



CITY OF PALM SPRINGS, CA

FALL 2020

REQUEST FOR NATURAL GAS PRICING AND RELATED INFORMATION

Background: The City of Palm Springs, California operates one co-generation plant to produce electricity and to meet its thermal production needs. The City's current contract for supply of natural gas expires on November 30, 2020. The City is now prepared to receive pricing and other related information for our next contract period, commencing December 1, 2020 for the projected needs of the Municipal Cogeneration Plant.

Historic Usage: Although the City's natural gas supply requirements are traditionally very stable, there has been some fluctuation in gas usage in prior years due to conducting a series of tests or downtime for maintenance/repairs and engine replacement. The following table represents the **actual amounts** of natural gas in dekatherms that the City purchased during the prior twelve (12) months for the Municipal Plant with July through November estimated*

Prior 12 months	Municipal Plant
Dec. 19	5604
Jan. 20	7108
Feb. 20	6978
Mar. 20	7048
Apr. 20	6670
May 20	8675
Jun. 20	8886
*Jul. 20	9200
*Aug. 20	8500
*Sep. 20	6600
*Oct. 20	6200
*Nov. 20	6000
Plant Total (DTH):	87469

Projected Usage for next 12 month period (December thru November): The projected amount of natural gas in dekatherms that the City will require during the next 12 month period is as follows: *(These estimated amounts should be used for the basis of your quotation, however there may be maintenance downtime or other factors that could impact these projections)*

Next 12 months	Municipal Plant
Dec. 19	7050
Jan. 20	7000
Feb. 20	6900
Mar. 20	7100
Apr. 20	7650
May 20	8600
Jun. 20	9700
Jul. 20	9200
Aug. 20	8500
Sep. 20	6600
Oct. 20	6200
Nov. 20	6000
Plant total:(DTH)	90500

Request for Price Quotations: Historically the City has procured gas both on a fixed price contract basis, as well as using a combination of fixed price (75%) and market-based index pricing (25%) as a cost-savings measure. Our gas is purchased and billed on a monthly basis, not in one tranche. Application for payment shall be submitted by the twentieth day of each month, the supplier shall submit to the City an invoice for services provided during the previous month. For purposes of the RFP herein, the City seeks to enter into a 12 month contract term commencing December 1 and fix the price on its requirements for the 12 month term under either Option 1A or 1B below. The intent is to remain in the selected supplier’s Contracted Marketer pool for the entire one year term.

The City is hereby requesting price quotations in a form that is ready for execution by the City on the basis identified below. For the fixed price options, the City is seeking contract pricing that allows for the City to consume as little as 90% of the contracted amount or as much as 110% of the contracted amount without penalty. This requirement is non-negotiable and pricing that does not reflect this 10% +/- bandwidth shall not be accepted. For pricing that includes portions of the contracted amount on market-based pricing, indicate how usage of under or over the contracted amount would be reflected in the contract. Suppliers may provide Pricing for Option 1A OR Option 1B, or Both. All suppliers must provide pricing for Option 2.

Delivery Point : Socal Citygate

Price Structure Options:

- Option 1A: Firm Fixed price for a 12 month period commencing December 1, 2020
- Option 1B: Firm Fixed price (75%) and market-index price (25%) for a 12 month period commencing December 1, 2020;
- Option 2: State the monthly NGI Index Price for Socal Citygate + your Differential = Total current Index price/dth

