

REQUEST FOR QUALIFICATIONS ENERGY CONSERVATION AND ENVIRONMENTAL SERVICES

August 15, 2011

1. INTRODUCTION

The City of Pleasanton (the "City") requests a Statement of Qualifications (SOQ) from Energy Services Companies (ESCOs) to allow the City to establish qualified ESCOs pursuant to Section 388(b) of the California Public Utilities Code, and to select an ESCO to conduct a technical energy audit of selected municipal facilities and develop recommendations for comprehensive measures to be included in an Energy Performance Contract or other type of contract, for the design and construction of capital projects to carry-out measures to reduce energy and water consumption, thereby reducing costs on a guaranteed basis.

The City seeks to maximize energy cost savings that will pay for facility upgrades and energy services. The capital improvements (equipment, installation, maintenance, monitoring and related costs) are expected to be financed through an energy performance contract that will generally incur no initial capital costs, with the option for the City to provide capital if desired, and achieves significant long-term cost savings. The City desires to engage services that enable additional benefits that directly result from the energy efficiency and capital improvements, such as improved operational efficiency, indoor environmental quality, and environmental stewardship.

After selection of an ESCO from the SOQs submitted, the selected ESCO will perform an audit of selected City facilities to determine what potential energy savings and/or water conservation measures are available. The audit will identify and individually list proposed individual projects and delineate the specific scope, schedule, and budget for each individual project, including the implementation cost, projected energy and/or water savings, estimated green house gas emission reduction, project financing options, and project savings. The ESCO will indicate which projects are recommended. After reviewing the list of projects and considering the ESCO's recommendations, the City may: select a combination of projects for design and implementation by the ESCO; or request that the ESCO provide further comprehensive analysis. In any case, the audit and any subsequent comprehensive analysis becomes the property of the City. The cost of any comprehensive analysis will be agreed upon by the City and ESCO prior to its commencement.

Contract Responsibility

The selected ESCO will be required to assume total responsibility for the design and implementation of the projects chosen by the City for the ESCO to implement. The ESCO will be considered the prime contractor/program manager and the sole point of contact with regard to all contractual matters for design, supervision, installation; and also, depending on the project, potentially provide service, maintenance, training and savings guarantee.

Taxes, Fees, Code Compliance, Licensing, and Financing

The ESCO shall be responsible for payment of any required permits, licenses, taxes, or fees associated with the audit services, as well as the execution of an energy savings performance contract for a project selected by the City. The ESCO shall be responsible for compliance with all applicable codes and laws.

References and Disclosure of Information

Submission of a SOQ is deemed to grant permission to the City to make inquiries concerning the persons and projects listed in the SOQ.

Any provisions of the SOQ claimed to be trade secrets of the ESCO must be so marked, and qualify under law as a trade secret.

Description of Services to be Procured

The City is interested in contracting for a comprehensive range of energy management systems and services including the design and installation of systems or maintenance programs to conserve energy including, without limitation, initial energy audit, the installation or modification of new and existing equipment which will reduce energy and water consumption associated with heating, ventilation, and air conditioning system, lighting system, building envelope, domestic hot water system, and other energy and water using devices, project financing and work associated with monitoring and verifying project savings.

Energy Savings Performance Contracting Project

The ESCO shall provide the City with a comprehensive energy service program including: (A) performance of complete energy audits for selected City facilities; and (B) preparation of proposed projects to provide for energy conservation and/or water conservation. If projects are selected by the City for implementation, the ESCO may also be asked to provide any of the following: (C) design and subsequent installation of facility improvement and energy efficient equipment and systems; (D) monitoring and verification of project savings; and (E) a written energy guarantee that the total program costs, including required services, may be one hundred percent (100%) covered by program energy and operational savings.

This RFQ requests the services of an ESCO to develop a comprehensive audit of selected City facilities and creation of a list of recommended improvements and energy conservation programs for such City facilities. The intent is to provide the City with the means to realize maximum utility savings and energy related improvement without up-front capital funds.

Savings Guarantee

Depending on the type of energy conservation project selected, the City may seek an Energy Performance Contract (EPC) for the implementation of one or more energy management projects of which payments are based, in whole or in part, on any energy savings attributable to the projects. The City is interested in such EPC including a written guarantee by the ESCO that either the amount of energy savings

guaranteed will be achieved or the qualified ESCO shall reimburse the City for the shortfall amount. Methods for measurement and certification of guaranteed savings shall conform to the most recent standards established by the Federal Energy Management Program of the U.S. Department of Energy, the EPA's Portfolio Manager, the International Performance Measurement & Verification Protocol, or other generally accepted verification system. The City is interested in such Energy Performance Contract term that shall not exceed 20 years for providing a guarantee, measurement and verification, and possible maintenance. The City is interested in such guarantee being a first party direct guarantee from the ESCO contractor to the City, or other third-party financing acceptable to the City. The City is interested in EPCs which provide that all savings in excess of the guaranteed savings shall be the sole property of the City.

