REQUEST FOR QUALIFICATIONS

STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES
DIVISION OF ENGINEERING & ARCHITECTURAL SERVICES
ENERGY PROGRAM
OLYMPIA, WASHINGTON

Submittals due: March 7, 2019 prior to 5:00 PM

NOTICE TO ENERGY SERVICE COMPANIES (ESCOs)

ESCO services are required to identify, finance, design and install energy and utility efficiency measures for Project No. 2019-179.

General

This is a pre-qualification of ESCOs for future Energy Savings Performance Contracting (ESPC) projects. There is no minimum number of ESCOs to be qualified and there is no minimum amount of work to be guaranteed for pre-qualified ESCOs. This potential future work is for State Agencies, Public Higher Ed, Public School Districts, and Municipalities working through the Washington State Department of Enterprise Services Energy Program (DES Energy Program). This pre-qualification of ESCOs is for work managed by the DES Energy Program, as designated in RCW 39.35A.050. It is not for work contracted directly between the Public Agencies and the Energy Services Company (ESCO). If the Public Agency is not working through the DES Energy Program they must follow an RFP process.

It may be beneficial for the ESCO to review the DES Energy Program performance contracting guidelines prior to submitting a response to this RFQ. The guidelines can be found at http://www.des.wa.gov/sites/default/files/public/documents/Facilities/Energy/ESPC-Guidelines.pdf

ESCOs will be considered for selection based upon their demonstrated ability to identify, design, finance, install, commission, as well as measure and verify energy, water, and solid waste efficiency measures in facilities; to include street lighting. This demonstrated ability will be in accordance with Washington State statutes, rules, regulations, and guidelines for energy performance contracting.

ESCOs must be a licensed Washington State general contractor at the time of submittal and have engineer(s) licensed in the State of Washington as part of the ESCO team.

The evaluation process will be conducted in two phases; 1) evaluation of written submissions and 2) oral interviews; both conducted by a single selection panel.

- **Phase 1** of the selection process will be an evaluation of the written submission from each ESCO. Each ESCO will be individually scored on their submission by each member of the panel. A minimum collective score of 280 (summation of panel scores) from the panel is needed for an ESCO to move to Phase 2 of the selection process.

- **Phase 2** will consist of an oral interview in the following format: (1) The ESCO will describe their technical qualifications, outline personnel resources proposed to conduct the work, and present the results of a previously completed energy savings performance contracting project
from the preliminary audit stage thru the post-implementation measurement and verification period. (2) The panel will ask questions of the ESCO including but not limited to clarification of the ESCOs project presentation. (3) The ESCO will have an opportunity to ask the panel questions and follow up with any further information they want to impart to the panel.

The scoring methodology of both phases will be the same. The final scoring will not result in a ranking of ESCOs. A minimum score of 280 out of 390 possible points will be required for acceptance into the program.

DEFINITIONS

An ESCO is an energy consultant who engages in a performance-based contract with a public-sector client agency to develop and install measures that reduce energy, water, and solid waste consumption and/or costs in a technically and financially viable manner.

An ESCO’s experience is defined as the experience of the firm or its employees and is comprised of those projects that the current staff of the firm have implemented either at this firm or any other firm. If the projects identified were implemented by staff in their tenure at another firm this needs to be clearly identified. The ESCO must have permission from any third-party to use and include their work products in their response.

An energy services proposal (ESP) means a written report describing the client agency’s facility and those buildings and/or systems that will receive ESCO equipment and services. The ESP identifies and describes in detail the scope of work, the guaranteed maximum project cost, the guaranteed minimum energy savings resulting from the project and the guaranteed equipment performance The ESP describes how the energy savings will be guaranteed by the ESCO and the schedule for project completion.

A measure and verification (M&V) report means a written report describing the actual savings derived over a given period from measures installed to reduce energy, water, and solid waste consumption and/or costs. The actual savings are determined by a protocol and methodology conforming to the International Performance Measurement and Verification Protocol (IPMVP) determined prior to the installation of the measures.

Performance Contracting means contracts for which payment is conditional upon achieving contractually specified savings (RCW 39.35C.010).

