

The City of Victoria, Texas

**Request for Proposal
(RFP)**

for a

**City-Wide
Utility/Energy Efficiency Cost Savings
and
Revenue Enhancement Program**

**City of Victoria, Texas
P.O. Box 1758
Victoria, Texas 77902**

**Rick Henrichs
Director of Information Technology
(361) 485-3141
RHenrichs@victoriatx.org**

Proposals are due in their Final Form by:

**May 15, 2009
10:30 AM**

REQUEST FOR PROPOSAL

Sealed Proposals addressed to the City of Victoria, Purchasing Department, will be received for:

City-Wide Utility/Energy Efficiency Cost Savings

And

Revenue Enhancement Program

in accordance with the specifications and contract documents. Proposals will be received at the Purchasing Department at 1201 E. Pine, Victoria, Texas 77901 until **10:30a.m. on Friday, May 15, 2009**. All proposals will be publicly opened and read aloud at the City of Victoria-700 Main Center, 702 N. Main Street, Suite 103, Victoria, Texas 77901 at **11:00a.m. on Friday, May 15, 2009**. Any proposal received after 10:30a.m. will be returned unopened. The envelope containing the bid shall be clearly marked "**Sealed Proposal for a City-Wide Utility/Energy Efficiency Cost Savings and Revenue Enhancement Program**".

Bid packages are available at the City of Victoria, Purchasing Office, 1201 E. Pine Street, Victoria, Texas 77901. Bid packages may also be downloaded in .pdf format at www.victoriatx.org/purchasing/bids.htm. Bidders must periodically check with the Purchasing Department and/or this webpage for modifications to bid specifications.

The City reserves the right to waive any informalities or to reject any or all bids.

Lana Schultz
Purchasing Agent
City of Victoria

The City of Victoria, Texas

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Date: May 6, 2009

CITY OF VICTORIA, TEXAS - REQUEST FOR PROPOSAL FOR CITY-WIDE UTILITY/ENERGY EFFICIENCY COST SAVINGS & REVENUE ENHANCEMENT PROGRAM.

I. PURPOSE OF SOLICITATION

This solicitation is a Request for Proposal (RFP). The purpose is to solicit proposals from Energy Service Companies (ESCOs) that describe their capabilities to identify, design, install, maintain, monitor and arrange financing of a comprehensive utility/energy conservation program. This program includes the services listed in this request pursuant to the provisions of Texas law. For the purpose of this RFP, "ESCO" refers to any entity that is qualified to provide a turnkey utility/energy conservation program that includes the services listed in this request and meets the requirements of the Texas Energy Performance Contracting Requirements and the Energy Efficiency and Conservation Block Grant (EECBG) program. The City intends to select the most "qualified vendor" to perform objectives stated within this document in accordance with Section 1 Subtitle C Title 9, Local Government Code, Chapter 302 - ENERGY SAVINGS PERFORMANCE CONTRACTS FOR LOCAL GOVERNMENTS.

Qualified firms interested in providing the specified services should respond with a written proposal to the City. Final selection will be made in accordance with the policies and administrative directive of the City and other statutory provisions.

II. OWNER BACKGROUND

The City proposes to address as many energy/utility improvement issues as practicable in its facilities, improve utility billing accuracy, improve water billing efficiency for this fiscal improvement program, and reduce and capture landfill methane and greenhouse gases. Therefore, the City intends to implement a program that will provide sustained costs savings and revenue enhancements. Additionally, the City intends to upgrade outdated and obsolete building equipment and perform operational improvements through the program.

The City anticipates major reductions in annual utility and operational costs and revenue enhancements, through the implementation of this fiscal improvement program. The ESCO will provide a written guarantee of all utility and operational cost reductions, provide a written guarantee for meter accuracies and related meter operational savings and facilitate all financing for the project. The contract life of the program shall not exceed twenty (20) years. The City intends to structure the program's implementation schedule in a manner to minimize financed capital needs.

III. SERVICES REQUESTED

The City proposes to obtain sustained revenue enhancements from its water utilities and reduce its overall meter reading/operating costs and address energy/utility consumption in all of its facilities for the conservation program. The City intends to upgrade outdated and obsolete building equipment and perform facility improvements through this program. In addition, the City has an existing landfill gas collection and flare system. While the flare system destroys the methane produced from the landfill, this potential energy source is not currently being recovered and put to beneficial use; and could be a new source of revenue for the City.