2. GENERAL INSTRUCTIONS

All responses must be submitted on 8-1/2"x 11" paper, printed on front and back. The ESCO will include the ESCO's name on all pages and format the response as described in **Section 4. Evaluation Criteria**. An original and five (5) copies of the Statement of Qualifications are required. Clearly mark one proposal as "**ORIGINAL**".

Responses will be accepted before 2:00 p.m. on **Friday September 30, 2011**. Responses shall be addressed to the City Clerk's office and mailed to P.O. Box 520, Pleasanton, California 94566 or delivered to 123 Main Street, Pleasanton, California. Technical and contractual questions may be directed to **Laura Ryan, Manager – Energy and Sustainability at (925) 931-5506**. The City reserves the right to eliminate from further consideration any Statement of Qualifications deemed to be substantially or materially non-responsive to the requests for qualifications contained herein. The selected ESCO shall be required to meet the minimum requirements of this RFQ.

The selected ESCO will be expected to enter into a Professional Services Agreement generally in the form shown in the attachment for the audit of City facilities and proposal of projects described in this RFQ. If projects are selected for design and implementation, or a comprehensive analysis is desired for a proposed project, the parties may enter into subsequent agreements (such as an Energy Performance Contract for a particular project) or amendments to the Professional Services Agreement to address such additional work.

3. STATEMENT OF QUALIFICATION

A. COMPANY BACKGROUND

General Information

- Provide a brief company overview.
- Type of company (corporation, partnership, sole proprietorship, joint venture) and year established.

- Identify local and regional branch offices, as well as any subcontractors, that will participate in the development of any recommended projects, in its evaluation process, and/or in the implementation of any services provided (office name, and address).

ESCO Background and Experience

- Years in Energy Business: State the number of years your company has been involved in the energy-efficiency related business and the number of years your company has offered performance contracting services.
- Number and Value of Contracts: Indicate in dollars, the number of energy contracts and guaranteed savings implemented by your company.
- Full-Time Personnel: Indicate the number of full-time personnel employed by your company.
- Number and Type of Public Agency Contracts: Describe the number and types of projects your company has completed with California cities or other public agencies.
- Types of City Services: Describe the types of services provided for similar cities.
- Litigation Experience: Describe any litigation (settled or pending) involving your company related to energy performance contracting.
- NAESCO Accreditation and other Pre-Qualifiers: Is your company accredited by NAESCO? Is your company pre-qualified for work through the US Department of Energy or the U.S. Department of Defense? Describe the relevance or importance of any accreditations or pre-qualifications with regard to this project.

Scope of Services

- Types of Services: Summarize the scope of services (auditing, design, construction, monitoring, operations, maintenance, training, financing, etc.) available from your company.
- Expertise in Systems: Describe your ability to offer services on systems providing energy efficiency and water conservation most relevant to City facilities and operations.
- Provision of Financing: Describe general ability and approach to help with financing (self-funded, partnerships, third-party financing company, grants, rebates, etc.). Describe ability to ensure the lowest possible financing rates are realized.
- Provision of Insurance: Generally describe your capability to secure insurance policies.

Financial Stability

- Attach your company's most recent financial statement or annual report for each of the last three years.
- Attach the most recent annual Statements of Financial Conditions, including balance sheet, income statement and statement of cash flows, dated within the past twelve (12) months. Provide the name, address, and the telephone number of firm(s) that prepared the financial statements.

- Provide a brief description of the company's performance contracting methodology.

B. ENERGY AND ENVIRONMENTAL EXPERIENCE

Professional Engineers and Consultants

Provide a copy of the company's California contractor's licenses and indicate the length of time the company has held the license. Provide a list of professional engineering licenses held by your company in California and any consulting service that will be used in this project.

Local Government and Municipalities Experience

Provide a brief description of up to five (5) similar projects in cities or with other public agencies. The projects should demonstrate the company's experience in providing equipment and services similar to what the City may eventually request. Some of the projects should be within a 200-mile radius of the City. The projects must have been installed and operating for at least one year. At least two of the projects must have been provided on a performance contracting basis. For each project, state:

- client name and address, contact person name and title, and telephone number;
- project name and total cost;
- project description, including number and size of buildings, equipment installed, and services provided;
- annual energy savings resulting from the project, in terms of total dollars, cents per square foot, and percentage;
- sources and levels of operational savings; and
- list all subcontractors who worked on the project, including names and addresses of subcontractors.