SCOPE OF WORK

This project is for energy savings performance contracts throughout the State of Washington. The DES Energy Program will provide project management services to State Agencies, Public Higher Ed, Public School Districts, and Municipalities who select ESCOs from this prequalified selection.

ESCOs will provide a range of professional services, including energy auditing, building benchmarking, determination of client baseline energy consumption, analysis of impact of identified energy efficiency measures (EEMs), preparation of an energy services proposal (ESP); multi-discipline engineering design of approved efficiency measures, assistance with obtaining and maximizing utility incentives; project construction management, installation of the efficiency measures; financial and risk analysis and management, commissioning of installed project elements, operations and maintenance training for new or renovated systems; and measurement and verification (M&V) of savings. The scope of work may also include the installation of renewable energy projects, such as solar, wind, geo-thermal, etc.
ESCOs will provide a guaranteed maximum project cost, guaranteed minimum energy savings in native units and also represented as dollars, and guaranteed equipment performance for the projects they design and install. Guaranteed savings and performance are to be based upon detailed, site specific information collected in an investment-grade audit. ESCOs must have the financial capability to fund their professional services and the installation of projects and be willing to be reimbursed based upon the savings over the term of the investment.

**SELECTION PROCESS**

**Phase 1 – Written Submission**

ESCO’s Statements of Qualifications for this project will, at a minimum, address the following (30) topics and appendices. Please restate the number and the criteria prior to your response.

ESCO’s EXPERIENCE (10 pts)

1. Provide a summary table (sample below) of all energy performance contracting projects completed in the past two years. This will include project title, guaranteed maximum project (GMAX) cost, guaranteed energy savings, number of buildings, total square footage, and client contact information. If the ESCO has completed more than 10 projects within Washington State in the past 2 years, the ESCO may list just the Washington State projects, in either case the list should be no longer than the most recent 20 projects.

<table>
<thead>
<tr>
<th>Project Title</th>
<th>GMAX Cost</th>
<th>Guaranteed Energy Savings</th>
<th>Number of Buildings</th>
<th>Total Square Footage</th>
<th>Client Contact Information</th>
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2. Identify the key firms and subcontractors that the ESCO utilizes to complete any part of the ESCO process and the services they provide.

3. Describe the ESCO’s experience working in the following building types. Including but not limited to:
   a. Offices
   b. Higher Education facilities
   c. Hospitals
   d. Correctional facilities
   e. Public housing
   f. Wastewater treatment plants
   g. K-12 schools
   h. Laboratories
   i. Data Centers
   j. Aquatic Centers
4. Describe the ESCO’s experience in implementing the following project types. Including but not limited to:
   a. heating plants (including steam),
   b. chilled water plants,
   c. water and wastewater treatment plants
   d. building envelope systems
   e. heating ventilation and air conditioning systems,
   f. heat recovery,
   g. energy management and control systems,
   h. lighting and lighting control systems,
   i. street lighting
   j. water efficiency
   k. other utility system improvements
   l. renewable energy systems

5. Describe the experience and familiarity of ESCO staff with the Washington State ESPC program. If you do not have experience with the Washington program, please describe your experience with any other state or federal ESPC program. Describe the duties and responsibilities of the staff responsible for administration and delivery of any potential work in Washington State. Include information on at least the following key positions including primary name and contact info for each: (This is not to be a resume, resumes for identified individuals are included in appendix 6)
   a. Primary Contact
   b. ESPC Program Director or Account Executive
   c. Marketing Contact
   d. Project Developer
   e. Project Designer
   f. Construction Manager
   g. Measure and Verification Specialist

MANAGEMENT APPROACH (15 pts)

6. How will you ensure that your typical project team understands Washington State Public Works Contracting Requirements?

7. Describe the ESCO’s approach to marketing to potential clients and how the ESCO will involve DES Energy Program personnel in the process.

