

## **OFFICE OF ENERGY PROJECTS Third-Party Contracting Program**

The Office of Energy Project's voluntary "third-party contracting" (3-PC) program enables applicants seeking certificates for natural gas facilities or licenses for hydroelectric power projects to fund a third-party contractor to assist the Commission in meeting its responsibilities under the National Environmental Policy Act of 1969.

The 3-PC program involves the use of independent contractors to assist Commission staff in its environmental review and preparation of environmental documents. A third-party contractor is selected by, and works under the direct supervision and control of Commission staff, and is paid for by the applicant. Prospective applicants considering participation in this 3-PC program should meet with Commission staff to discuss their proposals, and to answer any questions they might have relative to the program itself.

Applicants electing to participate in the 3-PC program will be required to prepare a draft Request for Proposal (RFP) for review and approval by the Commission staff before it is issued. The RFP will be required to include screening criteria, and an explanation of how the criteria will be used to select among the contractors who respond to the RFP. Subsequently, applicants would issue the approved RFP and screen all proposals received for technical adequacy and Organizational Conflict of Interest (OCI). The applicant is responsible for reviewing carefully all OCI materials (submitted for the prime and each proposed subcontractor as part of each proposal) to determine whether the candidate is capable of impartially performing the environmental services required under the third-party contract. The applicant will then submit to Commission staff the technical and cost proposals and OCI statements of their three best qualified candidates.

Final contractor selection will be made by Commission staff based on an evaluation of the technical, managerial, and personnel aspects of the candidates' proposals as well as OCI considerations. While bid fees will not necessarily be the controlling factor in the selection of the third-party contractor, relative cost levels will be considered. Commission staff will send the applicant an approval letter clarifying any details and/or resolving any issues that remain outstanding following review of the selected third-party contractor's proposal.

As soon as practical, the applicant will award a contract to the third-party contractor identified in the Commission staff's approval letter. The applicant and the contractor will determine the appropriate form of agreement for payment of the contractor by the applicant. Because the applicant will actually award the contract to the third-party contractor, it will be the applicant's responsibility to answer questions from candidates not selected.

The information provided above is intended to give a quick overview of the 3-PC program and how to get started. Detailed guidance specific to the gas and hydro process will be available soon. In the interim, applicants with specific questions about the 3-PC program can contact the following Commission staff:

Gas Certificate 3-PC program

**Richard R. Hoffmann, Director**

Division of Gas-Environment and Engineering

Telephone (202) 502-8066

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Federal Energy Regulatory Commission

888 First Street, NE

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<http://www.ferc.gov/industries/gas/enviro/third-party/tpc.asp>

Hydropower Licensing 3-PC program

**Ann F. Miles, Director**

Division of Hydropower-Environment and Engineering

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Inquiries regarding OCI should be directed to:

**David R. Dickey, Staff Attorney**

General and Administrative Law (GC-13)

Telephone (202) 502-8527

Office of General Counsel

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Inquiries regarding ex parte should be directed to:

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