Municipal Experience

Provide information related to any experience your company has in working with the City of Pleasanton. Describe the type and length of services rendered to the City.

Project Personnel

Provide information regarding professional engineers, technical personnel and consultants who will be involved with this project. Describe their individual experience and capabilities and their respective roles in this project. Provide biographies for key people and indicate the education and licensing of each person as it relates to this project. Designate an individual as the overall project manager.

C. PERFORMANCE CONTRACTING APPROACH

The City is interested in performance-based services as an effective way to achieve energy efficiency goals. An energy performance contract (EPC) with an ESCO guarantees that future energy savings will pay for some or all of the up-front project cost, overcoming the financial barrier of limited funds. In addition, the City seeks performance contracting that generally includes professional expertise in energy auditing, project design, construction management, staff training in operation and maintenance procedures, and monitoring of energy savings.

The City is interested in projects where the annual savings from new energy conservation measures could be capable of financing the project on terms that are favorable to the City. The cost savings achieved by the installed improvements generally need to be sufficient to cover all project costs, which may include annual maintenance and monitoring fees for the duration of the contract term. The City may require the annual energy savings to be guaranteed by the installing ESCO.

Project Development

Describe the company's approach to delivering a "turn-key" design / build of the selected energy efficiency projects. Describe how your company will meet the project requirements, intent and the steps to accomplish the scope of work from initial energy audit and project recommendations through long-term monitoring and verification of project savings.

Performance Assurance Approach

Describe the methodologies that may be used to verify and guarantee the realized energy savings; as well as any experience with the International Performance Measurement & Verification Protocol, the EPA's Portfolio Manager, or other monitoring approaches recognized by the State of California. Include an explanation of how savings calculations will be adjusted to reflect changes in weather, occupancy, and utilization of facility, equipment changes, etc.

Financial Services

Provide information that describes your company's experience in providing financing and delivering energy cost savings to other public agencies via energy performance contracting or other mechanisms.

D. PROJECT MANAGEMENT AND IMPLEMENTATION

Provide a brief description of the company's project management plan. Detail clear assignment of responsibility for various project tasks to specific individuals. Include all areas of major responsibility for the initial audit, then also potential projects, design, build, and management.

Public-Occupied Facilities

Demonstrate capabilities to coordinate project construction in public occupied facilities with local utilities, subcontractors, equipment suppliers and facility personnel.

In addition to the minimum requirements, the ESCO shall have an in-house support facility equipped with service technicians available to respond within a one day to the City and the ability to manage repairs, regular service, and emergencies effectively.

Training Services

Provide a description of the company's training and educational services.

Warranty

Provide information detailing the company's warranty policy (equipment and installation).

E. ENERGY SERVICES AND TECHNOLOGIES

The City is interested in implementing a comprehensive range of energy conservation and facility improvement services. The focus will be to reduce operating costs due to increased energy prices and maintenance costs, to upgrade older inefficient equipment, and to improve the public experience in City facilities and workplace environment.

The City is seeking a ESCO with environmental experience to help the City identify, inventory, and quantify areas of opportunities to increase energy efficiencies, while reducing carbon and green house gas emissions produced by selected City building and facility operations. The ESCO may be asked to collect data about energy management to assist the City in tracking metrics applicable to its Climate Action Plan.

Provide information that describes your company's experience related to: lighting system retrofits, HVAC system upgrades and retrofits, electrical distribution equipment, distributed energy resource solutions, HVAC products and services, water treatment solutions, waste water treatment solutions, technical and educational training, and zero emission technology.

4. EVALUATION CRITERIA

The following criteria will be used to evaluate the written submissions of ESCO qualifications, discussions with previous clients, and responses of ESCOs during final selection interviews as appropriate. Evaluation weighting values are indicated below.

A. COMPANY BACKGROUND – 10%

- Financial stability.
- Minimum Insurance and Bond Requirements: ESCO shall provide evidence of capacity to comply with the appropriate levels of insurance evidenced through

a letter from the ESCO's insurance broker for performance bond of up to \$5,000,000 for any single project; commercial general liability coverage of \$2,000,000, automobile liability coverage of \$1,000,000, and workers compensation coverage of \$1,000,000.