8. Discuss your routine strategies for identifying and capturing the following funding sources:
   a. Utility incentives.
   b. State grants
   c. Federal grants
   d. Energy Efficiency loans or bonds
   e. Other grants or loans as applicable

9. How do you identify if a potential project would be viable to implement.

10. Describe the ESCO’s method for the following:
    a. selecting sub-contractors,
    b. use of self-performance capabilities,
    c. maintaining cost competitive pricing,
    d. substantiation of construction costs.
PROJECT APPROACH (15 pts)

11. Describe the ESCO’s typical approach to investment grade audit (IGA)/ESP development. At a minimum include the following points.
   a. How are cost effective criteria developed
   b. How are potential EEMs identified
   c. How is the scope of the audit developed
   d. How are DES and the client involved in this process

12. Describe the ESCO’s typical approach to project development from IGA/ESP proposal to delivery of the ESP. At a minimum include the following points.
   a. How are the EEM scopes developed
   b. How are the costs of the EEMs determined
   c. How is the client involved in this process
   d. Identify the specific points where the ESCO will involve the DES project manager in this process

13. Describe the ESCO’s routine construction management procedures. At a minimum include the following points
   a. In general what do you consider potential project risks and how does the firm manage these risks
   b. How do you develop the contingency and manage it during the course of construction
   c. Describe the ESCO’s familiarity with the DES Energy Program change order process
   d. When would construction change order proposals be presented to the DES Energy Program and the client?
   e. How do such change order proposals affect the project’s guaranteed maximum price?
   f. Identify the specific points where the ESCO will involve the DES project manager in this process

14. Describe the ESCO’s procedures for timely delivery of accurate project paperwork. Including but not limited to the following:
   a. IGAs/ solAR\s
   b. design documents
   c. construction documents,
   d. field authorizations (FA) and change order proposals (COP),
   e. invoices,
   f. O&M manuals,
   g. commissioning reports,
   h. closeout documents
   i. M&V reports

15. Provide at least one example of a project specific problem and describe how you successfully addressed it in a collaborative manner with the client and DES (if a project within the program).

PROGRAM REQUIREMENTS (14 pts)

16. Describe the ESCO’s approach to meeting the public works requirements for apprenticeship training programs as directed by Chapter 39.04.320 RCW.

17. Describe your past performance and success at subcontracting or teaming with Diverse Businesses. Identify specific strategies you have used in the solicitation and award of subcontractors to achieve Diverse Business participation.

18. Describe the ESCO’s procedures for submitting all required paperwork to Departments of Revenue, Employment Security, and Labor and Industries.
19. Describe the ESCO’s policies and procedures for recycling materials:
   a. lamps,
   b. ballasts,
   c. metals,
   d. ceiling tiles,
   e. and other recyclable material.

20. Describe the ESCO’s policy and procedures in handling hazardous materials.

21. Describe the ESCO’s ability and willingness to provide construction period financing. If the ESCO is unwilling to finance, they may be automatically disqualified.

22. Describe the ESCO’s ability and willingness to provide long term financing of projects. Provide what limitations would be placed on the financing. If the ESCO is unwilling to finance, they may be automatically disqualified. Provide letters of commitment from funding sources or from the ESCO’s Chief Financial Officer.

SAVINGS AND EQUIPMENT PERFORMANCE GUARANTEES (12 pts)

23. Describe the ESCO’s project cost guarantee policies, procedures and risk mitigation; including examples of remedies when project costs exceed ESCO guarantees.

24. Describe the ESCO’s energy savings guarantee policies, procedures, and risk mitigation, including examples of remedies when actual savings are lower than the ESCO’s guarantees, and the length of the savings guarantees.

25. Describe the ESCO’s equipment performance guarantee policies, procedures and risk mitigation, including examples of remedies when performance of equipment does not meet expectations.

26. Describe the ESCO’s warranty enforcement role and the ESCO’s responsibility, if any, when there is an equipment failure beyond the warranty period.

COMPUTATION OF ENERGY BASELINE AND POST-INSTALLATION ENERGY USE (12 pts)

27. Describe the ESCO’s methodology for calculating baseline energy. Including but not limited to:
   a. utilization of utility use history
   b. Software tools used
   c. Allocating energy use when campus settings are master metered.
   d. potential scenarios where a modified baseline may be proposed

28. Describe the ESCO’s methodology for calculating energy savings of proposed EEMs. Provide brief examples.

29. How do you determine the M & V methodology and duration appropriate for a given project?

30. Describe the ESCO’s utilization of M&V processes in the establishment of baseline energy use and the post installation energy use.

APPENDICES (These documents are required and if not included the submission will be deemed non-responsive.)