NOTE: All firms submitting pricing in response to this RFP must be familiar with, fully understand, and be compliant with all So Cal Gas delivery requirements, including Backbone Transportation Service (BTS). The City requires that the pricing offered in response to this RFP be BTS tariff “neutral”, such that any BTS tariff per Dth shall be charged according to the filed tariff rates at the time of delivery. Therefore, the fixed pricing requested MAY BE OFFERED TO THE CITY AS EITHER SO CAL BORDER OR AS CITYGATE (*you may not offer both pricing options**), AS LONG AS YOU DEFINE WHICH PRICING YOU ARE OFFERING AND THE BTS TARIFF IS CLEARLY IDENTIFIED (“un-bundled”). For example, if you offer Border pricing, give your per/Dth price and provide what the BTS tariff/Dth is that would be added, so that we may determine the total cost per/Dth. If you offer Citygate pricing, give us the total per/Dth price and identify what portion of that total price is the BTS tariff. Gas deliveries priced on volumes used above or below the applicable swing tolerance of +/- 10% will be priced according to the posted NGI So Cal Border or Citygate index price, to be consistent with the pricing you offer above. The City will not enter into additional utility contracts nor will the City participate in any on-line bidding for BTS capacity – this must be handled by the supplier.

Beginning Thursday, October 22, 2020 the City would like to start receiving price quotations twice per week, on **Tuesdays and Thursdays**, based on the price structure options identified above. Interested firms shall email their price quotations to the City by **no later than 10:00 A.M. , PST**. The City desires to have ONLY 1 point of contact with each supplier, and will only accept 1 pricing proposal (email) from each supplier. We will not accept multiple representatives of natural gas suppliers submitting separate email pricing proposals. Also, it is **IMPORTANT** to note that our RFP stipulates that the pricing you submit to us **MUST** be "ready for execution". To further clarify that, pricing **MUST** be "executable" for no less than 5 hours after receipt by the City. Pricing, once submitted, is **FIRM**. **Pricing may NOT be "refreshed" or "updated" for 5 hours once submitted, and at NO TIME shall it be “refreshed” or “updated” if the City accepts the pricing via electronic email confirmation, or prior to execution of the contract.** The City will not accept “contingent” pricing offers. Failure or refusal to offer the 10% tolerance as per the RFP will result in rejection of your pricing and removal from the process. Also, the City will not provide "daily" historical information for the purposes of this RFP.

Quotations are to be sent via email to EACH of the following 3 email addresses:

tabitha.richards@palmsspringsca.gov

staci.schafer@palmsspringsca.gov

marcus.fuller@palmsspringsca.gov

Required Documents to be submitted:

Each firm responding to this RFP must **send via email to the three (3) email addresses listed above** an electronic (pdf) file copy of the following required documents:

- sample Master Natural Gas Sales Contract
- sample Master Services Contract – Transportation Services Addendum (OCC)
- Statement and evidence indicating financial resources available to execute and deliver the natural gas in the amounts projected in this RFP
- References, including current name and phone number for each, of no less than 5 customers with natural gas supply needs that are similar in size and scope to this RFP

Failure to provide the above documents may deem your submission of pricing as non-responsive. The City reserves the right to make such investigations as it deems necessary to determine the ability of the offeror to perform the contract and the offeror shall furnish to the City all such information and data for this purpose as the City may request. The City reserves the right to reject any submittal if the evidence submitted by, or investigation of such, offeror fails to satisfy the City that such offeror is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein.

Market Analysis: To ensure that the City makes the best possible decision in its purchase of natural gas for the next contract period, the City is requesting each firm that submits a price quotation to also include a weekly natural gas price forecast and market analysis. At a minimum this forecast and market analysis should include, but is not limited to:

- market trends;
- timing of major market turning points;
- seasonal probability analysis;
- natural gas storage summary;
- projected outlook for natural gas prices; and
- other factors that could affect natural gas pricing in the foreseeable future.

The weekly price forecast and market analysis should be provided to the City **every Monday** until the City purchases natural gas.

Questions: If you have any questions please do not hesitate to contact Tabitha Richards, Executive Administrative Assistant for the City of Palm Springs via email at tabitha.richards@palmspringsca.gov

***Note:** In the interest of public health and safety, City Hall offices are closed to the public until further notice. City operations will continue during this time via email and telephone. City Hall office hours are: Monday – Thursday, 8:00 AM to 6:00 PM, PST. City Hall is closed on Fridays.

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