The City anticipates major reductions in annual utility and operational costs and revenue enhancements. As part of the process, a contract must include provision for monitoring and verifying utility savings, guaranteed operational savings and meter accuracy guarantees. A bond for guaranteed energy and water savings is optional. If requested, the ESCO shall arrange financing or assist the City in procuring the most cost effective funding for the project. The term will not exceed twenty (20) years from the final installation completion date. The City intends to structure the program's implementation schedule in a manner to minimize its financed capital needs.

Respondents to this RFP shall identify their experience and qualifications to perform analysis, design engineering, prepare engineering plans and specifications, install, commission, monitor and verify savings; and, manage a major utility conservation project involving energy/utility conservation measures to address facility components and applications. Such components and applications shall include: lighting, space heating, ventilation, air-conditioning, building envelope, heat recovery, energy and water management systems, environmental system controls, landfill gas management systems, motors, domestic water heating, fuel switching, air distribution systems, air quality or other energy and water conservation related improvements or equipment including improvements or equipment related to renewable energy.

Any other Energy Conservation Programs (ECP) proposed by the ESCO will also be considered. All ECPs considered shall be proven commercially available and result in verifiable energy savings.

All equipment provided by the ESCO for this program will have a history of successful operating experience in similar installations and shall be in new and unused condition. This equipment shall be state-of-the-art with readily available replacement parts. All equipment used for this program shall be approved by the City prior to installation.

The City has the right to select any or all of the equipment used for this program by manufacturer and/or brand, based upon the City's prior experience with, or

standardization of, the equipment and the City's knowledge of equipment quality and manufacturer's reputation. In addition, the City has the right to select any or all the sub-contractors that will be used in this project/program.

The City also requires a description of the ESCO's qualifications and experience related to training building occupants and maintenance workers in energy and water conservation awareness.

The City may elect to do multiple projects or multiple phases under this RFP.

IV. PROCUREMENT PROCESS

OWNER PUBLISHES RFP

The RFP or notice of availability of the RFP is published in accordance with state law. The RFP details the requirements for response, deadlines, and directions for submittal in subsequent sections. This process must conform to provisions of Texas Local Government Code 2254.004.

PROPOSAL EVALUATION

Interested "qualified vendors" responding to this RFP with a proposal of qualifications must provide all information requested herein. The City will evaluate submittals and choose the most highly qualified vendor.

ENGINEERING PROPOSAL

Upon completion of the RFP evaluation, the City will select an ESCO partner (i.e. most "qualified vendor") and that qualified vendor will proceed in completing the Energy Efficiency and Conservation Block Grant Application (due by June 25, 2009); and once the application has been completed and submitted, the ESCO partner will proceed with the energy and operational savings analysis, water meter analysis, engineering design, methane recovery analysis and permitting plan for the City-Wide Utility/Energy Efficiency Cost Savings & Revenue Enhancement Program.

The "Qualified Vendor" needs to outline the process to be followed from ESCO selection to project implementation, including any commitments the City needs to make to the ESCO prior to the detailed facilities audit (i.e. contracts, letters of authorization, payments etc.) and any costs the City may incur for such audit if the City chooses not to pursue performance contracting once the audit has been completed.

NEGOTIATION AND SIGNING OF CONTRACT

Upon the determination that the project is feasible and acceptable to the City, a Performance Contract will be drawn up between the City and the ESCO. Upon acceptance of the Performance Contract by City Council, it will be signed and the program will commence.

V. SCHEDULE OF EVENTS

Listed below are the dates and times by which stated actions must be taken or completed. If the City determines that it is necessary to change any of the dates and times, Addendum to this RFP will be issued. All times are applicable local times for City of Victoria, Texas.

DATE	ACTION
May 6, 2009	Post Request for Proposal on City's Website.
May 7, 2009	Advertise Request for Proposal.
May 15, 2009	Request for Proposals are due back by 10:30 am at the City's Purchasing Department.
May 15, 2009	Request for Proposals will be opened at 11:00 am at 700 Main Center Building @ 702 North Main Street, Room 103.
May 18-20, 2009	Team Review Proposals.
May 21, 2009	Team meeting – select consultant/vendor.
June 2, 2009	Council Meeting – approval of selected consultant/vendor.
June 3- 5, 2009	Sign Contract.
June 8 – 19, 2009	Pre – analysis/data collection for the Energy Efficiency & Conservation Block Grants (EECBG) application.
June 22, 2009	EECBG application completed.
June 23, 2009	City Manager sign EECBG application.
June 23 – 25 , 2009	Consultant submit EECBG application to U.S. Department of Energy
June 26, 2009 – July 20, 2009	Perform/complete City-Wide Utility/Energy Efficiency Cost Savings & Revenue Enhancement Study.
July 22, 2009	Staff and Consultant meeting – review the Utility/Energy Efficiency Cost Savings & Revenue Enhancement Program/Study.
July 23, 2009 – Aug. 5, 2009	Internal review on the Consultant's Utility/Energy Efficiency Cost Savings & Revenue Enhancement Program/Study.
Aug. 2009 – Sept. 2009	Develop Financial Plan for selected projects. Submit plan to Council – budget work-sessions.
Sept. – Oct., 2009	Performance Contract.