B. EXPERIENCE – 20%

- Minimum Requirements: ESCO shall have five (5) years experience of providing energy performance contracting services.
- Minimum Requirements: ESCO shall have ten (10) years experience in technology solutions.
- Depth and breadth of public agency-related services, including energy-related systems and sustainability planning for cities.
- Level of experience as reflected in overall quality of RFQ response.

C. PERFORMANCE CONTRACTING – 20%

- Demonstrated ability to implement energy efficiency projects on guaranteed savings, performance contracting basis.

D. PROJECT MANAGEMENT AND IMPLEMENTATION – 20%

- Demonstrated technical and resource capability through existing business delivery channels, company affiliates and/or operating companies for products and services, and potential projects detailed in this RFQ.
- Experience managing construction projects in buildings and facilities open to the public.
- Responsiveness to client concerns during construction, maintenance and monitoring.

E. ENERGY AND ENVIRONMENTAL SERVICES – 30%

- The selected ESCO shall have project experience that, at a minimum, includes the following technical solutions and services: energy audits, facility improvement measures, design/build services, installation services, construction management, project implementation, solar or other renewable technologies, measurement and verification, training, performance guarantees, etc.).

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PROFESSIONAL SERVICES AGREEMENT
Energy Conservation Services

This Professional Services Agreement (“Agreement”) is entered into this ____ day of _____ 2011, between the City of Pleasanton, a municipal corporation (“City”), and _____, a _____ (“Consultant”).

RECITALS

A. Consultant is qualified and experienced in providing energy savings analysis, building and facility energy audits, and proposing projects for the purposes specified in this Agreement and the *Request for Qualifications Energy Conservation and Environmental Services* dated August 2011.

B. City finds it necessary and advisable to use the services of Consultant for the purposes provided in this Agreement.

Now, therefore, in consideration of the mutual covenants and conditions in this Agreement, City and Consultant agree as follows:

1. Consultant’s Services. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in Exhibit A. Consultant shall provide said services at that time, place and in the manner specified in Exhibit A.

2. City Assistance, Facilities, Equipment and Clerical Support. Except as set forth in Exhibit A, Consultant shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing services pursuant to this Agreement. City shall furnish to Consultant only the information, facilities and equipment listed in Exhibit A according to the terms and conditions set forth in Exhibit A.

3. Terms. This contract shall commence on the date written above and shall expire on _____.

4. Compensation. City shall pay Consultant for services rendered pursuant to this Agreement as described more particularly in Exhibit A. The payments shall be made on a monthly basis upon receipt and approval of Consultant’s invoice. Total compensation for services and reimbursement for costs shall not exceed \$_____.

a. Invoices submitted to City must contain a brief description of work performed, time used and City reference number. Payment shall be made within thirty (30) days of receipt of Consultant’s invoice and approved by City.

b. Upon completion of work and acceptance by City, Consultant shall have sixty (60) days in which to submit final invoicing for payment. An extension may be granted by City upon

receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Consultant fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.

5. Sufficiency of Consultant's Work. All audits, reports, and work product shall be adequate and sufficient to meet the purposes for which they are prepared.

6. Ownership of Work. All audits, reports, and work product, and all other documents completed or partially completed by Consultant in the performance of this Agreement shall become the property of the City. Consultant acknowledges that work prepared by Consultant for the City, including, but not limited to, proposing projects for energy conservation, may be designed, developed and implemented by third parties selected by the City using the work created by Consultant. All materials shall be delivered to the City upon completion or termination of the work under this Agreement. If any materials are lost, damaged or destroyed before final delivery to the City, the Consultant shall replace them at its own expense. Any and all copyrightable subject matter in all materials is hereby assigned to the City and the Consultant agrees to execute any additional documents that may be necessary to evidence such assignment. Consultant shall keep materials confidential. Materials provided by City to Consultant shall not be used for purposes other than performance of services under this Agreement and shall not be disclosed to anyone not connected with these services, unless the City provides prior written consent.

7. Changes. City may request changes in the scope of services to be provided by Consultant. Any changes and related fees shall be mutually agreed upon between the parties and subject to a written amendment to this Agreement.

8. Consultant's Status. In performing the obligations set forth in this Agreement, Consultant shall have the status of an independent contractor and Consultant shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of Consultant are its agents and employees and are not agents or employees of City.

9. Termination for Convenience of City. The City may terminate this Agreement at any time by mailing a notice in writing to Consultant. The Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the work actually completed at the time the notice of termination is received.

10. Non-Assignability. The Consultant shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon such terms and conditions as City may set forth in writing. Consultant shall be solely responsible for reimbursing subcontractors.

