DOCKETED	
Docket Number:	16-RPS-02
Project Title:	Appeal by Los Angeles Department of Water & Power re Renewables Portfolio Standard Certification Eligibility
TN #:	213061
Document Title:	52 SoCalGas 2006 Master Services Contract Agreement 47498-6 LADWP Board Letter for Reso 006-232 (Bates Nos. LA000704-LA000706)
Description:	N/A
Filer:	Pjoy Chua
Organization:	LADWP
Submitter Role:	Applicant
Submission Date:	8/30/2016 1:16:53 PM
Docketed Date:	8/30/2016



(The Contracts Committee previously <u>reviewed/approved</u> this agenda item on \_\_\_\_\_\_\_\_\_\_ (Select One) (Contracts Committee Date)

#### PURPOSE:

This is to approve and execute an agreement (attached), known as the Master Services Contract, with the Southern California Gas Company for intrastate transportation services as authorized by the California Public Utilities Commission.

## BACKGROUND:

Southern California Gas Company has been given a gas distribution franchise by the State of California to transport natural gas in its service territory. This service is provided by executing a pro forma standard Master Services Contract, which has been approved by the California Public Utilities Commission. By executing this Master Services Contract, the LADWP will be placing itself subject to the tariffs of the California Public Utilities Commission of natural gas. The Master Services Contract identifies the amount and kind of transportation service the electric utility customer will require at each generating station served. Southern California Gas Company has been providing service to the LADWP ever since the LADWP has had gas fired generating stations. This is a sole source contract since the Southern California Gas Company owns the State of California authorized franchise for providing intrastate gas transportation service to all gas consuming entities in its service territory, which includes the LADWP's four gas fired generating stations. Other interconnecting pipelines for similar service do not exist.

#### **COST AND DURATION:**

The contract is for a two-year period for firm service and month-to-month interruptible service thereafter. The contract expenditures will not exceed \$72 million.

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## FUNDING SOURCE:

Funding comes from the Power System Fuel Budget, FI 305-3148, Job B9598.

## FISCAL IMPACT STATEMENT:

Funding for these services are included in the FY2006-07 budget.

# PRE-AWARD CHECKLIST:

Yes No N/A Contract Compliance.

- Yes No N/A Subcontracting Opportunities.
- Yes No N/A Service Contractor Worker Retention Ordinance.
- Yes No N/A Child Support Policy.
- Yes No N/A 🗵 Living Wage Ordinance.
- Yes No N/A Z Labor Relations Notification.
- Yes No N/A S Charter Section 1022 Findings.

# CONTRACT ADMINISTRATION:

Contract administration will be implemented on a daily basis using Envoy, an electronic nomination scheduling system hosted by the Southern California Gas Company. Nominations will be verified to electronic meter records for each generating station and compared to the Envoy scheduling records. Invoice certification will be done by the Gas Procurement group.

# FORMAL OBJECTIONS TO AWARD OF CONTRACT:

None.

# CHARTER SECTION 1022 FINDINGS AND BASIS THEREOF:

Not Applicable. The service provided for in the subject Agreement is for capacity in the pipeline distribution system of Southern California Gas Company.

## METHOD OF SELECTION:

Competitive Cooperative Purchase 🗵 Sole Source

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## OUTREACH EFFORTS TAKEN:

Not Applicable

#### VENDOR HISTORY:

The Southern California Gas Company has been the sole provider of intrastate gas transmission services in the southern California region for at least half a century and as long as the LADWP has operated gas-fired generation stations.

### **VENDOR PERFORMANCE:**

Acceptable. No current issues.

#### **ENVIRONMENTAL DETERMINATION:**

No impact.

### **RECOMMENDATION:**

It is recommended that your Honorable Board adopt the resolution and that Agreement No. 47498-6 be executed as authorized in the resolution.

RLP:sa Attachment c/att: Ronald F. Deaton Barbara Garrett Robert K. Rozanski Richard M. Brown Lillian Y. Kawasaki Hal D. Lindsey Enrique Martinez

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