Please note that responses to the RFP must be received on or before May 15, 2009 by 10:30 AM. One (1) original and one (6) copy of the response must be sealed

and delivered to:

City of Victoria, Texas
Purchasing Department Office
1201 East Pine Street
Victoria, Texas 77901
(361) 485-3170
Re: City-Wide Utility/Energy Efficiency Cost Savings & Revenue
Enhancement Program

All proposals will be opened on May 15, 2009 at 11:00 AM at 700 Main Center Building located at 702 North Main Street, Room 103.

Late responses will not be accepted and will be returned to the submitting company unopened. The City is not liable for any cost incurred by any person or firm responding to this RFP. Faxed and emailed responses will not be accepted.

The City reserves the right to reject, as non-responsive, any proposals that do not contain the information requested in Section VII of this RFP. Additionally, the City reserves the right to reject, as non-responsive, any proposals that are not organized and formatted as described in this RFP.

Please direct all questions regarding this RFP and the program it represents to: the City's Representative:

Rick Henrichs
Director of Information Technology
City of Victoria, Texas
(361) 485-3141
RHenrichs@victoriatx.org

VI. EVALUATION CRITERIA

Qualifications of all business entities that respond to this solicitation, including any subcontractors to be utilized, will be evaluated using the following selection criteria.

- 1. Business Qualifications (25% maximum)**
- 2. Financial Qualifications (20% maximum)**
- 3. Personnel Qualifications (20% maximum)**
- 4. Project Management Plan (20% maximum)**
- 5. Experience (15% maximum)**

VII. RESPONSE FORMAT AND CONTENTS

The responses to this Request for Proposal will consist of seven (7) specific areas

that must be completed and returned in the order indicated below. The City may, during the course of the evaluation process, request additional information to supplement and/or clarify the information provided by any ESCO.

A. COVER LETTER

The ESCO's proposal will include a cover letter at the beginning of the proposal.

- The cover letter shall provide a summary of the information presented in the proposal;
- names, telephone, email address and fax numbers of persons authorized to provide any clarification required;
- a statement accepting the terms of this solicitation or noting specific exceptions taken to any of the terms and conditions specified in this document; and,
- the name of the person(s) authorized to conduct final contract negotiations on behalf of the ESCO.

B. TABLE OF CONTENTS

C. BUSINESS QUALIFICATIONS

Respond to the following questions/requirements:

1. The ESCO must show proof of current Texas Professional Engineering Registration
2. The City is interested in benefiting from an unbiased, value-based program to address its needs through a vendor-neutral ESCO. Therefore, the ESCO must demonstrate its willingness and past experience in providing projects that deploy solutions incorporating equipment, controls, related products and field services independent of its own specific business portfolio.
3. The ESCO must have a minimum of five (5) years experience in the analysis, design, implementation and installation of energy efficiency and facility improvement measures and metering solutions. In house resources and expertise in these areas will be considered a strong point for leveraging best practices and for ensuring a single point of accountability.
4. The ESCO must have demonstrated the ability to secure necessary financial measures to support energy savings guarantees, the technical capabilities to ensure that such measures generate energy cost savings,

and the ability to provide ongoing measurement of these measures to ensure and verify energy savings and metering accuracy.

