent has, within the last five (5) years, rendered any service to SCPPA or to any of SCPPA's Members, either as a contractor or subcontractor, either under the current Respondent'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 date, the contract administrator name, and total actual contract expenditures).
- B. If the Respondent has not rendered any service within the last five (5) years to SCPPA or to any of SCPPA's Members, then please provide references over that period with the details described above including the counterparty for which services were provided.
- C. Identify existing related or relevant projects or programs which Respondent developed and/or operates that would demonstrate Respondent's capabilities in this area.
- D. Describe relevant program development and implementation experience, approach, and provide a list of references for similar projects completed.

IV. PROPOSAL SUBMISSION DELIVERY REQUIREMENTS

There will not be an initial Respondent's conference associated with this RFP. The deadline to submit clarification questions on this RFP will be **08:00AM (PDT) – February 3rd, 2020**. All questions should be submitted electronically via email to projects@scppa.org referencing **Magnolia Gas Marketing Services RFP** in the subject line. Answers to questions that SCPPA, at its sole determination and discretion, deems to be substantive or that would place the inquisitor at a distinct and unfair advantage to other potential Respondents will be posted on SCPPA's website alongside the solicitation at <http://scppa.org/page/RFPs-ResourceProject> as soon as a practicable after the date received, but no later than **February 10th, 2020**. It is the responsibility of potential Respondents to review this website for any and all postings.

One (1) electronic copy of your complete proposal should be e-mailed to projects@scppa.org no later than February 18th, 2020 at 8:00AM.

Additionally, one (1) hard copy of your proposal, including a transmittal letter of authentic offer, and any supporting documentation may be, but is not required to be, submitted with the electronic copy of your submittal, by no later than the time and date referenced above, to:

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Attention: Nicole Solano
1160 Nicole Court
Glendora, California 91740

No contact should be made with the Board of Directors, committees or working group representatives, or SCPPA Members concerning this RFP.

All information received by SCPPA in response to this RFP is subject to the California Public Records Act and may be subject to the California Brown Act and all submissions may be subject to review in the event of an audit.

V.TERMS AND CONDITIONS

1. SCPPA reserves the right to cancel this RFP at any time, reject any and all proposals and to waive irregularities.
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, for example, not responsive to the RFP, do not meet the minimum requirements set forth in the RFP, are 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 for this RFP.
5. SCPPA reserves the right to submit follow up questions or inquiries to request clarification of information submitted and to request additional information from any one or more of the Respondents.
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 any award to that Respondent, who, in the opinion of SCPPA, will provide the most value to SCPPA and its Members.
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 request for proposal process in its entirety.

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8. SCPPA reserves the right to make an award, at its sole discretion, irrespective of price or technical ability, 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, 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. SCPPA shall not be liable for any costs incurred by any Respondents in preparing any information for submission in connection with this RFP process or any and all costs resulting from responding to this RFP. Any and all such costs whatsoever shall remain the sole responsibility of the Respondent.
12. SCPPA may require certain performance assurances from Respondents prior to entering into negotiations for work that may result from this RFP. Such assurances may potentially include a requirement that Respondents provide some form of performance security.
13. Prior to contract award, the successful Respondent 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.
14. SCPPA Members, either collectively or individually may contact Respondents to discuss or enter into negotiations regarding a proposal. SCPPA is not responsible or liable for individual Members interactions with the Respondent which are not entirely conducted through SCPPA or at SCPPA's option or election to engage the Respondent as defined within the RFP.
15. Submission of a Proposal constitutes acknowledgement that the Respondent has read and agrees to be bound by the terms and specifications of this RFP and any addenda subsequently issued by SCPPA.
16. Information in this RFP is accurate to the best of SCPPA's and its Members' knowledge but is not guaranteed to be correct. Respondents are expected to complete all of their due diligence activities prior to entering into any final contract negotiations with SCPPA.
17. SCPPA reserves the right to reject any Proposal for any reason without cause. SCPPA reserves the right to enter into relationships with more than one Respondent, can choose not to proceed with any Respondent with respect to one or more categories of services, and can choose to suspend this RFP or to issue a new RFP that would supersede and replace this RFP.

VI.ADDITIONAL REQUIREMENTS FOR PROPOSAL

1. INSURANCE, LICENSING, OR OTHER CERTIFICATION:

If selected, the Respondent will be required to maintain sufficient insurance, licenses, or other required certifications 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.

2. NON-DISCRIMINATION/EQUAL EMPLOYMENT PRACTICES/AFFIRMATIVE ACTION PLAN:

If selected, the Respondent 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.

3. PREVAILING WAGE RATES:

If selected, the Respondent will be required to conform to prevailing wage rates applicable to the location(s) where any work is being performed. Workers shall be paid not less than prevailing wages pursuant to determinations of the Director of Industrial Relations as applicable in accordance with the California Labor Code. To access the most current information on effective determination rates, Respondent shall contact:

Department of Industrial Relations
Division of Labor Statistics and Research
PO Box 420603, San Francisco, CA 94142-0603
Division Office Telephone: (415) 703-4780
Prevailing Wage Unit Telephone: (415) 703-4774
Web: <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm>

4. SCPPA-FURNISHED PROPERTY:

SCPPA or a Member's utility drawings, specifications, and other media furnished for the Respondent's use shall not be furnished to others without written authorization from SCPPA or the applicable Member(s).

5. CONTRACTOR-FURNISHED PROPERTY:

Upon completion of all work under any agreement developed as a result of this RFP, ownership and title to reports, documents, drawings, specifications, estimates, and any other document produced as a result of the agreement shall automatically be vested to SCPPA and no further agreement will be necessary for the transfer of ownership to SCPPA. SCPPA has the sole right to distribute, reproduce, publish, license, or grant permission to use all or a portion of the deliverable documentation, work product or presentations as it determines in its sole discretion.