

ABAG Publicly Owned Energy Resources (ABAG POWER)**Executive Committee**

June 17, 2020**Agenda Item 6.a.**

Natural Gas Scheduling Services

Subject: Request for authorization to enter into a natural gas scheduling and consulting services agreement with DMJ Gas Marketing Consultants, LLC in an amount not to exceed \$30,400 annually for services through June 30, 2022 with three one-year extension options exercisable by ABAG POWER.

Background: On April 14, 2020, a Request for Proposals (RFP) was issued seeking firms with exemplary experience conducting daily gas scheduling operations and providing strategic gas purchasing and transportation consulting services. An email advertising the opportunity was sent to 2,802 firms and individuals. The procurement specifically sought a firm with experience:

- interacting with various web-based reporting systems used by pipeline operators
- exercising a high degree of detail managing daily nominations and monthly balancing operations
- proactively identifying and resolving supplier/transporter volume discrepancies
- researching and evaluating transportation and storage strategies; and,
- keeping abreast of relevant state and federal regulatory proceedings which may impact ABAG POWER

The procurement included an anticipated budget range of \$15,000 to \$75,000 per fiscal year and indicated an approximate start date of July 1, 2020. The procurement closed May 18, 2020. ABAG POWER received two proposals from the following firms, with estimated annual pricing shown for identified responsibilities associated with daily and monthly gas scheduling:

- DMJ Gas Marketing Consultants, LLC; \$20,400
- PAXON Energy and Infrastructure Services; \$59,040

In addition to the natural gas scheduling responsibilities, the solicitation desired consulting and strategic planning services wherein a firm may be engaged to assist with designing gas supply strategies, analyzing ABAG POWER's operating procedures and reporting mechanisms, regulatory monitoring, and

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other duties. Proposers were not required to complete a cost proposal for these services. This staff recommendation includes \$10,000 annually for consulting and strategic planning services.

Evaluation Process

The evaluation panel met on May 26, 2020, to discuss the proposals. Afterwards, the proposers were requested to participate in written interviews to elaborate on their consulting ability for initiatives including renewable natural gas, decarbonization, and program design.

Scoring of proposals concluded June 1, 2020, and consisted of the following criteria and weighting:

- Cost effectiveness, including reasonableness of hourly rates and fee structure (40%)
- Program approach (30%)
- Qualifications and experience (30%)

The evaluation panel determined that of the proposers, DMJ Gas Marketing Consultants, LLC (DMJ) was found to be most able to cost-effectively fulfill the operational and strategic consulting services desired by the solicitation. Specifically, DMJ, as the incumbent has demonstrated an ability to fulfill daily and monthly reporting requirements in a satisfactory manner, while also offering working knowledge of the natural gas aggregation industry and related initiatives (i.e. industry and regulatory environment, renewable natural gas project experience).

While the proposal submitted by PAXON Energy and Infrastructure Services (PAXON) demonstrated project management experience within the oil and gas industry, the evaluation panel found the firm did not sufficiently envision a programmatic approach to potential consulting services, and lacked desirable experience with regard to California's regulatory environment and environmental initiatives.

Issues:

None.

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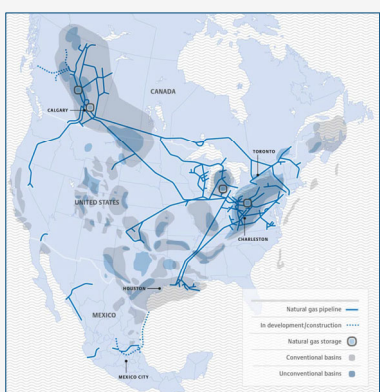
Recommended Action: The ABAG POWER Executive Committee is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or her designee, on behalf of ABAG POWER, to negotiate and enter into a natural gas scheduling and consulting services agreement with DMJ Gas Marketing Consultants, LLC, in an amount not to exceed \$30,400 annually, for services through June 30, 2022 with three one-year extension options exercisable by ABAG POWER, subject to approval of the FY 20-21 budget.

Attachment: Summary Approval – Natural Gas Scheduling Services

Reviewed:

DocuSigned by:
Brad Paul
6/11/2020
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Brad Paul

6.a. Natural Gas Scheduling Services Recommendation

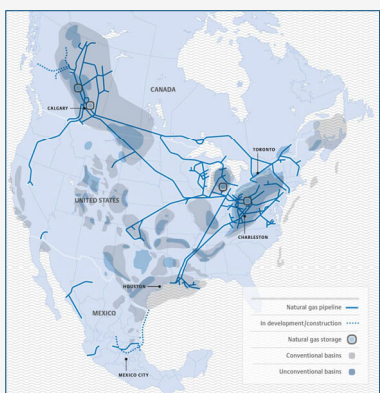


Source: TC Energy

- Request For Proposals closed May 18 after 35-day solicitation
- Seeks fulfilment of daily scheduling and monthly reporting, plus a fresh consulting perspective on programmatic strategy and potential environmental offerings
- Evaluation panel scored proposals with following criteria:
 - ✓ Cost effectiveness, including reasonableness of hourly rates and fee structure (40%)
 - ✓ Program Approach (30%)
 - ✓ Qualifications and Experience (30%)

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6.a. Natural Gas Scheduling Services Recommendation



Source: TC Energy

- Evaluation determined DMJ Gas Marketing Consultants, LLC to be most able to cost-effectively fulfill the operational and strategic consulting services desired by the solicitation.

- **Recommended Action:**

Negotiate contract with DMJ Gas Marketing Consultants, LLC for natural gas scheduling services for services in an amount not to exceed \$30,400 annually through June 30, 2022, with three one-year extension options exercisable by ABAG POWER.

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