

ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

May 28, 2020

Agenda Item 6.a.

Natural Gas Scheduling Services

Subject: Request for Proposals for Natural Gas Scheduling Services and Authorization to amend an agreement with DMJ Gas Marketing Consultants, LLC in an amount not to exceed \$4,950 for services through September 30, 2020

Background: In 2013, DMJ Gas Marketing Consultants, LLC (DMJ) was selected through a competitive solicitation to provide ABAG POWER natural gas scheduling and related services. The original contract period was two years, but was extended two additional years, concluding June 30, 2017.

On February 21, 2017, ABAG POWER issued a Request for Qualifications and Proposals for Natural Gas Scheduling Services. DMJ was the sole proposer, and the proposal was found by a review panel to meet the operational and strategic consulting services desired by the solicitation. Subsequently, DMJ and ABAG POWER entered a contract for services for the period July 2017 to June 2019, with annual options exercisable by ABAG POWER to extend the contract for up to three years. In 2019, the Executive Committee exercised the first option, extending the contract through June 30, 2020. The current annual cost is approximately \$20,000.

Procurement Process

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. 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,

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- 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 invited firms to submit either a fixed price deliverables-based cost structure – as is the case with DMJ – or a time and materials-based cost structure. The procurement closed May 18, 2020.

While there is potential for a proposal to result in a comparative cost increase, there is also equal potential for an increase in value associated with strategic consulting services. There is also potential for a comparative reduction in costs associated with a time and materials-based contract.

Evaluation Process and Contractual Timing

The review panel, comprised of two staff from the Metropolitan Transportation Commission and one member of the ABAG POWER Executive Committee, will meet remotely the week of May 25, 2020, to review and rank the proposals. Interviews and/or follow-up discussions with proposers if necessary will take place shortly thereafter.

The RFQ indicated an approximate start date of July 1, 2020. The review panel is scheduled to bring a recommendation to this committee at its June 17, 2020 meeting. Given the proximity of these dates, staff recommends extending the current contract for services with DMJ through September, 2020, to permit a transition period if contracting is delayed and/or a proposer other than DMJ is selected.

Issues:

None.

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 amend a contract with DMJ Gas Marketing Consultants, LLC, in an amount not to exceed \$4,950, for services through September 30, 2020.

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Attachment:

Summary Approval – DMJ Gas Marketing Consultants, LLC

Reviewed:

DocuSigned by:
Brad Paul
5/13/2020
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Brad Paul