



**VAN BUREN**  
ARKANSAS

**CITY OF VAN BUREN**

**REQUEST FOR PROPOSALS**

**ENERGY PERFORMANCE CONTRACTING SERVICES**

**Investment Grade Audit & AEPC Project Proposal**

### **Section 1 – SELECTION PROCESS**

#### **General Background & Purpose**

This Request for Proposals (RFP) seeks Energy Service Companies (ESCOs) to develop and complete an Investment Grade Audit (IGA) and Energy Performance Contract (EPC) contract proposal for the *City of Van Buren*, hereinafter referred to as “Owner”. The Owner has executed a Memorandum of Understanding with the Arkansas Department of Environmental Quality – Arkansas Energy Office (AEO)’s Arkansas Energy Performance Contracting (AEPC) Program and will follow the program’s rules and guidelines.

As this project is being conducted through the AEPC program, Owner will only consider proposals from AEO’s pre-qualified list of ESCOs, which may be found at:

<https://www.adeq.state.ar.us/energy/incentives/performance.aspx>.

*Please note that the City of Van Buren is issuing this Request through the AEPC Program simultaneously with Van Buren Public Schools. Firms are advised to view the solicitations from the city and school district in order to respond with a proposal capable of meeting all parties’ needs.*

#### **Lead Contact Information & Inquiries**

For inquiries regarding this RFP, please contact:

- *Jennifer Froud*
- *Administrative Assistant to the Mayor*
- *(479)474-1541*
- [jfroud@vanburencity.org](mailto:jfroud@vanburencity.org)

Communication with other officials of the Owner, the Selection Committee, or others associated with the project with regard to this RFP is expressly prohibited.

Inquiries must be submitted in writing or electronically to the Owner's lead contact by **5 pm CST on March 10, 2020**. Inquiries received prior to this deadline will be answered and distributed via the AEO to all ESCOs who have stated a written interest in responding to the RFP.

### **Timeline**

Please find the anticipated timeline for the Owner's AEPC project following.

Issue Request for Proposals for EPC	<b>February 28, 2020</b>
Deadline for Questions	<b>March 6, 2020</b>
Anticipated Response to Questions	<b>March 10, 2020</b>
Proposals Due	<b>March 13, 2020</b>
Selection Announcement	<b>By March 19, 2020</b>

### **Scope of Work**

This RFP will result in the selection of an ESCO for the development and operation of a net-metering facility which includes: financing, construction, ownership and the provision of operation and maintenance services for the duration of the agreement.

The Owner is soliciting proposals from pre-qualified ESCOs through the AEPC Program. This facility will ideally produce solar energy purchased by the Owner in the form of a third-party ownership agreement (such as a solar services agreement or a lease) as authorized by Act 464 of 2019. Such an arrangement will allow the Owner, as a tax-exempt entity, to realize tax benefits heretofore unavailable. However, Owner is aware of its usage rate and will entertain all proposals. An alternative procurement model such as outright ownership may prove preferable after analysis.

ESCOs should demonstrate expertise in the development, financing, operation, and maintenance of the net-metering facility. Selected ESCO should plan to secure necessary approvals as well as a suitable site for project development on Owner's behalf to make facility fully operational.

Relevant utility data may be found as Attachment A. After conducting a review of available utility data, total consumption is estimated to be just over 1,600,000 kWh split by a nearly 3:1 margin between Oklahoma Gas and Electric and Arkansas Valley Electric Cooperative. Owner's usage rate in OG&E territory is .0477 cents while the usage rate in AVEC territory is .0815 cents.

## **Facility Access**

Owner will make every effort to respond to electronically-submitted questions and to provide relevant information to assist ESCO in proposal development, and will accommodate requests for on-site familiarization tours of facilities during operating hours, if desired.

## **Submittal Instructions**

Proposals are due by the date specified in the Timeline by 5 PM. Proposals may be submitted electronically, mailed, or delivered. Proposals must be addressed to Owner's lead contact at the following address:

- *ATTN: Jennifer Froud*
- *Administrative Assistant to the Mayor of Van Buren*
- *1003 Broadway St*
- *Van Buren, AR 72956*

## **Evaluation and Selection**

The Owner will appoint a Selection Committee to review the proposals by the submitted deadline. The evaluation process will objectively grade the responses on their merit. Proposals will be reviewed to confirm the accuracy of the material presented in the response.

The AEO will provide the Owner's Selection Committee with technical assistance during the evaluation process but will not and cannot participate as a member of the Selection Team.

The Owner, at their choosing, may interview up to three pre-qualified ESCOs after reviewing RFP responses. ESCOs will be notified by AEO to coordinate follow-up interviews if the owner has opted to interview candidates for further clarification.

Once a selection has been made, AEO will notify all respondents and Owner and selected ESCO will negotiate an IGA Contract through the AEPC Program with the intent to execute.

Owner reserves the right to reject any and all submissions and to waive any informality if deemed in the best interest of Owner to do so, as this solicitation does not commit Owner to award a contract.

