
REQUEST FOR PROPOSALS TO PRE-QUALIFY ESCOS FOR AS-NEEDED ENERGY PERFORMANCE CONTRACTING SERVICES



The Energy Services Coalition offers a collection of model procurement and contracting documents that represent Best Practices for state energy offices (SEOs) to launch and administer programs to increase energy efficiency through energy performance contracting. The documents draw from successful programs in various states and are continually updated to incorporate the latest strategies. They can be easily customized to meet the needs of any SEO or similar government department.

DESCRIPTION:

This model RFP sets the stage for a streamlined procurement and contracting process in the state, and can be used to establish a clear role for the SEO to launch and oversee a program.

To establish a streamlined process, this RFP includes:

- Solicitation to establish a pre-qualified list of energy service companies (ESCOs) that can be selected by any government agency in a state to complete a performance contracting project in its facilities.
- Contract templates which can be pre-approved by the state to reduce the time and difficulty for facility owners to obtain such services.

To set the stage for an SEO program, this RFP includes:

- An agreement with the pre-qualified ESCOs to define the processes, establish responsibilities, and outline the role of the SEO in any follow-through oversight.
- An agreement with facility owners to define the processes and establish the role of the SEO in any follow-through oversight.

This is a model document only and does not attempt to identify or address all circumstances or conditions you may encounter or desire. Consult with your legal counsel and procurement staff to adapt it to meet your needs.

REQUEST FOR PROPOSALS

**TO PRE-QUALIFY ESCOS FOR
AS-NEEDED
ENERGY PERFORMANCE CONTRACTING SERVICES**

**FOR SEO,
PROGRAM NAME**

ISSUER'S NAME

ADDRESS

DATE

TABLE OF CONTENTS

	Page
1.0 Overview and Background	1
2.0 Proposal Submittal and Selection Process	
3.0 Scope of Work	

Attachments

Attachment A	Base Agreement ESCO Contract
Attachment B	Response to this Request for Proposals
Attachment C	Secondary ESCO Selection Process
Attachment D	State Statutes on Energy Performance Contracting for State Government
Attachment E	State Statutes on Energy Performance Contracting for Local Governments
Attachment F	Technical Energy Audit and Project Development Proposal
Attachment G	Energy Performance Contract
Attachment H	Financing Bid Package
Attachment I	Facility Owners Memorandum of Understanding
Attachment J	State Governor Executive Orders

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Many elements may need to be customized to meet the needs of your program, such as:

- Name of state energy office (SEO) and/or issuing agency
- Include a description of your program
- RFP or RFQ: your procurement department and procurement codes will determine this. For some states this qualifies as an RFP because cost information is requested in the pre-qualification process and in the secondary selection process.
- Agreement with Facility Owners: This is recommended if you have technical services to offer as it defines and formalizes the roles and expectations of all parties.
- ESCO Contract: This is recommended to define and formalize the roles of the ESCO, the State Energy Office Energy Performance Contracting Program (SEO/EPCP, and the Facilities Owners. The terms of the contract also need to be determined, as this example specifies five consecutive annually-renewable terms subject to annual evaluation.
- Secondary Selection Process: This example presents a specific process to be used by facility owners in order to make their final selection of an ESCO. This process should be defined by the procurement departments associated with the facility owners and may vary by state or local government.
- Establish the role of the ESCO in soliciting projects with facility owners.

Specific elements to customize are highlighted.

1.0 Overview and Background

The State Energy Office (SEO), through its Energy Performance Contracting Program (EPCP), seeks proposals from Energy Services Companies (ESCOs) to be pre-qualified for as-needed energy performance contracting services. ESCOs selected through this RFP, that also enter into a subsequent contract with SEO, will be eligible to provide services to state agencies/institutions and local governments that may choose to participate in SEO's program.

The primary intent of this selection process is four-fold:

- To increase the number of successful performance contracts state-wide, as a means to implement comprehensive energy-efficiency projects in existing buildings
- To provide SEO/EPCP participants the opportunity to procure services of qualified firms in a timely and cost-effective way

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- To ensure minimum qualifications of ESCOs to implement successful energy performance contracting projects
 - To offer all qualified firms the opportunity of equal access to work generated by SEO/EPCP.

SEO/EPCP provides a standardized process with clear direction and accountability for all participants in development, implementation, and measurement and verification of energy performance contracting projects by defining roles and responsibilities; formalizing process steps; establishing maximum cost schedules; providing standard contract documents; and establishing measurement and verification guidelines.