5. The ESCO must provide a first party savings guarantee and a first party meter accuracy guarantee for the length of the contract term.
6. The ESCO must have demonstrated experience in business as an ESCO or provider of the services being offered for this program. The ESCO will indicate the number of years it has been in business under its present name; and also indicate any/all other names by which the ESCO has been known and length of time known by each name.
7. Provide the official name and official address of the ESCO's parent company. Specify the chain of ownership, through any and all relevant holding companies if any, through to final ownership; ownership name and ownership country as applicable.
8. Provide the web-link/address to the ESCO's website and applicable parent company website.
9. Describe the complete range of utility services and capabilities the ESCO offers: such as building/facility energy analysis, engineering, design, installation, water/wastewater treatment equipment analysis, commissioning, monitoring and performance verification, and related training.
10. Provide a complete list of all customers serviced by the ESCO's office location from where this project will be managed, that in the last five (5) years:
 - Have canceled or non-appropriated a performance contract with the respondent (list reason);
 - Have past or pending lawsuits or litigation regarding a performance contract (list reason);

D. FINANCIAL INFORMATION

1. The ESCO shall include the company's annual report or, in the case of privately held companies, audited financial statements or equivalent for the three (3) most recently completed fiscal years. The City may, during the course of the evaluation process, request additional financial information to supplement and clarify the information provided.
2. Provide information documenting sources of financing and financing methods available to the City.
3. The ESCO shall provide a letter from its surety company demonstrating the ESCO's capability to provide a payment and performance bond associated with construction projects equal to

one hundred percent (100%) of the estimated total implementation cost of this project. This cost includes construction costs and equipment purchased under this solicitation of an estimated \$8 million project. The letter should also state the bonding capacity of the ESCO.

E. PARTICIPANTS/PERSONNEL

Identify all participants (i.e., consultants, financiers, subcontractors, etc.) in the project and provide information regarding capabilities and experience of personnel directly assigned to this project that include the following:

1. Professional resumes for key personnel and their responsibilities for the duration of the project contract term.
2. Indicate the education and professional licensing of each person as it relates to this project. Include a list of previous projects, similar in size and complexity, in which each team member has played a significant role.
3. Clearly identify who will have primary technical responsibility for utility analysis, engineering and design work, contract negotiations, construction management, training, and performance monitoring.
4. Provide an organizational chart that clearly describes your ESCO's project organization with supervisory reporting.

F. PROJECT MANAGEMENT PLAN

Include a plan describing how your firm will manage subcontractors. Describe the processes that will be used for the assignment of tasks, and project scheduling as well as the capability to provide all services required for construction and implementation of retrofit projects on a performance contracting basis.

1. Provide a description of the ESCO's Project Management Plan.
2. Show a project management plan from a previous project of similar scope, indicating staff hierarchy and level, contractor oversight, procedures, equipment ordering and scheduling, etc.
3. Provide evidence of Measurement & Verification (M&V) expertise and depth of resources to provide M&V (e.g. examples or reports; examples of Option A, Option B and Option C M&V audits, etc.)
4. Provide a description of the normal methodology employed to establish an individual building's baseline energy use and city-wide baseline energy use. Additionally, provide a description of

the methodology used to justify variances between the baseline consumption and actual annual consumption for the purposes of showing accomplishments in achieving guaranteed levels of energy use reduction and cost savings. (Variances between baseline energy consumption/cost and actual energy consumption/cost can be attributed to changes in the unit price of energy, rate schedules, weather, occupancy, building utilization and building size, etc.).

5. Provide a sample of the proposed guarantee document to be used for this project.
6. Outline the process followed from ESCO selection to project implementation, including any commitments the City needs to make to the ESCO prior to facilities audit (i.e. Letters of Intent) and costs the City may incur for a detailed audit if the City chooses not to pursue a Project once the audit has been completed.

G. PROJECT EXPERIENCE SUMMARY

Provide a reference and summary for three (3) projects implemented over the past five (5) years with local governments. Include one complete, separate, project experience summary for each project containing the project cost, term of the contract, savings guarantee, description of improvements, contact name and phone number.

All references must be for the "responding ESCO" operating under its existing name and must be for the "responding ESCO" as a company. References will not be for an individual, but for the company as a whole.

Provide a summary of experience taking responsibility for the full range of roles contemplated for this project (e.g. identification and analysis of energy conservation measures, design, installation, operation, maintenance, training, financing, savings and verification of applicable utility rebates, etc.).

VIII. CHECKLIST FOR QUALIFICATIONS SUBMITTAL

- | | |
|----------|----------------------------|
| A. _____ | COVER LETTER |
| B. _____ | TABLE OF CONTENTS |
| C. _____ | BUSINESS QUALIFICATIONS |
| D. _____ | FINANCIAL INFORMATION |
| E. _____ | PARTICIPANTS / PERSONNEL |
| F. _____ | PROJECT MANAGEMENT PLAN |
| G. _____ | PROJECT EXPERIENCE SUMMARY |