## **Section 2 – SELECTION CRITERIA**

### **ESCO Experience**

Provide information that emphasizes ESCO's qualifications and expertise relating to the ECMs identified in the Scope of Work. Specifically, provide the following:

1. Qualifications and experience of ESCO's personnel who will be involved on project, identifying who will have primary responsibility for the following tasks:
  - a. Technical analyses,
  - b. Engineering design,
  - c. Construction management,
  - d. Training,
  - e. Post-construction,
  - f. Regulatory affairs,
  - g. Financing
2. Documented executed solar projects in Arkansas or surrounding states.
  - a. Please provide a description of your firm's past experience delivering turnkey solar installations and/or fixed price/kWh Solar Service Agreements (SSAs).
3. Typical equipment proposed for projects similar to the stated Scope of Work
4. Experience with operating and maintaining solar facilities under a solar services agreement
5. Experience and/or knowledge of Arkansas regulations regarding Net-Metering, Co-Location, and Meter Aggregation of solar facilities, with a specific focus on pending dockets at the Arkansas Public Service Commission.
6. At least three (3) client references.

### **Project Execution**

Please detail your ESCO's experience designing, engineering, procuring, constructing, commissioning, permitting, commissioning, and interconnecting an operational solar facility.

What would be a reasonable estimated timeline for developing and executing a contract based on the stated Scope of Work?

Discuss your firm's project management & construction approach to the project as a whole, including:

1. Work plan development and coordination of Owner work requirements
2. Methods of procedures, submittals and approvals
3. Safety practices and procedures
4. Systems Commissioning Process

## **Product Selection & Bidding**

Discuss your firm's product bidding and selection procedures. If your ESCO intends to self-perform work on this project with preferred subcontractors, identify how this will deliver benefits to the Owner. How does your firm balance cost, performance, and transparency during the bidding process?

## **Operations and Maintenance/Measurement & Verification**

Measurement & Verification is unique in third-party solar agreements, as performance is intrinsically tied to an annual rate or lease payment backed by an ongoing Operations and Maintenance (O&M) agreement. Describe your ESCO's approach to M&V with regard to the potential Scope of Work proposed by the Owner. Specifically:

1. What would be a reasonable M&V term for this proposed project scope? How often are reports delivered and discussed with the Owner? Owner would recommend a year of IPMVP Option B or A for a SSA. Does this seem reasonable?
2. Does your ESCO monitor solar output in real-time, so as to be able to alert O&M staff when problems may arise? If not, how often are systems monitored?
3. How are savings measured and verified?
4. How often are M&V reports delivered and communicated to the Owner? Are remedies taken to correct/adjust behaviors if a savings guarantee is not being achieved?
5. What does your ESCO consider a reasonable percentage cost for M&V relative to the overall project?

## **Owner Engagement**

Discuss your ESCO's approach to cultivating a positive long-term relationship with the Owner through such activities as:

1. Training
  - a. If the Owner elects to own the installed solar system at some point in the future, how does your firm intend to train staff to meet maintenance responsibilities to ensure performance?
2. Staff Engagement
3. Behavior Modification
4. Provision of Record Documents post-Construction

## **EPC Financing**

Describe your ESCO's experience assisting clients through the financing of guaranteed energy savings projects in Arkansas. Further, please answer the following questions:

1. What, if any, existing relationships does your ESCO have with financiers well-versed in SSAs? With general solar contracts?
2. What vehicle would your ESCO deem most appropriate for this project?
3. How do you assist in the facilitation of financing, if at all, on the Owner's behalf?

## **Financial Data**

Given your ESCO's knowledge of the Owner's facilities and energy usage and experience with both solar installations and the Arkansas market, please answer the following:

1. Does your firm incorporate demand savings into solar projects? If so, how?
2. If your firm has executed SSAs in the past, how were annual utility escalators and buyout options considered?
3. How would your firm use its past experience delivering turnkey solar installations to deliver best-value to the Owner for a project scope of the size stated above?

## **General Conditions**

To be considered, proposals must be received by **March 13, 2020** as set forth in this solicitation. An incomplete submission will not be considered. All proposals must be received prior to the stated due date. It is the sole responsibility of the ESCO to ensure that the bid is received by the Owner on or before the stated due date. The Owner will in no way be responsible for any delays caused by any reason. ESCOs must read and complete every aspect of the solicitation if they intend for their response to be considered.

It shall be clearly understood that any costs incurred by the ESCO in responding to this request are at the ESCO's own risk and expense as a cost of doing business, and that Owner is not liable for reimbursement to the ESCO for any expense so incurred, regardless of whether or not the submission is accepted.

Any information provided herein is intended to assist the ESCO in the preparation of submissions necessary to properly respond to this RFP. The RFP is designed to provide pre-qualified ESCOs with sufficient information to provide a response but is not intended to limit content or to exclude any relevant or essential data.

Respondents are required to be thoroughly familiar with the requirements herein and applicable state statutes before submitting their statement of qualification to Owner for consideration.

The submission must contain the signature of a duly authorized officer or agent of ESCO's firm empowered with the right to bind and negotiate on behalf of ESCO for the work and terms proposed.

## **ATTACHMENT A – UTILITY INFORMATION**

A year of the City of Van Buren's utility data (from both OG&E and Arkansas Valley Electric Cooperative) as well as a spreadsheet summarizing all provided city utility data is available for view and download at:

[https://www.dropbox.com/sh/juctn7h8c5ehf1e/AACQ7XSh3jL\\_5GsiLJa-LaJ7a?dl=0](https://www.dropbox.com/sh/juctn7h8c5ehf1e/AACQ7XSh3jL_5GsiLJa-LaJ7a?dl=0)