Potential SEO/EPCP participants include state and local governments (state departments, higher education institutions, public school districts, municipal and county governments, recreation/library districts, as well as multi-family building operations and other approved entities identified by SEO. Energy performance contracting enables these participants to accomplish energy projects without using capital budgets, paying for projects through resulting savings. Participants will sign a Facility Owners Agreement with SEO/EPCP to follow program guidelines and will be directed to use the pre-qualified list to select an ESCO for their performance contracting project, using a recommended secondary selection process.

ESCOs under contract with SEO/EPCP will be pre-qualified to provide as-needed Energy Performance Contracting (EPC) services to SEO/EPCP participants. All sizes of firms are encouraged to submit proposals for consideration. Selected ESCOs will commit to SEO/EPCP guidelines via a Base Agreement ESCO contract with SEO/EPCP. It will contain rate schedules as proposed by the responding ESCO or as negotiated. It will be annually renewable for four additional terms, subject to an annual performance review by SEO/EPCP. Compensation for specific work will be detailed in the resulting contracts for specific projects.

2.0 Proposal Submittal and Selection Process

2.1 POLICIES

- 2.1.1** All submittals shall become the property of the SEO and will not be returned.
- 2.1.2** No specific work is associated with the **Base Agreement ESCO Contract (Attachment A)**, as participation by facility owners in SEO/EPCP is voluntary.
- 2.1.3** The actual extent of services required under any contract as a result of this solicitation is not known.
- 2.1.4** No individual firm is assured of obtaining any work as a result of selection.

2.1.5 The roles, responsibilities and requirements of the ESCO are outlined in the Base Agreement ESCO Contract.

2.2 SUBMITTAL INSTRUCTIONS

2.2.1 All submittals shall become the property of the SEO and will not be returned.

2.2.2 Late submittals shall not be evaluated.

2.2.3 The State reserves the right to reject any or all proposals on the basis of being unresponsive to these guidelines or for failure to disclose requested information.

2.2.4 The State shall not be liable for any costs incurred by respondents in the preparation of submittals and proposals nor in costs related to any element of the selection and contract negotiation process.

2.2.5 Pre-proposal Conference

A Pre-proposal Conference will be held at:

Location: _____

The purpose of the Pre-proposal Conference will be to review the requirements of this RFP and answer questions from ESCOs in attendance. Attendance by ESCO representatives at the Pre-proposal Conference is not mandatory for submission of a response to this RFP.

2.2.6 Communications Regarding This RFP

Questions and requests for clarification on this Request for Proposals must be submitted *in writing* following the instructions posted in the Notice. No verbal inquiries will be addressed.

Communication with other State officials, the Selection Committee, or others associated with the EPCP and public facilities with regard to this Request for Proposals is prohibited.

2.3 SUBMITTAL FORMAT

2.3.1 Prepare proposals to respond to the items in the **ESCO Response to Request for Proposals (Attachment B)**. Follow the same sequence and state each number and question prior to your response.

2.3.2 Submit *Request For Proposal Cover Sheet* and submit five CD or DVD copies (IBM platform) of the submittals. Each copy of the CD or DVD shall include only two files, both in the .pdf format. The **Response (Attachment B)** shall be converted in entirety to a single .pdf formatted file and submitted on the CD or DVD. Similarly, the requested sample investment grade audit report shall be converted in its entirety to .pdf format and copied as a single file onto the same CD or DVD. Security protection of the pdf file is allowed, but printing shall be enabled.

2.3.3 Deliver proposals to:

Address

Attn:
No later than:

SUBMITTAL SCHEDULE

The following schedule has been established for this Request for Proposals.
Note that this schedule may be subject to change.

	TASK	DATE/TIME
1.	RFP Published	
2.	Pre-Proposal Conference	
3.	Prospective Offeror(s)' written inquiries	
4.	Responses to Inquiries	
5.	Proposal Submission	
6.	Proposal Review Period	
7.	Interviews (if required)	
8.	Notice of Intent to Award	
8.	ESCo Contracts	TBD

2.4 SELECTION PROCESS

2.4.1 Pre-Qualification.

A Selection Committee will review and score proposals and make recommendations to SEO/EPCP. The Committee may schedule oral interviews with one or more responding companies to gain clarification as needed. ESCOs that are selected for pre-qualification shall sign a Base Agreement ESCO Contract prior to being listed as a pre-qualified ESCO.