1. The sample ESPC project called for herein. Include:
   a. Preliminary Audit findings
   b. IGA/ESP proposal
   c. Measurement and Verification plan including key variables to be measured
   d. IGA/ESP with detailed cost breakdown
   e. Measurement and Verification Report

2. A boiler plate ESP
3. A boiler plate M&V Report
4. An Inclusion Plan
5. Set of project references
6. Resumes or CVs of key personnel and sub-consultants indicate if experience was obtained with another firm.
7. Completed and signed Federal Form 330.

Note: The sample performance contracting project (Appendix 1) should preferably have been completed within the past two years and preferably be a facility in the State of Washington. The ESCO should be ready to describe (during Phase 2) the energy and utility efficiency measures identified (including pricing), and how accurate the ESCO was in estimating the utility incentive. Pricing will include an itemized breakdown of all costs and fees related to the recommended measures. If the ESCO’s original audit results did not include a pricing breakdown, then the ESCO shall attach an addendum describing the costs associated with the recommended measures. The ESCO must also present financing options (including an ESCO proposed financing option with proposed interest rate and loan term) and recommendations made to the facility owner to fund the recommended final project.

**Phase 2 – Oral Interview**

ESCO personnel brought to interview will be local staff.

Phase 2 will consist of an oral interview where the ESCO will describe their technical qualifications, outline personnel resources that are proposed to conduct the work, and present the results of a previously completed performance contracting project from the preliminary audit stage thru the post implementation measurement and verification period. The identified project documentation as submitted as part of phase 1 should describe the energy and utility efficiency measures identified, including pricing of the recommended measures and how the ESCO estimated the utility incentive. Pricing will include an itemized breakdown of all costs and fees related to the recommended measures. If the ESCO’s original audit results did not include a pricing breakdown, then the ESCO shall attach an addendum describing the costs associated with the recommended measures. The ESCO must also present financing options (including an ESCO proposed financing option with proposed interest rate and loan term) and recommendations made to the facility owner to fund the recommended final project.

The period of performance for these ESCO services shall commence once an Agreement is properly signed and expires on June 30, 2021 unless altered or amended.

An approved inclusion plan identifying voluntary numerical goals for the following types of businesses will be required of successfully selected ESCOs. The types of business are Minority Business Enterprise and Women’s Business Enterprise approved by the Office of Minority and Women’s Business Enterprise; Veteran Owned Business Enterprise and Small Business Enterprise identified in WEBS. The requirements for the inclusion plan is provided in Supplement A.

ESCOs will be considered for selection based upon the following criteria: Experience; Management Approach; Baseline Computation; Savings and Performance Guarantees; and Financing Ability.

ESCOs desiring consideration shall submit three (3) Statements of Qualifications, which shall include the following: responses to the above thirty (30) topics, not to exceed 60 pages (60 pages does not include table of contents) plus appendices. In lieu of a cover letter, please submit an ESCO Summary sheet including Company name, address, main contact(s) with phone/cell number and email address, Licensed Engineer with license number, UBI, State of Washington contractor’s license, and Federal ID numbers. **Submittals are to be via USB flash drive only.** All documents are to be searchable PDF files.
The submission must be delivered to and be date/time stamped prior to 5:00 PM, March 7, 2019.
Address submittals to:
   Department of Enterprise Services
   Facilities Professional Services
   Energy Program
   Attention Kathi Fyfe
   1500 Jefferson SE 3rd Floor S
   PO Box 41476
   Olympia, WA 98504-1476

Anticipated dates for interviews are the week of April 29, 2019. If the ESCO wishes to use Power Point for their presentation, a laptop and projector will be provided, please bring a USB flash drive to the interview. ESCOs will be notified of interview status by April 10, 2019.

Questions regarding this project should be directed to Kirsten G. Wilson, PE, Panel Chair, 509.370.0216 or kirsten.wilson@des.wa.gov. Questions regarding the inclusion plan requirements should be directed to Charles Wilson, 360.407.8455 or Charles.wilson@des.wa.gov. Questions regarding the project selection process should be directed to Kathi Fyfe, Energy Program Analyst, DES Energy Program, 360.407.9372 or kathi.fyfe@des.wa.gov.