11. Indemnity and Hold Harmless. Consultant shall defend, indemnify, and hold harmless, the City and its officers, agents and employees from and against all claims, losses, damage, injury, and liability for damages arising from, or alleged to have arisen from, errors,

omissions, negligent or wrongful acts of the Consultant in the performance of its services under this Agreement, regardless of whether the City has reviewed or approved the work or services which has given rise to the claim, loss, damage, injury or liability for damages. This indemnification shall extend for a reasonable period of time after completion of the work as well as during the period of actual performance of services under this Agreement. The City's acceptance of the insurance certificates required under this Agreement does not relieve the Consultant from its obligation under this paragraph.

12. Insurance. During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense the following insurance coverage with insurers with an A.M. Best's rating of no less than A:VII:

- a. General Liability and Bodily Injury Insurance. Commercial general liability insurance with limits of at least \$1,000,000 combined limit for bodily injury and property damage that provides that the City, its officers, employees and agents are named additional insureds under the policy. The policy shall state in writing either on the Certificate of Insurance or attached rider that this insurance will operate as primary insurance for work performed by Consultant and its subconsultants, and that no other insurance effected by City or other named insured will be called on to cover a loss.
- b. Automobile Liability Insurance. Automobile liability insurance with limits not less than \$1,000,000 per person/per occurrence.
- c. Workers' Compensation Insurance. Workers' Compensation Insurance for all of Consultant's employees, in strict compliance with State laws, including a waiver of subrogation and Employer's Liability Insurance with limits of at least \$1,000,000.
- d. Professional Liability Insurance. Professional liability insurance in the amount of \$1,000,000.
- e. Certificate of Insurance. Consultant shall file a certificate of insurance with the City prior to the City's execution of this Agreement, and prior to engaging in any operation or activity set forth in this Agreement. The Certificate of Insurance shall provide in writing that the insurance afforded by this Certificate shall not be suspended, voided, canceled, reduced in coverage or in limits without providing thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City. In addition, the insured shall provide thirty (30) days prior written notice to the City of any suspension, cancellation, reduction of coverage or in limits, or voiding of the insurance coverage required by this agreement. The City reserves the right to require complete certified copies of policies.
- f. Waiver of Subrogation. The insurer agrees to waive all rights of subrogation against the City, its officers, employees and agents.

- g. Defense Costs. Coverage shall be provided on a “pay on behalf of” basis, with defense costs payable in addition to policy limits. There shall be no cross liability exclusions.
- h. Subcontractors. Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this Agreement, including but not limited naming additional insureds.

13. Notices. All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed as follows:

To Consultant: _____

To City: City Manager
 City of Pleasanton
 123 Main Street
 Pleasanton, CA 94566

14. Conformance to Applicable Laws. Consultant shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Consultant shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

15. Licenses, Certifications and Permits. Prior to the City’s execution of this Agreement and prior to the Consultant’s engaging in any operation or activity set forth in this Agreement, Consultant shall obtain a City of Pleasanton business license, which must be kept in effect during the term of this Agreement. Consultant covenants that it has obtained all certificates, licenses, permits and the like required to perform the services under this Agreement.

16. Records and Audits. Consultant shall maintain all records regarding this Agreement and the services performed for a period of three years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit.

17. Confidentiality. Consultant shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City information.

18. Conflicts of Interest. Consultant covenants that other than this Agreement, Consultant has no financial interest with any official, employee or other representative of the City. If such an interest arises, Consultant will immediately notify the City.

19. Waiver. In the event either City or Consultant at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation.

20. Governing Law. California law shall govern any legal action pursuant to this Agreement with venue in the applicable court or forum for Alameda County.

21. No Personal Liability. No official or employee of City shall be personally liable to Consultant in the event of any default or breach by the City or for any amount due Consultant.

22. Exhibits. All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

23. Scope of Agreement. This writing constitutes the entire Agreement between the parties. Any modification to the Agreement shall be in writing and signed by both parties.

This Agreement executed the date and year first above written.

CITY OF PLEASANTON

CONSULTANT

Nelson Fialho, City Manager

By: _____

Its: _____

ATTEST:

Karen Diaz, City Clerk

APPROVED AS TO FORM:

Jonathan Lowell, City Attorney

Exhibit A

Scope of Consultant's Services:

Compensation:

Information to be provided by City to Consultant:

- Prior 12 months of energy bills for agreed upon City buildings and facilities.
- Access to Building Division records and Capital Improvement Plan files regarding City buildings and facilities.
- Access to agreed upon City buildings and facilities at times coordinated by the parties.