2.4.2 Base Agreement ESCO Contract with SEO/EPCP

Successful companies will enter into a **Base Agreement ESCO Contract (Attachment A)** with SEO/EPCP in order to be listed as a pre-qualified ESCO. The ESCO shall engage in a good faith effort to promote the SEO/EPCP and shall adhere to its guidelines, requirements, and provisions. SEO/EPCP reserves the right to amend the contract upon annual renewal.

An ESCO Contract will be for a one-year period with four annual renewals subject to satisfactory annual performance reviews. SEO/EPCP will monitor and review ESCO performance for compliance with SEO/EPCP guidelines, requirements, process, and documentation. There is no right or expectation of renewal and any renewal will be determined at the discretion of the SEO/EPCP. Fees can be re-negotiated upon request for annual renewal. New submittals will be accepted for consideration (or re-consideration annually.) Changes in ownership or other factors can be submitted at any time for consideration.

2.4.3 Selection for Projects

A SEO/EPCP participant will use a secondary selection process to select an ESCO to implement a performance contracting project at the participant's facilities. The **Secondary ESCO Selection Process (Attachment C)** will vary with the participant's procurement policies.

3.0 Scope of Work

3.1 ENERGY PERFORMANCE CONTRACT PROJECT PHASES

3.1.1 Marketing and Preliminary Project Evaluation

The SEO/EPCP will actively market the SEO/EPCP to potential participants within the State, providing the pre-qualified list of ESCOs along with the SEO/EPCP guidelines.

Pre-qualified ESCOs under contract with SEO/EPCP are encouraged to directly market their services under the SEO/EPCP to potential participants. When a potential project is identified, the ESCO shall work with the Facility Owner to engage the SEO/EPCP for project support. The ESCO may also be required to develop initial feasibility studies for potential projects.

3.1.2 Investment Grade Audit and Project Development

The ESCO and the Facility Owner will execute the **Technical Energy Audit and Project Proposal Contract (Attachment F)**. This contract sets specific expectations and provides a detailed process for both the ESCO and the Facility Owner. The contract also defines the deliverables to the Facility Owner and establishes the basis for the Energy Performance Contract to follow. It incorporates current state statutes and directives that directly relate to performance contracting: **State Statutes on Energy Performance Contracting for State Government (Attachment D)** and **State Statutes on Energy**

Performance Contracting for Local Governments (Attachment E) and State Government Executive Orders (Attachment J).

The investment grade audit will identify and evaluate cost-saving measures and define the proposed project scope, cost, savings and cash-flow over the proposed financing term. A project proposal will present aggregated measures that can be financed through guaranteed savings.

3.1.3 Energy Performance Contract Implementation

Upon satisfactory completion of the Investment Grade Audit, the Facility Owner will have the option to execute an **Energy Performance Contract (Attachment G)** with the ESCO to implement the recommended project. The Energy Performance Contract will define the final agreed upon scope of work and all its associated costs and mutual responsibilities between the ESCO and the Facility Owner, as well as improvement measures, the equipment and labor costs associated with them, and all guaranteed energy and maintenance cost savings. It incorporates current state statutes and directives that directly relate to performance contracting: **State Statutes on Energy Performance Contracting for State Government (Attachment D)** and **State Statutes on Energy Performance Contracting for Local Governments (Attachment E)** and **State Government Executive Orders (Attachment J)**. The ESCO will solicit financing companies on behalf of the Facility Owner using the **Financing Bid Package (Attachment H)**. A separate financing agreement will be developed including ESCO payment schedules and lender financing terms and schedules.

Upon execution of the Energy Performance Contract, the ESCO proceeds to final design, construction, and commissioning of the improvement measures.

3.1.4 Performance Period

The Energy Performance Contract Performance Period begins upon construction completion and acceptance by the facility owner. The Energy Performance Contract will include a number of services the ESCO will provide until the end of the contract including but not limited to measurement and verification of savings, the savings guarantee, staff training, and, possibly, contract maintenance services.

3.2 RESPONSIBILITIES OF ALL PARTIES

The **Base Agreement ESCO Contract (Attachment A)** outlines the responsibilities and services to be provided by the ESCO, by SEO and by the Facility Owner.